



NATIONAL BANK OF PAKISTAN

پاکستان

Quarterly Report March 2024

CORPORATE INFORMATION

Board of Directors

Chairman	Mr. Ashraf Mahmood Wathra
Directors	Mr. Farid Malik, CFA Mr. Ahsan Ali Chughtai Mr. Ali Syed Mr. Amjad Mahmood Mr. Nasim Ahmad
President & CEO	Mr. Rehmat Ali Hasnie

Audit Committee

Chairman	Mr. Ahsan Ali Chughtai Mr. Farid Malik, CFA Mr. Ali Syed Mr. Amjad Mahmood Mr. Nasim Ahmad
----------	--

Chief Financial Officer

Mr. Abdul Wahid Sethi

Company Secretary

Syed Muhammad Ali Zamin

Auditors

A.F. Ferguson & Co.
Chartered Accountants

BDO Ebrahim & Co
Chartered Accountants

Legal Advisors

Khalid Anwar & Co.
Advocates & Legal Advisors

Registered & Head Office

NBP Building
I.I. Chundrigar Road, Karachi, Pakistan.
Phone: 92-21-99220100 (30 lines),
92-21-99062000 (60 lines)
NBP Call Center: 111-627-627

Registrar & Share Registration Office

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B,
S.M.C.H.S., Main Shahrah-e-Faisal,
Karachi-74400, Pakistan.
111-111-500

Website

www.nbp.com.pk

**Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the three months period ended March 31, 2024**

NATIONAL BANK OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	407,595,369	294,992,570
Balances with other banks	7	29,111,352	42,325,051
Lendings to financial institutions	8	58,022,466	192,430,437
Investments	9	4,336,331,841	4,403,364,043
Advances	10	1,225,577,555	1,398,076,820
Fixed assets	11	56,944,071	56,974,417
Intangible assets	12	1,491,451	1,510,061
Right of use assets	13	6,675,836	6,934,471
Deferred tax asset	14	6,798,814	-
Other assets	15	217,176,517	256,099,568
		6,345,725,272	6,652,707,438
LIABILITIES			
Bills payable	16	11,881,937	68,000,448
Borrowings	17	2,199,941,303	2,177,743,194
Deposits and other accounts	18	3,424,269,357	3,674,359,379
Lease liability against right of use assets	19	8,093,881	8,264,781
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	14	-	720,183
Other liabilities	20	316,572,976	340,863,859
		5,960,759,454	6,269,951,844
NET ASSETS			
		384,965,818	382,755,594
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves		79,337,127	79,071,471
Surplus on revaluation of assets	21	59,867,387	63,654,593
Unappropriated profit		224,486,173	218,754,398
		384,965,818	382,755,594
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.







Chairman **President / CEO** **Chief Financial Officer** **Director** **Director**

**NATIONAL BANK OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	Note	Quarter ended	
		March 31, 2024	March 31, 2023
(Rupees in '000)			
Mark-up / return / interest earned	23	274,982,762	192,391,767
Mark-up / return / interest expensed	24	246,002,423	159,868,773
Net mark-up / return / interest income		28,980,339	32,522,994
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	5,582,791	4,522,645
Dividend income		1,723,944	998,791
Foreign exchange income		1,706,299	1,050,667
Income / (Loss) from derivatives		-	-
Gain on securities - net	26	4,411,906	364,631
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	27	63,122	562,882
Total non-mark-up / interest income		13,488,062	7,499,616
Total income		42,468,401	40,022,610
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	28	21,963,772	21,145,782
Other charges	29	10,891	15,699
Total non-markup / interest expenses		21,974,663	21,161,481
Profit / (Loss) before credit loss allowance		20,493,738	18,861,129
Credit loss allowance and write offs - net	30	(665,131)	684,359
PROFIT BEFORE TAXATION		21,158,869	18,176,770
Taxation	31	10,436,334	7,487,991
PROFIT AFTER TAXATION		10,722,535	10,688,779
(Rupees)			
Earnings per share - basic and diluted	32	5.04	5.02

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.



 Chairman



 President / CEO



 Chief Financial Officer



 Director




 Director

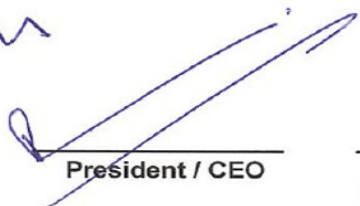
NATIONAL BANK OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>
	----- (Rupees in '000) -----	
Profit after taxation for the period	10,722,535	10,688,779
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Exchange gain / (loss) on translation of net assets of foreign branches	(806,598)	8,956,052
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	1,481,771	(15,255,120)
	675,173	(6,299,068)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	(318,522)	(288,000)
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(3,565,484)	
Movement in surplus on revaluation of fixed assets - net of tax	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	(3,884,006)	(288,000)
Total comprehensive (loss) / income	7,513,702	4,101,711

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.



 Chairman



 President / CEO



 Chief Financial Officer



 Director



 Director

NATIONAL BANK OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital	Reserves					Surplus on revaluation of assets			Unappropriated profit	Total	
		Exchange translation	Statutory reserve	Merger reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / non-banking assets			Total
(Rupees in '000)												
Balance as at January 01, 2023	21,275,131	21,289,575	41,969,531	363,606	-	521,338	64,144,050	(4,253,682)	47,170,584	42,916,902	172,511,676	300,847,759
Profit after taxation for the three months period ended March 31, 2023	-	-	-	-	-	-	-	-	-	-	10,688,779	10,688,779
Effect of translation of net investment in foreign branches	-	8,956,052	-	-	-	-	8,956,052	-	-	-	-	8,956,052
Movement in surplus / (deficit) on revaluation of investments	-	-	-	-	-	-	-	(15,255,120)	-	(15,255,120)	-	(15,255,120)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	-	(288,000)	(288,000)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income - net of tax	-	8,956,052	-	-	-	-	8,956,052	(15,255,120)	-	(15,255,120)	10,400,779	4,101,711
Transfer to statutory reserve	-	-	1,068,878	-	-	-	1,068,878	-	-	-	(1,068,878)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(50,726)	(50,726)	(50,726)	50,726	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the period ended December 31, 2022 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 01, 2023	21,275,131	30,245,627	43,038,409	363,606	-	521,338	74,168,980	(19,508,802)	47,119,858	27,611,056	181,894,303	304,949,470
Profit after taxation for the nine months ended December 31, 2023	-	-	-	-	-	-	-	-	-	-	41,151,683	41,151,683
Effect of translation of net investment in foreign branches	-	787,323	-	-	-	-	787,323	-	-	-	-	787,323
Movement in surplus / (deficit) on revaluation of investments	-	-	-	-	-	-	-	36,394,290	-	36,394,290	-	36,394,290
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	-	(307,239)	(307,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	(418,066)	(418,066)	(418,066)	(418,066)	(418,066)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	198,132	198,132	198,132	198,132	198,132
Total other comprehensive income - net of tax	-	787,323	-	-	-	-	787,323	36,394,290	(219,934)	36,174,356	40,844,444	77,806,123
Transfer to statutory reserve	-	-	4,115,168	-	-	-	4,115,168	-	-	-	(4,115,168)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(130,819)	(130,819)	(130,819)	130,819	-
Balance as at January 01, 2024	21,275,131	31,032,950	47,153,577	363,606	-	521,338	79,071,471	16,885,488	46,769,105	63,654,593	218,754,398	382,755,593
Impact of adoption of IFRS-9	-	-	-	-	-	-	-	(1,660,264)	-	(1,660,264)	(3,643,213)	(5,303,477)
Balance as at January 01, 2024 - restated	21,275,131	31,032,950	47,153,577	363,606	-	521,338	79,071,471	15,225,224	46,769,105	61,994,329	215,111,184	377,452,116
Profit after taxation for three months ended March 31, 2024	-	-	-	-	-	-	-	-	-	-	10,722,535	10,722,535
Effect of translation of net investment in foreign branches	-	(806,598)	-	-	-	-	(806,598)	-	-	-	-	(806,598)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	-	1,481,771	-	1,481,771	-	1,481,771
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	-	(3,565,484)	-	(3,565,484)	-	(3,565,484)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	-	(318,522)	(318,522)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income - net of tax	-	(806,598)	-	-	-	-	(806,598)	(2,083,713)	-	(2,083,713)	10,404,013	7,513,702
Transfer to statutory reserve	-	-	1,072,254	-	-	-	1,072,254	-	-	-	(1,072,254)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(43,230)	(43,230)	(43,230)	43,230	-
Transfer to unappropriated profit	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	21,275,131	30,226,352	48,225,831	363,606	-	521,338	79,337,127	13,141,511	46,725,875	59,867,386	224,486,173	384,965,818

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

 Chairman
 President / CEO
 Chief Financial Officer
 Director

NATIONAL BANK OF PAKISTAN
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,158,869	18,176,770
Less: dividend income	(1,723,944)	(998,791)
	<u>19,434,925</u>	<u>17,177,979</u>
Adjustments:		
Net mark-up / interest income	5,665,670	-
Depreciation on fixed assets	603,227	612,193
Depreciation on right of use assets	480,730	511,620
Amortisation	112,557	105,523
Credit loss allowance and write offs	(665,131)	684,359
Gain on sale of fixed assets	(1,330)	(286)
Financial charges on leased assets	23,504	22,896
Financial charges on right-of-use-assets	225,190	311,622
Unrealized gain on revaluation of investments classified as held-for-trading	(1,660,694)	225,892
Charge for defined benefit plans - net	3,030,906	3,250,637
	<u>7,814,629</u>	<u>5,724,456</u>
	27,249,554	22,902,435
Decrease / (increase) in operating assets		
Lendings to financial institutions	134,407,971	(447,777,786)
Securities classified as FVPL	(52,863,973)	51,693,253
Advances	172,156,334	(14,393,808)
Other assets (excluding advance taxation)	11,373,556	(47,430,077)
	<u>265,073,889</u>	<u>(457,908,417)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(56,118,511)	(47,361,118)
Borrowings from financial institutions	40,529,537	565,791,391
Deposits	(250,090,022)	310,044,008
Other liabilities (excluding current taxation)	(25,351,869)	(9,851,193)
	<u>(291,030,865)</u>	<u>818,623,088</u>
Payments against off-balance sheet obligations		
Mark-up / Interest received	291,677,213	-
Mark-up / Interest paid	(297,342,883)	-
Financial charges paid	(248,694)	(334,518)
Income tax paid / adjusted	(14,338,573)	(5,800,000)
Benefits paid	(972,809)	(866,916)
	<u>(19,933,168)</u>	<u>376,615,672</u>
Net cash flows generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	236,130,946	(201,545,684)
Net investments in amortized cost securities	(106,275,453)	(140,013,764)
Dividends received	1,723,944	998,791
Investments in fixed assets	568,888	(532,378)
Proceeds from sale of fixed assets	2,003	3,230
Effect of translation of net investment in foreign branches	47,245	8,956,052
	<u>132,197,573</u>	<u>(332,133,753)</u>
Net cash flows used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations	(622,127)	(692,175)
Dividend paid	(102)	(237)
	<u>(622,229)</u>	<u>(692,412)</u>
Net cash flows used in financing activities		
(Decrease) / increase in cash and cash equivalents		
	<u>111,642,176</u>	<u>43,789,507</u>
Cash and cash equivalents at beginning of the period	298,562,227	199,526,569
Effects of exchange rate changes on cash and cash equivalents	6,078,352	23,177,758
Cash and cash equivalents at beginning of the period	<u>304,640,579</u>	<u>222,704,327</u>
Cash and cash equivalents at end of the period	<u>416,282,755</u>	<u>266,493,834</u>

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

 Chairman
 President / CEO
 Chief Financial Officer
 Director
 Director

NATIONAL BANK OF PAKISTAN
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,505 (December 31, 2023: 1,508) branches in Pakistan and including 188 (December 31 2023: 188) Islamic Banking branches and 18 (December 31 2023: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

The Pakistan Sovereign Wealth Fund Act, 2023 was enacted and became effective during 2023. The shareholding of the Federal Government as per the Bank's Register of Shareholders is 7,895,707 shares only. However, under the said Act, the shares of Federal Government has been shown as 1,608,420,866. The Bank has sought clarification from Federal Government in this respect. Moreover, the process for transfer of shares as defined in NBP Bye-laws, 2015 has not yet been initiated. In view of the foregoing, the Bank's Register of Shareholders continues to show the shareholding position before the enactment of the Act ibid pending completion of transfer formalities and clarification of the Federal Government.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.1.3 The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

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

2.1.5 These unconsolidated condensed interim financial statements are the separate financial statements of the Bank in which the investments in subsidiaries, associates and joint ventures are stated at cost and have not been accounted for on the basis of reported results and net assets of the investees.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted for presentation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for:

3.1 IFRS 9 - 'Financial Instruments'

Effective January 1, 2024, the Bank has adopted International Financial Reporting Standard (IFRS) 9, "Financial Instruments" (IFRS 9 / the Standard). As permitted by the transitional provisions of IFRS 9, the Bank has elected not to restate comparative figures. Adjustments to the carrying amounts of financial assets and liabilities as at the date of transition (i.e. January 1, 2024), were recognised in the unappropriated profit and loss as of the transition date.

The adoption of IFRS 9 has resulted in changes in the Bank's accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 has also significantly impacted disclosures related to the unconsolidated financial instruments.

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics. The following table reconciles the aggregate opening loan loss provision allowances under SBP Prudential Regulations to the ECL allowances under IFRS 9.

	2024			
	Provision as per current	Remeasurement (ECL)	Reclassification	ECLs under IFRS 9
-----Rupees in '000-----				
Impairment allowance against:				
Cash and Balances with Treasury Banks	-	-	-	-
Balance with Other Banks	117,033	117	-	117,150
Lendings to financial institutions	174,150	67	-	174,217
Advances	233,608,873	17,720,919	-	251,329,792
Investments	23,608,927	1,040,941	(13,672,429)	10,977,439
Markup Receivable	-	1,376,467	-	1,376,467
Off-balance sheet obligations	627,494	1,843,590	-	2,471,084
Total	258,136,477	21,982,101	(13,672,429)	266,446,149

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024

	Movement in Balance Sheet				Revised Breakup of Balance sheet after IFRS 9 Implementation						
	Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassificatio of Investments	After IFRS 9 Carrying Values Jan 1' 2024	At FVPL	AT FVOCI - with recycling (Debt)	AT FVOCI - without recycling (Equity)	At Amortized Cost / Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities	IFRS 9 carrying amount as at Jan 1, 2024
------(Rupees in '000)-----											
Assets											
Cash and Balance with treasury	294,992,570	-	-	294,992,570	-	-	-	294,992,570	-	-	294,992,570
Balance with other banks	42,325,051	(118)	-	42,324,933	-	-	-	42,325,051	(118)	-	42,324,933
Lendings to financial institutions	192,430,437	(67)	-	192,430,370	-	-	-	192,430,437	(67)	-	192,430,370
From AFS to Amortized Cost	94,406,396	-	11,583,128	105,989,524	-	-	-	105,989,524	-	-	105,989,524
From AFS to FVPL (Mandatory Reclassification) - Mutual funds, Pref. Shares and Bank TFC's	15,560,596	-	-	15,560,596	15,560,596	-	-	-	-	-	15,560,596
From AFS to FVPL - Ordinary Shares	14,239,399	-	-	14,239,399	14,239,399	-	-	-	-	-	14,239,399
From AFS to FVOCI - Ordinary Shares	49,755,979	-	-	49,755,979	-	-	49,755,979	-	-	-	49,755,979
From AFS to FVOCI - Debt Securities	3,907,373,783	-	-	3,907,373,783	-	3,907,373,783	-	-	-	-	3,907,373,783
Total AFS	4,081,336,153	-	11,583,128	4,092,919,281	29,799,995	3,907,373,783	49,755,979	105,989,524	-	-	4,092,919,281
From HTM to Amortized Cost	272,790,034	(1,040,941)	-	271,749,093	-	-	-	272,790,034	(1,040,941)	-	271,749,093
From HFT to FVPL	43,089,648	-	-	43,089,648	43,089,648	-	-	-	-	-	43,089,648
Associates	2,170,920	-	-	2,170,920	-	-	-	2,170,920	-	-	2,170,920
Joint Venture	2,362,433	-	-	2,362,433	-	-	-	2,362,433	-	-	2,362,433
Subsidiaries	1,614,855	-	-	1,614,855	-	-	-	1,614,855	-	-	1,614,855
Investments	4,403,364,043	(1,040,941)	11,583,128	4,413,906,230	72,889,643	3,907,373,783	49,755,979	384,927,766	(1,040,941)	-	4,413,906,230
Advances	1,398,076,820	(17,720,919)	-	1,380,355,901	-	-	-	1,398,076,820	(17,720,919)	-	1,380,355,901
Fixed assets	56,974,417	-	-	56,974,417	-	-	-	56,974,417	-	-	56,974,417
Intangible assets	1,510,061	-	-	1,510,061	-	-	-	1,510,061	-	-	1,510,061
Right of use assets	6,934,471	-	-	6,934,471	-	-	-	6,934,471	-	-	6,934,471
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-
Other assets	256,099,568	(1,376,467)	-	254,723,101	-	-	-	190,065,330	(1,376,467)	66,034,238	254,723,101
	6,652,707,438	(20,138,512)	11,583,128	6,644,152,054	72,889,643	3,907,373,783	49,755,979	2,568,236,923	(20,138,512)	66,034,238	6,644,152,054

	Movement in Balance Sheet				Revised Breakup of Balance sheet after IFRS 9 Implementation						
	Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	After IFRS 9 Carrying Values Jan 1' 2024	At FVPL	AT FVOCI - with recycling (Debt)	AT FVOCI - without recycling (Equity)	At Amortized Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than FA or FL	IFRS 9 carrying amount as at Jan 1, 2024
Liabilities											
Bills payable	68,000,448	-	-	68,000,448	-	-	-	68,000,448	-	-	68,000,448
Borrowings	2,177,743,194	-	-	2,177,743,194	-	-	-	2,177,743,194	-	-	2,177,743,194
Deposits and other accounts	3,674,359,379	-	-	3,674,359,379	-	-	-	3,674,359,379	-	-	3,674,359,379
Liabilities against assets subject to Subordinated debt	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities against right of use assets	8,264,782	-	-	8,264,782	-	-	-	-	-	8,264,782	8,264,782
Deferred tax liabilities	720,183	(10,771,230)	5,675,733	(4,375,314)	-	-	-	-	-	(4,375,314)	(4,375,314)
Other liabilities	340,863,859	1,843,590	-	342,707,449	6,676,880	-	-	197,159,524	1,843,590	137,027,455	342,707,449
	6,269,951,845	(8,927,640)	5,675,733	6,266,699,938	6,676,880	-	-	6,117,262,545	1,843,590	140,916,923	6,266,699,938
Net Assets	382,755,593	(11,210,872)	5,907,395	377,452,115	66,212,763	3,907,373,783	49,755,979	(3,549,025,622)	(21,982,102)	(74,882,685)	377,452,116
Represented By											
Share capital	21,275,131	-	-	21,275,131	-	-	-	-	-	21,275,131	21,275,131
Reserves	79,071,471	-	-	79,071,471	-	-	-	-	-	79,071,471	79,071,471
Surplus on revaluation of assets	63,654,596	-	(1,660,264)	61,994,332	-	10,468,483	4,756,742	-	-	46,769,107	61,994,332
Unappropriated profit	218,754,395	(11,210,872)	7,567,659	215,111,182	-	-	-	-	-	215,111,182	215,111,182
	382,755,593	(11,210,872)	5,907,395	377,452,116	-	10,468,483	4,756,742	-	-	362,226,891	377,452,116

(a) Changes to Classification and measurement

The SBP's measurement categories of financial assets (Fair Value through Profit or Loss (FVTPL), available for sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit & loss on derecognition.
- Equity instruments at FVOCI, with no recycling of gains or losses of profit & loss on derecognition
- Financial assets Fair Value Through Profit or Loss (FVTPL)

The accounting for financial liabilities remains largely the same as it was previously in place. Financial liabilities are measured at amortised cost. Financial liabilities can be measured at FVTPL when they meet the definition of held for trading or when they are designated as such on initial recognition using the fair value option. Currently, the Bank does not have any financial liability which is being measured at FVPL.

Under IFRS 9, the classification of the financial assets is based on two criteria: the Bank's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The assessment of the Bank's business models was made as of the date of initial application, 1 January 2024, and then applied retrospectively to those financial assets that were not derecognised before 31 March 2024. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

3.1.1 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Bank becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value including transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. However, in case of financial asset or liability measured through profit or loss, any transaction costs are expensed in the unconsolidated profit and loss account. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI.

3.1.2 Financial assets

3.1.2.1 Classification and subsequent measurement

the Bank classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset; and
- (ii) the cash flows characteristics of the assets / SPPI test.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest earned from these financial assets is included in 'interest earned' using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the unconsolidated profit and loss account. When the financial asset is derecognised, the 'cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain on sale of securities'. Interest earned from these financial assets is included in interest earned using the effective interest rate method.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the profit or loss and presented in the unconsolidated profit and loss account within unrealised gain / loss on securities in the period in which it arises. Interest earned from these financial assets is included in interest earned on investments using the effective interest rate method.

Business model:

The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

the Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.
- Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

Cash flows characteristics assessment – Solely Payment of Principal and interest test:

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic financing arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic due from counterparty risks and an interest margin that is consistent with a basic due from counterparty arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic due from counterparty arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The Bank measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the unconsolidated profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the unconsolidated profit and loss account as income when the Bank's right to receive payments is established.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. However, in case of unquoted securities where the breakup value of such securities is less than the cost, the difference of the cost and the breakup value has been classified as loss and provided for by charging it to the unconsolidated profit and loss account.

Gains and losses on equity instruments at FVPL are included in the 'Gain on sales of securities' line in the unconsolidated profit and loss account.

3.1.2.2 Impairment

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

3.1.3 Financial liabilities

3.1.4 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance ; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. For financing commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a financing and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the financing component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the financing. To the extent that the combined expected credit losses exceed the gross carrying amount of the financing, the expected credit losses are recognised as a provision.

3.1.5 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The Bank has followed following steps in determining expected credit loss allowance;

Step 1: Portfolio Segmentation and Staging (SICR)

Step 2: Determination of Segment wise Probability of Default (PDs)

Step 3: Estimation of Loss Given Default (LGD)

Step 4: Determination of Exposure at Default (EAD)

Step 5: ECL Scenarios

3.1.6 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured for 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

3.1.7 Significant increase in credit risk (SICR)

One of the key components of IFRS 9 is to determine whether there has been a SICR in the Bank's credit exposures since initial recognition, Under IFRS 9, exposures are required to be categorized into three stages:

- Stage 1 – which include performing exposures;
 - Stage 2 – which include performing exposures where credit risk has increased significantly since initial recognition; and
 - Stage 3 – which include credit-impaired exposures
- Under IFRS 9, bank considers the following indicators for assessing SICR:
- forward-looking macroeconomic factors;
 - use of lifetime probability of default as opposed to a 12-month measure;
 - consider all reasonable and supportable information available at the time of calculation

3.2 Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined below.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. However, for certain portfolios, the Bank has rebutted 30 DPD presumption based on behavioral analysis of its borrowers.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition. Based on the above process, the Bank groups its loans into Stage 1, Stage 2, Stage 3 and POCL, as described below:

Stage 1:	When loans are first recognised, the Bank recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for all the scenarios.
Stage 2:	When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
Stage 3:	For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.
Loan commitments and letters of credit	When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.
Financial guarantee contracts	The Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
EAD	The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.
LGD	The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2023 except for IFRS 9 as mentioned above.

5. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		55,656,688	62,369,227
Foreign currencies		8,293,844	9,651,086
		<u>63,950,532</u>	<u>72,020,313</u>
With State Bank of Pakistan in			
Local currency current accounts	6.1	202,830,330	125,791,892
Foreign currency current accounts	6.2	20,665,817	21,661,443
Foreign currency deposit accounts	6.2	41,275,159	43,265,618
Foreign currency collection accounts		1,242,749	1,498,122
		<u>266,014,055</u>	<u>192,217,075</u>
With other central banks in			
Foreign currency current accounts	6.3	72,501,993	25,964,016
Foreign currency deposit accounts	6.3	4,406,114	4,163,614
		<u>76,908,107</u>	<u>30,127,630</u>
Prize bonds		722,675	627,552
		<u>407,595,369</u>	<u>294,992,570</u>
Less: Credit loss allowance held against cash and bank balances with Treasury banks		-	-
Cash and Balances with Treasury banks - net of credit loss allowance		<u>407,595,369</u>	<u>294,992,570</u>

6.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

6.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as

6.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5.50% per annum (December 31, 2023: 0% to 5.5% per

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In deposit accounts	7.1	13,704	15,285
Outside Pakistan			
In current accounts		19,832,716	33,625,612
In deposit accounts	7.2	9,382,082	8,801,187
		<u>29,214,798</u>	<u>42,426,799</u>
		<u>29,228,502</u>	<u>42,442,084</u>
Less: Credit loss allowance held against balances with other banks		(117,150)	(117,033)
Balances with other banks - net of credit loss allowance		<u>29,111,352</u>	<u>42,325,051</u>

7.1 These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.70% per annum (December 31, 2023: 6.00% to 12.70% per annum).

7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 3.00 % to 6.50 % per annum (December 31, 2023 :1.50% to 7.10% per annum).

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	9,723	9,723
Repurchase agreement lendings (reverse repo)	8.2	58,012,810	192,420,714
Letters of placement	8.3	174,150	174,150
	8.4	58,196,683	192,604,587
Less: Credit loss allowance held against lending to financial institutor	8.5	(174,217)	(174,150)
Lendings to financial institutions - net of credit loss allowance		<u>58,022,466</u>	<u>192,430,437</u>

8.1	Lending to FIs- Particulars of credit loss allowance	(Un-audited) March 31, 2024		(Audited) December 31, 2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000					
Domestic					
Performing	Stage 1	58,012,810	59	-	-
Under performing	Stage 2	9,723	8	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		174,150	174,150	174,150	174,150
		<u>58,196,683</u>	<u>174,217</u>	<u>174,150</u>	<u>174,150</u>
Total		<u>58,196,683</u>	<u>174,217</u>	<u>174,150</u>	<u>174,150</u>
Overseas					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8.1 These also include zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2023: Rs. 9.7 million) which is guaranteed by the SBP.

8.2 These carry mark-up at rates ranging from 22% to 22.51% per annum (December 31, 2023: 21.00% to 22.95% per annum) with maturities ranging from April 1, 2024 to April 17, 2024.

8.3 These are overdue placements and full provision has been made against these placements as at March 31, 2024.

9. INVESTMENTS

9.1 Investments by type:

March 31, 2024 (Un-audited)			
Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value

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

FVTPL

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- GOP Ijarah Sukuk bonds

Mutual Fund units

Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

- Preference shares - Listed

Ordinary Shares

- Listed Companies

28,202,783	-	(124,342)	28,078,441
22,819,279	-	(30,511)	22,788,768
10,000,000	-	(11)	9,999,989
4,505,304	-	1,703,516	6,208,820
19,934,217	-	-	19,934,217
1,043,797	-	(9,131)	1,034,666
11,178,813	-	121,173	11,299,986
97,684,193	-	1,660,694	99,344,887

FVOCI

Federal Government Securities

- Pakistan Investment Bonds
- Market Treasury Bills
- Ijarah Sukuks
- Foreign Currency Debt securities

Ordinary Shares

- Listed Companies
- Unlisted Companies

Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

Foreign Securities

- Equity Securities - Listed
- Government debt securities
- Foreign Currency Debt Securities

2,836,492,788	-	(23,604,500)	2,812,888,288
834,478,017	-	(132,240)	834,345,777
31,307,762	-	(773,649)	30,534,113
40,750,624	-	(4,706,508)	36,044,116
42,119,134	-	10,251,759	52,370,892
1,658,247	-	-	1,658,247
40,596,717	(6,622,062)	793,656	34,768,312
463,293	-	43,957,491	44,420,784
3,340,926	-	(18,338)	3,322,588
-	-	-	-
3,831,207,508	(6,622,062)	25,767,670	3,850,353,117

March 31, 2024 (Un-audited)			
Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value

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

Amortised Cost

Federal Government Securities

- Pakistan Investment Bonds
- Market Treasury Bills
- Ijarah Sukuks
- Foreign Currency Debt securities

Non-Government debt securities

- Term Finance Certificates, 'Participation Term Certificates, 'Bonds, Debentures and Sukuk Bonds

Foreign Securities

- Government debt securities
- Non-Government debt securities

319,839,934	-	-	319,839,934
-	-	-	-
14,080,289	-	-	14,080,289
4,393,435	-	-	4,393,435
404,585	(404,585)	-	-
40,750,764	-	-	40,750,764
1,065	-	-	1,065
379,470,072	(404,585)	-	379,065,487
4,926,048	(1,334,977)	-	3,591,071
2,362,433	-	-	2,362,433
2,952,967	(1,338,112)	-	1,614,855
4,318,603,209	(9,699,734)	27,428,366	4,336,331,841

Associates

Joint Venture

Subsidiaries

Total investments

December 31, 2023 (Audited)			
Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value

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

Held-for-trading securities

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- GOP Ijarah Sukuk bonds

Mutual Fund units

Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

Preference shares

- Listed
- Unlisted

Ordinary Shares

- Listed Companies

23,341,720	-	7,673	23,349,393
14,665,019	-	(37,878)	14,627,141
5,038,531	-	(3,521)	5,035,010
79,317	-	(1,213)	78,104
43,124,587	-	(34,939)	43,089,648

December 31, 2023 (Audited)				
	Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
Available-for-sale securities				
Federal Government Securities				
- Pakistan Investment Bonds	2,926,410,213	-	(25,322,781)	2,901,087,432
- Market Treasury Bills	954,585,428	-	2,228,157	956,813,585
- Ijarah Sukuks	30,424,484	-	(330,520)	30,093,964
- Foreign Currency Debt securities	40,907,401	-	(10,174,093)	30,733,308
Ordinary Shares				
- Listed Companies	51,691,556	(11,638,688)	22,284,263	62,337,131
- Unlisted Companies	2,107,198	(448,951)	-	1,658,247
Preference shares				
- Listed	1,448,472	(566,446)	161,771	1,043,797
- Unlisted	558,284	(558,284)	-	-
Non-Government debt securities				
- Term Finance Certificates and Sukuk Bonds	53,137,456	(5,857,566)	355,100	47,634,990
Mutual Fund units	2,219,646	(41,167)	1,726,825	3,905,304
Foreign Securities				
- Equity Securities - Listed	463,294	-	42,171,551	42,634,845
- Government debt securities	3,385,022	-	8,528	3,393,550
Foreign Currency Debt Securities	-	-	-	-
	4,067,338,454	(19,111,102)	33,108,801	4,081,336,153
Held-to-maturity securities				
Federal Government Securities				
- Pakistan Investment Bonds	213,116,482	-	-	213,116,482
- Market Treasury Bills	-	-	-	-
- Ijarah Sukuks	14,087,500	-	-	14,087,500
- Foreign Currency Debt securities	4,288,988	-	-	4,288,988
Non-Government debt securities				
- Term Finance Certificates, 'Participation Term Certificates, 'Bonds, Debentures and Sukuk Bonds	404,585	(404,585)	-	-
Foreign Securities				
- Government debt securities	41,295,981	-	-	41,295,981
- Non-Government debt securities	1,083	-	-	1,083
	273,194,619	(404,585)	-	272,790,034
Associates	4,926,048	(2,755,128)	-	2,170,920
Joint Venture	2,362,433	-	-	2,362,433
Subsidiaries	2,952,967	(1,338,112)	-	1,614,855
Total investments	<u>4,393,899,108</u>	<u>(23,608,927)</u>	<u>33,073,862</u>	<u>4,403,364,043</u>

9.1.1 Investments given as collateral

Pakistan Investment Bonds
Market Treasury Bills

Note	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
	----- (Rupees in '000) -----	
	2,083,700,155	2,047,337,847
	23,456,640	17,134,259
17	2,107,156,795	2,064,472,106

9.1.2 Associates

Listed

	Number of shares	Percentage of holding	Country of incorporation	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
First Credit and Investment Bank Limited	20,000,000	30.77	Pakistan	March 31, 2024	2,532,990	1,758,500	123,596	8,788	10,019
National Fibres Limited *	17,030,231	20.19	Pakistan	N/A	-	-	-	-	-
Land Mark Spinning Mills Limited	3,970,859	32.79	Pakistan	June 30, 2023	131,498	254,116	-	(12,327)	(12,327)
SG Allied Businesses Limited	3,754,900	25.03	Pakistan	June 30, 2022	1,233,803	552,420	14,247	(10,794)	(9,407)
Nina Industries Limited	4,906,000	20.27	Pakistan	N/A	-	-	-	-	-
AgriTech Limited	106,014,565	27.01	Pakistan	March 31, 2024	86,818,899	73,912,759	9,240,650	(166,804)	(166,804)
NBP Stock Fund	31,347,444	4.236	Pakistan	March 31, 2024	16,789,601	225,813	1,025,827	835,642	835,642

Unlisted

Pakistan Emerging Venture Limited	12,500,000	33.33	Pakistan	June 30, 2022	478	404	56	(385)	(385)
National Fructose Company Limited	1,300,000	39.5	Pakistan	N/A	-	-	-	-	-
Venture Capital Fund Management *	33,333	33.33	Pakistan	N/A	-	-	-	-	-
Kamal Enterprises Limited *	11,000	20.37	Pakistan	N/A	-	-	-	-	-
Mehran Industries Limited *	37,500	32.05	Pakistan	N/A	-	-	-	-	-
Tharparkar Sugar Mills Limited *	2,500,000	21.52	Pakistan	N/A	-	-	-	-	-
Youth Investment Promotion Society *	644,508	25	Pakistan	N/A	-	-	-	-	-
Dadabhoy Energy Supply Company Limited	9,900,000	23.11	Pakistan	N/A	-	-	-	-	-
K-Agricole Limited *	5,000	20	Pakistan	N/A	-	-	-	-	-
New Pak Limited *	200,000	20	Pakistan	N/A	-	-	-	-	-
Pakistan Mercantile Exchange Limited	10,653,860	33.98	Pakistan	March 31, 2024	6,183,227	5,675,290	244,832	74,807	74,807
Prudential Fund Management Limited *	150,000	20	Pakistan	N/A	-	-	-	-	-

* Nil figure represent shares which have been acquired under different arrangements without any cost

9.1.3 Joint Venture

United National Bank Limited	20,250,000	45	United Kingdom	December 31, 2022	219,715,668	199,381,061	6,133,623	1,148,072	(1,110,841)
------------------------------	------------	----	----------------	-------------------	-------------	-------------	-----------	-----------	-------------

9.1.4 Subsidiaries

CJSC Subsidiary Bank of NBP in Kazakhstan	8,650	100	Kazakhstan	March 31, 2024	3,050,502	1,706	93,866	31,694	31,694
NBP Exchange Company Limited	99,999,999	100	Pakistan	March 31, 2024	2,327,842	199,754	111,182	(65,274)	25,654
NBP Modaraba Management Company Limited	10,500,000	100	Pakistan	March 31, 2024	134,337	109,988	6,261	2,440	3,753
Taurus Securities Limited	7,875,002	58.32	Pakistan	March 31, 2024	722,332	420,423	47,748	(506)	3,810
Cast-N-Link Products Limited	1,245,000	76.51	Pakistan	N/A	-	-	-	-	-
NBP Fund Management Limited	13,499,996	54	Pakistan	March 31, 2024	3,647,193	1,752,947	734,492	238,124	231,198

N/A: Not available

9.1.5 The Board of Directors of the Bank in their 356th meeting held on December 27, 2023 have in principle given their approval for disposal of NBP's 45% shareholding in UNBL to Bestway Group. The approval of the Board of Directors is subject to the approval / clearance by the SBP and all other regulatory compliances required in this regard in both Pakistan and UK. The Bank is currently in the process of completing the regulatory and legal requirements to implement the transaction.

9.2 Credit Allowance for diminution in value of investments

9.2.1 Opening balance	23,608,927	23,150,140
Impact of reclassification on adoption of IFRS 9	(13,672,429)	-
Impact of ECL recognised on adoption of IFRS 9	1,040,941	-
Charge for the period	142,992	2,157,756
Reversals for the period	(1,420,696)	(1,319,964)
Reversal on disposals	-	(379,005)
	(1,277,704)	458,787
Derecognition of ECL on disposal	-	-
Transfers - net	-	-
Others movement	-	-
Amounts written off	-	-
Closing balance	9,699,734	23,608,927

9.2.2 Particulars of credit loss allowance against debt securities

Category of classification

Domestic

Other assets especially mentioned
Substandard
Performing
Underperforming
Non-Performing
Substandard
Doubtful
Loss

Stage 1
Stage 2
Stage 3

	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
----- (Rupees in '000) -----				
	-	-	-	-
	-	-	-	-
	6,690,527	290	-	-
	4,454,779	1,098,643	-	-
	-	-	-	-
	-	-	-	-
	5,927,714	5,927,714	6,262,151	6,262,151
	17,073,020	7,026,647	6,262,151	6,262,151

Overseas

Performing
Underperforming
Non-Performing
Substandard
Doubtful
Loss

Stage 1
Stage 2
Stage 3

	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	17,073,020	7,026,647	6,262,151	6,262,151

Total

9.3 The market value of securities classified at amortised cost as at March 31, 2024 amounted to Rs. 348,725 million (December 31, 2023: Rs. 251,842 million).

10. **ADVANCES**

	Note	Performing		Non performing		Total	
		(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		1,172,169,756	1,325,183,535	208,326,697	205,630,719	1,380,496,453	1,530,814,254
Islamic financing and related assets		61,096,090	73,125,444	1,065,455	1,550,351	62,161,545	74,675,795
Net Investment in finance lease	10.1	15,232	16,207	-	-	15,232	16,207
Bills discounted and purchased		19,834,487	12,534,791	13,610,558	13,644,646	33,445,045	26,179,437
Advances - gross	10.2	1,253,115,565	1,410,859,977	223,002,710	220,825,716	1,476,118,275	1,631,685,693
Credit loss allowance against advances							
-Stage 1		19,016,523	-	-	-	19,016,523	-
-Stage 2		27,974,357	-	-	-	27,974,357	-
-Stage 3		-	-	203,368,462	203,570,752	203,368,462	203,570,752
- General		181,378	30,038,121	-	-	181,378	30,038,121
	10.4	47,172,258	30,038,121	203,368,462	203,570,752	250,540,720	233,608,873
Advances - net of provision		1,205,943,308	1,380,821,856	19,634,248	17,254,964	1,225,577,555	1,398,076,820

10.1 **Net investment in finance lease**

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
----- (Rupees in '000) -----								
Lease rentals receivable	1,257			1,257	2,304	-	-	2,304
Residual value	14,064			14,064	14,064	-	-	14,064
Minimum lease payments	15,321	-	-	15,321	16,368	-	-	16,368
Less: financial charges for future periods	89			89	161	-	-	161
Present value of minimum lease payments	15,232	-	-	15,232	16,207	-	-	16,207

10.1.1 The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19 % to 14.85% (December 31, 2023: 10.19% to 14.85%) per annum.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
10.2 Particulars of advances (Gross)		
In local currency	1,192,986,314	1,334,480,999
In foreign currencies	283,131,961	297,204,694
	1,476,118,275	1,631,685,693

10.3 Advances includes Rs. 223,003 million (December 31, 2023: Rs. 220,826 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of Classification		March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Non performing loans	Credit Loss Allowance	Non performing loans	Credit Loss Allowance
----- (Rupees in '000) -----					
Domestic					
Other assets especially mentioned		4,088,485	106,481	2,156,275	60,035
Substandard		6,409,410	1,486,762	6,421,005	1,560,252
Doubtful	Stage 3	12,350,397	6,434,126	11,443,314	5,980,028
Loss		136,388,318	133,746,515	136,013,278	133,633,669
		159,236,610	141,773,884	156,033,872	141,233,984
Overseas					
Overdue by:					
Upto 90 days				-	-
91 to 180 days				-	-
181 to 365 days	Stage 3	392,575	196,288	400,925	200,463
> 365 days		63,373,525	61,398,290	64,390,919	62,136,305
		63,766,100	61,594,578	64,791,844	62,336,768
Total		223,002,710	203,368,462	220,825,716	203,570,752

10.4 Particulars of credit loss allowance against advances

	March 31, 2024 (Un-audited)					December 31, 2023 (Audited)	
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Specific Provision	General Provision
Note	----- (Rupees in '000) -----					----- (Rupees in '000) -----	
Opening balance	-	-	-	203,570,752	30,038,121	190,710,861	17,348,539
Impact of adoption of IFRS-9	22,478,907	25,009,935	203,570,752	(203,570,752)	(29,767,923)		
Opening balance - restated	22,478,907	25,009,935	203,570,752	-	270,198	190,710,861	17,348,539
Exchange adjustments	-	-	(998,505)		(3,783)	12,156,348	153,606
Charge for the period / year			1,138,188		-	8,127,265	14,854,298
Reversals	(3,462,384)	3,726,581	(974,416)		(85,037)	(8,063,994)	(1,530,934)
	(3,462,384)	3,726,581	163,772	-	(85,037)	63,271	13,323,364
Amounts written off	-	-	(58,887)	-	-	(102,509)	-
Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(44,607)	-
Transfer from general to specific provision	-	(762,159)	762,159	-	-	787,388	(787,388)
Closing balance	19,016,523	27,974,357	203,368,462	-	181,378	203,570,752	30,038,121

10.5 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)					December 31, 2023 (Audited)	
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Specific Provision	General Provision
Note	----- (Rupees in '000) -----					----- (Rupees in '000) -----	
10.5.1 Opening balance	-	-	-	203,570,752	30,038,121	190,710,861	17,348,539
IFRS 9 implementation	22,478,907	25,009,935	203,570,752	(203,570,752)	(29,767,923)	-	-
	22,478,907	25,009,935	203,570,752	-	270,198	190,710,861	17,348,539
New Advances	-	-	-	-	-	-	-
Exchange Adjustment	-	-	(998,505)	-	(3,783)	12,156,348	153,606
Charge for the period	(3,462,384)	3,726,581	1,138,188	-	-	8,127,265	14,854,298
Advances derecognised or repaid	-	-	(974,416)	-	(85,037)	(8,063,994)	(1,530,934)
Transfer to stage 1	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-
Transfer to stage 3	-	(762,159)	762,159	-	-	-	-
	(3,462,384)	2,964,422	(72,574)	-	(88,820)	12,219,619	13,476,970
Amounts written off	-	-	(58,887)	-	-	(102,509)	-
Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(44,607)	-
Changes in risk parameters	-	-	-	-	-	-	-
Other changes (to be specific)	-	-	-	-	-	787,388	(787,388)
Closing balance	19,016,523	27,974,357	203,368,462	-	181,378	203,570,752	30,038,121

10.5.2 Advances - Category of classification

Domestic

Performing	Stage 1
Underperforming	Stage 2
Non-Performing	Stage 3
Other assets especially mentioned	
Substandard	
Doubtful	
Loss	

Total

Outstanding amount	Credit loss allowance Held	Net of Advances
------(Rupees in '000)-----		
949,723,798	19,016,523	930,707,275
237,430,949	26,775,927	210,655,022
		-
4,088,485	106,481	3,982,004
6,409,410	1,486,762	4,922,648
12,350,397	6,434,126	5,916,271
136,388,318	133,746,515	2,641,803
159,236,610	141,773,884	17,462,726
1,346,391,357	187,566,334	1,158,825,023

Overseas

Performing	Stage 1
Underperforming	Stage 2
IFRS 9 not applicable	
Non-Performing	Stage 3
Substandard	
Doubtful	
Loss	

Total

Outstanding amount	Credit loss allowance Held	Net of Advances
------(Rupees in '000)-----		
24,550,050	-	24,550,050
40,197,849	1,198,430	38,999,419
1,212,919	181,378	1,031,541
		-
-	-	-
392,575	196,288	196,288
63,373,525	61,398,290	1,975,235
63,766,100	61,594,578	2,171,523
129,726,918	62,974,385	66,752,533

10.5.3 General provision includes provision amounting to Rs.181 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates where IFRS 9 has not been implemented.

10.5.4 The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations.

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,496,458	1,623,424
Property and equipment		55,447,613	55,350,993
		56,944,071	56,974,417

11.1 Capital work-in-progress

Civil works	1,426,998	1,553,964
Equipment	10,727	10,727
Advances to suppliers and contractors	58,733	58,733
	1,496,458	1,623,424

11.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- (Rupees in '000) -----	
Capital work-in-progress	162,211	132,951
Property and equipment		
Building on freehold land	217,481	11,113
Building on leasehold land	11,674	16,050
Furniture and fixtures	228,476	86,810
Computer and peripheral equipment	53,277	51,010
Electrical, office equipment	108,832	122,407
Vehicles	93,794	174,126
	713,534	461,516
	875,745	594,467

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Furniture and fixture	-	-
Computer and peripheral equipment	-	-
Electrical, office equipment	-	-
Vehicles	673	2,944
	673	2,944

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS		
Capital work-in-progress - Software Implementation	540,589	441,922
Computer Software	950,862	1,068,139
	1,491,451	1,510,061

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- (Rupees in '000) -----	
12.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Capital Work in Progress - net additions	18,755	29,848
Directly purchased	40,528	15,586
	59,283	45,434

12.2 Disposals of intangible assets		
The net book value of intangible assets disposed off during the period is as follows:		
Developed internally	-	-
Directly purchased	-	-
Through business combinations	-	-
	-	-

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Buildings	Others (to be specified)	Total	Buildings	Others (to be specified)	Total
	----- (Rupees in '000) -----					
13. RIGHT OF USE ASSETS						
At January 1,						
Cost	16,747,955	-	16,747,955	14,530,913	-	14,530,913
Accumulated Depreciation	(9,813,483)	-	(9,813,483)	(7,822,509)	-	(7,822,509)
Net Carrying amount at January 1	6,934,472	-	6,934,472	6,708,404	-	6,708,404
Additions during the year	222,094	-	222,094	2,239,854	-	2,239,854
Deletions during the year	-	-	-	22,813	-	22,813
Depreciation Charge for the year	480,730	-	480,730	1,990,974	-	1,990,974
Net Carrying amount	6,675,836	-	6,675,836	6,934,471	-	6,934,471

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
14. DEFERRED TAX ASSETS / (DEFERRED TAX LIABILITIES)		
Deductible temporary differences on		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,168,041	6,862,010
- Credit loss allowance for diminution in the value of investments	236,751	236,751
- Credit loss allowance against loans and advances	10,157,544	10,143,512
- Credit loss allowance against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,678,093	1,661,181
- Other Credit loss allowance	105,416	105,416
- Right of use assets	694,842	651,852
	20,166,614	19,786,649
Taxable temporary differences on		
- Surplus on revaluation of fixed assets	(3,281,294)	(3,322,829)
- Exchange translation reserve	(853,843)	(853,843)
- Surplus on revaluation of investments	(12,626,159)	(16,223,312)
- Surplus on revaluation of non-banking assets	(106,848)	(106,848)
- Impact of adoption of IFRS 9	3,500,342	-
	(13,367,802)	(20,506,832)
	6,798,814	(720,183)
15. OTHER ASSETS		
Income / return / mark-up accrued in local currency	168,284,380	185,622,776
Income / return / mark-up accrued in foreign currency	5,095,630	4,442,554
Advances, deposits, advance rent and other prepayments	3,378,016	2,848,659
Income tax refunds receivable & Advance taxation (payments less provisions)	-	920,050
Compensation for delayed tax refunds	22,129,925	22,129,925
Non-banking assets acquired in satisfaction of claims	1,165,419	1,169,898
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Commission receivable on Government treasury transactions	7,240,671	5,182,665
Stationery and stamps on hand	503,832	472,575
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Receivable against sale of shares	771,139	31,276
Acceptances	10,631,696	8,100,364
Receivable from SBP	-	24,698,013
Others	8,196,139	9,027,170
	228,542,675	265,791,753
Less: Provision allowance held against other assets	15.1 12,658,334	12,495,413
Less: Credit loss allowance held against markup receivable	1,511,052	-
Other assets (net of provision)	214,373,289	253,296,340
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,803,228	2,803,228
Other assets - total	217,176,517	256,099,568

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	
15.1 Provision held against other assets		
Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,559,888	4,377,337
Ex-MBL / NDFC - other assets	760,941	760,941
Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	208,423	208,423
Others	5,142,528	5,162,158
	12,658,334	12,495,413
15.1.1 Movement in Provision held against other assets		
Opening balance	12,495,413	12,244,043
Charge for the period / year	(15,015)	239,045
Adjustment against provision	-	57,519
Other Movement	177,936	(45,194)
Closing balance	12,658,334	12,495,413
16. BILLS PAYABLE		
In Pakistan	11,647,901	67,822,126
Outside Pakistan	234,036	178,322
	11,881,937	68,000,448
17. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	30,014,932	29,815,400
Financing Scheme for Renewable Energy	1,390,807	1,289,488
Refinance Facility for Modernization of SMEs	91,162	95,111
Financing Facility for storage of Agriculture Produce (FFSAP)	544,046	599,548
Under Long-Term Financing Facility (LTFF)	16,259,471	17,197,820
Temporary Economic Refinance Facility	22,053,152	22,827,889
Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	60,249	29,220
Export Refinance scheme for Bill Discounting	1,896,850	2,606,143
Refinance Facility for Combating Covid-19	40,150	45,352
	72,350,819	74,505,971
Repurchase agreement borrowings	2,107,156,795	2,064,472,106
Bai Muajjal	-	-
	2,179,507,614	2,138,978,077
Unsecured		
Call borrowings	19,861,821	19,434,142
Overdrawn nostro accounts	571,868	19,330,975
Bai Muajjal	-	-
	20,433,689	38,765,117
	2,199,941,303	2,177,743,194

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
17.1 Particulars of borrowings with respect to currencies		
In local currency	2,180,359,482	2,140,248,077
In foreign currencies	19,581,821	37,495,117
	2,199,941,303	2,177,743,194

17.2 Mark-up / interest rates and other terms are as follows:

- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 0% to 18% per annum (December 31, 2023: from 0% to 19.00% per annum).
- Repurchase agreement borrowings carry mark-up ranging from 21.80 to 22.05 per annum (December 31, 2023: 21.75% to 23.00% per annum) having maturities ranging from April 5, 2024 to April 26, 2024.
- Call borrowings carry interest ranging from 5.5% to 22.0% per annum (December 31, 2023: 5.50% to 21.80% per annum).

17.3 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.

17.4 Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,107,157 million (December 31, 2023: Rs.2,064,472 million).

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					

Customers

Current deposits - remunerative	734,657,855	-	734,657,855	692,443,686		692,443,686
Current deposits - non-remunerative	402,386,013	164,552,978	566,938,991	656,289,463	161,079,615	817,369,078
Savings deposits	767,765,802	126,282,672	894,048,474	766,301,047	134,394,831	900,695,878
Term deposits	480,494,975	225,430,945	705,925,920	509,997,709	232,985,846	742,983,555
Others	12,684,907	6,735	12,691,642	13,082,003	7,182	13,089,185
	2,397,989,552	516,273,330	2,914,262,882	2,638,113,908	528,467,474	3,166,581,382

Financial Institutions

Current deposits	452,906,892	1,659,392	454,566,284	459,284,217	1,386,759	460,670,976
Savings deposits	30,742,056	-	30,742,056	18,946,277	4,644,674	23,590,951
Term deposits	10,254,966	9,815,542	20,070,508	13,569,258	3,636,495	17,205,753
Others	4,627,375	252	4,627,627	6,310,317	-	6,310,317
	498,531,289	11,475,186	510,006,475	498,110,069	9,667,928	507,777,997
	2,896,520,841	527,748,516	3,424,269,357	3,136,223,977	538,135,402	3,674,359,379

18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs.111,735 million (December 31, 2023: Rs. 99,316 million).

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS		
Outstanding amount at the start of the year	8,264,781	8,267,949
Additions during the year	290,946	1,826,267
Lease payments including interest	(614,240)	(2,626,949)
Interest expense	225,190	810,696
Exchange difference	(72,795)	7,721
Closure of branch	-	(20,902)
Outstanding amount at the end of the year	<u>8,093,881</u>	<u>8,264,781</u>
Maturity analysis - contractual undiscounted cash flows		
Less than one year	2,456,201	2,457,041
One to five years	6,872,066	6,711,336
More than five years	3,210,870	3,122,714
Total undiscounted lease liabilities	<u>12,539,138</u>	<u>12,291,091</u>
20. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	144,668,121	194,548,283
Mark-up / return / interest payable in foreign currencies	925,158	2,611,281
Unearned commission and income on bills discounted	128,729	101,350
Accrued expenses	14,206,189	13,684,726
Advance payments	352,010	346,109
Current taxation (provisions less payments)	21,673,116	-
Unclaimed dividends	174,182	174,284
Mark to market loss on forward foreign exchange contracts	2,481,578	6,676,880
Branch adjustment account	999,932	1,659,214
Payable to defined benefit plan:		
Pension fund	24,672,994	22,944,893
Post retirement medical benefits	36,009,451	34,833,112
Benevolent fund	1,609,538	1,613,699
Gratuity scheme	4,178,020	4,575,660
Compensated absences	9,511,042	9,632,176
Staff welfare fund	371,257	371,257
Liabilities relating to Barter trade agreements	4,272,620	4,321,484
Credit loss allowance against off-balance sheet obligations	20.2 2,601,806	627,494
Credit loss allowance against contingencies	20.1 4,639,533	4,698,118
Payable to brokers	252,197	735,663
PIBs short selling	14,011,372	10,241,337
Acceptances	10,631,696	8,100,364
Others	18,202,436	18,366,475
	<u>316,572,976</u>	<u>340,863,859</u>
20.1 Credit loss allowance against contingencies		
Opening balance	4,698,118	4,170,799
Charge during the year	19,351	384,838
Other movement	(77,936)	142,481
Closing balance	<u>4,639,533</u>	<u>4,698,118</u>
20.2 Credit loss allowance against off-balance sheet obligations		
Opening balance	627,494	627,494
Impact of adoption of IFRS-9	1,843,590	-
Charge during the year	130,722	-
Closing balance	<u>2,601,806</u>	<u>627,494</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- Rupees in '000 -----	
21. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of			
- Securities measured at FVOCI-Debt	9.1	(28,441,580)	(31,347,013)
- Securities measured at FVOCI-Equity		54,209,250	64,455,814
- Fixed assets		47,310,788	47,395,553
- Non-banking assets		2,803,229	2,803,228
		<u>75,881,687</u>	<u>83,307,582</u>
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI-Debt		13,936,374	15,360,036
- Securities measured at FVOCI-Equity		(26,562,532)	(31,583,349)
- Fixed assets		(3,281,294)	(3,322,829)
- Non-banking assets		(106,848)	(106,848)
		<u>(16,014,300)</u>	<u>(19,652,989)</u>
		<u>59,867,387</u>	<u>63,654,592</u>
22. CONTINGENCIES AND COMMITMENTS			
Guarantees	22.1	528,404,420	346,487,980
Commitments	22.2	2,508,834,693	2,362,684,359
Other contingent liabilities	22.3	26,070,987	26,628,229
		<u>3,063,310,099</u>	<u>2,735,800,568</u>
22.1 Guarantees			
Financial guarantees		406,321,553	227,063,459
Performance guarantees		122,082,867	119,424,521
		<u>528,404,420</u>	<u>346,487,980</u>
22.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,577,908,048	1,633,847,479
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	851,887,859	655,935,358
- forward government securities transactions	22.2.2	27,118,665	27,318,929
- forward lending	22.2.3	50,702,983	44,432,555
Commitments for acquisition of:			
- operating fixed assets		1,196,541	1,129,442
Other commitments	22.2.4	20,597	20,596
		<u>2,508,834,693</u>	<u>2,362,684,359</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
22.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	489,737,816	412,870,783
Sale	362,150,043	243,064,575
	<u>851,887,859</u>	<u>655,935,358</u>

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
22.2.2 Commitments in respect of forward government securities transactions		
Purchase	20,268,814	11,493,136
Sale	6,849,852	15,825,793
	<u>27,118,665</u>	<u>27,318,929</u>

Commitments for outstanding forward government securities transactions are disclosed in these unconsolidated condensed interim financial statements at contracted rates.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
22.2.3 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitment to lend	<u>50,702,983</u>	<u>44,432,555</u>
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.		
22.2.4 Other commitments		
Professional services to be received	<u>20,597</u>	<u>20,596</u>
22.3 Other contingent liabilities		
22.3.1 Claims against the Bank not acknowledged as debt	<u>26,070,987</u>	<u>26,628,229</u>

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2023: Rs. 1,597 million).

Moreover, these claims also represent counter claims by the 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, the management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

22.3.2 Taxation

As at March 31, 2024, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2023 is same:

- The aggregate effect of contingencies as on March 31, 2024, including amount of Rs. 1,912 million (December 31, 2023: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 33,433 million (December 31, 2023: Rs. 34,730 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

22.3.3 Contingencies in respect of employees benefits and related matters

As at March 31, 2024, the status of contingencies disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2023 is same, other than the following:

22.3.3.1 Pensionary benefits to retired employees

The Honorable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, the Bank is now required to implement the direction contained in the judgment dated January 15, 2016 of the Lahore High Court, which direction has been upheld by the apex court.

Prior to the announcement of above judgement, the bank had estimated pension related liability amounted to Rs 98.7 billion approximately. Owing to the complexities involved, the management of the bank in consultation with professional actuary and Bank's legal counsel is working out implementation of the judgement. Pending such an exercise the financial impact of the obligation cannot be ascertained with sufficient reliability as per the requirements of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

22.3.4 Compliance and risk matters relating to anti-money laundering at the New York Branch

With close oversight from the Board of Directors and Head Office Senior Management, the New York Branch completed remedial actions pursuant to the public enforcement actions issued by the New York State Department of Financial Services and the Federal Reserve Bank. Head Office and the Board will continue to maintain close oversight of the Branch, despite having made significant progress in meeting regulatory requirements. The actions implemented by the Branch and their associated validation by Internal Audit continue to remain subject to review by its regulators.

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	56,375,559	43,477,490
	Investments	215,272,819	146,206,491
	Lendings to financial institutions	2,478,244	2,492,382
	Balances with banks	856,140	215,404
		<u>274,982,762</u>	<u>192,391,767</u>
23.1	Interest income (calculated using effective interest rate method)	274,982,762	-
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	115,483,222	69,738,609
	Borrowings	1,891,891	1,153,608
	Cost of foreign currency swaps against foreign currency deposits	3,667,439	1,218,975
	Finance Charges lease liability against right of use assets	225,190	311,622
	Securities sold under repurchase agreements	124,734,681	87,445,959
		<u>246,002,423</u>	<u>159,868,773</u>
24.1	Interest expense (calculated using effective interest rate method)	246,002,423	-

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	468,985	464,670
	Consumer finance related fees	169,078	135,309
	Card related fees	1,254,346	579,688
	Credit related fees	93,036	55,281
	Investment banking fees	39,084	85,646
	Commission on trade	741,581	406,448
	Commission on guarantees	349,988	277,157
	Commission on cash management	12,573	9,551
	Commission on remittances including home remittances	375,960	363,544
	Commission on bancassurance	34,648	75,044
	Commission on government transactions	2,030,970	2,052,698
	Others	12,542	17,609
		<u>5,582,791</u>	<u>4,522,645</u>
26.	GAIN ON SECURITIES - NET		
	Realized	26.1 2,742,081	751,428
	Unrealised - Measured at FVPL	9.1 1,660,694	(225,892)
	Unrealized - Short selling	9,131	(160,904)
		<u>4,411,906</u>	<u>364,631</u>
26.1	Realized gain / (loss) on		
	Federal Government Securities	1,882,955	738,747
	Shares	851,941	12,681
	Ijarah Sukuks	7,185	-
		<u>2,742,081</u>	<u>751,428</u>
26.2	Net gain / loss on financial assets / liabilities measured at FVPL:		
	Designated upon initial recognition	(33,691)	-
	Mandatorily measured at FVPL	1,694,385	-
		1,660,694	-
27.	OTHER INCOME		
	Rent on property	11,785	6,802
	Gain on sale of fixed assets - net	1,330	286
	Compensation for delayed tax refunds	27.1 -	471,354
	Reversal of provision	-	79,431
	Others	50,007	5,009
		<u>63,122</u>	<u>562,882</u>
27.1	This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.		

28. OPERATING EXPENSES	(Un-audited)	
	Quarter ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
Total compensation expenses	14,392,838	14,308,116
Property expenses		
Rent and taxes	336,735	269,191
Insurance	9,449	9,532
Utilities cost	574,582	423,125
Security (including guards)	955,694	783,445
Repair and maintenance (including janitorial charges)	350,854	298,713
Depreciation	119,733	130,214
Depreciation on non banking assets	4,479	2,511
Depreciation on Ijarah assets	-	15,861
Depreciation on right of use assets	480,730	511,620
	2,832,256	2,444,212
Information technology expenses		
Software maintenance	716,087	692,817
Hardware maintenance	40,328	63,191
Depreciation	126,260	91,016
Amortisation	112,557	105,523
Network charges	214,988	155,853
IT Manage Services	117,998	134,328
	1,328,218	1,242,728
Other operating expenses		
Directors' fees and reimbursement of other expenses	25,064	11,023
Fees and allowances to Shariah Board	4,191	4,502
Legal and professional charges	414,006	391,600
Outsourced services costs	214,313	147,241
Travelling and conveyance	332,648	298,596
NIFT clearing charges	50,818	53,977
Depreciation	352,755	372,591
Training and development	14,997	21,784
Postage and courier charges	34,096	27,008
Communication	191,482	143,307
Stationery and printing	297,857	261,267
Marketing, advertisement and publicity	130,958	102,225
Donations	5,509	-
Auditors' remuneration	68,082	63,218
Entertainment	89,430	64,046
Clearing, verification, license fee charges	65,346	115,047
Brokerage	34,330	6,682
Financial charges on leased assets	23,504	22,896
Insurance	183,026	122,791
Vehicle expenses	63,817	61,970
Repairs and maintenance	306,103	256,739
Deposit premium expense	348,216	452,894
Others	159,912	149,322
	3,410,460	3,150,726
	21,963,772	21,145,782
29. OTHER CHARGES		
Penalties imposed by State Bank of Pakistan	10,891	14,614
Penalties imposed by other regulatory bodies of overseas branches (Central bank of international branches)	-	1,085
	10,891	15,699

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
30.	CREDIT LOSS ALLOWANCE & WRITE OFFS - NET	Note	
	Credit loss allowance for diminution in value of investments	9.2	(1,277,705)
	Credit loss allowance against loans and advances	10.4	342,931
	Credit loss allowance against against other assets	15.1.1	(15,015)
	Credit loss allowance against against contingencies	20.1	19,351
	Credit loss allowance against against markup receivable		134,584
	Credit loss allowance against against off balance Sheet		130,722
			<u>(665,131)</u>
			<u>724,459</u>
			<u>(68,431)</u>
			<u>9,895</u>
			<u>18,436</u>
			<u>-</u>
			<u>-</u>
			<u>684,359</u>

31. TAXATION

Current			
For the year		10,551,803	7,934,271
Prior years		-	-
		<u>10,551,803</u>	<u>7,934,271</u>
Deferred			
For the year		(115,469)	(446,280)
Prior years		-	-
		<u>(115,469)</u>	<u>(446,280)</u>
		<u>10,436,334</u>	<u>7,487,991</u>

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
32.	EARNINGS PER SHARE - BASIC AND DILUTED		
	Profit for the period (Rupees in 000's)	<u>10,722,535</u>	<u>10,688,779</u>
	Weighted average number of ordinary shares (in 000's)	<u>2,127,513</u>	<u>2,127,513</u>
	Earnings per share - basic and diluted (Rupees)	<u>5.04</u>	<u>5.02</u>

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

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
33.	CASH AND CASH EQUIVALENTS	Note	
	Cash and balances with treasury banks	6	407,595,369
	Balances with other banks	7	29,111,352
	Call money lendings	8	9,723
	Call money borrowings	17	(19,861,821)
	Overdrawn nostro	17	(571,868)
			<u>416,282,755</u>
			<u>254,592,196</u>
			<u>34,429,118</u>
			<u>9,723</u>
			<u>(22,537,203)</u>
			<u>-</u>
			<u>266,493,834</u>

34. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted instruments classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

34.1 Fair value of financial assets

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	March 31, 2024 (Un-audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	862,424,218	-	862,424,218	-	862,424,218
- Pakistan Investment Bonds	2,835,677,056	-	2,835,677,056	-	2,835,677,056
- Ijarah Sukuks	40,534,102	-	40,534,102	-	40,534,102
- Foreign Currency Debt securities	36,044,116	-	36,044,116	-	36,044,116
Ordinary Shares					
- Listed Companies	63,670,878	63,670,878	-	-	63,670,878
Preference shares					
- Listed	1,034,666	1,034,666	-	-	1,034,666
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	54,702,529	14,144,159	40,558,370	-	54,702,529
Mutual Fund units					
	6,208,820	-	6,208,820	-	6,208,820
Foreign Securities					
- Government debt securities	3,322,588	-	3,322,588	-	3,322,588
- Equity Securities - Listed	44,420,784	44,420,784	-	-	44,420,784
	3,949,698,004	123,270,487	3,824,769,270	-	3,948,039,757
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Pakistan Investment Bonds	319,839,934	-	187,288,650	-	187,288,650
- Ijarah Sukuks	14,080,289	-	11,805,827	-	11,805,827
- Foreign Currency Debt securities	4,393,435	-	4,393,434	-	4,393,434
Foreign Securities					
- Government debt securities	40,750,764	-	43,559,260	-	43,559,260
- Non-Government debt securities	1,065	-	1,065	-	1,065
	379,065,487	-	247,048,236	-	247,048,236
	4,328,763,491	123,270,487	4,071,817,506	-	4,195,087,993
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	851,887,859	-	2,481,578	-	2,481,578
Forward government securities transactions	27,118,665	-	(215,199)	-	(215,199)

December 31, 2023 (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					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- Ijarah Sukuks	35,128,974	-	35,128,974	-	35,128,974
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
Ordinary Shares					
- Listed Companies	62,415,235	62,415,235	-	-	62,415,235
Preference shares					
- Listed	1,043,797	1,043,797	-	-	1,043,797
Mutual Fund units					
	3,905,304	-	3,905,304	-	3,905,304
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	47,634,990	14,437,490	33,197,500	-	47,634,990
Foreign Securities					
- Government debt securities	3,393,550	-	3,393,550	-	3,393,550
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	4,122,767,553	120,531,367	4,002,236,187	-	4,122,767,553
Financial assets - disclosed but not					
Investments					
Federal Government Securities					
- Market Treasury Bills	-	-	-	-	-
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611
Foreign Securities					
- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,790,034	-	251,841,767	-	251,841,767
	4,395,557,587	120,531,367	4,254,077,954	-	4,374,609,321
Off-balance sheet financial instruments -					
measured at fair value					
Foreign exchange contracts purchase	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
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 acquire 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 condensed interim financial statements

34.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

	March 31, 2024 (Un-audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
	(Rupees in '000)				
Land and building(fixed assets)	52,058,399	-	-	52,058,399	52,058,399
Non-banking assets acquired in satisfaction of claims	3,968,647	-	-	3,968,647	3,968,647
	56,027,046	-	-	56,027,046	56,027,046

	December 31, 2023 (Audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
	(Rupees in '000)				
Land and building(fixed assets)	51,981,445	-	-	51,981,445	51,981,445
Non-banking assets acquired in satisfaction of claims	3,973,126	-	-	3,973,126	3,973,126
	55,954,571	-	-	55,954,571	55,954,571

35. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Three months ended March 31, 2024 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
----------------------	-----------------------------	--------------------------------	----------	---	----------------------	-----------	--------------	-------

(Rupees in '000)

Profit and loss account

Net mark-up / return / interest income / (expense)	(90,200,934)	9,243,938	251,229	105,644,993	3,056,778	984,336	28,980,340	-	28,980,340
Inter segment revenue - net	123,260,264	(10,704,447)	1,576,071	(120,246,452)	-	6,114,565	0	-	0
Non mark-up / return / interest income	4,183,351	126,492	1,558,709	7,249,888	214,454	155,168	13,488,062	-	13,488,062
Total income	37,242,681	(1,334,018)	3,386,009	(7,351,571)	3,271,231	7,254,069	42,468,402	-	42,468,402
Segment direct expenses	9,921,106	103,111	309,598	90,929	2,322,734	909,500	13,656,978	-	13,656,978
Inter segment expense allocation	-	-	-	-	-	8,317,685	8,317,685	-	8,317,685
Total expenses	9,921,106	103,111	309,598	90,929	2,322,734	9,227,186	21,974,663	-	21,974,663
Credit loss allowance	51,861	579,507	550,665	-	(121,579)	(1,725,586)	(665,132)	-	(665,132)
Profit / (loss) before taxation	27,269,715	(2,016,636)	2,525,746	(7,442,500)	1,070,076	(247,531)	21,158,869	-	21,158,869

As at March 31, 2024 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
----------------------	-----------------------------	--------------------------------	----------	---	----------------------	-----------	--------------	-------

(Rupees in '000)

Statement of financial position

Cash and balances with treasury and other banks	95,877,840	5,990,189	260,724	231,419,359	93,388,984	9,769,625	436,706,721	-	436,706,721
Investments	0	-	29,536,237	4,154,994,743	84,512,188	67,288,673	4,336,331,841	-	4,336,331,841
Net inter segment lending	2,484,375,335	-	-	-	-	339,660,350	2,824,035,685	(2,824,035,685)	-
Lendings to financial institutions	-	-	-	58,022,466	-	-	58,022,466	-	58,022,466
Advances - performing	231,113,791	158,401,636	687,658,261	-	65,960,818	109,981,060	1,253,115,565	-	1,253,115,565
Advances - non-performing	5,135,970	27,205,583	24,344,915	-	63,766,100	102,550,142	223,002,710	-	223,002,710
Credit allowance against Advances	(12,386,909)	(30,731,848)	(41,882,813)	-	(62,726,043)	(102,813,107)	(250,540,720)	-	(250,540,720)
Advances - Net	223,862,851	154,875,371	670,120,363	-	67,000,875	109,718,095	1,225,577,555	-	1,225,577,555
Others	44,647,739	2,803,745	37,735,073	104,209,891	8,345,816	91,344,426	289,086,689	-	289,086,689
Total assets	2,848,763,765	163,669,305	737,652,397	4,548,646,459	253,247,863	617,781,168	9,169,760,957	(2,824,035,685)	6,345,725,272
Borrowings	-	4,359,614	67,991,206	2,108,008,662	19,581,821	-	2,199,941,303	-	2,199,941,303
Deposits and other accounts	2,734,541,736	-	461,746,902	-	111,735,197	116,245,522	3,424,269,357	-	3,424,269,357
Net inter segment borrowing	-	152,166,650	178,726,600	2,348,684,206	122,392,253	22,065,976	2,824,035,685	(2,824,035,685)	-
Others	114,218,085	7,143,041	29,136,456	40,922,927	4,263,437	140,864,848	336,548,794	-	336,548,794
Total liabilities	2,848,759,821	163,669,305	737,601,163	4,497,615,795	257,972,708	279,176,346	8,784,795,139	(2,824,035,685)	5,960,759,454
Equity	3,944	-	51,234	51,030,663	(4,724,846)	338,604,823	384,965,818	-	384,965,818
Total equity and liabilities	2,848,763,765	163,669,305	737,652,397	4,548,646,459	253,247,862	617,781,169	9,169,760,957	(2,824,035,685)	6,345,725,272
Contingencies and commitments	-	78,678,795	2,006,166,719	929,709,507	21,064,750	27,690,328	3,063,310,099	-	3,063,310,099

Three months ended March 31, 2023 (Un-audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
----------------------	-----------------------------	--------------------------------	----------	---	----------------------	-----------	--------------	-------

(Rupees in '000)

Profit and loss account

Net mark-up / return / interest income / (expense)	(53,669,740)	8,033,052	7,608,880	67,668,646	633,285	2,248,869	32,522,994	-	32,522,994
Inter segment revenue - net	79,351,581	(9,351,852)	(6,273,468)	(69,125,293)	-	5,399,033	0.00	-	0
Non mark-up / return / interest income	3,526,399	88,993	877,456	2,691,183	339,218	(23,633)	7,499,616	-	7,499,616
Total income	29,208,240	(1,229,807)	2,212,869	1,234,536	972,503	7,624,269	40,022,611	-	40,022,610
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	893,461	13,277,225	-	13,277,225
Inter segment expense allocation	-	-	-	-	-	7,884,256	7,884,256	-	7,884,256
Total expenses	8,887,705	906,289	349,136	62,208	2,178,426	8,777,718	21,161,481	-	21,161,481
Credit loss allowance	(57,529)	489,453	234,381	852,624	(185,860)	(648,711)	684,359	-	684,359
Profit / (loss) before taxation	20,378,064	(2,625,549)	1,629,352	319,704	(1,020,063)	(504,738)	18,176,770	-	18,176,770

As at December 31, 2023 (Audited)

Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
----------------------	-----------------------------	--------------------------------	----------	---	----------------------	-----------	--------------	-------

(Rupees in '000)

Statement of financial position

Cash and balances with treasury and other banks	25,780,334	2,327,011	309,620	253,026,662	45,582,613	10,291,381	337,317,621	-	337,317,621
Investments	-	-	29,881,757	4,238,437,789	79,712,923	55,331,574	4,403,364,043	-	4,403,364,043
Net inter segment lending	2,848,709,058	-	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)	-
Lendings to financial institutions	-	-	-	192,430,437	-	-	192,430,437	-	192,430,437
Advances - performing	236,148,640	263,088,116	719,724,952	-	69,139,462	122,758,807	1,410,859,977	-	1,410,859,977
Advances - non-performing	4,151,922	24,855,686	25,215,003	-	64,791,844	101,811,261	220,825,716	-	220,825,716
Credit allowance against against Advances	(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(106,711,022)	(233,608,873)	-	(233,608,873)
Advances - net	231,756,865	266,866,574	710,269,796	-	71,324,539	117,859,046	1,398,076,820	-	1,398,076,820
Others	45,196,987	4,100,249	37,794,142	117,135,121	8,304,683	108,987,335	321,518,517	-	321,518,517
Total assets	3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	598,240,423	9,807,187,583	(3,154,480,145)	6,652,707,438
Borrowings	-	5,171,334	69,334,637	2,085,073,081	18,164,142	-	2,177,743,194	-	2,177,743,194
Deposits and other accounts	2,949,740,794	-	510,139,226	-	99,315,779	115,163,580	3,674,359,379	-	3,674,359,379
Net inter segment borrowing	-	249,921,195	169,394,086	2,620,973,252	90,971,376	23,220,236	3,154,480,145	(3,154,480,145)	-
Others	201,702,450	18,201,305	29,358,657	51,337,805	6,639,026	110,610,029	417,849,272	-	417,849,272
Total liabilities	3,151,443,244	273,293,834	778,226,606	4,757,384,138	215,090,323	248,993,845	9,424,431,990	(3,154,480,145)	6,269,951,845
Equity	-	-	28,709	43,645,871	(10,165,565)	349,246,578	382,755,593	-	382,755,593
Total equity and liabilities	3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	598,240,423	9,807,187,583	(3,154,480,145)	6,652,707,438
Contingencies and commitments	-	90,350,773	1,864,882,509	727,686,842	25,102,178	27,778,266	2,777,466,247	-	2,735,800,568

36. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, joint ventures, employee benefit plans and its directors and key management personnel. The details of investment in subsidiary companies, joint venture and associated undertaking and their provisions are stated in note 9 of the unconsolidated condensed interim financial statements of the Bank.

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

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

	As at March 31, 2024 (Un-audited)									As at December 31, 2023 (Audited)								
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties
(Rupees in '000)																		
Balances with other banks																		
In current accounts	-	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-
	-	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-
Investments																		
Opening balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	6,512,634
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,533
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,150,536)
Closing balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	7,283,610
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	164,975
Advances																		
Opening balance	-	265,788	317,063	2,540,453	-	-	-	-	-	-	339,734	227,063	2,665,220	-	-	-	-	2,085,795
Addition during the period / year	-	-	-	-	-	-	-	-	-	-	24,777	764,000	-	-	-	-	-	-
Repaid during the period / year	-	(13,062)	(85,000)	-	-	-	-	-	-	-	(58,217)	(674,000)	(124,767)	-	-	-	-	(520,649)
Transfer in / (out) - net*	-	-	-	(19,883)	-	-	-	-	-	-	(40,506)	-	-	-	-	-	-	(1,565,146)
Closing balance	-	252,726	232,063	2,520,570	-	-	-	-	-	-	265,788	317,063	2,540,453	-	-	-	-	-
Credit loss allowance held against advances	-	-	217,063	2,520,570	-	-	-	-	-	-	-	217,063	2,540,453	-	-	-	-	-
Other Assets																		
Interest / mark-up accrued	-	-	145,248	1,313,344	-	-	-	-	-	-	-	135,050	1,313,344	-	-	-	-	-
Commission paid in Advance	-	-	-	-	27,206	-	-	-	-	-	-	-	-	35,846	-	-	-	-
Rent receivable	-	-	73,280	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-
	-	-	218,528	1,313,344	27,206	-	-	-	-	-	-	208,330	1,313,344	35,846	-	-	-	-
Credit loss allowance against other assets	-	-	73,280	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-
Borrowings																		
Opening balance	-	-	-	-	546,209	-	-	-	-	-	-	-	-	52,245	-	-	-	-
Borrowings during the period / year	-	-	-	-	55,044	-	-	-	-	-	-	-	-	493,964	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	601,253	-	-	-	-	-	-	-	-	546,209	-	-	-	-
Deposits and other accounts																		
Opening balance	3,630	72,801	1,249,465	145,790	371	100	378,978	13,563,087	9,245,132	-	98,488	911,103	3,000	-	27,222	257,252	13,263,170	515,559
Received during the period / year	3,414	203,547	34,652	-	-	13,672,597	1,455,060	928,016	35,709,381	11,733	991,165	455,593	145,790	-	62,751,350	3,883,069	5,369,545	123,529,442
Withdrawn during the period / year	(5,839)	(198,524)	(92,332)	(111,969)	-	(13,573,282)	(1,567,052)	(1,065,109)	(37,285,094)	(8,103)	(996,174)	(117,231)	(3,000)	(1,450)	(62,778,472)	(3,761,343)	(5,069,628)	(118,318,327)
Transfer in / (out) - net*	-	2,408	-	-	-	-	-	-	(64,494)	-	(20,678)	-	-	1,821	-	-	-	3,518,458
Closing balance	1,206	80,232	1,191,785	33,821	371	99,415	266,986	13,425,992	7,604,925	3,630	72,801	1,249,465	145,790	371	100	378,978	13,563,087	9,245,132
Other Liabilities																		
Interest / mark-up payable	-	-	63,680	955	-	-	-	-	-	-	-	86,088	5,892	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payables to subsidiaries	-	-	1,603	-	-	-	-	-	-	-	-	5,067	-	-	-	-	-	-
	-	-	65,283	955	-	-	-	-	-	-	-	91,155	5,892	-	-	-	-	-
Contingencies and commitments																		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Transfer in / (out) - net due to retirement / appointment of directors and changes in key management executives.

For the three month ended March 31, 2024 (Un-audited)								For the three month ended March 31, 2023 (Un-audited)							
Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others

(Rupees in '000)

Income

Mark-up / return / interest earned	-	-	697	-	-	-	-	99,426	-	-	12	-	2,637	-	-	107,209
Dividend income	-	-	-	-	-	-	-	29,700	-	-	-	-	-	-	-	-
Rent income / lighting and power and bank charges	-	-	4,641	1,816	-	-	-	5,257	-	-	4,305	1,361	-	-	-	-

Expense

Mark-up / return / interest paid	407	3,723	64,098	50,307	7,564	38,382	506,887	271,220	-	4,572	12,110	98	7,739	13,833	-	14,116
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	-	-	484,697	-	-	-	-	-	-	-	8,061
Remuneration to key management executives including charge for defined benefit plan	-	165,131	-	-	-	-	-	-	-	264,049	-	-	-	-	-	-
Donation paid to company in which Directors of the bank is interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	4,040	-	-	-	-	-	-	-	1,748	-	-	-	-	-
Directors fee & other allowances	25,064	-	-	-	-	-	-	-	11,023	-	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

36.1 Transactions with Government-related entities

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,031 million (March 31, 2023: Rs. 2,053 million) for the three months ended March 31, 2024. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs.486,001 million (December 31, 2023: Rs. 602,707 million), Rs.1,473,240 million (December 31, 2023: Rs. 1,622,331 million) and Rs. 1,811,459 million (December 31, 2023: Rs.1,780,517 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 19,429 million (March 31, 2023: Rs. 40,225 million) and Rs.46,010 million (March 31, 2023 Rs. 35,433 million) respectively.

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Minimum Capital Requirement		
Paid-up capital (net of losses)	<u>21,275,131</u>	<u>21,275,131</u>
Capital Adequacy Ratio		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>300,826,857</u>	283,307,166
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>300,826,857</u>	283,307,166
Eligible Tier 2 Capital	<u>98,331,119</u>	93,397,166
Total Eligible Capital (Tier 1 + Tier 2)	<u>399,157,975</u>	<u>376,704,332</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>1,158,943,479</u>	1,053,109,530
Market Risk	<u>157,410,032</u>	121,288,939
Operational Risk	<u>304,450,738</u>	304,450,738
Total	<u>1,620,804,249</u>	<u>1,478,849,206</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>18.56%</u>	19.16%
Tier 1 Capital Adequacy Ratio	<u>18.56%</u>	19.16%
Total Capital Adequacy Ratio	<u>24.63%</u>	25.47%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>300,826,857</u>	283,307,166
Total Exposures	<u>8,607,987,236</u>	9,074,435,344
Leverage Ratio	<u>3.49%</u>	3.12%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>2,120,407,969</u>	1,618,093,446
Total Net Cash Outflow	<u>1,094,385,970</u>	918,191,522
Liquidity Coverage Ratio	<u>194%</u>	176%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>3,188,101,628</u>	3,357,537,770
Total Required Stable Funding	<u>1,158,762,631</u>	1,298,306,326
Net Stable Funding Ratio	<u>275%</u>	259%

38. ISLAMIC BANKING BUSINESS

The bank is operating 188 (December 31, 2023: 188) Islamic banking branches and 152 (December 31, 2023: 150) Islamic banking windows at March 31, 2024.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2024 is as follows:

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		9,728,516	10,248,305
Balances with other banks		41,109	43,076
Investments	38.1	62,081,670	51,544,718
Islamic financing and related assets - net	38.2	60,253,366	73,125,189
Fixed assets		71,851	70,902
Right of use assets		671,678	640,166
Other assets		6,219,070	4,488,184
Total Assets		139,067,260	140,160,540
LIABILITIES			
Bills payable		268,534	477,959
Deposits and other accounts	38.4	112,934,865	113,801,806
Due to head office		13,975,497	12,960,028
Lease liability against right of use assets		852,014	811,291
Other liabilities		2,199,748	2,249,195
		130,230,658	130,300,279
NET ASSETS		8,836,602	9,860,261
REPRESENTED BY			
Islamic Banking Fund		8,531,000	6,731,000
Surplus on revaluation of assets		(429,533)	(400,216)
Unappropriated / unremitted profit	38.5	735,135	3,529,477
		8,836,602	9,860,261
CONTINGENCIES AND COMMITMENTS	38.6		
The profit and loss account of the Bank's Islamic banking operations for the three months period ended March 31, 2024 is as follows:			
		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
	Note	----- (Rupees in '000) -----	
Profit / return earned	38.7	5,665,996	3,813,044
Profit / return expensed	38.8	3,750,712	2,580,916
Net profit / return		1,915,284	1,232,128
Other income			
Fee and commission income		84,991	56,861
Foreign exchange income		45,613	9,144
Other income		1,545	5
Total other income		132,149	66,010
Total income		2,047,433	1,298,138
Other expenses			
Operating expenses		820,438	787,924
Other charges		-	120
		820,438	788,044
Profit before credit loss allowance		1,226,995	510,094
Credit loss allowance and write offs - net		87,338	(14,428)
Profit before taxation		1,139,657	524,522
Taxation		-	-
Profit after taxation		1,139,657	524,522

38.1 Investments by segments:	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----							
- Debt Instruments								
Classified / Measured at amortised cost								
Federal Government securities								
- Ijarah Sukuks	14,080,289	-	-	14,080,289	14,087,500	-	-	14,087,500
Non Government debt securities	130,807	(130,807)	-	-	130,807	(130,807)	-	-
	14,211,096	(130,807)	-	14,080,289	14,218,307	(130,807)	-	14,087,500
Classified / Measured at FVOCI								
Federal Government securities								
-Ijarah Sukuks	31,307,762	-	(773,649)	30,534,113	20,513,568	-	(726,606)	19,786,962
Non Government debt securities	17,208,152	(85,000)	344,116	17,467,268	17,343,866	-	326,390	17,670,256
	48,515,914	(85,000)	(429,533)	48,001,381	37,857,434	-	(400,216)	37,457,218
Total Investments	62,727,010	(215,807)	(429,533)	62,081,670	52,075,741	(130,807)	(400,216)	51,544,718

38.1.1 Particlurs of credit loss allowance	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----							
Non Government debt securities			215,807	215,807			130,807	130,807

	(Un-audited)	(Audited)
	March 31,	December 31,
	2024	2023
	----- (Rupees in '000) -----	

38.2 Islamic financing and related assets - net

Ijarah	13,674	13,749
Murabaha	907,299	3,291,932
Running Musharaka	18,400,000	30,500,000
Diminishing Musharaka	17,883,384	19,357,928
Istisna	199,760	705,500
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	29,000	-
Advance for Diminishing Musharaka	385,437	113,086
Advance for Istisna	14,191,508	8,850,972
Inventories against Istisna	1,651,483	3,342,628
Gross Islamic financing and related assets	62,161,545	74,675,795
Less: Credit loss allowance against Islamic financings		
Stage 1	(621,470)	
Stage 2	(221,253)	
Stage 3	(1,065,456)	
- Specific		(913,875)
- General		(636,731)
Islamic financing and related assets - net of provision	(1,908,179)	(1,550,606)
	60,253,366	73,125,189

38.3 Ijarah

March 31, 2024 (Un-audited)						
Cost			Depreciation			Book Value as at Mar 31, 2024
As at Jan 01, 2024	Additions / (deletions/ adjustment)	As at Mar 31, 2024	As at Jan 01, 2024	Charge/ Adjustment for the year	As at Mar 31, 2024	
-----Rupees in 000 -----'						
Plant & Machinery	59,828	(75)	59,753	47,449	-	12,304
Vehicles	6,000	-	6,000	4,630	-	1,370
Equipment	-	-	-	-	-	-
Total	65,828	(75)	65,753	52,079	-	13,674

December 31, 2023 (Audited)						
Cost			Accumulated Depreciation			Book Value as at Dec 31, 2023
As at Jan 01, 2023	Additions / (deletions/ adjustment)	As at Dec 31, 2023	As at Jan 01, 2023	Charge/ Adjustment for the year	As at Dec 31, 2023	
-----Rupees in 000 -----'						
Plant & Machinery	63,474	(3,646)	59,828	50,820	(3,371)	12,379
Vehicles	168,680	-	6,000	143,126	1,065	1,370
	-	(162,680)	-	-	(139,561)	-
Total	232,154	(166,326)	65,828	193,946	1,065	13,749

Future Ijarah payments receivable

March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
Ijarah rental receivables	1,460	-	1,460	1,460	-	-	1,460

38.4 Deposits

March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
-----Rupees in 000 -----'					
Customers					
Current deposits	20,778,221	181,066	20,959,287	22,342,688	185,921
Savings deposits	51,676,000	-	51,676,000	56,721,533	-
Term deposits	16,338,324	-	16,338,324	16,261,024	-
Others	1,439,024	-	1,439,024	810,992	-
Financial Institutions	90,231,569	181,066	90,412,635	96,136,237	185,921
Current deposits					
Savings deposits	1,219,055	-	1,219,055	1,879,123	-
Term deposits	20,745,062	-	20,745,062	15,071,912	-
	558,113	-	558,113	528,613	-
Total	22,522,230	-	22,522,230	17,479,648	-
Total	112,753,799	181,066	112,934,865	113,615,885	185,921

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
38.5 Unappropriated / unremitted profit	----- (Rupees in '000) -----	
Opening balance	3,529,477	2,297,141
Less: Impact of adoption of IFRS 9	(404,522)	
Add: Islamic banking profit for the period	1,139,657	3,529,477
Less: Taxation	-	
Less: Reserves	-	
Less: Transferred / remitted to head office	(3,529,477)	(2,297,141)
Closing balance	<u>735,135</u>	<u>3,529,477</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
38.6 CONTINGENCIES AND COMMITMENTS	----- (Rupees in '000) -----	
-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	<u>-</u>	<u>-</u>

	(Un-audited) Quarter ended March 31, 2024	March 31, 2023
38.7 Profit / Return Earned of Financing, Investments and Placement	----- (Rupees in '000) -----	

Profit earned on:		
Financing	3,202,371	1,833,712
Investments	2,463,206	1,979,056
Placements	419	276
Others (Bai Muajjal)	-	-
	<u>5,665,996</u>	<u>3,813,044</u>

38.8 Profit on Deposits and other Dues Expensed

Deposits and other accounts	3,032,058	1,735,736
Amortisation of lease liability against - ROUA	30,383	16,845
Others (General Account)	688,271	828,335
	<u>3,750,712</u>	<u>2,580,916</u>

38.9 Pool Management

NBP-AIBG has managed following pools for profit and loss distribution.

a) General depositor pool

The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

b) Special depositor pools (Total 52 during the period and 46 as at Mar 31, 2024)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

Key features and risk & reward characteristics

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

Avenues/sectors of economy/business where Mudaraba based deposits have been deployed.

Sector	Mar 31,2024	Dec 31,2023
	Percentage	
Fertilizer	0.64%	0.00%
Textile	2.53%	3.34%
Fuel & energy	24.56%	24.72%
Leasing/Mudarbas	0.02%	0.02%
Sugar	8.03%	6.12%
Cement	4.18%	3.81%
Gas	0.13%	0.15%
Financial	1.59%	1.57%
Federal Government	36.33%	27.29%
Real Estate	2.61%	2.45%
Agriculture	0.23%	0.24%
Commodity Operations	12.01%	23.66%
Others	7.13%	6.62%
Total	100.0%	100.0%

39 GENERAL

39.1 Figures have been rounded off to the nearest thousand rupees.

40. DATE OF AUTHORIZATION FOR ISSUE

The unconsolidated condensed interim financial statements were authorized for issue on 26 April 2024 by the Board of Directors of the Bank.



Chairman President / CEO Chief Financial Officer Director Director

Directors' Report to the Shareholders Consolidated Financial Statements

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the three months period ended March 31, 2024.

Consolidated after-tax profit for the three months period ended March 31, 2024 amounted to PKR 9.82 Bn, being 13% lower than PKR 11.29 Bn for the same period last year. During the quarter, the subsidiary companies contributed PKR 0.295 Bn (March 31, 2023: PKR 0.377 Bn) in Group profitability, whereas the associates contributed share of profit of PKR 0.038 Bn (March 31, 2023: Share of loss PKR 0.009 Bn). A share of profit of PKR 0.158 Bn (March 31, 2023: PKR 0.286 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP has 45% shareholding. Accordingly, consolidated EPS declined to PKR 4.56 for the three months period ended March 31, 2024 as compared to PKR 5.29 for the same period last year.

As of March 31 2024, consolidated assets of the Bank amounted to PKR 6,360.8 Bn being PKR 308.1 Bn or 4.6% lower than PKR 6,668.9 Bn of December 31, 2023.

Profit for the three months period ended March 31, 2024 after carry forward of accumulated profit of 2023 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the three months period ended March 31, 2024	9,818.3
Unappropriated profit brought forward	225,693.4
Impact due to adoption of IFRS – 9, net of tax	(3,643.2)
Other comprehensive income - net of tax	(318.5)
Non-controlling interest	(109.9)
Transfer from surplus on revaluation of fixed assets – net of tax	43.2
	<u>221,665.0</u>
Profit available for appropriations	<u>231,483.3</u>
Appropriation:	
Transfer to statutory reserve	(970.8)
Unappropriated profit carried forward	<u><u>230,512.4</u></u>

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO

Director

Karachi
Date: April 26, 2024

**Consolidated Condensed Interim Financial Statements (Un-audited)
For the three months period ended March 31, 2024**

NATIONAL BANK OF PAKISTAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT March 31, 2024

(Un-audited) (Audited)
March 31, December 31,
2024 2023
Note ----- (Rupees in '000) -----

ASSETS

Cash and balances with treasury banks	6	407,851,774	295,455,482
Balances with other banks	7	30,001,453	43,004,568
Lendings to financial institutions	8	58,022,466	192,430,437
Investments	9	4,346,498,622	4,414,174,305
Advances	10	1,225,620,197	1,398,072,669
Fixed assets	11	57,415,179	57,477,067
Intangible assets	12	2,159,419	2,186,294
Right of use assets	13	7,058,841	7,335,901
Deferred tax asset	14	6,694,859	-
Other assets	15	219,458,436	258,737,303
		6,360,781,246	6,668,874,025

LIABILITIES

Bills payable	16	11,881,937	68,000,448
Borrowings	17	2,199,941,303	2,177,743,194
Deposits and other accounts	18	3,423,077,572	3,673,109,914
Liabilities against assets subject to finance lease	19	195,542	208,268
Lease liability against right of use assets	20	8,485,915	8,682,731
Subordinated debt		-	-
Deferred tax liabilities		-	842,568
Other liabilities	21	318,358,361	342,872,862
		5,961,940,630	6,271,459,985
		398,840,615	397,414,040

NET ASSETS

REPRESENTED BY

Share capital		21,275,131	21,275,131
Reserves		84,979,977	85,078,819
Surplus on revaluation of assets	22	60,828,882	64,232,416
Unappropriated profit		230,512,441	225,693,440
Total Equity attributable to the equity holders of the Bank		397,596,431	396,279,806
Non-controlling interest		1,244,185	1,134,234
		398,840,615	397,414,040

CONTINGENCIES AND COMMITMENTS

23

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

 _____ Chairman	 _____ President / CEO	 _____ Chief Financial Officer	 _____ Director	 _____ Director
---	---	---	--	--

NATIONAL BANK OF PAKISTAN
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Note	Quarter ended	
		March 31, 2024	March 31, 2023
(Rupees in '000)			
Mark-up / return / interest earned	24	275,082,071	192,498,578
Mark-up / return / interest expensed	25	245,954,549	159,873,980
Net mark-up / return / interest income		<u>29,127,522</u>	<u>32,624,598</u>
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	6,280,035	4,955,946
Dividend income		1,765,477	1,020,697
Foreign exchange income		1,771,214	1,352,117
Income / (loss) from derivatives		-	-
Gain on securities - net	27	4,424,218	369,299
Net gains/(loss) on derecognition of financial assets measured at amortised cost		-	-
Share of profit from joint venture - net of tax		158,211	286,488
Share of profit / (loss) from associates - net of tax		37,504	(9,387)
Other income	28	70,632	605,397
Total non-mark-up / interest income		<u>14,507,291</u>	<u>8,580,557</u>
Total income		<u>43,634,813</u>	<u>41,205,155</u>
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	22,469,860	21,540,213
Other charges	30	10,891	15,699
Total non-markup / interest expenses		<u>22,480,751</u>	<u>21,555,912</u>
Profit / (Loss) before credit loss allowance		<u>21,154,062</u>	<u>19,649,243</u>
Credit loss allowance and write offs - net	31	727,490	734,186
PROFIT BEFORE TAXATION		<u>20,426,572</u>	<u>18,915,057</u>
Taxation	32	10,608,281	7,621,745
PROFIT AFTER TAXATION		<u>9,818,291</u>	<u>11,293,312</u>
Attributable to:			
Equity holders of the Bank		9,708,340	11,249,266
Non-controlling interest		109,951	44,046
		<u>9,818,291</u>	<u>11,293,312</u>
(Rupees)			
Earnings per share - basic and diluted	33	<u>4.56</u>	<u>5.29</u>

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


 Chairman


 President / CEO


 Chief Financial Officer


 Director


 Director

**NATIONAL BANK OF PAKISTAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

Quarter ended	
March 31, 2024	March 31, 2023
----- (Rupees in '000) -----	

Profit after taxation for the period 9,818,291 11,293,312

Other comprehensive income

**Items that may be reclassified to profit and loss
account in subsequent periods:**

Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	(1,069,676)	11,488,374
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of	1,500,110	(15,305,949)
	430,434	(3,817,575)

**Items that will not be reclassified to profit and
loss account in subsequent periods:**

Remeasurement gain / (loss) on defined benefit obligations - net of tax	(318,522)	(288,000)
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(3,200,148)	
Movement in surplus on revaluation of fixed assets - net of tax	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-
	(3,518,670)	(288,000)

Total comprehensive income / (loss) **6,730,055** **7,187,737**

Total comprehensive income attributable to:

Equity holders of the Bank	6,620,104	7,143,691
Non-controlling interest	109,951	44,046
	6,730,055	7,187,737

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

				
Chairman	President / CEO	Chief Financial Officer	Director	Director

NATIONAL BANK OF PAKISTAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

	Share capital	Reserves				Surplus / (Deficit) on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling Interest	Total	
		Exchange translation	Statutory reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / Non-banking assets					Total
(Rupees in '000)													
Balance as at January 01, 2023	21,275,131	24,900,933	42,066,576	-	521,338	67,488,847	(5,753,835)	48,027,372	42,273,537	178,189,579	309,227,094	1,073,138	310,300,232
Profit after taxation for three months period ended March 31, 2023	-	-	-	-	-	-	-	-	-	11,249,266	11,249,266	44,046	11,293,312
Effect of translation of net investment in foreign branches	-	11,488,374	-	-	-	11,488,374	-	-	-	-	11,488,374	-	11,488,374
Movement in surplus / (deficit) on revaluation of investments	-	-	-	-	-	-	(15,305,949)	-	(15,305,949)	-	(15,305,949)	-	(15,305,949)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(288,000)	(288,000)	-	(288,000)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) - net of tax	-	11,488,374	-	-	-	11,488,374	(15,305,949)	-	(15,305,949)	10,961,266	7,143,691	44,046	7,187,737
Transfer to statutory reserve	-	-	1,068,878	-	-	1,068,878	-	-	-	(1,068,878)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	(50,726)	(50,726)	50,726	-	-	-
Cash dividend paid for the year ended December 31, 2022 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 01, 2023	21,275,131	36,389,307	43,135,454	-	521,338	80,046,099	(21,059,785)	47,976,646	26,916,862	188,132,693	316,370,785	1,117,184	317,487,968
Profit after taxation for the nine months period ended December 31, 2023	-	-	-	-	-	-	-	-	-	41,545,096	41,545,096	175,750	41,720,846
Effect of translation of net investment in foreign branches	-	917,552	-	-	-	917,552	-	-	-	-	917,552	-	917,552
Movement in surplus / (deficit) on revaluation of investments	-	-	-	-	-	-	37,618,519	-	37,618,519	-	37,618,519	-	37,618,519
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	198,132	198,132	-	198,132	-	198,132
Other comprehensive income / (loss) - net of tax	-	917,552	-	-	-	917,552	37,618,519	(172,146)	37,446,373	-	-	175,750	80,084,771
Transfer to statutory reserve	-	-	4,115,168	-	-	4,115,168	-	-	-	(4,115,168)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	(130,819)	(130,819)	130,819	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(158,700)	(158,700)
Balance as at January 01, 2024	21,275,131	37,306,859	47,250,622	-	521,338	85,078,819	16,558,734	47,673,681	64,232,416	225,693,440	316,370,785	1,134,234	397,414,039
Impact of adoption of IFRS-9	-	-	-	-	-	-	(1,660,264)	-	(1,660,264)	(3,643,213)	(5,303,477)	-	(5,303,477)
Balance as at January 01, 2024 -restated	21,275,131	37,306,859	47,250,622	-	521,338	85,078,819	14,898,470	47,673,681	62,572,152	222,050,227	311,067,308	1,134,234	392,110,562
Profit after taxation for the three months period ended March 31, 2024	-	-	-	-	-	-	-	-	-	9,708,340	9,708,340	109,951	9,818,291
Effect of translation of net investment in foreign branches	-	(1,069,676)	-	-	-	(1,069,676)	-	-	-	-	(1,069,676)	-	(1,069,676)
Movement in surplus / (deficit) on revaluation of investments in debt instruments net of tax	-	-	-	-	-	-	1,500,110	-	1,500,110	-	1,500,110	-	1,500,110
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	(3,200,148)	-	(3,200,148)	-	(3,200,148)	-	(3,200,148)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(318,522)	(318,522)	-	(318,522)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) - net of tax	-	(1,069,676)	-	-	-	(1,069,676)	(1,700,038)	-	(1,700,038)	9,389,818	6,620,104	109,951	6,730,055
Transfer to statutory reserve	-	-	970,834	-	-	970,834	-	-	-	(970,834.00)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(43,230)	(43,230)	43,230	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year ended December 31, 2023 (Rs. Nil per share)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	21,275,131	36,237,183	48,221,456	-	521,338	84,979,977	13,198,430	47,630,451	60,828,882	230,512,441	317,687,411	1,244,185	398,840,615


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


 Chairman
 President / CEO
 Chief Financial Officer
 Director
 Director

**NATIONAL BANK OF PAKISTAN
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	20,426,572	18,915,057
Less: dividend income	<u>(1,765,477)</u>	<u>(1,020,697)</u>
	18,661,095	17,894,360
Adjustments:		
Net mark-up / interest income	5,797,295	-
Depreciation	633,937	648,440
Depreciation on right of use assets	518,653	556,890
Amortisation	122,762	118,595
Credit loss allowance and write offs	727,490	734,186
Gain on sale of fixed assets - net	(1,354)	(1,819)
Financial charges on leased assets	31,707	29,309
Finance charges on lease liability against right of use assets	241,414	328,939
Unrealized gain on revaluation of investments classified as held-for-trading	(1,665,176)	226,190
Charge for defined benefit plans - net	3,030,906	3,250,637
Share of (profit) from joint venture - net of tax	(158,211)	(286,488)
Share of (profit) / loss from associates - net of tax	(37,504)	9,387
	<u>9,241,919</u>	<u>5,614,266</u>
	27,903,014	23,508,626
(Increase) / decrease in operating assets		
Lendings to financial institutions	134,407,904	(447,777,786)
Held-for-trading securities	(53,526,103)	50,933,519
Advances	172,452,472	(14,465,153)
Other assets (excluding advance taxation)	9,782,441	(47,278,344)
	<u>263,116,714</u>	<u>(458,587,764)</u>
Increase/ (decrease) in operating liabilities		
Bills payable	(56,118,511)	(47,361,118)
Borrowings from financial institutions	40,529,537	565,791,391
Deposits	(250,032,342)	310,109,278
Other liabilities (excluding current taxation)	(29,523,687)	(11,867,386)
	<u>(295,145,003)</u>	<u>816,672,165</u>
Payments against off-balance sheet obligations		
Mark-up / Interest received	291,855,860	-
Mark-up / Interest paid	(297,653,155)	-
Financial charges paid	(273,121)	(358,248)
Income tax paid	(14,338,573)	(5,927,822)
Benefits paid	(972,809)	(866,916)
Net cash flows generated from operating activities	<u>(19,709,778)</u>	<u>374,440,042</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	236,130,665	(201,544,016)
Net investments in amortized cost securities	(106,114,345)	(140,019,862)
Dividends received	1,765,477	1,020,697
Investments in fixed assets	191,497	(605,350)
Proceeds from sale of fixed assets	20,989	14,287
Effect of translation of net investment in foreign branches	51,999	11,488,374
Net cash flows (used in) / generated from investing activities	<u>132,046,282</u>	<u>(329,645,870)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations	(663,701)	(746,647)
Dividend paid	(527)	(237)
Net cash flows used in financing activities	<u>(664,228)</u>	<u>(746,884)</u>
Increase / (Decrease) in cash and cash equivalents	<u>111,672,275</u>	<u>44,047,288</u>
Cash and cash equivalents at beginning of the period	299,678,633	224,049,013
Effects of exchange rate changes on cash and cash equivalents	6,078,352	-
	<u>305,756,985</u>	<u>224,049,013</u>
Cash and cash equivalents at end of the period	<u>417,429,260</u>	<u>268,096,301</u>

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


Chairman


President / CEO


Chief Financial Officer


Director


Director

NATIONAL BANK OF PAKISTAN
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITEE)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies

- CJSC Subsidiary Bank of NBP in Kazakhstan
- NBP Exchange Company Limited, Pakistan
- National Bank Modaraba Management Company Limited, Pakistan
- First National Bank Modaraba, Pakistan
- Taurus Securities Limited, Pakistan
- NBP Fund Management Limited, Pakistan
- Cast-N-Link Products Limited, Pakistan

The subsidiary company of the Group, National Bank Modaraba Management Company Limited, Pakistan exercises control over First National Bank Modaraba, Pakistan as its management company and also has a direct economic interest in it. The Group has consolidated the financial statements of the modaraba as the Ultimate Holding Company.

The Group is principally engaged in commercial banking, modaraba management, brokerage, leasing, foreign currency remittances, asset management, exchange transactions and investment advisory asset.

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,505 (December 31, 2023: 1,508) branches in Pakistan and including 188 (December 31 2023: 188) Islamic Banking branches and 18 (December 31 2023: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

The Pakistan Sovereign Wealth Fund Act, 2023 was enacted and became effective during 2023. The shareholding of the Federal Government as per the Bank's Register of Shareholders is 7,895,707 shares only. However, under the said Act, the shares of Federal Government has been shown as 1,608,420,866. The Bank has sought clarification from Federal Government in this respect. Moreover, the process for transfer of shares as defined in NBP Bye-laws, 2015 has not yet been initiated. In view of the foregoing, the Bank's Register of Shareholders continues to show the shareholding position before the enactment of the Act ibid pending completion of transfer formalities and clarification of the Federal Government.

CJSC Subsidiary Bank of NBP in Kazakhstan, NBP Exchange Company Limited, National Bank Modaraba Management Company Limited are wholly owned subsidiaries of the holding company while the controlling interest in Taurus Securities Limited is 58.32%, NBP Fund Management Limited is 54%, First National Bank Modaraba 30% and Cast-N-Link Products Limited 76.51%.

1.2 BASIS OF CONSOLIDATION

- The consolidated financial statements include the financial statements of the Bank (Holding Company) and its subsidiary companies together - "the Group".
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Income and expenses of subsidiaries acquired during the year are included in the consolidated statement of the comprehensive income from the effective date of acquisition.
- Non-Controlling interest / (minority interest) in equity of the subsidiary companies are measured at fair value for all the subsidiaries acquired from period beginning on or after January 1, 2010 whereas minority interest of previously acquired subsidiaries are measured at the proportionate net assets of subsidiary companies attributable to interest which is not owned by holding company.
- Material intra-group balances and transactions have been eliminated.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.1.3 The SECP vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

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

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted for presentation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements of the Bank for the year ended December 31, 2023 except for:

3.1 IFRS 9 - 'Financial Instruments'

Effective January 1, 2024, the Bank has adopted International Financial Reporting Standard (IFRS) 9, "Financial Instruments" (IFRS 9 / the Standard). As permitted by the transitional provisions of IFRS 9, the Bank has elected not to restate comparative figures. Adjustments to the carrying amounts of financial assets and liabilities as at the date of transition (i.e. January 1, 2024), were recognised in the unappropriated profit and loss as of the transition date.

The adoption of IFRS 9 has resulted in changes in the Bank's accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 has also significantly impacted disclosures related to the consolidated financial instruments.

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics. The following table reconciles the aggregate opening loan loss provision allowances under SBP Prudential Regulations to the ECL allowances under IFRS 9.

	2024			
	Provision as per current	Remeasurement (ECL)	Reclassification	ECLs under IFRS 9
	-----Rupees in '000-----			
	-	-	-	-
Cash and Balances with Treasury Banks	117,033	117	-	117,150
Balance with Other Banks	174,150	67	-	174,217
Lendings to financial institutions	233,832,651	17,720,919	-	251,553,570
Advances	20,050,374	1,040,941	(13,672,429)	7,418,886
Investments	-	1,376,467	-	1,376,467
Markup Receivable	627,494	1,843,590	-	2,471,084
Off-balance sheet obligations				
Total	254,801,702	21,982,101	(13,672,429)	263,111,374

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with previous local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024

	Movement in Balance Sheet				Revised Breakup of Balance sheet after IFRS 9 Implementation						
	Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	After IFRS 9 Carrying Values Jan 1' 2024	At FVPL	AT FVOCI - with recycling (Debt)	AT FVOCI - without recycling (Equity)	At Amortized Cost / Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities	IFRS 9 carrying amount as at Jan 1, 2024
Assets											
Cash and balances with treasury banks	295,455,482	-	-	295,455,482				295,455,482			295,455,482
Balances with other banks	43,004,568	(118)	-	43,004,450				43,004,568	(118)		43,004,450
Lendings to financial institutions	192,430,437	(67)	-	192,430,370				192,430,437	(67)		192,430,370
<i>From AFS to Amortized Cost</i>	94,406,396	-	11,583,128	105,989,524				105,989,524	-		105,989,524
<i>From AFS to FVPL (Mandatory Reclassification) - Mutual funds, Pref. Shares and Bank TFC's</i>	15,560,596	-	-	15,560,596	15,560,596			-			15,560,596
<i>From AFS to FVPL - Ordinary Shares</i>	14,239,399	-	-	14,239,399	14,239,399			-			14,239,399
<i>From AFS to FVOCI - Ordinary Shares</i>	49,771,602	-	-	49,771,602			49,771,602	-			49,771,602
<i>From AFS to FVOCI - Debt Securities</i>	3,907,388,644	-	-	3,907,388,644		3,907,388,644		-			3,907,388,644
Total AFS	4,081,366,637	-	11,583,128	4,092,949,765	29,799,995	3,907,388,644	49,771,602	105,989,524	-		4,092,949,765
From HTM to Amortized Cost	272,951,142	(1,040,941)	-	271,910,201				272,951,142	(1,040,941)		271,910,201
From HFT to FVPL	46,766,365	-	-	46,766,365	46,766,365			-			46,766,365
Associates	830,620	-	-	830,620				830,620			830,620
Joint Venture	12,259,541	-	-	12,259,541				12,259,541			12,259,541
Investments	4,414,174,305	(1,040,941)	11,583,128	4,424,716,492	76,566,360	3,907,388,644	49,771,602	392,030,827	(1,040,941)		4,424,716,492
Advances	1,398,072,669	(17,720,919)	-	1,380,351,750				1,398,072,669	(17,720,919)		1,380,351,750
Fixed assets	57,477,067	-	-	57,477,067						57,477,067	57,477,067
Intangible assets	2,186,294	-	-	2,186,294						2,186,294	2,186,294
Right of use assets	7,335,901	-	-	7,335,901						7,335,901	7,335,901
Other assets	258,737,303	(1,376,467)	-	257,360,836				190,156,179	(1,376,467)	68,581,124	257,360,836
	6,668,874,026	(20,138,512)	11,583,128	6,660,318,642	76,566,360	3,907,388,644	49,771,602	2,511,150,162	(20,138,512)	135,580,386	6,660,318,642

	Movement in Balance Sheet				Revised Breakup of Balance sheet after IFRS 9 Implementation						
	Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	After IFRS 9 Carrying Values Jan 1' 2024	At FVPL	At FVOCI - with recycling (Debt)	At FVOCI - without recycling (Equity)	At Amortized Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than FA or FL	IFRS 9 carrying amount as at Jan 1, 2024
Liabilities											
Bills payable	68,000,448	-	-	68,000,448				68,000,448			68,000,448
Borrowings	2,177,743,194	-	-	2,177,743,194				2,177,743,194			2,177,743,194
Deposits and other accounts	3,673,109,914	-	-	3,673,109,914				3,673,109,914			3,673,109,914
Liabilities against assets subject to finance lease	208,268	-	-	208,268						208,268	208,268
Subordinated debt	-	-	-	-							-
Lease liabilities against right of use assets	8,682,731	-	-	8,682,731						8,682,731	8,682,731
Deferred tax liabilities	842,568	(10,771,230)	5,675,733	(4,252,929)						(4,252,929)	(4,252,929)
Other liabilities	342,872,862	1,843,590	-	344,716,452	6,676,880			197,291,885	1,843,590	138,904,097	344,716,452
	6,271,459,985	(8,927,640)	5,675,733	6,268,208,078	6,676,880	-	-	6,116,145,441	1,843,590	143,542,167	6,268,208,078
NET ASSETS	397,414,041	(11,210,872)	5,907,395	392,110,564	69,889,480	3,907,388,644	49,771,602	(3,604,995,279)	(21,982,102)	(7,961,781)	392,110,564
REPRESENTED BY											
Share capital	21,275,131	-	-	21,275,131						21,275,131	21,275,131
Reserves	85,078,819	-	-	85,078,819						85,078,819	85,078,819
Surplus on revaluation of assets	64,232,416	-	(1,660,264)	62,572,152		10,468,483	4,756,742			47,346,927	62,572,152
Unappropriated profit	225,693,440	(11,210,872)	7,567,659	222,050,227						222,050,227	222,050,227
	396,279,807	(11,210,872)	5,907,395	390,976,330	-	10,468,483	4,756,742	-	-	375,751,105	390,976,330
Non-controlling interest	1,134,234	-	-	1,134,234						1,134,234	1,134,234
	397,414,041	(11,210,872)	5,907,395	392,110,564	-	10,468,483	4,756,742	-	-	376,885,339	392,110,564

(a) Changes to Classification and measurement

The SBP's measurement categories of financial assets (Fair Value through Profit or Loss (FVTPL), available for sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit & loss on derecognition.
- Equity instruments at FVOCI, with no recycling of gains or losses of profit & loss on derecognition
- Financial assets Fair Value Through Profit or Loss (FVTPL)

The accounting for financial liabilities remains largely the same as it was previously in place. Financial liabilities are measured at amortised cost. Financial liabilities can be measured at FVTPL when they meet the definition of held for trading or when they are designated as such on initial recognition using the fair value option. Currently, the Bank does not have any financial liability which is being measured at FVPL.

Under IFRS 9, the classification of the financial assets is based on two criteria: the Bank's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The assessment of the Bank's business models was made as of the date of initial application, 1 January 2024, and then applied retrospectively to those financial assets that were not derecognised before 31 March 2024. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

3.1.1 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Bank becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value including transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. However, in case of financial asset or liability measured through profit or loss, any transaction costs are expensed in the consolidated profit and loss account. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI.

3.1.2 Financial assets

3.1.2.1 Classification and subsequent measurement

the Bank classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- (i) the Bank's business model for managing the asset; and
- (ii) the cash flows characteristics of the assets / SPPI test.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest earned from these financial assets is included in 'interest earned' using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the consolidated profit and loss account. When the financial asset is derecognised, the 'cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gain on sale of securities'. Interest earned from these financial assets is included in interest earned using the effective interest rate method.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the profit or loss and presented in the consolidated profit and loss account within unrealised gain / loss on securities in the period in which it arises. Interest earned from these financial assets is included in interest earned on investments using the effective interest rate method.

Business model:

The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

the Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.
- Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

Cash flows characteristics assessment – Solely Payment of Principal and interest test:

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic financing arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic due from counterparty risks and an interest margin that is consistent with a basic due from counterparty arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic due from counterparty arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual share in the issuer's net assets.

The Bank measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than for trading. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the consolidated profit and loss account, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the consolidated profit and loss account as income when the Bank's right to receive payments is established.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. However, in case of unquoted securities where the breakup value of such securities is less than the cost, the difference of the cost and the breakup value has been classified as loss and provided for by charging it to the consolidated profit and loss account.

Gains and losses on equity instruments at FVPL are included in the 'Gain on sales of securities' line in the consolidated profit and loss account.

3.1.2.2 Impairment

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

3.1.3 Financial liabilities

3.1.4 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance ; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. For financing commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a financing and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the financing component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the financing. To the extent that the combined expected credit losses exceed the gross carrying amount of the financing, the expected credit losses are recognised as a provision.

3.1.5 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). The Bank has followed following steps in determining expected credit loss allowance;

Step 1: Portfolio Segmentation and Staging (SICR)

Step 2: Determination of Segment wise Probability of Default (PDs)

Step 3: Estimation of Loss Given Default (LGD)

Step 4: Determination of Exposure at Default (EAD)

Step 5: ECL Scenarios

3.1.6 Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
- Financial instruments in Stage 1 have their ECL measured for 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

3.1.7 Significant increase in credit risk (SICR)

One of the key components of IFRS 9 is to determine whether there has been a SICR in the Bank's credit exposures since initial recognition,

Under IFRS 9, exposures are required to be categorized into three stages:

- Stage 1 – which include performing exposures;
 - Stage 2 – which include performing exposures where credit risk has increased significantly since initial recognition; and
 - Stage 3 – which include credit-impaired exposures
- Under IFRS 9, bank considers the following indicators for assessing SICR:
- forward-looking macroeconomic factors;
 - use of lifetime probability of default as opposed to a 12-month measure;
 - consider all reasonable and supportable information available at the time of calculation

3.2 Overview of the ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined below.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. However, for certain portfolios, the Bank has rebutted 30 DPD presumption based on behavioral analysis of its borrowers.

When estimating ECLs on a collective basis for a group of similar assets, the Bank applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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

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

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

Stage 3: For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.

Loan commitments and letters of credit

When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.

Financial guarantee contracts

The Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
EAD	The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.
LGD	The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2023 except for IFRS 9 as mentioned above.

5. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		55,826,027	62,622,218
Foreign currencies		8,378,293	9,747,256
		64,204,319	72,369,474
With State Bank of Pakistan in			
Local currency current accounts	6.1	202,832,947	125,905,643
Foreign currency current accounts	6.2	20,665,817	21,661,443
Foreign currency deposit accounts	6.2	41,275,159	43,265,618
Foreign currency collection accounts		1,242,749	1,498,122
		266,016,672	192,330,826
With other central banks in			
Foreign currency current accounts	6.3	72,501,993	25,964,016
Foreign currency deposit accounts	6.3	4,406,114	4,163,614
		76,908,107	30,127,630
Prize bonds		722,675	627,552
		407,851,774	295,455,482
Less: Credit loss allowance held against cash and balances with treasury banks			
Cash and balances with treasury banks - net of credit loss allowance		407,851,774	295,455,482

6.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.

6.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.

6.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5.50% per annum (December 31, 2023: 0% to 5.5% per annum).

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		551,951	298,108
In deposit accounts	7.1	345,887	388,221
		897,838	686,329
Outside Pakistan			
In current accounts		19,838,684	33,634,084
In deposit accounts	7.2	9,382,082	8,801,187
		29,220,766	42,435,271
		30,118,604	43,121,601
Less: Credit loss allowance held against balances with other banks		(117,150)	(117,033)
Lendings to financial institutions - net of credit loss allowance		30,001,453	43,004,568

7.1 These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.70% per annum (December 31, 2023: 6.00% to 12.70% per annum).

7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 3.00 % to 6.50 % per annum (December 31, 2023 :1.50% to 7.10% per annum).

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	9,723	9,723
Repurchase agreement lendings (Reverse Repo)	8.2	58,012,810	192,420,714
Letters of placement	8.3	174,150	174,150
	8.4	<u>58,196,683</u>	<u>192,604,587</u>
Less: Credit loss allowance held against lending to financial institutions	8.5	<u>(174,217)</u>	<u>(174,150)</u>
Lendings to financial institutions - net of provision		<u><u>58,022,466</u></u>	<u><u>192,430,437</u></u>

Lending to FIs- Particulars of credit loss allowance

Domestic

		(Un-audited) March 31, 2024		(Audited) December 31, 2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
Rupees in '000					
Performing	Stage 1	58,012,810	59	-	-
Under performing	Stage 2	9,723	8	-	-
Non-performing	Stage 3	174,150	174,150	-	-
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	-	-	174,150	174,150
Total		<u>58,196,683</u>	<u>174,217</u>	<u>174,150</u>	<u>174,150</u>

Overseas

Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	-	-	-	-
Total		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 8.1** These also include zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2023: Rs. 9.7 million) which is guaranteed by the SBP.
- 8.2** These carry mark-up at rates ranging from 22% to 22.51% per annum (December 31, 2023: 21.00% to 22.95% per annum) with maturities ranging from April 1, 2024 to April 17, 2024.
- 8.3** These are overdue placements and full provision has been made against these placements as at March 31, 2024.

9. INVESTMENTS

9.1 Investments by type:

FVTPL

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Ijarah Sukuks

Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

Preference shares

- Listed
- Unlisted

Ordinary Shares

- Listed Companies

Mutual Fund units

Foreign Securities

- Government debt securities

FVOCI

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- Ijarah Sukuks
- Foreign Currency Debt securities

Ordinary Shares

- Listed Companies
- Unlisted Companies

Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

Foreign Securities

- Government debt securities
- Equity Securities - Listed

March 31, 2024 (Un-audited)			
Cost / amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value
28,517,853	-	(124,342)	28,393,511
22,819,279	-	(30,511)	22,788,768
10,000,000	-	(11)	9,999,989
19,934,217	-	-	19,934,217
1,043,797	-	(9,131)	1,034,666
-	-	-	-
11,178,813	-	121,173	11,299,986
5,685,012	-	1,707,998	7,393,010
2,778,673	-	-	2,778,673
101,957,644	-	1,665,176	103,622,820
834,478,017	-	(132,240)	834,345,777
2,836,492,788	-	(23,604,500)	2,812,888,288
31,322,905	-	(773,649)	30,549,256
40,750,624	-	(4,706,508)	36,044,116
42,124,012	-	10,260,381	52,384,393
1,658,512	-	-	1,658,512
40,596,717	(6,622,062)	793,656	34,768,311
3,340,925	-	(18,338)	3,322,588
463,293	-	43,957,491	44,420,784
3,831,227,793	(6,622,062)	25,776,293	3,850,382,025

March 31, 2024 (Un-audited)				
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	
Amortised Cost				
Federal Government Securities				
- Market Treasury Bills	-	-	-	
- Pakistan Investment Bonds	-	-	-	
- Ijarah Sukuks	-	-	-	
- Foreign Currency Debt securities	-	-	-	
319,839,934	-	-	319,839,934	
14,080,289	-	-	14,080,289	
4,393,435	-	-	4,393,435	
Non-Government debt securities				
- Term Finance Certificates,	-	-	-	
Participation Term Certificates,	-	-	-	
Bonds, Debentures and Sukuk Bonds	-	-	-	
404,585	(404,585)	-	-	
Foreign Securities				
- Government debt securities	-	-	-	
- Non-Government debt securities	-	-	-	
40,750,764	-	-	40,750,764	
1,065	-	-	1,065	
379,470,072	(404,585)	-	379,065,487	
1,394,342	(508,442)	-	885,900	
12,542,390	-	-	12,542,390	
1,245	(1,245)	-	-	
Total Investments	4,326,593,486	(7,536,335)	27,441,469	4,346,498,622

December 31, 2023 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----			
Held-for-trading securities			
Federal Government Securities			
- Market Treasury Bills	-	7,673	23,349,393
- Pakistan Investment Bonds	-	(37,878)	14,627,141
- GOP Ijarah Sukuk bonds	-	-	-
972,916	-	6,914	979,830
Mutual Fund units			
5,038,531	-	(3,521)	5,035,010
Non-Government debt securities			
- Term Finance Certificates and Sukuk Bonds	-	-	-
Preference shares			
- Listed	-	-	-
- Unlisted	-	-	-
Ordinary Shares			
- Listed Companies	-	(1,213)	78,104
79,317	-	(1,213)	78,104
Foreign Securities			
- Government debt securities	-	-	-
2,696,887	-	-	2,696,887
46,794,390	-	(28,025)	46,766,365

Available-for-sale securities**Federal Government Securities**

- Market Treasury Bills
- Pakistan Investment Bonds
- Ijarah Sukuks
- Foreign Currency Debt securities

Ordinary Shares

- Listed Companies
- Unlisted Companies

Preference shares

- Listed
- Unlisted

Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

Mutual Fund units**Foreign Securities**

- Government debt securities
- Equity Securities - Listed

Held-to-maturity securities**Federal Government Securities**

- Market Treasury Bills
- Pakistan Investment Bonds
- Ijarah Sukuks
- Foreign Currency Debt securities

Non-Government debt securities

- Term Finance Certificates, Participation Term Bonds, Debentures and Sukuk Bonds

Foreign Securities

- Government debt securities
- Non-Government debt securities

Associates**Joint Venture****Subsidiaries****Total investments**

December 31, 2023 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----			
954,585,428	-	2,228,157	956,813,585
2,926,410,213	-	(25,322,781)	2,901,087,432
30,424,484	-	(330,520)	30,093,964
40,907,401	-	(10,174,093)	30,733,308
51,696,434	(11,638,688)	22,294,743	62,352,489
2,107,463	(448,951)	-	1,658,512
1,448,472	(566,446)	161,771	1,043,797
558,284	(558,284)	-	-
53,152,317	(5,857,566)	355,100	47,649,851
2,219,646	(41,167)	1,726,825	3,905,304
3,385,022	-	8,528	3,393,550
463,294	-	42,171,551	42,634,845
4,067,358,458	(19,111,102)	33,119,281	4,081,366,637
161,108	-	-	161,108
213,116,482	-	-	213,116,482
14,087,500	-	-	14,087,500
4,288,988	-	-	4,288,988
404,585	(404,585)	-	-
41,295,981	-	-	41,295,981
1,083	-	-	1,083
273,355,727	(404,585)	-	272,951,142
1,364,062	(533,442)	-	830,620
12,259,541	-	-	12,259,541
1,245	(1,245)	-	-
4,401,133,423	(20,050,374)	33,091,256	4,414,174,305

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	

9.1.1 Investments given as collateral

The book value of investments given as collateral against borrowings is as follows:
Pakistan Investment Bonds
Market Treasury Bills

	2,083,700,155	2,047,337,847
	23,456,640	17,134,259
17	<u>2,107,156,795</u>	<u>2,064,472,106</u>

Number of shares	Percentage of holding	Country of incorporation	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
------------------	-----------------------	--------------------------	---	--------	-------------	---------	--------------------------------	-------------------------------------

9.1.2 Associates

(Rupees in '000)

Listed

First Credit and Investment Bank Limited	20,000,000	30.77	Pakistan	March 31, 2024	2,532,990	1,758,500	123,596	8,788	10,019
National Fibres Limited *	17,030,231	20.19	Pakistan	N/A	-	-	-	-	-
Land Mark Spinning Mills Limited	3,970,859	32.79	Pakistan	June 30, 2023	131,498	254,116	-	(12,327)	(12,327)
SG Allied Businesses Limited	3,754,900	25.03	Pakistan	June 30, 2022	1,233,803	552,420	14,247	(10,794)	(9,407)
Nina Industries Limited	4,906,000	20.27	Pakistan	N/A	-	-	-	-	-
Agritech Limited	106,014,565	27.01	Pakistan	March 31, 2024	86,818,899	73,912,759	9,240,650	(166,804)	(166,804)
NBP Stock Fund	31,347,444	4.236	Pakistan	March 31, 2024	16,789,601	225,813	1,025,827	835,642	835,642

Unlisted

Pakistan Emerging Venture Limited	12,500,000	33.33	Pakistan	June 30, 2022	478	404	56	(385)	(385)
National Fructose Company Limited	1,300,000	39.5	Pakistan	N/A	-	-	-	-	-
Venture Capital Fund Management *	33,333	33.33	Pakistan	N/A	-	-	-	-	-
Kamal Enterprises Limited *	11,000	20.37	Pakistan	N/A	-	-	-	-	-
Mehran Industries Limited *	37,500	32.05	Pakistan	N/A	-	-	-	-	-
Mehran Sugar Mills Limited *	2,500,000	21.52	Pakistan	N/A	-	-	-	-	-
Youth Investment Promotion Society *	644,508	25	Pakistan	N/A	-	-	-	-	-
Dadabhoy Energy Supply Company Limited	9,900,000	23.11	Pakistan	N/A	-	-	-	-	-
K-Agricole Limited *	5,000	20	Pakistan	N/A	-	-	-	-	-
New Pak Limited *	200,000	20	Pakistan	N/A	-	-	-	-	-
Pakistan Mercantile Exchange Limited	10,653,860	33.98	Pakistan	March 31, 2024	6,183,227	5,675,290	631,419	74,807	74,807
Prudential Fund Management Limited *	150,000	20	Pakistan	N/A	-	-	-	-	-

* Nil figure represent shares which have been acquired under different arrangements without any cost

9.1.3 Joint Venture

United National Bank Limited	20,250,000	45	nited Kingdom	March 31, 2024	343,018,069	309,739,245	1,878,413	351,580	1,224,365
------------------------------	------------	----	---------------	----------------	-------------	-------------	-----------	---------	-----------

9.1.4 Subsidiaries

Cast-N-Link Products Limited	1,245,000	76.51	Pakistan	N/A	-	-	-	-	-
------------------------------	-----------	-------	----------	-----	---	---	---	---	---

9.1.5 The Board of Directors of the Bank in their 356th meeting held on December 27, 2023 have in principle given their approval for disposal of NBP's 45% shareholding in UNBL to Bestway Group. The approval of the Board of Directors is subject to the approval / clearance by the SBP and all other regulatory compliances required in this regard in both Pakistan and UK. The Bank is currently in the process of completing the regulatory and legal requirements to implement the transaction.

9.2 Credit Allowance for diminution in value of investments

9.2.1 Opening balance		20,050,374	18,613,073
Impact of reclassification on adoption of IFRS 9		(13,672,429)	-
Impact of ECL recognised on adoption of IFRS 9		1,040,940	-
Charge / reversals		-	-
Charge for the period / year		1,538,144	3,136,270
Reversals for the period / year		(1,420,696)	(1,319,964)
Reversals on disposals		-	(379,005)
		117,448	1,437,301
Derecognition of ECL on disposal		-	-
Transfers - net		-	-
Others movement		-	-
Amounts written off		-	-
Closing Balance		7,536,333	20,050,374

9.2.2 Particulars of credit loss allowance against debt securities

Category of classification

Domestic

Other assets especially mentioned
Substandard
Performing
Underperforming
Non-Performing
Substandard
Doubtful
Loss

March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held

	-	-	-	-
	-	-	-	-
Stage 1	6,690,527	290	-	-
Stage 2	4,454,779	1,098,643	-	-
Stage 3	-	-	-	-
	-	-	-	-
	-	-	-	-
	5,927,714	5,927,714	6,262,151	6,262,151
	17,073,020	7,026,647	6,262,151	6,262,151

Overseas

Performing
Underperforming
Non-Performing
Substandard
Doubtful
Loss

Stage 1	-	-	-	-
Stage 2	-	-	-	-
Stage 3	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	17,073,020	7,026,647	6,262,151	6,262,151

9.3 The market value of securities classified at amortised cost as at March 31, 2024 amounted to Rs. 348,725 million (December 31, 2023: Rs. 251,842 million).

10. ADVANCES

	Note	Performing		Non Performing		Total	
		(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----							
Loans, cash credits, running finances, etc.		1,172,179,730	1,325,108,441	208,531,530	205,901,344	1,380,711,260	1,531,009,785
Islamic financing and related assets		61,096,090	73,125,444	1,065,455	1,550,351	62,161,545	74,675,795
Net Investment in finance lease	10.1	15,232	16,207	24,096	24,096	39,328	40,303
Bills discounted and purchased		19,834,487	12,534,791	13,610,558	13,644,646	33,445,045	26,179,437
Advances - gross	10.2	1,253,125,539	1,410,784,883	223,231,639	221,120,437	1,476,357,178	1,631,905,320
Credit loss allowance against advances							
-Stage 1		19,016,523	-	-	-	19,016,523	-
-Stage 2		27,974,357	-	-	-	27,974,357	-
-Stage 3		-	-	203,564,723	203,794,530	203,564,723	203,794,530
- General		181,378	30,038,121	-	-	181,378	30,038,121
	10.4	47,172,258	30,038,121	203,564,723	203,794,530	250,736,981	233,832,651
Advances - net of provision		1,205,953,281	1,380,746,762	19,666,916	17,325,907	1,225,620,197	1,398,072,669

10.1 Net Investment in Finance Lease

	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
----- (Rupees in '000) -----								
Lease rentals receivable	47,249	-	-	47,249	48,296	-	-	48,296
Residual value	16,332	-	-	16,332	16,332	-	-	16,332
Minimum lease payments	63,581	-	-	63,581	64,628	-	-	64,628
Less: financial charges for future periods	24,253	-	-	24,253	24,325	-	-	24,325
Present value of minimum lease payments	39,328	-	-	39,328	40,303	-	-	40,303

10.1.1 The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19 % to 14.85% (December 31, 2023: 10.19% to 14.85%) per annum.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----		
In local currency	1,193,029,309	1,497,720,231
In foreign currencies	283,327,870	134,185,088
	1,476,357,178	1,631,905,319

10.3 Advances include Rs. 223,239 million (2023: Rs. 221,120 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Non Performing Loans	Credit Loss Allowance	Non Performing Loans	Credit Loss Allowance
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	4,088,485	106,481	2,156,275	60,035
Substandard	6,409,410	1,486,762	6,421,005	1,560,252
Doubtful	12,350,397	6,434,126	11,443,314	5,980,028
Loss	136,421,339	133,738,954	136,054,217	133,629,152
	159,269,631	141,766,323	156,074,811	141,229,467
Overseas				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	392,575	196,288	400,925	200,463
> 365 days	63,569,433	61,602,110	64,644,701	62,364,600
	63,962,008	61,798,397	65,045,626	62,565,063
Total	223,231,639	203,564,723	221,120,437	203,794,530

10.4 Particulars of credit loss allowance against advances

Note	March 31, 2024 (Un-audited)					December 31, 2023 (Audited)	
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Specific Provision	General Provision
	----- (Rupees in '000) -----					----- (Rupees in '000) -----	
Opening balance	-	-	-	203,794,530	30,038,121	191,014,747	17,348,539
Impact due to adoption of IFRS-9	22,478,907	25,009,935	203,794,530	(203,794,530)	(29,767,923)	-	-
	22,478,907	25,009,935	203,794,530	-	270,198	191,014,747	17,348,539
Exchange adjustments	-	-	(998,882)	-	(3,783)	12,178,389	153,606
Charge for the period / year			1,138,314	-	-	8,127,428	14,854,298
Reversals	(3,462,384)	3,726,581	(977,073)	-	(85,037)	(8,129,837)	(1,530,934)
	(3,462,384)	3,726,581	161,241	-	(85,037)	(2,409)	13,323,364
Amounts written off	-	-	(83,493)	-	-	(155,872)	-
Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(44,607)	-
Other movement	-	-	-	-	-	16,894	-
Transfer from general to specific provision		(762,159)	762,159			787,388	(787,388)
Closing balance	19,016,523	27,974,357	203,564,723	-	181,378	203,794,530	30,038,121

10.5 Advances - Particulars of credit loss allowance

	March 31, 2024 (Un-audited)					December 31, 2023 (Audited)	
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Specific Provision	General Provision
	----- (Rupees in '000) -----					----- (Rupees in '000) -----	
10.5.1 Opening balance	-	-	-	203,794,530	30,038,121	191,014,747	17,348,539
Impact due to adoption of IFRS-9	22,478,907	25,009,935	203,794,530	(203,794,530)	(29,767,923)	-	-
Opening balance - restated	22,478,907	25,009,935	203,794,530	-	270,198	191,014,747	17,348,539
New Advances	-	-	-	-	-	-	-
Exchange Adjustment	-	-	(998,379)	-	(3,783.00)	12,178,389	153,606
Charge for the period	(3,462,384)	3,726,581	1,135,531	-	-	8,127,428	14,854,298
Advances derecognised or repaid	-	-	(974,416)	-	(85,037.00)	(8,129,837)	(1,530,934)
Transfer to stage 1	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-
Transfer to stage 3	-	(762,159)	762,159	-	-	-	-
	(3,462,384)	2,964,422	(75,105)	-	(88,820)	12,175,980	13,476,970
Amounts written off	-	-	(83,493)	-	-	(155,872)	-
Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(44,607)	-
Other Movement	-	-	-	-	-	16,894	-
Transfer from general to specific provision	-	-	-	-	-	787,388	(787,388)
Closing balance	19,016,523	27,974,357	203,565,100	-	181,378	203,794,530	30,038,121
	19,016,523	27,974,357	203,564,723	-	181,378		

10.5.2 Advances - Category of classification

Domestic

March 31, 2024 (Un-audited)

	Outstanding amount	Credit loss allowance Held	Net of Advances
	----- (Rupees in '000) -----		
Performing Stage 1	949,733,772	19,016,523	930,717,249
Underperforming Stage 2	237,430,949	26,775,927	210,655,022
Non-Performing Stage 3	-	-	-
Domestic Other Assets Especially Mentioned	4,088,485	106,481	3,982,004
Substandard	6,409,410	1,486,762	4,922,648
Doubtful	12,350,397	6,434,126	5,916,271
Loss	136,421,339	133,956,023	2,465,316
	159,269,631	141,983,393	17,286,238

Overseas

		March 31, 2024 (Un-audited)		
		Outstanding amount	Credit loss allowance	Net of Advances
------(Rupees in '000)-----				
Performing	Stage 1	24,550,050	-	24,550,050
Underperforming	Stage 2	40,197,849	1,198,430	38,999,419
IFRS 9 not applicable		1,212,919	181,378	1,031,541
Non-Performing	Stage 3			
Substandard		-	-	-
Doubtful		392,575	196,288	196,288
Loss		63,569,434	61,385,043	1,975,235
		63,962,009	61,581,330	2,171,523
		129,922,826	62,961,138	66,752,533

10.5.3 General provision includes provision amounting to Rs.181 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates where IFRS 9 has not been implemented.

The SBP has allowed specific relaxation to the Bank for non-classification of overdue loans of certain Public Sector Entities (PSEs) which are guaranteed by Government of Pakistan as non-performing loans up till December 31, 2023. No provision is required against these loans; however, mark-up is being suspended as required by the Prudential Regulations

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,496,458	1,639,234
Property and equipment		55,918,721	55,837,833
		<u>57,415,179</u>	<u>57,477,067</u>
11.1 Capital work-in-progress			
Civil works		1,426,998	1,569,774
Equipment		10,727	10,727
Advances to suppliers and contractors		58,733	58,733
		<u>1,496,458</u>	<u>1,639,234</u>
		(Un-audited)	
		March 31, 2024	March 31, 2023
		----- (Rupees in '000) -----	
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		162,211	132,951
Property and equipment			
Building on freehold land		217,481	11,113
Building on leasehold land		11,674	16,050
Furniture and fixtures		228,476	87,227
Computer and peripheral equipment		53,277	54,991
Electrical and office equipment		108,832	123,673
Vehicles		93,794	174,126
		<u>713,534</u>	<u>467,180</u>
Total		<u>875,745</u>	<u>600,131</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Building on leasehold land		-	-
Furniture and fixture		-	-
Computer and peripheral equipment		-	1
Electrical and office equipment		-	-
Vehicles		673	3,127
Assets held under finance lease - Vehicle		-	9,340
Total		<u>673</u>	<u>12,468</u>
		(Un-audited) (Audited)	
		March 31, 2024	December 31, 2023
		----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress - Software Implementation		569,208	470,540
Computer Software		1,027,657	1,153,201
Goodwill on NBP Fund Acquisition		562,553	562,553
		<u>2,159,419</u>	<u>2,186,294</u>

(Un-audited)
March 31, 2024 March 31, 2023
 ----- (Rupees in '000) -----

12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Capital work-in-progress - net additions	18,755	69,679
Directly purchased	40,528	15,586
Total	59,283	85,265

13. RIGHT-OF-USE ASSETS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Buildings	Vehicles	Total	Buildings	Vehicles	Total
----- (Rupees in '000) -----						
At January 1,						
Cost	17,822,167	29,290	17,851,457	15,503,248	29,290	15,532,538
Accumulated Depreciation	(10,497,424)	(18,131)	(10,515,555)	(8,314,601)	(7,430)	(8,322,031)
Net Carrying amount at January 1	7,324,743	11,159	7,335,902	7,188,647	21,860	7,210,507
Additions during the year	264,752	4,843	269,595	2,350,439	-	2,350,439
Deletions during the year	28,003	-	28,003	59,820	-	59,820
Depreciation Charge for the year	517,193	1,460	518,653	2,159,369	5,858	2,165,227
Net Carrying amount	7,044,299	14,542	7,058,841	7,319,899	16,002	7,335,901

14. DEFERRED TAX ASSET/ (DEFERRED TAX LIABILITIES)

	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
----- (Rupees in '000) -----		
Deductible temporary differences on		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,331,267	7,002,470
- Credit loss allowance for diminution in the value of investments	236,751	236,751
- Credit loss allowance against loans and advances	10,157,544	10,143,512
- Credit loss allowance against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,686,518	1,550,617
- Right of use assets	694,842	651,852
- Other Credit loss allowance	100,651	98,789
	20,333,500	19,809,918
Taxable temporary differences on		
- Surplus on revaluation of fixed assets	(3,281,294)	(3,221,529)
- Excess of accounting book value of leased assets over lease liabilities	(3,009)	16,038
- Surplus/Deficit on revaluation of investments	(12,626,159)	(16,223,311)
- Surplus on revaluation of non-banking assets	(106,848)	(106,848)
- Impact of adoption of IFRS 9	3,500,344	-
- Exchange translation reserve	(1,121,675)	(1,116,836)
	(13,638,641)	(20,652,486)
	6,694,859	(842,568)

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	
15. OTHER ASSETS		
Income / return / mark-up accrued in local currency	168,286,760	185,624,656
Income / return / mark-up accrued in foreign currency	5,095,630	4,531,523
Advances, deposits, advance rent and other prepayments	3,573,393	3,045,383
Income tax refunds receivable & advance taxation (payments less provisions)	76,549	1,133,524
Compensation for delayed tax refunds	22,129,925	22,129,925
Non-banking assets acquired in satisfaction of claims	1,165,419	1,169,898
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Acceptances	10,631,696	8,100,364
Commission receivable on Government treasury transactions	7,240,671	5,182,665
Stationery and stamps on hand	503,832	472,575
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Receivable against sale / purchase of shares	771,139	234,079
Receivable from SBP	-	24,698,013
Receivable from Pakistan Stock Exchange	206,283	292,822
Receivable from mutual funds	1,221,172	1,238,517
Receivable from Customers	445,907	377,044
Others	8,330,390	9,052,672
	<u>230,824,594</u>	<u>268,429,488</u>
Less: Provision allowance held against other assets	15.1 12,658,334	12,495,413
Less: Credit loss allowance held against markup receivable	1,511,052	-
Other Assets (Net of credit loss allowance)	<u>216,655,208</u>	<u>255,934,075</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,803,228	2,803,228
Other assets - total	<u><u>219,458,436</u></u>	<u><u>258,737,303</u></u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	

15.1 Credit loss allowance held against other assets

Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,559,888	4,377,337
Ex-MBL / NDFC - other assets	760,941	760,941
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
Others	5,142,528	5,162,158
	<u>12,658,334</u>	<u>12,495,413</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000) -----	

15.1.1 Movement in Credit loss allowance held against other assets

Opening balance	12,495,413	12,244,043
Charge for the period / year	(15,015)	239,045
Adjustment against provision	-	(45,194)
Other movement	177,936	57,519
Closing balance	<u>12,658,334</u>	<u>12,495,413</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
16. BILLS PAYABLE		
In Pakistan	11,647,901	67,822,126
Outside Pakistan	234,036	178,322
	<u>11,881,937</u>	<u>68,000,448</u>
17. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	30,014,932	29,815,400
Financing Scheme for Renewable Energy	1,390,807	1,289,488
Refinance Facility for Modernization of SMEs	91,162	95,111
Financing Facility for storage of Agriculture Produce (FFSAP)	544,046	599,548
Under Long-Term Financing Facility (LTFF)	16,259,471	17,197,820
Temporary Economic Refinance Facility	22,053,152	22,827,889
Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	60,249	29,220
Export Refinance scheme for Bill Discounting	1,896,850	2,606,143
Refinance Facility for Combating Covid-19	40,150	45,352
	<u>72,350,819</u>	<u>74,505,971</u>
Repurchase agreement borrowings	9.1.1 <u>2,107,156,795</u>	<u>2,064,472,106</u>
	<u>2,179,507,614</u>	<u>2,138,978,077</u>
Unsecured		
Call borrowings	19,861,821	19,434,142
Overdrawn nostro accounts	571,868	19,330,975
Bai Muajjal	-	-
	<u>20,433,689</u>	<u>38,765,117</u>
	<u>2,199,941,303</u>	<u>2,177,743,194</u>
17.1 Particulars of borrowings with respect to currencies		
In local currency	2,180,359,482	2,140,248,077
In foreign currencies	19,581,821	37,495,117
	<u>2,199,941,303</u>	<u>2,177,743,194</u>
17.2 Mark-up / interest rates and other terms are as follows:		
-	The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up of 0% to 18% per annum (December 31, 2023: from 0% to 19.00% per annum).	
-	Repurchase agreement borrowings carry mark-up ranging from 21.80 to 22.05 per annum (December 31, 2023: 21.75% to 23.00% per annum) having maturities ranging from April 5, 2024 to April 26, 2024.	
-	Call borrowings carry interest ranging from 5.5% to 22.0% per annum (December 31, 2023: 5.50% to 21.80% per annum).	
17.3	Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.	
17.4	Pakistan Investment Bonds and Market Treasury Bills having maturity of 2 - 10 Years and 3 - 12 Months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,107,157 million (December 31, 2023: Rs.2,064,472 million).	

18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits - remunerative	734,657,855	-	734,657,855	692,443,686	-	692,443,686
Current deposits - non-remunerative	402,386,013	164,552,978	566,938,991	656,289,463	161,079,615	817,369,078
Savings deposits	767,765,802	126,282,672	894,048,474	766,301,047	134,394,831	900,695,878
Term deposits	480,494,975	225,430,945	705,925,920	509,997,709	232,985,846	742,983,555
Others	12,684,907	6,735	12,691,642	13,082,003	7,182	13,089,185
	2,397,989,552	516,273,330	2,914,262,882	2,638,113,908	528,467,474	3,166,581,382
Financial Institutions						
Current deposits	452,612,372	1,659,392	454,271,764	458,765,517	1,400,531	460,166,048
Savings deposits	29,844,791	-	29,844,791	18,946,277	4,644,674	23,590,951
Term deposits	10,254,966	9,815,542	20,070,508	12,824,721	3,636,495	16,461,216
Others	4,627,375	252	4,627,627	6,310,317	-	6,310,317
	497,339,504	11,475,186	508,814,690	496,846,832	9,681,700	506,528,532
	2,895,329,056	527,748,516	3,423,077,572	3,134,960,740	538,149,174	3,673,109,914

18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs.111,735 million (December 31, 2023: Rs. 99,316 million).

19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
----- (Rupees in '000) -----						
Not later than one year	91,079	25,208	65,871	92,543	28,302	64,241
Later than one year and upto five years	149,527	19,856	129,671	168,280	24,253	144,027
Over five years	-	-	-	-	-	-
	240,606	45,064	195,542	260,823	52,555	208,268

19.1 The Group has entered into lease agreements with various financial institutions for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 6M KIBOR + 1.50% per annum (December 31, 2023: 6M KIBOR + 1.50% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.

	(Un-audited)	(Audited)
	March 31, 2024	December 31, 2023
	----- (Rupees in '000) -----	

20. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS

Outstanding amount at the start of the year	8,682,731	8,763,669
Additions during the year	325,841	1,931,996
Lease payments including interest	(663,701)	(2,879,412)
Interest expense	213,840	879,660
Exchange difference	(72,795)	7,721
Closure of branch	-	(20,902)
Outstanding amount at the end of the year	8,485,915	8,682,731

Maturity analysis - contractual undiscounted cash flows

Less than one year	2,647,873	2,649,801
One to five years	7,171,047	7,110,076
More than five years	3,211,481	3,124,101
Total undiscounted lease liabilities	13,030,401	12,883,977

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	----- (Rupees in '000)-----	
21. OTHER LIABILITIES		
Mark-up / Return / Interest payable in local currency	144,668,121	194,680,604
Mark-up / Return / Interest payable in foreign currencies	925,158	2,611,281
Unearned commission and income on bills discounted	153,551	124,131
Accrued expenses	14,465,979	13,907,160
Advance payments	398,550	387,084
Acceptances	10,631,696	8,100,364
Unclaimed dividends	174,182	174,709
Mark to market loss on forward foreign exchange contracts	2,481,578	6,676,880
Current taxation (provisions less payments)	21,673,116	-
Branch adjustment account	999,932	1,659,214
Payable to defined benefit plan:		
Pension fund	24,672,994	22,944,893
Post retirement medical benefits	36,009,451	34,833,112
Benevolent fund	1,609,538	1,613,699
Gratuity scheme	4,595,547	4,975,497
Compensated absences	9,511,042	9,632,176
Credit loss allowance against off-balance sheet obligations	2,601,806	627,494
Credit loss allowance against contingencies	21.1 4,639,533	4,698,118
Staff welfare fund	371,257	371,257
Liabilities relating to Barter trade agreements	4,272,620	4,321,484
Payable to brokers	252,197	735,663
Payable to customers	348,565	516,017
PIBs short selling	14,011,372	10,241,337
Others	18,890,576	19,040,688
	<u>318,358,361</u>	<u>342,872,862</u>
21.1 Credit loss allowance against contingencies		
Opening balance	4,698,118	4,170,799
Charge for the period / year	19,351	384,838
Other movement	(77,936)	142,481
Closing balance	<u>4,639,533</u>	<u>4,698,118</u>
Credit loss allowance against off-balance sheet obligations		
Opening balance	627,494	627,494
impapct of adoption of IFRS-9	1,843,590	-
Charge for the period / year	130,722	-
Closing balance	<u>2,601,806</u>	<u>627,494</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
22. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI-Debt	9.1	(28,423,241)	(31,347,013)
- Securities measured at FVOCI-Equity		54,199,534	64,466,294
- Fixed Assets		48,215,367	48,300,131
- Non-banking assets		2,803,229	2,803,228
- On securities of associates and joint venture		48,296	(337,236)
		76,843,185	83,885,404
Deferred tax on (surplus) / deficit on revaluation of:			
- Securities measured at FVOCI-Debt		13,936,374	15,360,036
- Securities measured at FVOCI-Equity		(26,562,532)	(31,583,349)
- Fixed Assets		(3,281,294)	(3,322,829)
- Non-banking assets		(106,848)	(106,848)
		(16,014,300)	(19,652,989)
		60,828,884	64,232,415
23. CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	528,404,420	346,487,980
Commitments	23.2	2,508,834,693	2,362,684,359
Other contingent liabilities	23.3	26,070,987	26,628,229
		3,063,310,099	2,735,800,568
23.1 Guarantees:			
Financial guarantees		406,321,553	227,063,459
Performance guarantees		122,082,867	119,424,521
		528,404,420	346,487,980
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,577,908,048	1,633,847,479
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	851,887,859	655,935,358
- forward government securities transactions	23.2.2	27,118,665	27,318,929
- forward lending	23.2.3	50,702,983	44,432,555
Commitments for acquisition of:			
- operating fixed assets		1,196,541	1,129,442
Other commitments	23.2.4	20,597	20,596
		2,508,834,693	2,362,684,359
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		489,737,816	412,870,783
Sale		362,150,043	243,064,575
		851,887,859	655,935,358
Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.			
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		20,268,814	11,493,136
Sale		6,849,852	15,825,793
		27,118,665	27,318,929

Commitments for outstanding forward government securities transactions are disclosed in these consolidated condensed interim financial statements at contracted rates.

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
23.2.3 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitment to lend	<u>50,702,983</u>	<u>44,432,555</u>
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.		
23.2.4 Other commitments		
Professional services to be received	<u>20,597</u>	<u>20,596</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	<u>26,070,987</u>	<u>26,628,229</u>

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2023: Rs. 1,597 million).

Moreover, these claims also represent counter claims by the 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, the management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome against the Bank is remote and accordingly no provision has been made in these unconsolidated condensed interim financial statements.

23.3.2 Taxation

As at March 31, 2024, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2023 is same:

- The aggregate effect of contingencies as on March 31, 2024, including amount of Rs. 1,912 million (December 31, 2023: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 33,433 million (December 31, 2023: Rs. 34,730 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expect favorable outcome upon decisions of pending appeals.

23.3.3 Contingencies in respect of employees benefits and related matters

As at March 31, 2024, the status of contingencies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2023 is same, other than the following:

23.3.3.1 Pensionary benefits to retired employees

The Honorable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, dismissed all the civil review petitions filed by NBP (CRPs No 368 to 409 etc.), as a result of which the Supreme Court decision dated 25th September 2017, in respect of the pension litigation, has now attained finality. Accordingly, the Bank is now required to implement the direction contained in the judgment dated January 15, 2016 of the Lahore High Court, which direction has been upheld by the apex court.

Prior to the announcement of above judgement, the bank had estimated pension related liability amounted to Rs 98.7 billion approximately. Owing to the complexities involved, the management of the bank in consultation with professional actuary and Bank's legal counsel is working out implementation of the judgement. Pending such an exercise the financial impact of the obligation cannot be ascertained with sufficient reliability as per the requirements of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

23.3.4 Compliance and risk matters relating to anti-money laundering at the New York Branch

With close oversight from the Board of Directors and Head Office Senior Management, the New York Branch completed remedial actions pursuant to the public enforcement actions issued by the New York State Department of Financial Services and the Federal Reserve Bank. Head Office and the Board will continue to maintain close oversight of the Branch, despite having made significant progress in meeting regulatory requirements. The actions implemented by the Branch and their associated validation by Internal Audit continue to remain subject to review by its regulators.

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
Note	----- (Rupees in '000) -----		
24.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	56,366,101	43,469,581
	Investments	215,275,819	146,218,758
	Lendings to financial institutions	2,570,230	2,573,879
	Balances with banks	869,921	236,360
		<u>275,082,071</u>	<u>192,498,578</u>
24.1	Interest income (calculated using effective interest rate method)	275,082,071	-
25.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	115,419,124	69,726,499
	Borrowings	1,891,891	1,153,608
	Cost of foreign currency swaps against foreign currency deposits	3,667,439	1,218,975
	Lease liability against right of use assets	241,414	328,939
	Securities sold under repurchase agreements	124,734,681	87,445,959
		<u>245,954,549</u>	<u>159,873,980</u>
25.1	Interest expense calculated using effective interest rate method	245,954,549	-
26.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	478,760	464,670
	Consumer finance related fees	169,078	135,309
	Card related fees	1,254,346	579,688
	Credit related fees	73,036	55,281
	Investment banking fees	39,084	85,646
	Commission on trade	741,581	406,448
	Commission on guarantees	349,988	277,157
	Commission on cash management	12,573	9,551
	Commission on remittances including home remittances	384,091	372,768
	Commission on bancassurance	34,648	75,044
	Commission on government transactions	2,021,195	2,052,698
	Management fee and sale load	664,063	384,955
	Brokerage income	25,681	17,328
	Others	31,911	39,403
		<u>6,280,035</u>	<u>4,955,946</u>
27.	GAIN ON SECURITIES - NET		
	Realised	2,749,911	756,394
	Unrealised - Measured at FVPL	1,665,176	(226,190)
	Unrealized - Short selling	9,131	(160,904)
		<u>4,424,218</u>	<u>369,299</u>
27.1	Realized gain / (loss) on		
	Federal Government Securities	1,882,955	738,747
	Shares and mutual funds	866,956	17,647
	Foreign Securities	-	-
		<u>2,749,911</u>	<u>756,394</u>

(Un-audited)	
Quarter ended	
March 31, 2024	March 31, 2023
----- (Rupees in '000) -----	

27.2 Net gain / loss on financial assets / liabilities measured at FVPL:

Designated upon initial recognition	(33,691)	-
Mandatorily measured at FVPL	1,698,867	-
	1,665,176	-

28. OTHER INCOME

Rent on property		11,374	6,502
Gain on sale of fixed assets - net		1,354	1,819
Compensation for delayed tax refunds	28.1	-	471,354
Amortization of deferred income		-	2,096
Reversal of provisions		-	79,431
Sale of mortgage property		-	39,336
Others		57,904	4,859
		70,632	605,397

28.1 This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.

	(Un-audited)	
	Quarter ended	
	March 31, 2024	March 31, 2023
	----- (Rupees in '000) -----	
29. OPERATING EXPENSES		
Total compensation expenses	14,631,931	14,457,298
Property expense		
Rent and taxes	348,258	274,301
Insurance	9,877	10,654
Utilities cost	580,241	426,288
Security (including guards)	978,149	817,676
Repair and maintenance (including janitorial charges)	357,343	305,378
Depreciation	119,733	130,454
Depreciation on non banking assets	4,479	2,511
Depreciation on Ijarah assets	-	15,861
Depreciation on right of use assets	518,653	556,890
	2,916,732	2,540,013
Information technology expenses		
Software maintenance	716,087	694,694
Hardware maintenance	40,457	63,303
Depreciation	127,017	99,462
Amortisation	122,762	118,595
Network charges	214,988	155,853
IT Manage Services	117,998	134,328
	1,339,309	1,266,235
Other operating expenses		
Directors' fees and allowances	25,064	11,023
Directors' fees and allowances - subsidiaries	5,940	4,840
Fees and allowances to Shariah Board	4,266	4,577
Legal and professional charges	436,738	415,575
Outsourced services costs	214,313	147,241
Travelling and conveyance	339,943	305,235
NIFT clearing charges	50,818	53,977
Depreciation	382,708	400,152
Training and development	15,112	22,144
Postage and courier charges	38,689	30,189
Communication	203,582	156,333
Stationery and printing	303,928	273,048
Marketing, advertisement and publicity	132,342	104,096
Donations	5,509	-
Auditors' Remuneration	69,638	64,027
Financial charges on leased assets	31,707	29,309
Insurance	189,960	129,210
Entertainment	96,313	70,135
Clearing, verification and license fee charges	69,273	117,026
Vehicle Expenses	63,817	61,970
Repairs and maintenance	310,958	260,390
Brokerage	30,795	5,126
Loss on Sale of Fixed Asset	33,935	-
Deposit premium expense	348,216	452,894
Others	178,323	158,150
	3,581,888	3,276,667
	22,469,860	21,540,213

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
Note		----- (Rupees in '000) -----	
30. OTHER CHARGES			
	Penalties imposed by State Bank of Pakistan	10,891	14,614
	Penalties imposed by other regulatory bodies(Central bank of international branches)	-	1,085
		<u>10,891</u>	<u>15,699</u>

31. CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

	Credit loss allowance for diminution in value of investments	9.2	117,447	774,286
	Credit loss allowance against loans and advances	10.4	340,400	(68,430)
	Credit loss allowance against against other assets	15.1.1	(15,014)	9,895
	Credit loss allowance against against markup receivable		134,584	-
	Credit loss allowance against against contingencies	21.1	19,351	18,436
	Credit loss allowance against against off balance Sheet		130,722	-
			<u>727,490</u>	<u>734,186</u>

32. TAXATION

	Current			
	For the year	10,723,750	8,076,025	
	Prior years	-	-	
		<u>10,723,750</u>	<u>8,076,025</u>	
	Deferred			
	For the year	(115,469)	(454,280)	
	Prior years	-	-	
		<u>(115,469)</u>	<u>(454,280)</u>	
		<u>10,608,281</u>	<u>7,621,745</u>	

33. EARNINGS PER SHARE - BASIC AND DILUTED

	Profit for the period (Rupees in 000's)	9,708,340	11,249,266
	Weighted average number of ordinary shares (000's)	2,127,513	2,127,513
	Earnings per share - basic and diluted (Rupees)	4.56	5.29

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

		(Un-audited)		
		Quarter ended		
		March 31, 2024	March 31, 2023	
Note		----- (Rupees in '000) -----		
34. CASH AND CASH EQUIVALENT				
	Cash and balances with treasury banks	6	407,851,774	255,097,607
	Balances with other banks	7	30,001,453	35,526,174
	Call / clean money lendings	8	9,723	9,723
	Call borrowings	17	(19,861,821)	(22,537,203)
	Overdrawn nostro accounts	17	(571,868)	-
			<u>417,429,261</u>	<u>268,096,301</u>

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted instruments classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

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

35.1 Fair value of financial assets

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

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

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

March 31, 2024 (Un-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					
- Market Treasury Bills	862,739,288	-	862,739,288	-	862,739,288
- Pakistan Investment Bonds	2,835,677,056	-	2,835,677,056	-	2,835,677,056
- Ijarah Sukuks	40,549,245	-	40,549,245	-	40,549,245
- Foreign Currency Debt securities	36,044,116	-	36,044,116	-	36,044,116
Ordinary Shares					
- Listed Companies	63,684,379	63,684,379	-	-	63,684,379
Preference shares					
- Listed	1,034,666	1,034,666	-	-	1,034,666
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	54,702,528	14,144,159	40,558,369	-	54,702,528
Mutual Fund units					
	7,393,010	-	7,393,010	-	7,393,010
Foreign Securities					
- Government debt securities	6,101,261	-	6,101,261	-	6,101,261
- Equity Securities - Listed	44,420,784	44,420,784	-	-	44,420,784
	<u>3,952,346,333</u>	<u>123,283,988</u>	<u>3,829,062,345</u>	-	<u>3,952,346,333</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	-	-	-	-	-
- Pakistan Investment Bonds	319,839,934	-	187,288,650	-	187,288,650
- Ijarah Sukuks	14,080,289	-	11,805,827	-	11,805,827
- Foreign Currency Debt securities	4,393,435	-	4,224,299	-	4,224,299
Foreign Securities					
- Government debt securities	40,750,764	-	43,559,260	-	43,559,260
- Non-Government debt securities	1,065	-	1,103	-	1,103
	<u>379,065,487</u>	-	<u>246,879,139</u>	-	<u>246,879,139</u>
	<u>4,331,411,820</u>	<u>123,283,988</u>	<u>4,075,941,484</u>	-	<u>4,199,225,472</u>
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	<u>851,887,859</u>	-	<u>(11,944,713)</u>	-	<u>(11,944,713)</u>
Forward government securities transactions	<u>27,118,665</u>	-	<u>167,530</u>	-	<u>167,530</u>
December 31, 2023 (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					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- Ijarah Sukuks	30,093,964	-	30,093,964	-	30,093,964
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
Ordinary Shares					
- Listed Companies	62,430,593	62,430,593	-	-	62,430,593
Preference shares					
- Listed	1,043,797	1,043,797	-	-	1,043,797
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	47,649,851	13,790,776	33,859,075	-	47,649,851
Mutual Fund units					
	4,885,134	-	4,885,134	-	4,885,134
Foreign Securities					
- Government debt securities	6,090,437	-	6,090,437	-	6,090,437
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	<u>4,121,439,480</u>	<u>119,900,011</u>	<u>4,001,539,469</u>	-	<u>4,121,439,480</u>

December 31, 2023 (Audited)				
Carrying Value	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

- Market Treasury Bills	161,108	-	161,108	-	161,108
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611

Foreign Securities

- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,951,142	-	252,002,875	-	252,002,875
	4,394,390,622	119,900,011	4,253,542,344	-	4,373,442,355

Off-balance sheet financial instruments - measured at fair value

Commitments

Foreign exchange contracts purchase and sale	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
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 condensed interim financial statements.

35.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

March 31, 2024 (Un-audited)				
Carrying Value	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Land and building	52,065,972	-	-	52,065,972	52,065,972
Non-banking assets acquired in satisfaction of claims	3,968,647	-	-	3,968,647	3,968,647
	56,034,619	-	-	56,034,619	56,034,619

December 31, 2023 (Audited)				
Carrying Value	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Land and building	51,992,069	-	-	51,992,069	51,992,069
Non-banking assets acquired in satisfaction of claims	3,973,126	-	-	3,973,126	3,973,126
	55,965,195	-	-	55,965,195	55,965,195

36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

For the three months period ended March 31, 2024 (Un-audited)								
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total

(Rupees in '000)

Profit and loss account

Net mark-up / return / interest income / (expense)	(90,200,934)	9,243,938	251,229	105,644,993	3,056,778	1,131,520	29,127,523	-	29,127,522
Inter segment revenue - net	123,260,264	(10,704,447)	1,576,071	(120,246,452)	-	6,114,565	0	-	-
Non mark-up / return / interest income	4,183,351	126,492	1,558,709	7,249,888	214,454	1,174,398	14,507,291	-	14,507,291
Total Income	37,242,681	(1,334,018)	3,386,009	(7,351,571)	3,271,231	8,420,482	43,634,814	-	43,634,813
Segment direct expenses	9,921,106	103,111	309,598	90,929	2,322,734	1,415,588	14,163,066	-	14,163,066
Inter segment expense allocation	-	-	-	-	-	8,317,685	8,317,685	-	8,317,685
Total expenses	9,921,106	103,111	309,598	90,929	2,322,734	9,733,273	22,480,751	-	22,480,751
Credit loss allowance	51,861	579,507	550,665	-	(121,579)	(332,965)	727,491	-	727,490
Profit / (loss) before taxation	27,269,715	(2,016,637)	2,525,745	(7,442,499)	1,070,076	(979,826)	20,426,574	-	20,426,572

As at March 31, 2024 (Un-audited)								
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total

(Rupees in '000)

Statement of financial position

Cash and balances with treasury and other banks	94,686,055	5,990,189	260,724	231,419,359	93,388,984	12,107,916	437,853,227	-	437,853,227
Investments	0	-	29,536,237	4,154,994,743	84,512,188	77,455,445	4,346,498,625	-	4,346,498,622
Net inter segment lending	2,484,375,335	-	-	-	-	339,660,350	2,824,035,685	(2,824,035,685)	-
Lendings to financial institutions	-	-	-	58,022,466	-	-	58,022,466	-	58,022,466
Advances - performing	231,113,791	158,401,636	687,658,261	-	65,960,818	109,991,034	1,253,125,539	-	1,253,125,539
Advances - non-performing	5,135,970	27,205,583	24,344,915	-	63,766,100	102,779,071	223,231,639	-	223,231,639
Credit allowance against against Advances	(12,386,909)	(30,731,848)	(41,882,813)	-	(62,726,043)	(103,009,368)	(250,736,981)	-	(250,736,981)
Advances - Net	223,862,851	154,875,371	670,120,363	-	67,000,875	109,760,737	1,225,620,197	-	1,225,620,197
Others	44,647,739	2,803,745	37,735,073	104,209,891	8,345,816	95,044,472	292,786,713	-	292,786,734
Total Assets	2,847,571,980	163,669,305	737,652,397	4,548,646,459	253,247,862	634,028,920	9,184,816,914	(2,824,035,685)	6,360,781,246
Borrowings	-	4,359,614	67,991,206	2,108,008,662	19,581,821	-	2,199,941,304	-	2,199,941,303
Deposits and other accounts	2,733,349,952	-	461,746,902	-	111,735,197	116,245,522	3,423,077,572	-	3,423,077,572
Net inter segment borrowing	-	152,166,650	178,726,600	2,348,684,206	122,392,253	22,065,976	2,824,035,685	(2,824,035,685)	-
Others	114,218,085	7,143,041	29,136,456	40,922,927	4,263,437	140,864,848	336,548,794	-	338,921,755
Total liabilities	2,847,568,036	163,669,305	737,601,163	4,497,615,795	257,972,708	279,176,346	8,783,603,354	(2,824,035,685)	5,961,940,630
Equity	3,944	-	51,234	51,030,663	(4,724,846)	352,479,625	398,840,613	-	398,840,615
Total equity and liabilities	2,847,571,980	163,669,305	737,652,397	4,548,646,459	253,247,862	631,655,971	9,182,443,966	(2,824,035,685)	6,360,781,246
Contingencies and commitments	-	78,678,795	2,006,166,719	929,709,507	21,064,750	27,690,328	3,063,310,099	-	3,063,310,099

For the three months period ended March 31, 2023 (Un-audited)								
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total

(Rupees in '000)

Profit and loss account

Net mark-up / return / interest income / (expense)	(53,669,740)	8,033,052	7,608,880	67,668,646	633,285	2,350,473	32,624,598	-	32,624,598
Inter segment revenue - net	79,351,581	(9,351,852)	(6,273,468)	(69,125,293)	-	5,399,033	-	-	-
Non mark-up / return / interest income	3,526,399	88,993	877,456	2,691,183	339,218	1,057,308	8,580,557	-	8,580,557
Total Income	29,208,240	(1,229,807)	2,212,868	1,234,536	972,503	8,806,814	41,205,155	-	41,205,155
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	1,287,892	13,671,656	-	13,671,655
Inter segment expense allocation	-	-	-	-	-	7,884,256	7,884,256	-	7,884,256
Total expenses	8,887,705	906,289	349,136	62,208	2,178,426	9,172,149	21,555,912	-	21,555,911
Credit loss allowance	(57,529)	489,453	234,381	852,624	(185,860)	(598,884)	734,186	-	734,186
Profit / (loss) before taxation	20,378,063	(2,625,549)	1,629,351	319,704	(1,020,062)	233,550	18,915,057	-	18,915,057

As at December 31, 2023 (Audited)								
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total

(Rupees in '000)

Statement of financial position

Cash and balances with treasury and other banks	24,530,869	2,327,011	309,620	253,026,662	45,582,613	12,683,274	338,460,049	-	338,460,049
Investments	-	-	29,881,757	4,238,437,789	79,712,923	66,141,836	4,414,174,305	-	4,414,174,305
Net inter segment lending	2,848,709,058	-	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)	-
Lendings to financial institutions	-	-	-	192,430,437	-	-	192,430,437	-	192,430,437
Advances - performing	236,148,640	263,088,116	719,624,952	-	69,139,462	122,783,713	1,410,784,883	-	1,410,784,883
Advances - non-performing	4,151,922	24,855,686	24,997,940	-	64,791,844	102,323,045	221,120,437	-	221,120,437
Provision against advances	(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(106,934,800)	(233,832,651)	-	(233,832,651)
Advances - net	231,756,865	266,866,574	709,952,733	-	71,324,539	118,171,958	1,398,072,669	-	1,398,072,669
Others	45,196,987	4,100,249	37,794,142	117,135,121	8,304,683	113,205,384	325,736,567	-	325,736,565
Total Assets	3,150,193,779	273,293,834	777,938,252	4,801,030,009	204,924,758	615,973,539	9,823,354,173	(3,154,480,145)	6,668,874,025
Borrowings	-	5,171,334	69,017,574	2,085,073,081	18,164,142	317,063	2,177,743,194	-	2,177,743,194
Deposits and other accounts	2,948,491,330	-	510,139,226	-	99,315,779	115,163,579	3,673,109,914	-	3,673,109,914
Net inter segment borrowing	-	249,921,195	169,394,087	2,620,973,252	90,971,376	23,220,235	3,154,480,145	(3,154,480,145)	-
Others	201,702,449	18,201,305	29,358,656	51,337,805	6,639,026	113,367,637	420,606,878	-	420,606,877
Total liabilities	3,150,193,779	273,293,834	777,909,543	4,757,384,138	215,090,323	252,068,514	9,425,940,131	(3,154,480,145)	6,271,459,985
Equity	-	-	28,709	43,645,871	(10,165,565)	363,905,025	397,414,040	-	397,414,040
Total equity and liabilities	3,150,193,779	273,293,834	777,938,252	4,801,030,009	204,924,758	615,973,539	9,823,354,173	(3,154,480,145)	6,668,874,025
Contingencies and commitments	-	90,350,773	1,864,882,509	727,686,842	25,102,178	27,778,266	2,735,800,568	-	2,735,800,568

37. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, joint venture, employee benefit plans and its directors and key management personnel. The details of investment in joint venture and associates and their provisions are stated in note 9 of the consolidated condensed interim financial statement of the Group.

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

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

	As at March 31, 2024 (Un-audited)									As at December 31, 2023 (Audited)								
	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A A/c)	Provident Fund	Other related parties
(Rupees in '000)																		
Balances with other banks																		
In current accounts	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-	-
	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-	-
Investments																		
Opening balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	6,512,634
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,362,533
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,150,536)
Closing balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	7,283,610
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	164,975
Advances																		
Opening balance	-	265,788	2,540,453	-	-	-	-	-	-	-	339,734	2,665,220	-	-	-	-	-	2,085,795
Addition during the period / year	-	-	-	-	-	-	-	-	-	-	24,777	-	-	-	-	-	-	-
Repaid during the period / year	-	(13,062)	-	-	-	-	-	-	-	-	(58,217)	(124,767)	-	-	-	-	-	(520,649)
Transfer in / (out) - net*	-	-	(19,883)	-	-	-	-	-	-	-	(40,506)	-	-	-	-	-	-	(1,565,146)
Closing balance	-	252,727	2,520,570	-	-	-	-	-	-	-	265,788	2,540,453	-	-	-	-	-	-
Credit loss allowance held against advances	-	-	2,520,570	-	-	-	-	-	-	-	-	2,540,453	-	-	-	-	-	-
Other Assets																		
Interest / mark-up accrued	-	-	1,313,344	-	-	-	-	-	-	-	-	1,313,344	-	-	-	-	-	-
Commission paid in Advance	-	-	-	27,206	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	35,846	-	-	-	-	-
	-	-	1,313,344	27,206	-	-	-	-	-	-	-	1,313,344	35,846	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings																		
Opening balance	-	-	-	546,209	-	-	-	-	-	-	-	-	-	52,245	-	-	-	-
Borrowings during the period / year	-	-	-	55,044	-	-	-	-	-	-	-	-	-	493,964	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	601,253	-	-	-	-	-	-	-	-	546,209	-	-	-	-	-
Deposits and other accounts																		
Opening balance	3,630	72,801	145,790	371	100	-	378,978	13,563,087	9,245,132	-	98,488	3,000	-	27,222	-	257,252	13,263,170	515,559
Received during the period / year	3,414	203,547	-	-	13,672,597	-	1,455,060	928,016	35,709,381	11,733	991,165	145,790	-	62,751,350	-	3,883,069	5,369,545	123,529,442
Withdrawn during the period / year	(5,839)	(198,524)	(111,969)	-	(13,573,282)	-	(1,567,052)	(1,065,109)	(37,285,094)	(8,103)	(996,174)	(3,000)	(1,450)	(62,778,472)	-	(3,761,343)	(5,069,628)	(118,318,327)
Transfer in / (out) - net*	-	2,408	-	-	-	-	-	-	(64,494)	-	(20,678)	-	1,821	-	-	-	-	3,518,458
Closing balance	1,206	80,231	33,821	371	99,415	-	266,986	13,425,993	7,604,925	3,630	72,801	145,790	371	100	-	378,978	13,563,087	9,245,132
Other Liabilities																		
Interest / mark-up payable	-	-	955	-	-	-	-	-	-	-	-	5,892	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	955	-	-	-	-	-	-	-	-	5,892	-	-	-	-	-	-
Contingencies and commitments																		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Transfer in / (out) - net due to retirement / appointment of directors and changes in key management personnel.

For the three months period ended March 31, 2024 (Un-audited)							For the three months period ended March 31, 2023 (Un-audited)						
Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others

(Rupees in '000)

Income														
Mark-up / return / interest earned	-	-	-	-	-	-	99,426	-	-	-	2,637	-	-	107,209
Dividend income	-	-	-	-	-	-	29,700	-	-	-	-	-	-	-
Rent income / lighting and power and bank charges	-	-	1,816	-	-	-	5,257	-	-	1,361	-	-	-	-
Expense														
Mark-up / return / interest paid	407	3,723	50,307	7,564	38,382	506,887	271,220	-	4,572	98	7,739	13,833	-	14,116
Expenses paid to company in which Director of the bank was interested as CEO and director	-	-	-	-	-	-	484,697	-	-	-	-	-	-	8,061
Remuneration to key management executives including charge for defined benefit plan	-	165,131	-	-	-	-	-	-	264,049	-	-	-	-	-
Donation paid to company in which Director of the bank was interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors' fee & other allowances	25,064	-	-	-	-	-	-	11,023	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-

37.1 Transactions with Government-related entities

The entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.

The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,031 million (March 31, 2023: Rs. 2,053 million) for the three months ended March 31, 2024. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs.486,001 million (December 31, 2023: Rs. 602,707 million), Rs.1,473,240 million (December 31, 2023: Rs. 1,622,331 million) and Rs. 1,811,459 million (December 31, 2023: Rs.1,780,517 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 19,429 million (March 31, 2023: Rs. 40,225 million) and Rs.46,010 million (March 31, 2023 Rs. 35,433 million) respectively.

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
March 31, December 31,
2024 2023
 ----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	21,275,131	21,275,131
---------------------------------	-------------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	306,607,031	290,194,013
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	306,607,031	290,194,013
Eligible Tier 2 Capital	100,455,596	95,972,355
Total Eligible Capital (Tier 1 + Tier 2)	407,062,627	386,166,368

Risk Weighted Assets (RWAs):

Credit Risk	1,169,934,443	1,064,724,576
Market Risk	157,410,032	121,288,938
Operational Risk	310,495,520	310,495,520
Total	1,637,839,996	1,496,509,034

Common Equity Tier 1 Capital Adequacy Ratio	18.72%	19.39%
Tier 1 Capital Adequacy Ratio	18.72%	19.39%
Total Capital Adequacy Ratio	24.85%	25.80%

Leverage Ratio (LR):

Tier-1 Capital	306,607,031	290,194,013
Total Exposure	8,477,051,194	8,988,394,792
Leverage Ratio	3.62%	3.23%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	2,120,407,969	1,618,093,446
Total Net Cash Outflow	1,094,385,970	918,191,522
Liquidity Coverage Ratio	194%	176%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	3,188,101,628	3,357,537,770
Total Required Stable Funding	1,158,762,631	1,298,306,326
Net Stable Funding Ratio	275%	259%

39 ISLAMIC BANKING BUSINESS

The bank is operating 188 (December 31, 2023: 188) Islamic banking branches and 152 (December 31, 2023: 150) Islamic banking windows at March 31, 2024.

The statement of financial position of the Bank's Islamic banking branches as at March 31, 2024 is as follows:

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		9,728,516	10,248,305
Balances with other banks		41,109	43,076
Investments	39.1	62,081,670	51,544,718
Islamic financing and related assets - net	39.2	60,253,366	73,125,189
Fixed assets		71,851	70,902
Right of use assets		671,678	640,166
Other assets		6,219,070	4,488,184
Total Assets		139,067,260	140,160,540
LIABILITIES			
Bills payable		268,534	477,959
Deposits and other accounts	39.4	112,934,865	113,801,806
Due to head office		13,975,497	12,960,028
Lease liability against right of use assets		852,014	811,291
Other liabilities		2,199,748	2,249,195
		130,230,658	130,300,279
NET ASSETS		8,836,602	9,860,261
REPRESENTED BY			
Islamic Banking Fund		8,531,000	6,731,000
Surplus on revaluation of assets		(429,533)	(400,216)
Unappropriated / unremitted profit	39.5	735,135	3,529,477
		8,836,602	9,860,261
CONTINGENCIES AND COMMITMENTS	39.6		

The profit and loss account of the Bank's Islamic banking operations for the three months period ended March 31, 2024 is as follows:

		(Un-audited) Quarter ended	
		March 31, 2024	March 31, 2023
	Note	----- (Rupees in '000) -----	
Profit / return earned	39.7	5,665,996	3,813,044
Profit / return expensed	39.8	3,750,712	2,580,916
Net profit / return		1,915,284	1,232,128
Other income			
Fee and commission income		84,991	56,861
Foreign exchange income		45,613	9,144
Other income		1,545	5
Total other income		132,149	66,010
Total income		2,047,433	1,298,138
Other expenses			
Operating expenses		820,438	787,924
Other charges		-	120
		820,438	788,044
Profit before credit loss allowance		1,226,995	510,094
Credit loss allowance and write offs - net		87,338	(14,428)
Profit before taxation		1,139,657	524,522
Taxation		-	-
Profit after taxation		1,139,657	524,522

39.1 Investments by segments:	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----							
- Debt Instruments								
Classified / Measured at amortised cost								
Federal Government securities								
- Ijarah Sukuks	14,080,289	-	-	14,080,289	14,087,500	-	-	14,087,500
Non Government debt securities	130,807	(130,807)	-	-	130,807	(130,807)	-	-
	14,211,096	(130,807)	-	14,080,289	14,218,307	(130,807)	-	14,087,500
Classified / Measured at FVOCI								
Federal Government securities								
-Ijarah Sukuks	31,307,762	-	(773,649)	30,534,113	20,513,568	-	(726,606)	19,786,962
Non Government debt securities	17,208,152	(85,000)	344,116	17,467,268	17,343,866	-	326,390	17,670,256
	48,515,914	(85,000)	(429,533)	48,001,381	37,857,434	-	(400,216)	37,457,218
Total Investments	62,727,010	(215,807)	(429,533)	62,081,670	52,075,741	(130,807)	(400,216)	51,544,718

39.1.1 Particlurs of credit loss allowance	March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- (Rupees in '000) -----							
Non Government debt securities			215,807	215,807			130,807	130,807

(Un-audited) (Audited)
March 31, December 31,
2024 2023
 ----- (Rupees in '000) -----

39.2 Islamic financing and related assets - net

Ijarah	13,674	13,749
Murabaha	907,299	3,291,932
Running Musharaka	18,400,000	30,500,000
Diminishing Musharaka	17,883,384	19,357,928
Istisna	199,760	705,500
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	29,000	-
Advance for Diminishing Musharaka	385,437	113,086
Advance for Istisna	14,191,508	8,850,972
Inventories against Istisna	1,651,483	3,342,628
Gross Islamic financing and related assets	62,161,545	74,675,795
Less: Credit loss allowance against Islamic financings		
Stage 1	(621,470)	
Stage 2	(221,253)	
Stage 3	(1,065,456)	
- Specific		(913,875)
- General		(636,731)
Islamic financing and related assets - net of provision	(1,908,179)	(1,550,606)
	60,253,366	73,125,189

39.3 Ijarah

March 31, 2024 (Un-audited)						
Cost			Depreciation			Book Value as at Mar 31, 2024
As at Jan 01, 2024	Additions / (deletions/ adjustment)	As at Mar 31, 2024	As at Jan 01, 2024	Charge/ Adjustment for the year	As at Mar 31, 2024	
-----Rupees in 000 -----'						
Plant & Machinery	59,828	(75)	59,753	47,449	-	12,304
Vehicles	6,000	-	6,000	4,630	-	1,370
Equipment	-	-	-	-	-	-
Total	65,828	(75)	65,753	52,079	-	13,674

December 31, 2023 (Audited)						
Cost			Accumulated Depreciation			Book Value as at Dec 31, 2023
As at Jan 01, 2023	Additions / (deletions/ adjustment)	As at Dec 31, 2023	As at Jan 01, 2023	Charge/ Adjustment for the year	As at Dec 31, 2023	
-----Rupees in 000 -----'						
Plant & Machinery	63,474	(3,646)	59,828	50,820	(3,371)	12,379
Vehicles	168,680	-	6,000	143,126	1,065	1,370
	-	(162,680)	-	-	(139,561)	-
Total	232,154	(166,326)	65,828	193,946	1,065	13,749

Future Ijarah payments receivable

March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year & less than 5 years	Over Five years	Total
Ijarah rental receivables	1,460	-	1,460	1,460	-	-	1,460

39.4 Deposits

March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
-----Rupees in 000 -----'					
Customers					
Current deposits	20,778,221	181,066	20,959,287	22,342,688	185,921
Savings deposits	51,676,000	-	51,676,000	56,721,533	-
Term deposits	16,338,324	-	16,338,324	16,261,024	-
Others	1,439,024	-	1,439,024	810,992	-
Financial Institutions	90,231,569	181,066	90,412,635	96,136,237	185,921
Current deposits					
Savings deposits	1,219,055	-	1,219,055	1,879,123	-
Term deposits	20,745,062	-	20,745,062	15,071,912	-
	558,113	-	558,113	528,613	-
Total	22,522,230	-	22,522,230	17,479,648	-
Total	112,753,799	181,066	112,934,865	113,615,885	185,921

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
39.5 Unappropriated / unremitted profit	----- (Rupees in '000) -----	
Opening balance	3,529,477	2,297,141
Less: Impact of adoption of IFRS 9	(404,522)	
Add: Islamic banking profit for the period	1,139,657	3,529,477
Less: Taxation	-	
Less: Reserves	-	
Less: Transferred / remitted to head office	(3,529,477)	(2,297,141)
Closing balance	<u>735,135</u>	<u>3,529,477</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
39.6 CONTINGENCIES AND COMMITMENTS	----- (Rupees in '000) -----	
-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	<u>-</u>	<u>-</u>

(Un-audited)
Quarter ended
March 31, 2024 March 31, 2023
----- (Rupees in '000) -----

	(Un-audited) March 31, 2024	(Audited) March 31, 2023
39.7 Profit / Return Earned of Financing, Investments and Placement	----- (Rupees in '000) -----	
Profit earned on:		
Financing	3,202,371	1,833,712
Investments	2,463,206	1,979,056
Placements	419	276
Others (Bai Muajjal)	-	-
	<u>5,665,996</u>	<u>3,813,044</u>

39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	3,032,058	1,735,736
Amortisation of lease liability against - ROUA	30,383	16,845
Others (General Account)	688,271	828,335
	<u>3,750,712</u>	<u>2,580,916</u>

39.9 Pool Management

NBP-AIBG has managed following pools for profit and loss distribution.

a) General depositor pool

The General pool consists of all other remunerative deposits. NBP Aitemaad (the Mudarib) accept deposits on the basis of Mudaraba from depositors (Rabbulmaal). The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. The entire net return after paying equity share to Mudarib is considered as distributable profit of the pool.

b) Special depositor pools (Total 52 during the period and 46 as at Mar 31, 2024)

Special pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the special pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned on the pool. From the net return, and after allocation of share of profit to commingled equity, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.

c) Equity pool

Equity pools include AIBG's fund and current account deposits. The equity pool may have constructive liquidation every month and risk associated with assets of pool includes operational, market, equity, return and Shariah.

Key features and risk & reward characteristics

Deposits are accepted from customers on the basis of Qard (current accounts) and Mudarabah (Saving and term deposits). No profit or loss is passed on to current account depositors.

For deposits accepted on Mudarabah basis from depositors (Rab ul Maal) the Bank acts as Manager (Mudarib) and invests the funds in the Shariah Compliant modes of financings. Rab ul Maal share is distributed among depositors according to weightages declared for a month before start of the period.

In case of loss in a pool during the profit calculation period, the loss is distributed among the depositors (remunerative) according to their ratio of investment.

For all pools, the Mudarib's share is deducted from the distributable profit to calculate the profit to be allocated to depositors. The allocation of the profit to various deposit categories is determined by the amount invested in that category relative to the total pool, as well as by the weightage assigned to the various deposit categories.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

Avenues/sectors of economy/business where Mudaraba based deposits have been deployed.

Sector	Mar 31,2024	Dec 31,2023
	Percentage	
Fertilizer	0.64%	0.00%
Textile	2.53%	3.34%
Fuel & energy	24.56%	24.72%
Leasing/Mudarbas	0.02%	0.02%
Sugar	8.03%	6.12%
Cement	4.18%	3.81%
Gas	0.13%	0.15%
Financial	1.59%	1.57%
Federal Government	36.33%	27.29%
Real Estate	2.61%	2.45%
Agriculture	0.23%	0.24%
Commodity Operations	12.01%	23.66%
Others	7.13%	6.62%
Total	100.0%	100.0%

40. GENERAL

40.1 Figures have been rounded off to the nearest thousand rupees.

41. DATE OF AUTHORIZATION FOR ISSUE

The consolidated condensed interim financial statements were authorized for issue on 26 April, 2024 by the Board of Directors of the Bank.



Chairman President / CEO Chief Financial Officer Director Director

THE BLUE DOT



Head Office

NBP Building, I.I.Chundrigar
Road, Karachi, Pakistan.



Telephone Number

Phone: +92-21-99220100 (30 lines)
Phone: +92-21-99062000 (60 lines)



NBP Call Centre

UAN: 111 627 627



Website

www.nbp.com.pk