

CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2021

Habib Bank Limited Condensed Interim Consolidated Statement of Financial Position As at September 30, 2021

	Note	(Unaudited) September 30,	(Audited) December 31,
	Note	2021	2020
		(Rupe	es in '000)
ASSETS			
Cash and balances with treasury banks	5	326,181,710	375,280,120
Balances with other banks	6	57,426,214	56,533,829
Lendings to financial institutions	7	148,873,463	30,154,193
Investments	8	1,937,064,327	1,948,576,822
Advances	9	1,371,115,134	1,223,510,222
Fixed assets	10	95,107,082	89,190,210
Intangible assets	11	11,821,003	10,412,880
Deferred tax assets		-	-, ,
Other assets	12	133,110,017	115,404,542
		4,080,698,950	3,849,062,818
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LIABILITIES			
Bills payable	13	47,002,764	46,434,199
Borrowings	14	397,760,623	544,107,826
Deposits and other accounts	15	3,166,927,396	2,830,371,390
Liabilities against assets subject to finance lease		-	-
Subordinated debt	16	12,374,000	22,356,000
Deferred tax liabilities	17	7,519,127	10,387,859
Other liabilities	18	167,726,481	129,910,297
		3,799,310,391	3,583,567,571
NET ASSETS		281,388,559	265,495,247
REPRESENTED BY			
Charabaldaral amitu			
Shareholders' equity		14 660 505	14 660 525
Share capital		14,668,525	14,668,525
Reserves	10	78,396,076	72,062,025
Surplus on revaluation of assets - net of tax	19	31,029,042	36,004,914
Unappropriated profit		153,459,861	138,208,223
Total equity attributable to the equity holders of the Bank		277,553,504	260,943,687
Non-controlling interest		3,835,055	4,551,560
		281,388,559	265,495,247
CONTINGENCIES AND COMMITMENTS	20		

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

President and	Chief Financial Officer	Director	Director	Director
Chief Executive Officer				

Habib Bank Limited Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the nine months ended September 30, 2021

	Note	January 01 to September 30, 2021	January 01 to September 30, 2020	July 01 to September 30, 2021	July 01 to September 30, 2020
			(Rupees	s in '000)	
Mark-up / return / profit / interest earned Mark-up / return / profit / interest expensed Net mark-up / return / profit / interest income	22 23	192,743,213 95,591,346 97,151,867	207,931,102 109,146,648 98,784,454	65,879,599 33,591,370 32,288,229	64,799,539 29,090,261 35,709,278
Non mark-up / interest income					
Fee and commission income Dividend income Share of profit of associates and joint venture Foreign exchange income / (loss) (Loss) / income from derivatives Gain on securities - net Other income Total non mark-up / interest income	24 25 26	17,940,372 491,020 1,944,752 2,910,528 (77,203) 1,569,608 943,492 25,722,569	13,383,475 287,643 2,546,333 (333,426) 622,743 7,362,042 198,466 24,067,276	6,163,137 147,855 708,915 1,446,719 (968,070) 87,964 526,706 8,113,226	4,483,757 90,746 1,319,308 408,910 364,465 655,186 101,389 7,423,761
Total income		122,874,436	122,851,730	40,401,455	43,133,039
Non mark-up / interest expenses					
Operating expenses Workers' Welfare Fund - charge Other charges Total non mark-up / interest expenses	27 28	70,012,984 909,682 79,104 71,001,770	70,284,509 856,682 292,448 71,433,639	23,161,038 274,403 27,242 23,462,683	22,612,470 339,936 59,840 23,012,246
Profit before provisions and taxation	-	51,872,666	51,418,091	16,938,772	20,120,793
Provisions / (reversals) and write offs - net	29	5,495,337	8,514,690	1,758,412	3,046,838
Profit before taxation		46,377,329	42,903,401	15,180,360	17,073,955
Taxation	30	19,391,383	17,631,334	6,224,384	6,990,500
Profit after taxation	=	26,985,946	25,272,067	8,955,976	10,083,455
Attributable to:					
Equity holders of the Bank Non-controlling interest	-	26,707,170 278,776 26,985,946	25,191,830 80,237 25,272,067	9,050,933 (94,957) 8,955,976	10,048,332 35,123 10,083,455
Basic and diluted earnings per share	31	18.21	Ru _l 17.17		6.85
Dasic and unded earnings per snafe	ا ا	10.21	17.17	6.17	0.85

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

President and Chief Executive Officer

Chief Financial Officer

Director

Director

	January 01 to September 30, 2021	January 01 to September 30, 2020	July 01 to September 30, 2021	July 01 to September 30, 2020
		(Rupees	in '000)	
Profit after taxation for the period attributable to:	,			
Equity holders of the Bank	26,707,170	25,191,830	9,050,933	10,048,332
Non-controlling interest	278,776 26,985,946	80,237 25,272,067	(94,957) 8,955,976	35,123 10,083,455
Other comprehensive income / (loss)	20,965,940	25,272,007	0,955,970	10,065,455
Items that may be reclassified to the profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches, subsidiaries,				
joint venture and associates - net of tax, attributable to:	0.404.004	0.407.000	4.004.400	(000, 400)
Equity holders of the Bank	3,404,864 49,110	3,197,630 51,915	4,804,162 51,650	(386,466) 34,869
Non-controlling interest	3,453,974	3,249,545	4,855,812	(351,597)
Increase / (decrease) in share of exchange translation reserve of	0,400,014	0,240,040	4,000,012	(001,001)
associates- net of tax	66,625	31,281	(118,752)	57,745
Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:				
Equity holders of the Bank	(4,806,910)	8,144,346	(2,238,199)	(6,760,666)
Non-controlling interest	(24,807)	12,731	(15,701)	(12,690)
	(4,831,717)	8,157,077	(2,253,900)	(6,773,356)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(3,279)	(84,267)	73,023	49,901
Items that are not to be reclassified to the profit and loss account in subsequent periods:				
Share of remeasurement gain on defined benefit obligations of associates - net of tax	4,160	3,214	702	570
Movement in surplus on revaluation of fixed assets attributable to:				
Equity holders of the Bank	14,317	-	14,317	-
Non-controlling interest	(14,317)	-	(14,317)	-
	-	-	-	-
Total comprehensive income	25,675,709	36,628,917	11,512,861	3,066,718
Total comprehensive income attributable to:				
Equity holders of the Bank	25,386,947	36,484,034	11,586,186	3,009,416
Non-controlling interest	288,762	144,883	(73,325)	57,302
-	25,675,709	36,628,917	11,512,861	3,066,718
		:		

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

President and Chief Executive Officer

Chief Financial Officer

Director

Director

For the nine months ended September 30, 2021				Attributa	ble to shar	eholders of	the Bank					
			F	Reserves			Surplus/ (deficit) on				
	Share capital	Joint venture and subsidiary	atutory Bank	Exchange translation	Non- distribu- table	On acquisition of common control entity	revalua	Fixed / Non Banking Assets	Unappro- priated profit	Sub Total	Non- controlling interest	Total
				<u> </u>		(Rupe	ees in '000)					
Balance as at December 31, 2019	14,668,525	1,239,213	33,463,859	31,167,030	547,115	(156,706)	3,530,150	21,345,233	114,550,097	220,354,516	4,396,996	224,751,512
Comprehensive income for the nine months ended September 30, 2020												
Profit after taxation for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	25,191,830	25,191,830	80,237	25,272,067
Other comprehensive income / (loss) Effect of translation of net investment in foreign branches,												
subsidiaries, joint venture and associates - net of tax	-	-	-	3,197,630	-	-	-	-	-	3,197,630	51,915	3,249,545
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	31,281	-		-	-	-	31,281	-	31,281
Share of remeasurement gain on defined benefit obligations of associates - net Movement in surplus / deficit on revaluation of assets - net of tax				-		-	8,144,346	-	3,214	3,214 8,144,346	12,731	3,214 8,157,077
Movement in share of surplus / deficit on revaluation of assets - net of tax	_	_	-	_	_	_	(84,267)	_	_	(84,267)	-	(84,267
incremental control of capacy assist on rotal action of accept of acceptation in the capacy	-	-	-	3,228,911	-	-	8,060,079	-	25,195,044	36,484,034	144,883	36,628,917
Transferred to statutory reserves	-	164,538	2,498,601	-	-	-	-	-	(2,663,139)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(34,451)	35,470	1,019	(1,019)	-
Exchange gain realised on capital reduction in subsidiary under liquidation - net of tax	-	-	-	(1,082,350)	-	-	-	-	(108,817)	(1,082,350)	-	(1,082,350
Reversal of deferred tax asset recognised on subsidiary under liquidation Exchange loss realised on closure of Bank branch - net of tax		-		1,151,197	-	-	-	-	(108,817)	(108,817) 1,151,197	-	1,151,197
Transactions with owners, recorded directly in equity	-		-	1,131,131	-	-	-	-	-	1,131,13/		1,101,191
Final cash dividend - Rs 1.25 per share declared subsequent												
to the year ended December 31, 2019	-	-	-	-	-	-	-	-	(1,833,565)	(1,833,565)	-	(1,833,56
1st interim cash dividend - Rs 1.25 per share		-	-	-	-	-	-	-	(1,833,565)	(1,833,565)	-	(1,833,56
Balance as at September 30, 2020	14,668,525	1.403.751	35,962,460	34,464,788	547,115	(156,706)	11,590,229	21,310,782	133,341,525	253,132,469	4,540,860	257,673,329
Comprehensive income for the three months ended December 31, 2020	11,000,020	1,100,101	00,002,100	01,101,100	011,110	(100,100)	11,000,220	21,010,102	100,011,020	200,102,100	1,010,000	201,010,020
Profit after taxation for the three months ended December 31, 2020	-					_			5,700,441	5,700,441	(59,159)	5,641,282
Other comprehensive income / (loss)									-,,,,	-,,,,	(==,:==)	-,,
Effect of translation of net investment in foreign												
branches, subsidiaries, joint venture and associates - net of tax	-	-	-	(880,134)	-	-	-	-	-	(880,134)	24,805	(855,329
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	23,585	-	-	-	-	- (454.404)	23,585	-	23,585
Remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	(154,494)	(154,494)	486	(154,00
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	(3,166,140)	6,167,217	1,954	1,954 3,001,077	- 44,113	1,954 3,045,19
Movement in surplus / deficit on revaluation of assets - net of tax Movement in share of surplus / deficit on revaluation of assets of associates - net of tax		-	-	-	-		119,244	0,107,217	-	119,244	44,113	119,244
woverheld in Shale of Sulpius / delicit of revaluation of assets of associates - net of tax	-	-	-	(856,549)	-	-	(3,046,896)	6,167,217	5,547,901	7,811,673	10,245	7,821,918
Transferred to statutory reserves	-	43,399	653,767	-	-	-	-	-	(697,166)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(16,418)	15,963	(455)	455	-
Balance as at December 31, 2020	14,668,525	1,447,150	36,616,227	33,608,239	547,115	(156,706)	8,543,333	27,461,581	138,208,223	260,943,687	4,551,560	265,495,247
Comprehensive income for the nine months ended September 30, 2021												
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	26,707,170	26,707,170	278,776	26,985,946
Other comprehensive income / (loss)												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	3,404,864	-	-	-	-	-	3,404,864	49,110	3,453,974
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	66,625	-	-	-	-	-	66,625	-	66,625
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	4,160	4,160	-	4,160
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(4,806,910)	14,317	-	(4,792,593)	(39,124)	(4,831,717
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(3,279)	-	-	(3,279)		(3,279
	-	-	-	3,471,489	-	-	(4,810,189)	14,317	26,711,330	25,386,947	288,762	25,675,709
Transferred to statutory reserves	-	211,158	2,644,569	-	-	-	-	(400.000)	(2,855,727)	1 544	4 540	
Transferred from surplus on revaluation of assets - net of tax	-	-	-	- (4 200)	-	-	-	(180,000)	181,544	1,544	(1,544)	- (1 260
Exchange gain realised on liquidation of subsidiary - net of tax	-	-	-	(1,369)	-	-	-	-	-	(1,369)		(1,369
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	-	(246,488)	-	-	-	-	740.004	(246,488)	(4.000.700)	(246,488
Acquisition of additional interest in subsidiary	-	254,692	-	-	-	-	-	-	749,031	1,003,723	(1,003,723)	-
Transactions with owners, recorded directly in equity												
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020	_	-	-	-	-	-	-	-	(4,400,556)	(4,400,556)		(4,400,556
1st interim cash dividend - Rs 1.75 per share	_		-		-	-	-	-	(2,566,992)	(2,566,992)		(2,566,992
2nd interim cash dividend - Rs 1.75 per share	L -								(2,566,992)	(2,566,992)		(2,566,992
		-	-	-	-	-	-	-	(9,534,540)	(9,534,540)	-	(9,534,540
Balance as at September 30, 2021	14,668,525	1,913,000	39,260,796	36,831,871	547,115	(156,706)	3,733,144	27,295,898	153,459,861	277,553,504	3,835,055	281,388,559

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

President and **Chief Executive Officer** **Chief Financial Officer**

Director

Director

Habib Bank Limited Condensed Interim Consolidated Cash Flow Statement (Unaudited) For the nine months ended September 30, 2021

Page		September 30, 2021	September 30,
Profit factors stands 48,377.28 42,903.078 1,907.078 1,907.078 1,908.078 1,9			
Display Disp	CASH FLOWS FROM OPERATING ACTIVITIES	` '	,
Page	Profit before taxation	46,377,329	42,903,401
Aguitments: (2,455,772 (2,655,772) (, , ,	, , ,
Algustments:	Share of profit of associates and joint venture		
Aginatemis:			
Amontsainon	Adjustments:	-,- ,	-,,
Depreciation on right-of-use assels	Depreciation		
Mark-uy-/ return/ profil/ interest expensed on lesse liability against right-of-use assets 2,685,089 1,685,282 13,33,33 Reversal of provision for diminution in value of investments (1,133,80) (3,35,58) 880,0472 880,0472 Reversal of provision for diminution in value of investments (1,138,60) 380,0472 880,0472 Reversal of provision of partial to see and value of provision against loans and advanced to a see the chilipations 1,123,06 186,0477 186,047			
Mark-up / return / profil / interest expensed on subordinated debth 941,834 (33,355) Reversal of provision of administro in value of investments (1,30,801) (39,555) Provision against loans and advances 5,840,770 8,850,475 Provision against other assets 1,122,386 33,207 Investigation against of the dances sheet obligations 1,122,386 33,207 Exchange gain road ball for fracing securities 2,202 1,158 Exchange gain realised on partial repatriation of branch capital - net of tax (1,309) (1,02,500) Exchange gain realised on inquisition of subsidiary - net of tax (3,739) (1,07) Can on sale of fixed assets - net (3,873) (1,670) Can on sale of fixed assets - net (3,873) (1,670) Contracts of the fixed assets - net (3,873) (1,670) Workers' Welfare Fund - change (3,873) (1,670) Workers' Welfare Fund - change (3,873) (1,670) More asset (section) decrease in operating assets (1,871) (1,872) (Increase) / decrease in operating assets (1,872) (1,872) (Increase) / decrease in operating institut	·		
Reversal of provision for diminution in value of investments (1,130,800) (39,555) Provision against obne an advances 6,840,770 18,600,473 Provision against obne assets 6,300 186,894 Provision against obne assets 3,300 1,158,268 Unrealised loss on heid-for-trading securities 1,158,000 11,158,268 Exchange gain realised on partial repatition of subsidiary - net of tax (246,488) - 1,151,197 Exchange gain realised on partial repatition of subsidiary - net of tax (36,736) (7,079) 1,151,197 Exchange gain realised on liquidation of subsidiary - net of tax (36,736) (7,079) 1,151,197 Exchange gain realised on closure of bank branch - net of tax (36,736) (7,079) 1,151,197 Exchange gain realised on closure of bank branch - net of tax (36,736) (7,079) 1,151,197 Gain on sale of those dassets - net (18,100) (1,780) 1,151,197 Gain on sale of those dassets - net (18,100) (1,178,200) 1,178,200 Landing to financial institutions (18,100) (1,178,200) 1,179,200 Landing to financial in			
Provision against other assets 63,000 186,094 Provision against other assets 33,000 115,285 33,000 115,285 33,000 115,285 11		1	
Provision against off-balanos heter obligations 1,192,88 33,207 Invensitient loss on het-for-training securities 1,152,74 (11,34,1) Exchange gain no noodwill (1,02,350) Exchange gain realised on pitint inepatriation of branch capital - net of tax (1,364) Exchange gain realised on liquidation of subsidiary - net of tax (1,564) Exchange gain realised on cliquidation of subsidiary - net of tax (1,564) Exchange gain realised on cliquidation of subsidiary - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch branch - net of tax (1,560) Exchange loss realised on closure of branch closure of tax (1,560) Exchange loss realised on closure of tax (1,560) Exchange loss realised loss	Provision against loans and advances	5,840,770	8,850,473
11,886 2,000 11,886 13,000 11,886 13,000 11,886 13,000 11,886 13,000 11,886 13,000 11,886 13,000 13	·		
Exchange gain no goodwill (133,674) (244,648) - Exchange gain realised on fisquidation of subsidiary - net of tax (1,369) (1,082,355) (1,515) Exchange loss realised on of sixur of bank branch - net of tax (1,369) (1,082,355) (7,679) Gain on sale of fixed assets - net (16,000) (6,769) (2,600) (•
Exchange gain realised on partial repartiation of branch capital - net of tax (1,46,88) (1,6,25) Exchange gain realised on inguidation of subsidiary - net of tax (3,67,68) (7,67) Gain on sale of fixed assets - net of tax (8,67,68) (7,67) Gain on sale of non-banking asset (80,80) (80,80) (80,80) Workers' Welfare Fund - charge (80,80) (80,80) (80,80) (80,80) Uncrease) / decrease in operating assets (81,80) (118,719,270) (81,870,80) (81,80) (118,719,270) (81,870,80) (81,80) (81,870,80)	· · · · · · · · · · · · · · · · · · ·		
Exchange gain realised on liquidation of subsidiary - net of tax 1,1369 1,082,350 1,151,179 1,251,179			(113,041)
Exchange loss realised on closure of bank branch - net of tax			(1.082.350)
Gain on alse of non-benking asset (16,000) (6,780) (6,86,82) 90,86,86 90,86,86 90,86,86 90,86,86 90,86,86 90,86,86 90,80 86,86,82 90,80 86,86,82 90,80 86,86,82 90,80 80,8		-	
Workers' Welfare Fund - charge 99,986,8 86,82/1 18,33/42 21,610,106 16,705,705 17,705,30,205 17,705,30,205 17,705,30,205 17,705,30,205 17,705,30,205 18,705,705,705 16,705,705 17,705,30,205 18,705,705 17,705,30,205 18,705,705 18,705,705 18,705,705 19,705,705 18,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705 19,705,705,705 19,705,705 19,705,705,705,705 19,705,705 19,705,705 <td>Gain on sale of fixed assets - net</td> <td>(36,736)</td> <td>(7,679)</td>	Gain on sale of fixed assets - net	(36,736)	(7,679)
Ray	•	, , , , , , , , , , , , , , , , , , , ,	` ' '
Canaba C	Workers' Welfare Fund - charge		
Charcase Advances Charcase Charcase			
Held-fortrading securities	(Increase) / decrease in operating assets	02,000,200	0.,0.0,00.
Advances (153,445,682) 17,079,412 Other assets (excluding advance taxation) (19192,855) 24,793,85 Increase / (decrease) in operating liabilities (358,166,518) 177,533,325 Illis payable 568,565 10,061,646 Borrowings from financial institutions (146,347,203) (39,682,200) Opeposits and other accounts 336,556,006 298,470,585 Other liabilities 316,383,66 16,425,311 Income tax paid (73,419,495) 524,486,188 Income tax paid (81,002,332) 62,002,332 Income tax paid (81,002,002,002,002,002,002,002<	Lendings to financial institutions		(18,782,383)
Cheer assets (excluding advance taxation) (19,192,885) 24,479,855 (358,186) (358,186) (358,186) (358,186) (358,186) (358,186) (358,186) (358,186) (358,186) (358,186) (388	-		
Case (decrease) in operating liabilities Case Case			
Sease Incerease Incereas	Other assets (excluding advance taxation)		
Bills payable 568,565 10,081,648 Borrowings from financial institutions (146,47,203) (39,882,200) Opposits and other accounts 336,566,006 298,470,585 Other liabilities 31,636,365 16,425,311 Income tax paid (73,419,495) 524,488,198 Income tax paid (73,419,495) 516,285,080 CASH FLOWS FROM INVESTING ACTIVITIES Net investment in available-for-sale securities 110,072,560 (75,64,658) Net investment in salcoiates (36,078,556) (17,654,658) Net investment in sascoiates (500,239) 1,166,283 Net investment in sascoiates (500,239) 1,166,283 Net investment in fixed assets (500,239) 1,166,283 Net investment in fixed assets (2,014,969) (1,395,351) Investments in intangible assets (2,014,969) (1,395,351) Proceeds from sale of inved assets (2,014,969) (1,395,351) Proceeds from sale of inved assets (2,014,969) (1,395,351) Proceeds from sale of fixed assets (2,004,969) (3,253) <t< td=""><td>Increase / (decrease) in operating liabilities</td><td>(550, 100,510)</td><td>177,000,020</td></t<>	Increase / (decrease) in operating liabilities	(550, 100,510)	177,000,020
Deposits and other accounts 33,656,006 298,470,585 Other liabilities 31,636,356 16,425,311 Income tax paid (73,419,495) 524,488,198 Income tax paid (91,580,527) 516,285,000 Net cash flows (used in) / generated from operating activities (91,580,527) 516,285,000 CASH FLOWS FROM INVESTING ACTIVITIES 110,072,560 (526,654,720) Net investment in available-for-sale securities (36,078,556) (17,654,658) Net investment in sociates (500,239) 1,166,283 Net investment in sacciates (500,239) 1,166,283 Investments in fixed assets (500,239) 1,166,283 Investments in fixed assets (9,439,825) (5,312,542) Investments in fixed assets (2,014,989) (3,253,254) Proceeds from sale of fixed assets (2,014,989) (3,253,254) Proceeds from sale of non-banking asset (2,014,989) (3,253,254) Proceeds from sale of non-banking asset (3,047,685) (3,047,685) Rifect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax 3,247,4		568,565	10,061,646
Other liabilities 31,636,56 16,425,314 222,413,724 282,723,424 282		, , , , , ,	
Recome tax paid Recome tax	·	1 1	
Net cash flows (used in) / generated from operating activities (18,161,032) (2,02,392)	Other liabilities		
National Read Paid			
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CASH FLOWS FROM FINANCING ACTIVITIES Effect of translation of net investment by non-controlling interest in subsidiary 49,110 51,915 Repayment of subordinated debt (9,982,000) (4,000) Payment of mark-up on subordinated debt (1,228,722) (2,596,766) Payment of lease liability against right-of-use assets (3,381,485) (3,549,705) Dividend paid (8,303,075) (3,660,596) Net cash flows used in financing activities (22,846,172) (9,759,152) Decrease in cash and cash equivalents during the period (48,206,025) (39,749,476) Cash and cash equivalents at the beginning of the period 425,972,091 402,061,876 Effect of exchange rate changes on cash and cash equivalents 5,841,858 6,780,395 431,813,949 408,842,271	·		
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Payment of lease liability against right-of-use assets (3,381,485) (3,549,705) Dividend paid (8,303,075) (3,660,596) Net cash flows used in financing activities (22,846,172) (9,759,152) Decrease in cash and cash equivalents during the period (48,206,025) (39,749,476) Cash and cash equivalents at the beginning of the period 425,972,091 402,061,876 Effect of exchange rate changes on cash and cash equivalents 5,841,858 6,780,395 431,813,949 408,842,271	• •	(9,982,000)	, , ,
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Effect of exchange rate changes on cash and cash equivalents 5,841,858 6,780,395 431,813,949 408,842,271			
431,813,949 408,842,271		1 1	
Cash and cash equivalents at the end of the period 383,607,924 369,092,795	. O		
	Cash and cash equivalents at the end of the period	383,607,924	369,092,795

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

January 01 to

January 01 to

HABIB BANK LIMITED

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) For the nine months ended September 30, 2021

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding company

- Habib Bank Limited, Pakistan

Subsidiaries

- Habib Allied Holding Limited 90.50% shareholding
- HBL Bank UK Limited 90.50% effective shareholding
- Habib Currency Exchange (Private) Limited 100% shareholding
- HBL Asset Management Limited 100% shareholding
- The First MicrofinanceBank Limited 71.43% shareholding
- Habib Bank Financial Services (Private) Limited 100% shareholding

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,640 (December 31, 2020: 1,659) branches inside Pakistan including 163 (December 31, 2020: 62) Islamic Banking Branches and 38 (December 31, 2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and the company stands formally dissolved as on May 19, 2021. The entire capital has been repatriated to Pakistan.
- 1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.3 The Bank has decided to exit its operations in Mauritius and is at an advanced stage of discussions with a potential buyer.
- 1.4 During the period, the Bank has subscribed to 200 million Rights shares issued by the First MicrofinanceBank Limited (FMFB). Resultantly, the Bank's holding in FMFB has increased from 50.51% to 71.43%.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

- The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019, and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.
- 2.3 Standards, interpretations of and amendments to existing accounting and reporting standards that have become effective in the current year.

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2021. These are considered either to not be relevant or not to have any significant impact on the Group's financial statements.

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

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited.

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

2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2020.

SIGNIFICANT ACCOUNTING POLICIES 3

The significant accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2020.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2020.

5	CASH AND BALANCES WITH TREASURY BANKS	(Unaudited) September 30, 2021	(Audited) December 31, 2020
	In hand	(Rupees	ili uuu)
	Local currency	47,172,475	41,262,666
	Foreign currencies	5,662,937	16,341,859
	·	52,835,412	57,604,525
	With State Bank of Pakistan in		
	Local currency current accounts	97,493,399	130,745,447
	Foreign currency current accounts	9,167,992	6,788,327
	Foreign currency deposit accounts	17,088,727	13,768,677
		123,750,118	151,302,451
	With other Central Banks in		
	Foreign currency current accounts	49,184,734	47,941,657
	Foreign currency deposit accounts	10,778,013	11,120,595
		59,962,747	59,062,252
	With National Bank of Pakistan in		
	Local currency current accounts	88,568,264	104,866,634
	Local currency deposit account	505,770	697,247
		89,074,034	105,563,881
	National Prize Bonds	559,399	1,747,011
		326,181,710	375,280,120
6	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	608,088	2,284,347
	In deposit accounts	6,809,692	7,060,497
		7,417,780	9,344,844
	Outside Pakistan		
	In current accounts	29,097,925	30,271,581
	In deposit accounts	20,910,509	16,917,404
		50,008,434	47,188,985
		57,426,214	56,533,829
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	16,040,000	-
	Repurchase agreement lendings (reverse repo) Bai Muajjal receivable with:	120,729,956	24,896,835
	- State Bank of Pakistan	_	5,257,358
	- Other financial institutions	12,103,507	5,257,556 -
	Said: illianolal illoatationo	148,873,463	30,154,193
		1 10,07 0,400	23,.01,100

8	INVESTMENTS	Note		September 30, 2	021 (Unaudited)			31, 2020 (Audited)	
8.1	Investments by type		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Held-for-trading (HFT) securities					(Ru	pees in '000)			
	Federal Government securities									
	- Market Treasury Bills		171,073,518	-	(64,087)	171,009,431	105,568,935	-	(13,658)	105,555,277
	- Pakistan Investment Bonds		24,825,098	-	15,506	24,840,604	25,655,331	-	19,066	25,674,397
	Shares - Listed companies		48,320		(2,709)	45,611	137,682		8,542	146,224
	Foreign securities		40,320	-	(2,703)	45,011	137,002		0,542	140,224
	- Government debt securities		2,296,785	-	19,198	2,315,983	102,884	-	23,578	126,462
	Available-for-sale (AFS) securities		198,243,721	-	(32,092)	198,211,629	131,464,832	-	37,528	131,502,360
	Federal Government securities				1					
	- Market Treasury Bills		380,450,343	-	(79,003)	380,371,340	525,077,889	-	1,445,950	526,523,839
	- Pakistan Investment Bonds		777,371,501	- 1	3,504,158	780,875,659	784,493,994	-	10,689,727	795,183,721
	- Ijarah Sukuks		84,394,683	-	497,565	84,892,248	67,678,595	-	(322,645)	67,355,950
	- Government of Pakistan US Dollar Bonds		17,038,188	(426,851)	354,522	16,965,859	10,410,050	(392,763)	645,468	10,662,755
	- Government of Pakistan US Dollar Sukuks		- 4407.004	-	-		706,395	(20,567)	49,222	735,050
	- Other Federal Government securities		1,107,281	- 1	-	1,107,281	530,538	-	-	530,538
	Shares		7,580,431	(1,909,156)	570,443	6,241,718	7,975,054	(2,983,143)	846,869	5,838,780
	Listed companiesUnlisted companies		5,372,623	(91,009)	370,443	5,281,614	4,899,328	(87,125)	040,009	4,812,203
	Non-Government debt securities		0,012,020	(31,003)		0,201,014	4,000,020	(01,120)		4,012,200
	- Listed		51,382,317	(96,460)	685,531	51,971,388	46,943,545	-	321,860	47,265,405
	- Unlisted		1,648,381	(247,380)	22,500	1,423,501	1,671,878	(270,877)	22,500	1,423,501
	Foreign securities									
	 Government debt securities 		58,554,419	(342,401)	309,514	58,521,532	45,617,541	(565,331)	(10,504)	45,041,706
	 Non-Government debt securities - Listed 		15,620,620	(951,072)	101,731	14,771,279	14,601,331	(927,366)	76,457	13,750,422
	- Equity securities - Unlisted		6,107	(316)	-	5,791	5,913	(321)	-	5,592
	National Investment Unit Trust units		11,113	-	35,173	46,286	11,113	-	35,726	46,839
	Real Estate Investment Trust units		55,000	-	3,600	58,600	55,000	-	(2,000)	53,000
	Preference shares		744 400		00.500	004.000	744 400		455 400	000 000
	- Listed - Unlisted		744,400 176,985	(152,990)	80,500 -	824,900 23,995	744,400 -	-	155,400 -	899,800
			1,401,514,392	(4,217,635)	6,086,234	1,403,382,991	1,511,422,564	(5,247,493)	13,954,030	1,520,129,101
	Held-to-maturity (HTM) securities	8.2								
	Federal Government securities		007.050			207.050	000.040			000 040
	- Market Treasury Bills		327,059 251,494,992	-	-	327,059 251,494,992	292,316 216,844,554	-	-	292,316 216,844,554
	 Pakistan Investment Bonds Other Federal Government securities 		10,794,000	- I		10,794,000	10,794,000		-	10,794,000
	Non-Government debt securities		10,734,000	_	_	10,734,000	10,734,000	_	_	10,734,000
	- Listed		2,432,804	_	_	2,432,804	4.277.922	_	-	4,277,922
	- Unlisted		21,382,229	- 1	-	21,382,229	17,826,657	-	-	17,826,657
	Foreign Securities									, ,
	- Government debt securities		13,847,158	-	-	13,847,158	13,617,545	(13)	-	13,617,532
	- Non-Government debt securities		24444	(0.470)		225 222	4 407 044	(4.4.050)		4 400 004
	- Listed		314,147	(8,479)	-	305,668		(14,650)	-	1,182,691
	- Unlisted		649,344 301,241,733	(1,525) (10,004)		647,819 301,231,729	312,842 265.163.177	(1,516) (16,179)		311,326 265,146,998
		0.4.4		(10,004)	E0 003		,,	(10,173)	EC 070	
	Investments in associates and joint venture	8.1.1	34,187,075	// 007 000	50,903	34,237,978	31,742,084	- /F 000 1=1:	56,279	31,798,363
	Total Investments		1,935,186,921	(4,227,639)	6,105,045	1,937,064,327	1,939,792,657	(5,263,672)	14,047,837	1,948,576,822
8.1.1	This represents the Group's share of surplus on in	vestments	held by these entit	ies.						
8.1.2	Investments given as collateral								(Unaudited)	(Audited)
	The market value of investments given as collater	al against l	porrowings is as fol	lows:					September 30, 2021	December 31, 2020
	The market value of investments given as collater								(Rupees	iii 000)
	Federal Government securities - Market Treasury Bills								7,966,056	113,807,278
	Federal Government securities - Market Treasury Bills - Pakistan Investment Bonds								7,966,056 137,996,496	113,807,278 207,400,499
	Federal Government securities - Market Treasury Bills - Pakistan Investment Bonds Foreign securities								137,996,496	
	Federal Government securities - Market Treasury Bills - Pakistan Investment Bonds									

Loss

Overseas Overdue by: 181 to 365 days

The market value of investments classified as held-to-maturity amounted to Rs 299,574.032 million (December 31, 2020: Rs 267,655.188 million).

8.3	Particulars of provision held against diminution in the value of i	investments		(Unaudited) September 30, 2021 (Rupees ir	(Audited) December 31, 2020 1 '000)
	Opening balance			5,263,672	5,504,910
	Exchange adjustments			94,768	68,085
	Charge / (reversal)			,	•
	Charge for the period / year			388,396	1,400,035
	Reversal for the period / year			(301,323)	(15,065)
	Reversal on disposal during the period / year			(1,217,874)	(1,694,293)
	Net reversal			(1,130,801)	(309,323)
	Closing balance			4,227,639	5,263,672
8.4	Particulars of provision against debt securities				
		(Unau	dited)	(Audite	ed)
		Septembe	r 30, 2021	December 3	1, 2020
	Category of classification	Non Performing Investments	Provision	Non Performing Investments	Provision
	Domestic		(Ru	pees in '000)	

 >365
 917,593
 917,593

 1,164,973
 1,164,973
 1,149,493
 1,149,493

247,380

247,380

270,877

878,616

270,877

878,616

	In addition to the above, overseas brar in accordance with the ECL requireme		• .		(, , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,
			Perfor	ming	Non - pe	rforming	Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
9	ADVANCES	Note	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
9	ADVANCES					2020 Rupees in '000)		
	Loans, cash credits, running finances, etc.		1,114,530,950	1,002,683,523	78,166,412	76,761,340	1,192,697,362	1,079,444,863
	Islamic financing and related assets	36.3	153,881,179	154,081,348	352,087	337,107	154,233,266	154,418,455
	Bills discounted and purchased		102,974,500	66,540,022	5,653,999	5,005,929	108,628,499	71,545,951
	Advances - gross		1,371,386,629	1,223,304,893	84,172,498	82,104,376	1,455,559,127	1,305,409,269
	Provision against advances							
	- Specific	9.3	-	-	(74,127,184)	(70,835,763)	(74,127,184)	(70,835,763)
	- General		(10,316,809)	(11,063,284)	-	-	(10,316,809)	(11,063,284)
			(10,316,809)	(11,063,284)	(74,127,184)	(70,835,763)	(84,443,993)	(81,899,047)
	Advances - net of provision		1,361,069,820	1,212,241,609	10,045,314	11,268,613	1,371,115,134	1,223,510,222
							(Unaudited)	(Audited)
							September 30, 2021	December 31, 2020
							(Rupees ii	n '000)
9.1	Particulars of advances (Gross)							
	In local currency						1,119,910,202	1,054,929,659
	In foreign currencies					<u>.</u>	335,648,925	250,479,610
							1,455,559,127	1,305,409,269

9.2 Advances include Rs 84,172.498 million (December 31, 2020: Rs 82,104.376 million) which have been placed under non-performing status as detailed below:

	(Unau	dited)	(Audited)			
Category of classification	Septembe	r 30, 2021	December 31, 2020			
	Non- performing advances	Provision	Non-performing advances	Provision		
Domestic		(Rup	ees in '000)			
Other assets especially mentioned	1,487,546	-	1,228,797	-]		
Substandard	3,580,577	877,233	5,541,896	1,355,443		
Doubtful	3,337,844	1,748,138	1,383,002	690,474		
Loss	43,154,906	42,154,735	42,291,448	41,073,885		
	51,560,873	44,780,106	50,445,143	43,119,802		
Overseas						
Not past due but impaired	94,274	69,648	592,400	355,535		
Overdue by:						
Upto 90 days	181,223	10,240	105,684	36,925		
91 to 180 days	134,326	78,900	225,844	51,457		
181 to 365 days	2,858,008	2,187,922	2,849,284	2,846,499		
> 365 days	29,343,794	27,000,368	27,886,021	24,425,545		
	32,611,625	29,347,078	31,659,233	27,715,961		
Total	84,172,498	74,127,184	82,104,376	70,835,763		

9.3 Particulars of provision against advances

Note	Septemb	er 30, 2021 (U	naudited)	Decer	cember 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total	
			(Rup	ees in '000)			
Opening balance	70,835,763	11,063,284	81,899,047	72,634,967	3,730,991	76,365,958	
Exchange adjustment	1,781,404	146,172	1,927,576	974,252	47,701	1,021,953	
Charge for the period / year	10,335,008	796,480	11,131,488	9,301,182	7,636,845	16,938,027	
Reversal for the period / year	(3,601,591)	(1,689,127)	(5,290,718)	(4,525,945)	(352,253)	(4,878,198)	
Net charge / (reversal) against advances	6,733,417	(892,647)	5,840,770	4,775,237	7,284,592	12,059,829	
Charged off during the period / year -							
agriculture financing 9.5	(282,052)	-	(282,052)	(750,824)	-	(750,824)	
Written off during the period / year	(4,941,348)	-	(4,941,348)	(6,797,869)	=	(6,797,869)	
Closing balance	74,127,184	10,316,809	84,443,993	70,835,763	11,063,284	81,899,047	

- 9.4 General provision includes provision amounting to Rs 2,606.795 million (December 31, 2020: Rs 2,237.187 million) against consumer finance portfolio and Rs 491.700 million (December 31, 2020: Rs 421.751 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 2,475.262 million (December 31, 2020: Rs 1,985.294 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates. General provision also includes Rs 4,743.052 million (December 31,2020: Rs 6,419.052 million) carried as a matter of prudence on account of COVID-19.
- 9.5 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
FIXED ASSETS		(Rupees	s in '000)
Capital work-in-progress	10.1	5,731,260	2,639,430
Property and equipment		89,375,822	86,550,780
		95,107,082	89,190,210
	Capital work-in-progress	FIXED ASSETS Capital work-in-progress 10.1	FIXED ASSETS Capital work-in-progress Property and equipment Note September 30, 2021 (Rupees 1) (R

10.1	Capital work-in-progress	(Unaudited) September 30, 2021 (Rupees	2020
	Civil works	2,528,277	762,188
	Equipment	440,443	1,243,270
	Advances to suppliers and contractors	2,762,540	633,972
		5,731,260	2,639,430
10.2	Additions to fixed assets	(Unauc	litad)
10.2	Additions to fixed assets	For the nine m	-
		September 30,	
		2021	2020
		(Rupees	in '000)
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress- net	3,091,830	882,095
	Description and accidence of		
	Property and equipment Leasehold land	400,000	020 022
	Building on free hold land	2,019	928,823
	Building on leasehold land	184,048	75,124
	Machinery	85,200	58,556
	Leasehold improvements	1,391,656	711,646
	Furniture and fixtures	626,518	352,287
	Electrical, office and computer equipment	3,531,694	2,117,516
	Vehicles	126,860	64,075
		6,347,995	4,308,027
	Right-of-use assets - net	2,186,468	4,978,031
10.2	Dispessed of fixed assets	11,626,293	10,168,153
10.3	Disposal of fixed assets		
	The net book value of fixed assets disposed off during the period is as follows:		
	Property and equipment		
	Leasehold improvements	2,903	10,393
	Furniture and fixtures	1,254	4,209
	Electrical, office and computer equipment Vehicles	8,439 12,757	13,885 87
	verificies	25,353	28,574
	Derecognition of right-of-use assets on closure of Bank branch	, -	1,032,336
		25,353	1,060,910
		(Unaudited)	(Audited)
		September 30,	December 31,
		2021	2020
11	INTANGIBLE ASSETS	(Rupees	in '000)
	Capital work-in-progress - computer software	1,877,146	1,620,539
	Intangible assets	9,943,857	8,792,341
		11,821,003	10,412,880
		(Unaud	
		For the nine m	
		September 30,	-
44.4	Additions to intensible assets	2021 (Bungan	2020
11.1	Additions to intangible assets	(Rupees	in '000)
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	256,607	595,166
	Computer software	1,758,362	792,744
		2,014,969	1,387,910

12	OTHER ASSETS	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020 s in '000)
			(Nupees	s III 000 <i>)</i>
	Mark-up / return / profit / interest accrued in local currency - net of provision		44,368,341	49,348,579
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		3,486,749	2,878,167
	Advances, deposits, advance rent and other prepayments		3,695,352	2,645,730
	Advance taxation		19,959,947	21,124,536
	Advances against subscription of securities		2,683	1,096,000
	Stationery and stamps on hand		150,131	154,121
	Accrued fees and commissions		260,598	476,113
	Due from Government of Pakistan / SBP		1,692,351	1,532,223
	Mark to market gain on forward foreign exchange contracts		10,361,257	4,101,950
	Mark to market gain on derivative instruments		34,723	182,917
	Non-banking assets acquired in satisfaction of claims		468,175	432,937
	Acceptances		36,000,589	27,539,046
	Clearing and settlement accounts		10,364,862	3,220,084
	Dividend receivable		73,921	15,026
	Claims receivable against fraud and forgeries		489,410	553,356
	Others		2,784,041	1,022,072
			134,193,130	116,322,857
	Provision held against other assets	12.1	(1,174,497)	(1,127,909)
	Other assets - net of provision	40	133,018,633	115,194,948
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	91,384	209,594
	Other assets - total		133,110,017	115,404,542
12.1	Provision held against other assets			
	Acceptances		_	419,923
	Non-banking assets acquired in satisfaction of claims		3,105	3,152
	Claims receivable against fraud and forgeries		489,410	553,356
	Suit filed cases		4,800	4,998
	Others		677,182	
	Others			146,480
			1,174,497	1,127,909
12.1.1	Movement in provision against other assets			
	Opening balance		1,127,909	821,996
	Exchange adjustment		239	19,735
	Charge for the period / year		611,021	691,987
	Reversal for the period / year		(547,815)	(33,899)
	Net charge		63,206	658,088
	Written off during the period / year		(16,857)	(49,042)
	Transferred out		-	(322,868)
	Closing balance		1,174,497	1,127,909
	3			, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
13	BILLS PAYABLE			
	In Pakistan		44,211,930	44,875,620
	Outside Pakistan		2,790,834	1,558,579
			47,002,764	46,434,199
			.,,552,767	10, 101, 100

BORROWINGS	Note	(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020 in '000)
Secured			
Borrowings from the SBP under			
- Export refinance scheme		62,493,317	60,068,212
- Long term financing facility		28,325,675	25,922,575
- Financing facility for renewable energy power plants		4,968,878	1,716,425
- Refinance facility for modernization of Small and Medium Enterprise	es (SMEs)	254,786	152,893
- Refinance and credit guarantee scheme for women entrepreneurs		135,401	163,416
- Financing facility for storage of agricultural produce		363,109	292,211
- Refinance facility for working capital of SMEs		3,533	135,625
- Refinance scheme for payment of wages and salaries		19,767,562	30,928,363
- Refinance facility for combating COVID-19		1,138,886	1,300,000
- Temporary economic refinance facility		19,486,843	4,917,263
		136,937,990	125,596,983
Repurchase agreement borrowings		146,963,107	321,070,809
		283,901,097	446,667,792
Unsecured			
- Call money borrowings		-	13,450,000
- Overdrawn nostro accounts		713,110	194,244
- Borrowings of overseas branches and subsidiaries		55,667,984	30,376,372
- Other long-term borrowings	14.1	57,478,432	53,419,418
		113,859,526	97,440,034
		397,760,623	544,107,826

14.1 This includes the following:

14

- 14.1.1 A loan from the International Finance Corporation amounting to US\$ 150 million (December 31, 2020: US\$ 150 million). The principal amount is payable in six equal semi-annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi-annually.
- 14.1.2 HBL has entered into a long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 170.975 million (December 31, 2020: US\$ 165.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments over a period of 10 years. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 14.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (December 31, 2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum is payable semi-annually.
- 14.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 1,119.624 million (December 31, 2020: Rs 821.434 million), have been utilised by First MicrofinanceBank Limited to extend mortgage finance to low income groups. The principal amount is payable in quarterly installments from June 2020 to June 2031. Mark-up on these facilities ranges from 6.50% to 7.14% per annum and is payable in quarterly installments.
- 14.1.5 A loan from Allied Bank Limited to HBL Asset Management Limited amounting to Rs 1.4 billion (December 31, 2020: Rs 1.6 billion). The principal amount is payable in semi-annual installments from June 2020 to December 2024. Mark-up at KIBOR + 0.75% is payable semi-annually.

15 **DEPOSITS AND OTHER ACCOUNTS**

		Septemb	oer 30, 2021 (Una	audited)	December 31, 2020 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
				(Rup	ees in '000)		
	Customers						
	Current deposits	908,528,388	201,971,752	1,110,500,140	823,057,044	157,417,183	980,474,227
	Savings deposits	1,059,848,455	97,234,554	1,157,083,009	995,229,006	94,756,615	1,089,985,621
	Term deposits	412,456,032	184,656,165	597,112,197	315,226,455	141,767,942	456,994,397
		2,380,832,875	483,862,471	2,864,695,346	2,133,512,505	393,941,740	2,527,454,245
	Financial institutions						
	Current deposits	4,263,428	1,620,230	5,883,658	13,072,383	1,408,220	14,480,603
	Savings deposits	270,420,424	617,173	271,037,597	267,728,866	657,250	268,386,116
	Term deposits	19,577,572	5,733,223	25,310,795	13,163,008	6,887,418	20,050,426
		294,261,424	7,970,626	302,232,050	293,964,257	8,952,888	302,917,145
		2,675,094,299	491,833,097	3,166,927,396	2,427,476,762	402,894,628	2,830,371,390
					Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
16	SUBORDINATED DEB	Т				(Rupee	s in '000)
	Tier II Term Finance Ce	ertificates			16.1	-	9,982,000
	Additional Tier I Term F	inance Certificate	S		16.2	12,374,000	12,374,000
						12,374,000	22,356,000

- In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date (the "Call Option Exercise Date"), the entire principal outstanding amount was redeemed along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.
- The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the SBP under BPRD Circular No. 6 dated August 15, 2013.

The key features of the issue are as follows:

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

17	DEFERRED TAX ASSETS / (LIABILITIES)	Note	(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020
	Deductible temporary differences on		(Nupccs	000)
	- Tax losses of a subsidiary		469,811	469,486
	- Provision against investments		732,341	1,141,429
	- Provision against investments - Provision against doubtful debts and off-balance sheet obligations		4,386,333	4,480,082
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2	001	2,586,338	1,940,800
	- Provision against other assets	001	29,020	45,062
	- Deficit on revaluation of fixed assets		72,832	72,832
	- Ijarah financing		234,325	199,225
	- ijaran inianong		8,511,000	8,348,916
	Taxable temporary differences on		0,011,000	0,040,010
	- Accelerated tax depreciation		(1,506,815)	(1,667,333)
	- Surplus on revaluation of fixed assets	19	(1,787,432)	(1,827,924)
	- Surplus on revaluation of fixed assets of associates	19	(56,392)	(56,392)
	- Surplus on revaluation of investments	19	(2,394,439)	(5,430,518)
	- Surplus on revaluation of investments of associates	19	(19,852)	(21,949)
	- Management rights and goodwill	.0	(308,568)	(237,741)
	- Share of profit of associates		(7,111,603)	(6,728,003)
	- Exchange translation reserve		(2,911,838)	(2,740,997)
	- Others		66,812	(25,918)
			(16,030,127)	(18,736,775)
	Net deferred tax liabilities		(7,519,127)	(10,387,859)
				(- / / /
18	OTHER LIABILITIES			
	Mark-up / return / profit / interest payable in local currency		16,599,738	11,846,712
	Mark-up / return / profit / interest payable in foreign currency		3,073,295	2,362,314
	Security deposits		915,274	974,790
	Accrued expenses		19,474,660	19,271,148
	Mark to market loss on forward foreign exchange contracts		6,971,606	6,359,622
	Mark to market loss on derivative instruments		2,061,849	1,449,800
	Unclaimed dividends		719,206	693,700
	Dividends payable		1,321,585	115,626
	Provision for post retirement medical benefits		3,939,937	3,763,654
	Provision for employees' compensated absences		2,392,770	2,492,992
	Provision against off-balance sheet obligations	18.1	2,383,894	1,138,648
	Acceptances		36,000,589	27,539,046
	Branch adjustment account		2,265,628	816,307
	Provision for staff retirement benefits		1,225,251	1,239,418
	Payable to defined benefit plans		1,147,106	1,182,639
	Provision for Workers' Welfare Fund		7,250,027	6,379,456
	Unearned income		4,523,341	4,229,811
	Qarz-e-Hasna Fund		338,542	338,542
	Levies and taxes payable		3,859,475	7,073,633
	Insurance payable		1,236,875	887,519
	Provision for rewards program expenses		1,873,572	1,391,392
	Liability against trading of securities		12,979,488	902,755
	Clearing and settlement accounts		8,056,973	4,538,525
	Payable to HBL Foundation		271,323	315,431
	Contingent consideration payable		500,000	500,000
	Charity fund		4,409	4,234
	Lease liability against right-of-use asset		21,507,822	18,213,249
	Unclaimed deposits		368,685	91,752
	Others		4,463,561	3,797,582
			167,726,481	129,910,297

10 1	Provision against off balance shoot abligations						(Unaudited) September 30, 2021	(Audited) December 31, 2020
18.1	Provision against off-balance sheet obligations						(Rupees	
	Opening balance Exchange adjustment						1,138,648 6,931	437,795 (25,452)
	Charge for the period / year Reversal for the period / year						1,265,055 (72,669)	480,696 (95,905)
	Net charge						1,192,386	384,791
	Written off during the year Transferred in						(1,653) 47,582	(4,053) 345,567
	Closing balance						2,383,894	1,138,648
19	SURPLUS ON REVALUATION OF ASSETS - NET OF	TAX						
		Note	Septemb Attribut	oer 30, 2021 (Ui able to	naudited)		cember 31, 2020 (A outable to	udited)
			Equity holders	Non- controlling interest	Total	Equity holders	Non-controlling interest	Total
					(Rup	ees in '000)		
	Surplus / (deficit) arising on revaluation of:							
	- Fixed assets		28,900,980	26,648	28,927,628	28,987,958	43,496	29,031,454
	Fixed assets of associates Available-for-sale securities	8.1	144,596 6,097,433	(11,199)	144,596 6,086,234	144,596 13,932,014	22,016	144,596 13,954,030
	- Available-for-sale securities held by associates	8.1	50,903	-	50,903	56,279		56,279
	- Non-banking assets acquired in satisfaction of claims	12	91,384 35,285,296	15,449	91,384 35,300,745	209,594 43,330,441	65,512	209,594 43,395,953
	Deferred tax on surplus / (deficit) on revaluation of:		00,200,200	10,110	00,000,7 10	10,000,111	00,012	10,000,000
			. =0=0.		4 === 400		1 1	
	- Fixed assets - Fixed assets of associates		1,784,670 56,392	2,762	1,787,432 56,392	1,824,175 56,392	3,749	1,827,924 56,392
	- Available-for-sale securities		2,395,340	(901)	2,394,439	5,423,011	7,507	5,430,518
	 Available-for-sale securities held by associates Non-banking assets acquired in satisfaction of claims 		19,852	-	19,852	21,949	-	21,949
	Non burning assets acquired in satisfaction of claims		4,256,254	1,861	4,258,115	7,325,527	11,256	7,336,783
	Surplus on revaluation of assets - net of tax		31,029,042	13,588	31,042,630	36,004,914	54,256	36,059,170
							(Unaudited)	(Audited)
						Note	September 30,	December 31,
20	CONTINGENCIES AND COMMITMENTS						2021 (Rupees	2020 in '000\
								•
	- Guarantees - Commitments					20.1 20.2	263,047,079 971,712,489	202,220,786 795,974,261
	- Other contingent liabilities					20.3	25,460,161	23,966,530
20.1	Guarantees:						1,260,219,729	1,022,161,577
	Financial guarantees Performance guarantees						91,829,652 158,749,535	64,395,790 126,593,020
	Other guarantees						12,467,892	11,231,976
20.2	Commitments:						263,047,079	202,220,786
	Trade-related contingent liabilities						315,658,254	153,394,723
	Commitments in respect of:							, ,
	 forward foreign exchange contracts forward Government securities transactions 					20.2.1 20.2.2	521,337,224 58,750,671	436,716,313 150,757,178
	- derivatives					20.2.2	35,398,475	38,504,637
	- forward lending					20.2.4	28,083,732 643,570,102	11,085,983 637,064,111
	Commitments for acquisition of:							
	fixed assetsintangible assets						10,930,280 1,553,853	4,389,650 1,125,777
							12,484,133	5,515,427
							971,712,489	795,974,261
							_	_

September 30, De	ecember 31,
2021	2020
(Rupees in	n '000)
20.2.1 Commitments in respect of forward foreign exchange contracts	
Purchase 311,309,465	261,220,544
Sale 210,027,759	175,495,769
521,337,224	436,716,313
20.2.2 Commitments in respect of forward Government securities transactions	
Purchase 38,984,028	96,427,590
Sale19,766,643	54,329,588
58,750,671	150,757,178
20.2.3 Commitments in respect of derivatives	
Cross currency swaps	
Purchase 13,584,610	14,662,810
Sale15,475,386	16,007,336
29,059,996	30,670,146
Interest rate swaps	
Purchase -	-
Sale 6,338,479	7,834,491
<u>6,338,479</u>	7,834,491
20.2.4 Commitments in respect of forward lending	
Undrawn formal standby facilities, credit lines and other commitments to extend credit 28,083,732	11,085,983

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

20.3 Other contingent liabilities

20.3.1 Claims against the Group not acknowledged as debts

25,460,161 23,966,530

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

20.3.2 In Q1 2020, by agreement with the New York State Department of Financial Services (NYSDFS) and the U.S. Federal Reserve, HBL surrendered its New York State license to operate HBL's New York branch office (HBLNY) and completed the voluntary liquidation of HBLNY under the New York Banking Law.

The successful closure and liquidation of HBLNY satisfied or suspended all remaining terms of the September 7, 2017 Consent Order between NYSDFS, HBL, and HBLNY, which Consent Order was disclosed in Note 21.3.2 to the Financial Statements for the year ended December 31, 2020 and in similar notes for the 2019, 2018, and 2017 financial statements. Similarly, on September 29, 2020, the Federal Reserve formally announced the termination of all Federal Reserve enforcement actions with HBL and HBLNY. Accordingly, HBL does not expect any further actions or proceedings from NYSDFS or the Federal Reserve.

In 2017, the U.S. Department of Justice (DOJ) requested documents relating to the NYSDFS Consent Order. It is not known whether DOJ will have any further questions about those documents.

21 **DERIVATIVE INSTRUMENTS**

	September 30, 2021 (Unaudited)					
Product Analysis	Cross currency swaps			Interest rate Swaps		
	Notional principal	Mark to market loss	Notional principal	Mark to market loss		
		(Rupees in '	000)			
Market Making	29,059,996	(2,008,159)	6,338,479	(18,967)		
		December 31, 2	020 (Audited)			
	Cross curre	ency swaps	Interest ra	ate Swaps		
	Notional principal	Mark to market loss	Notional principal	Mark to market gain		
		(Rupees in '	000)			
Market Making	30,670,146	(1,340,265)	7,834,491	73,382		

			•	uiteu)
				nonths ended
22	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note		September 30,
			2021	2020
			(Rupees	s in '000)
	On:			
	Loans and advances		80,377,570	92,471,534
	Investments		108,233,161	110,641,388
	Lendings to financial institutions		3,804,815	4,166,407
	Balances with banks		327,667	651,773
			192,743,213	207,931,102
00	MARK UR (RETURN (RROET (INTERFOT EVRENOER			
23	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED			
	On:			
	Deposits		70,521,350	84,940,666
	Securities sold under repurchase agreement borrowings		13,276,087	10,803,577
			4,208,785	5,268,832
	Borrowings Subordinated debt		941,834	2,133,133
	Cost of foreign currency swaps against foreign currency deposits / borrowing	c		4,304,618
	Lease liability against right-of-use assets	5	3,958,231 2,685,059	1,695,822
	Lease liability against right-or-use assets		95,591,346	109,146,648
			93,391,340	109,140,040
24	FEE AND COMMISSION INCOME			
	Branch hanking quatemer foca		2.070.004	0 505 705
	Branch banking customer fees Consumer finance related fees		2,978,901	2,585,725
			1,320,821	1,093,590
	Card related fees (debit and credit cards) Credit related fees		5,155,667	3,046,710
			1,392,920	930,890
	Investment banking fees		886,538	947,846
	Commission on trade related products and guarantees		3,023,028	2,361,665
	Commission on cash management Commission on remittances (including home remittances)		635,647	511,767
	Commission on termitances (including nome remitances) Commission on bancassurance		374,017	236,164
			610,469	475,038
	Commission on Government to Person (G2P) payments		235,171	475,865
	Management fee		436,771	437,468
	Merchant discount and interchange fees		2,500,105	1,554,443
	Wealth Management Fee		546,366	412,194
	Others		321,674 20,418,095	352,034
			20,416,095	15,421,399
	Less: Sales tax / Federal Excise Duty on fee and commission income		(2,477,723)	(2,037,924)
			17,940,372	13,383,475
25	GAIN ON SECURITIES - NET			
	Realised	25.1	1,601,700	7,373,627
	Unrealised - held-for-trading	8.1	(32,092)	(11,585)
			1,569,608	7,362,042

		For the nine months	
25.1	Gain / (loss) on securities - realised	September 30,	•
	On:	2021 (Rupees	2020 in '000\
	Federal Government securities	(Nupces	000)
	- Market Treasury Bills	306,976	3,028,820
	- Pakistan Investment Bonds	1,879,507	5,188,191
	- Ijarah Sukuks	(10,763)	(148,619)
	Shares	(563,768)	(884,762)
	Non-Government debt securities	9,356	155,495
	Foreign securities	(19,608) 1,601,700	7,373,627
		1,001,700	1,010,021
26	OTHER INCOME		
	Incidental charges	463,763	272,008
	Exchange gain realised on partial repatriation of branch capital	404,079	
	Exchange gain realised on liquidation of subsidiary	1,919	1,743,205
	Exchange loss realised on closure of Bank branch Gain on sale of fixed assets - net	- 36,736	(1,887,208) 7,679
	Gain on sale of non-banking asset	16,000	6,780
	Rent on properties	20,995	56,002
		943,492	198,466
07	ODEDATING EXPENSES		
27	OPERATING EXPENSES		
	Total compensation expense	29,760,214	29,366,322
	Property expense Rent and taxes	805,794	1,271,408
	Insurance	117,103	86,587
	Utilities cost	1,890,242	1,528,069
	Security (including guards)	1,599,270	1,529,397
	Repair and maintenance (including janitorial charges)	1,875,022	1,486,742
	Depreciation on owned fixed assets	2,573,777	2,344,043
	Depreciation on right-of-use assets	2,505,344 11,366,552	2,956,378 11,202,624
	Information technology expenses Software maintenance	2 946 490	2,413,681
	Hardware maintenance	2,846,480 635,406	577,321
	Depreciation	1,830,630	1,433,805
	Amortisation	732,514	568,511
	Network charges	1,045,267	932,926
	Consultancy charges	520,919	502,076 6,428,320
	Other operating expenses	7,611,216	0,420,320
	Legal and professional charges	557,838	2,550,160
	Outsourced services costs	1,354,461	1,367,792
	Travelling and conveyance	662,059	496,557
	Insurance	656,274	582,927
	Remittance charges Security charges	434,566 1,461,597	426,475 1,124,705
	Repairs and maintenance	1,076,800	963,729
	Depreciation	652,916	638,781
	Training and development	138,908	165,813
	Postage and courier charges	546,210	459,018
	Communication	661,908	536,917
	Stationery and printing Marketing, advertisement and publicity	1,417,352 3,096,707	1,172,038 2,316,885
	Donations	351,005	392,263
	Auditors' remuneration	246,899	245,056
	Brokerage and commission	523,198	602,585
	Subscription Subscription	215,342	204,200
	Documentation and processing charges Entertainment	2,515,865 259,306	1,792,365 218,642
	Consultancy charges	259,306 881,023	3,218,577
	Deposit insurance premium expense	1,878,366	1,674,062
	Product feature cost	847,182	468,498
	COVID-19 related expenses	195,698	528,773
	Others	643,522	1,140,425
		21,275,002	23,287,243
		70,012,984	70,284,509

			(Unau	•
		Note	For the nine r September 30, 2021	nonths ended September 30, 2020
28	OTHER CHARGES		(Rupees	
	Penalties imposed by the State Bank of Pakistan		74,105	291,460
	Penalties imposed by other regulatory bodies		4,999	988 292,448
			79,104	292,440
29	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
	Reversal of provision for diminution in value of investments	8.3	(1,130,801)	(39,555)
	Provision against loans and advances	9.3	5,840,770	8,850,473
	Provision against other assets	12.1.1	63,206	186,694
	Provision against off-balance sheet obligations	18.1	1,192,386	33,207
	Recoveries against written off / charged off bad debts		(538,778)	(456,694)
	Recoveries against other assets written off		(9,976)	(59,435)
	Bad debts written off directly		78,530	
			5,495,337	8,514,690
30	TAXATION			
	- Current		19,480,641	17,046,676
	- Prior years		(155,020)	74,246
	- Deferred		65,762	510,412
			19,391,383	17,631,334
31	BASIC AND DILUTED EARNINGS PER SHARE			
	Profit for the period attributable to equity holders of the Bank		26,707,170	25,191,830
			(Nun	nber)
	Weighted average number of ordinary shares		1,466,852,508	1,466,852,508
			(Rup	ees)
	Basic and diluted earnings per share		18.21	17.17

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

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

32.1 Fair value of financial assets

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

		As at Sep	tember 30, 2021 (L	Jnaudited)	
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
on balance chost imanelar men amone			- (Rupees in '000)		
Financial assets - measured at fair value Investments			,		
- Federal Government securities	1,458,955,141	-	1,458,955,141	-	1,458,955,141
- Shares - listed companies	6,287,329	6,287,329	-	-	6,287,329
- Non-Government debt securities					
- Listed	51,971,388	40,600,000	11,371,388	-	51,971,388
- Unlisted	622,500	-	622,500	-	622,500
- Foreign securities					
Government debt securities	60,837,515	-	60,837,515	-	60,837,515
Non-Government debt securities- listed	14,771,279	-	14,771,279	-	14,771,279
- National Investment Unit Trust units	46,286	-	46,286	-	46,286
- Real Estate Investment Trust units	58,600	58,600	-	-	58,600
- Preference Shares - Listed	700 500	700 500			700 500

Financial assets - disclosed but not measured at fair value

Investments

- Federal Government securities
- Non-Government debt securities
 - Listed
 - Unlisted
- Foreign securities

Government debt securities

Non-Government debt securities

- Listed
- Unlisted

262,616,051	-	259,234,290	-	259,234,290
2 422 904		2 446 427		2 446 427
2,432,804	- 1	2,446,127	-	2,446,127
21,382,229	-	21,407,229	-	21,407,229
, ,		, ,		, ,
13,847,158		15,532,899		15,532,899
13,047,130	-	15,552,699	· ·	15,552,699
305,668	-	305,668	-	305,668
647,819	-	647,819	-	647,819
301,231,729	_	299,574,032		299,574,032
1,895,562,267	47,726,429	1,846,178,141	-	1,893,904,570

1,546,604,109

47,726,429

1,594,330,538

		As at Sept	tember 30, 2021 (l	Jnaudited)	
	Notional value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fair v			(Rupees in '000)		
Commitments					
- Forward foreign exchange contracts	521,337,224	_	3,389,651	_	3,389,651
- Forward Government securities transactions	58,750,671		7,382		7,382
- Derivative instruments	35,398,475		(2,027,126)		(2,027,126
	30,000, 110	As at De	cember 31, 2020 (Audited)	(=,0=1,1=0
	Carrying value	Level 1	Level 2	Level 3	Total
			(Rupees in '000)		
On balance sheet financial instruments					
Financial assets - measured at fair value Investments					
- Federal Government securities	1,531,690,989	- 1	1,531,690,989	-	1,531,690,989
- Shares - listed companies	5,985,004	5,985,004	-	-	5,985,004
- Non-Government debt securities	, ,				
- Listed	47,265,405	40,240,000	7,025,405	-	47,265,405
- Unlisted	622,501	-	622,501	-	622,501
- Foreign securities			,		, , , , ,
Government debt securities	45,168,168	-	45,168,168	-	45,168,168
Non-Government debt securities- listed	13,750,422	-	13,750,422	_	13,750,422
- National Investment Unit Trust units	46,839	_	46,839	_	46,839
- Real Estate Investment Trust units	53,000	53,000	-	_	53,000
- Preference Shares - Listed	855,400	855,400	_	_	855,400
1.1010101100 0110100 210100	1,645,437,728	47,133,404	1,598,304,324	-	1,645,437,728
Financial assets - disclosed but not measured at fair value Investments					
- Federal Government securities	227,930,870		228,022,102		228,022,102
- Non-Government debt securities	221,930,010		220,022,102	_	220,022,102
- Non-Government debt securities - Listed	4,277,922	_	4,304,568	_	4,304,568
		-		-	
- Unlisted	17,826,657	-	17,826,657	-	17,826,657
- Foreign securities	40.047.500		45.050.404		45.050.404
Government debt securities	13,617,532	-	15,850,104	-	15,850,104
Non-Government debt securities					
- Listed	1,182,691	-	1,338,915	-	1,338,915
- Unlisted	311,326	-	312,842	-	312,842
	265,146,998		267,655,188		267,655,188
	1,910,584,726	47,133,404	1,865,959,512		1,913,092,916
			cember 31, 2020 (-
	Notional value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fair v			· (Rupees in '000)		
Off-balance sheet financial instruments - measured at fair v Commitments					
Commitments	alue	-			
Commitments - Forward foreign exchange contracts	436,716,313		(Rupees in '000)		(2,257,672)
Commitments - Forward foreign exchange contracts - Forward Government securities transactions	436,716,313 150,757,178		(2,257,672) (52,974)		(2,257,672 <u>)</u> (52,974 <u>)</u>
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments	436,716,313	<u> </u>	(2,257,672) (52,974) (1,266,883)		(2,257,672 <u>)</u> (52,974 <u>)</u>
Commitments - Forward foreign exchange contracts - Forward Government securities transactions	436,716,313 150,757,178 38,504,637		(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	- - - Jnaudited)	(2,257,672) (52,974) (1,266,883)
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments	436,716,313 150,757,178 38,504,637 Carrying value	As at Sept	(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	Jnaudited)	(2,257,672 (52,974 (1,266,883
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments	436,716,313 150,757,178 38,504,637 Carrying value	As at Sept	(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	Jnaudited)	(2,257,672 (52,974 (1,266,883
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets	436,716,313 150,757,178 38,504,637 Carrying value	As at Sept	(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	Jnaudited)	(2,257,672 (52,974 (1,266,883 Total
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929	As at Sept	(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	Jnaudited) Level 3	(2,257,672 (52,974 (1,266,883 Total
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets	436,716,313 150,757,178 38,504,637 Carrying value	As at Sept	(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	Jnaudited)	(2,257,672 (52,974 (1,266,883 Total 53,084,929 556,454
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929 556,454	As at Sept Level 1	(Rupees in '000) (2,257,672) (52,974) (1,266,883) tember 30, 2021 (U Level 2 (Rupees in '000)	Jnaudited) Level 3 53,084,929 556,454 53,641,383	(2,257,672 (52,974 (1,266,883 Total 53,084,929 556,454
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929 556,454	As at Sept Level 1	(2,257,672) (52,974) (1,266,883) tember 30, 2021 (U	Jnaudited) Level 3 53,084,929 556,454 53,641,383	(2,257,672 (52,974 (1,266,883 Total 53,084,929 556,454
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929 556,454 53,641,383	As at Septing Level 1	(Rupees in '000) (2,257,672) (52,974) (1,266,883) tember 30, 2021 (U Level 2 (Rupees in '000)	53,084,929 556,454 53,641,383 Audited)	(2,257,672) (52,974) (1,266,883) Total 53,084,929 556,454 53,641,383
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929 556,454 53,641,383	As at Septing Level 1	(Rupees in '000) (2,257,672) (52,974) (1,266,883) tember 30, 2021 (t Level 2 (Rupees in '000)	53,084,929 556,454 53,641,383 Audited)	(2,257,672) (52,974) (1,266,883) Total 53,084,929 556,454 53,641,383
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929 556,454 53,641,383	As at Septing Level 1	(Rupees in '000) (2,257,672) (52,974) (1,266,883) tember 30, 2021 (t Level 2 (Rupees in '000)	53,084,929 556,454 53,641,383 Audited)	(2,257,672) (52,974) (1,266,883) Total 53,084,929 556,454 53,641,383
Commitments - Forward foreign exchange contracts - Forward Government securities transactions - Derivative instruments Fair value of non-financial assets - Fixed assets - Non-banking assets acquired in satisfaction of claims	436,716,313 150,757,178 38,504,637 Carrying value 53,084,929 556,454 53,641,383 Carrying value	As at Septing Level 1	(Rupees in '000) (2,257,672) (52,974) (1,266,883) tember 30, 2021 (t Level 2 (Rupees in '000)	53,084,929 556,454 53,641,383 Audited)	(2,257,672) (52,974) (1,266,883) Total 53,084,929 556,454 53,641,383 Total

33 **SEGMENT INFORMATION**

33.1 Segment details with respect to Business Activities

				For the nine me	onths ended S	eptember 30, 202	21 (Unaudited)			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account					(Rupees	in million)				
Net mark-up / return / profit / interest income Inter segment revenue / (expense) - net Non mark-up / interest income Total Income	(43,429) 74,378 2,971 33,920	20,444 (9,845) 7,509 18,108	8,521 - 497 9,018	22,970 (11,168) 2,796 14,598	80,336 (62,687) 4,530 22,179	3,845 3,027 3,635 10.507	(104) - 444 340	5,933 - 865 6,798	(1,364) 6,295 2,476 7.407	97,152 - 25,723 122,875
					, -					
Segment direct expenses Inter segment expense allocation	19,197 12,175	6,707 1,519	2,174 503	2,612 1,425	948 210	10,843 5,196	349	4,342	23,830 (21,028)	71,002
Total expenses	31,372	8,226	2,677	4,037	1,158	16,039	349	4,342	2,802	71,002
Provisions - charge / (reversal)	-	1,134	264	690	(1,074)	2,087	-	1,626	769	5,496
Profit / (loss) before tax	2,548	8,748	6,077	9,871	22,095	(7,619)	(9)	830	3,836	46,377
				Δς :	t Sentember 3	0, 2021 (Unaudit	ed)			
-				Corporate,	c ocptomber o	International	.cuj			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Commercial and Investment Banking	Treasury	and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position					(Rupees	in million)				
Cash and bank balances	134,411		26,123	296	100,044	110,318	7	11,699	710	383,608
Lendings to financial institutions Inter segment lending	1,592,318	-	28,144 5,090		120,730	195,879	-		- 140,915	148,874 1,934,202
Investments	-	176 006	160,171 152,915	8,822 677,572	1,593,083	115,204 287,049	286	21,550 46,889	37,948 20,639	1,937,064 1,361,070
Advances - performing Advances - non-performing	-	176,006 2,067	152,915	2,648	-	3,265	-	2,065	20,039	10,045
Others	12,918	4,219	13,186	38,065	38,678	11,750	2,925	10,230	108,067	240,038
Total assets	1,739,647	182,292	385,629	727,403	1,852,535	723,465	3,218	92,433	308,279	6,014,901
Borrowings	-	2,913	27,488	106,718	147,372	109,349	1,400	2,521	-	397,761
Subordinated debt Deposits and other accounts	1,715,066	398	318,659	505,224	4	544,725	-	- 75,257	12,374 7,594	12,374 3,166,927
Inter segment borrowing	-	171,721	-	81,601	1,680,880	-		- 1	-	1,934,202
Others Total liabilities	24,581 1.739.647	7,260 182,292	12,285 358.432	33,860 727.403	22,650 1,850,906	25,428 679.502	439 1.839	5,424 83,202	90,321	222,248 5,733,512
	.,. 00,0 11	.02,202	, .	. 2.,	, ,	,	,	,	-,	, ,
Equity			27,197	<u> </u>	1,629	43,963	1,379	9,231	197,990	281,389
Total equity and liabilities	1,739,647	182,292	385,629	727,403	1,852,535	723,465	3,218	92,433	308,279	6,014,901
Contingencies and commitments	53,456		47,449	478,207	504,309	138,860			37,939	1,260,220

_				For the nine me	onths ended S	eptember 30, 202	20 (Unaudited)			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account					(Rupees	in million)				
Net mark-up / return / profit / interest income Inter segment revenue / (expense) - net Non mark-up / interest income Total Income	(55,865) 97,262 2,429 43,826	19,085 (10,608) 4,406 12,883	10,141 - 200 10,341	31,753 (20,030) 2,450 14,173	88,688 (76,019) 9,918 22,587	5,243 2,017 3,077 10,337	(193) - 437 244	4,634 - 529 5,163	(4,702) 7,378 621 3,297	98,784 - 24,067 122,851
Segment direct expenses	18,823	5,189	1,380	2,470	988	17,247	215	3,504	21,618	71,434
Inter segment expense allocation Total expenses	10,243 29,066	1,434 6,623	339 1,719	1,245 3,715	207 1,195	5,196 22,443	- 215	3,504	(18,664) 2,954	71,434
Provisions - charge / (reversal)	66	1,779	702	2,740	(930)	3,032	-	1,058	67	8,514
Profit / (loss) before tax	14,694	4,481	7,920	7,718	22,322	(15,138)	29	601	276	42,903
		-		Δο	at December	31, 2020 (Audite	d)			_
-	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset	Microfinance	Head office / others	Total
Statement of financial position					(Rupees	in million)				
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others	179,590 - 1,430,513 - - - 15,636	- - 163,801 1,960 3,946	12,771 5,257 91 139,619 153,152 211 7,295	293 - 8,675 618,911 4,308 25,006	125,940 24,897 - 1,660,147 - - 30,760	101,353 - 183,892 93,245 218,573 3,943 25,208	3 - - 461 - - 2,987	11,425 - 14,542 40,784 844 8,635	439 - 145,705 31,888 17,021 3 95,534	431,814 30,154 1,760,201 1,948,577 1,212,242 11,269 215,007
Total assets	1,625,739	169,707	318,396	657,193	1,841,744	626,214	3,451	76,230	290,590	5,609,264
Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others Total liabilities	- 1,607,921 - 17,818 1,625,739	4,011 - 348 159,043 6,305 169,707	32,183 - 257,414 - 6,032 295,629	100,397 - 430,203 98,870 27,723 657,193	324,181 - 9 1,502,288 8,804 1,835,282	79,714 - 465,866 - 39,165 584,745	1,600 - - - - 390 1,990	2,022 - 61,726 - 5,817 69,565	22,356 6,884 - 74,679 103,919	544,108 22,356 2,830,371 1,760,201 186,733 5,343,769
Equity	-	-	22,767	-	6,462	41,469	1,461	6,665	186,671	265,495
Total equity and liabilities	1,625,739	169,707	318,396	657,193	1,841,744	626,214	3,451	76,230	290,590	5,609,264
Contingencies and commitments	13,104	<u>-</u>	9,416	321,938	551,311	97,502			28,891	1,022,162

34 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at September 30, 2021 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties	
			(Rupe	es in '000)			
Statement of financial position							
Balances with other banks							
In current accounts			107		101		
Investments							
Opening balance	_	_	-	26,751,320	5,047,043	4,843,724	
Investment made during the period	_	_	-	1,067,919	-	-	
Share of profit - net of tax	-	-	-	1,199,819	744,933	_	
Equity method related adjustments	-	-	-	1,115,848	294,878	-	
Investment redeemed / disposed off during the period	-	-	-	(1,373,089)	-	-	
Dividend received during the period	-	-	-	(460,136)	(145,181)	-	
Revaluation of investment during the period	-	-	-	(19,412)	14,036	378,521	
Closing balance	-	-	-	28,282,269	5,955,709	5,222,245	
Advances							
Opening balance	249	305,836	4,504,529	1,125,000	-	7,748,994	
Addition during the period	15,493	262,100	1,438,215	2,221,158	_	1,969,850	
Repaid during the period	(15,713)	(194,541)	(1,812,107)	(170,175)	-	(2,124,075)	
Transfer in - net	73	25,489	-	-	-	319,375	
Exchange adjustment	-	-	184,789	212,365	-	-	
Closing balance	102	398,884	4,315,426	3,388,348		7,914,144	
Other assets							
Interest / mark-up accrued	_	446	63,424	43,018	_	269,174	
Capital Work in progress	_	-	10,214	43,010	_	209,174	
Other receivable / prepayments	_	-	1,093	799,033	_	2,624	
Other reservable / prepayments		446	74,731	842,051		271,798	
_							
Borrowings Opening balance			3,638,498	959,006	1,598,344	1,315,743	
Borrowings during the period	-	-	2,997,524	4,930,331	6,361,717	400,000	
Settled during the period	-	-	(3,618,501)	(5,089,374)	(6,043,631)	(414,129)	
Exchange adjustment			61,875	53,325	131,461	- 4 004 044	
Closing balance	<u> </u>		3,079,396	853,288	2,047,891	1,301,614	
Deposits and other accounts							
Opening balance	122,063	495,061	12,981,422	36,318,748	-	1,814,234	
Received during the period Withdrawn during the period	510,936 (496,739)	3,137,519 (2,936,872)	339,739,415 (335,561,264)	697,117,714 (685,852,565)	-	215,089,241 (213,705,914)	
Transfer (out) / in - net	(13,239)	(52,483)	-	-	-	12,059	
Exchange adjustment	(73)	19,734	436,669	796		17,230	
Closing balance	122,948	662,959	17,596,242	47,584,693	<u></u>	3,226,850	
Other liabilities			_				
Interest / mark-up payable	756	2,635	300,768	51,205	3,891	10,724	
Payable to staff retirement fund Other payables	-	-	3,532	- 48,196	-	1,147,106 293,642	
Offici payables	756	2,635	304,300	99,401	3,891	1,451,472	
Contingencies and commitments							
Letter of credit	-	-	551,832	-	-	1,467,133	
Guarantees Forward purchase of Government securities	-	-	142,529 1,560,298	-	-	3,538,236 516,413	
Commitments in respect of forward lending	-	-	1,000,290 -	-	-	516,413 1,585,439	
Interest rate swaps			638,479	1,000,000			
Others		-	2,893,138	1,000,000		7,107,221	
Others Securities held as custodian	_	12,700	5,943,555	54,903,500	_	9,694,585	
		,. 55	-,,	- ,3,000		2,22.,000	

	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Profit and loss account			(Rupe	es in '000)		
Front and loss account						
Income Mark-up / roturn / profit / interest carned		14,852	106 157	162,492	_	630,414
Mark-up / return / profit / interest earned Fee and commission income	-	14,052	196,157 127,533	709,279	267	16,382
	-	-				10,362
Share of profit	-	-	-	1,199,819	744,933	90 207
Dividend income Loss from derivatives	-	-	(2,557)	(8,767)	-	89,307 -
			(, ,	(-, - ,		
Expenses	0.000	0.740	000 400	000 004	40.040	400.040
Mark-up / return / profit / interest expensed	6,003	8,712	829,136	869,894	18,210	182,213
Operating expenses						
Total compensation expense	<u>-</u>	968,425	-	-	-	990,451
Non-Executive Directors' fees	61,800	-	-	-	-	-
Insurance premium expense	-	-	-	1,504,179	-	-
Product feature cost	-	-	139,554	-	-	-
Travelling	-	-	11,508	-	-	-
Subscription	-	-	-	-	-	72,388
Donations	-	-	77,230	-	-	271,323
Brokerage and Commission	-	-	-	-	-	155,858
Other Expenses	-	-	7,210	-	-	37,798
Others						
Purchase of Government securities	_	_	242,442,156	23,453,887	_	8,614,457
Sale of Government securities	_	44,842	248,898,039	26,669,475	_	15,929,192
Purchase of foreign currencies	_	6,369	2,221,735	20,000,470	_	2,791,748
Sale of foreign currencies	5,756	268,770	2,529,316	181,800	_	4,481,885
Insurance claims settled	5,750	200,770	2,529,510		-	4,401,000
insurance claims settled	-	-	-	53,756	-	-
			As at Decembe	r 31, 2020 (Audi	ted)	
		17				
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	Directors	Management	Entities	Associates		
Statement of financial position	Directors	Management	Entities			
Statement of financial position Balances with other banks	Directors	Management	Entities			
•	Directors	Management	Entities			
Balances with other banks	Directors	Management	Entities (Rupe			
Balances with other banks In current accounts Investments Opening balance	Directors	Management	Entities (Rupe	es in '000)		
Balances with other banks In current accounts Investments Opening balance Investment made during the year	Directors	Management	Entities (Rupe	es in '000) - 25,464,030 2,218,672	4,177 4,897,973	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax	Directors	Management	Entities (Rupe	25,464,030 2,218,672 2,355,545	4,177 4,897,973 - 607,545	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments	Directors	Management	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642)	4,177 4,897,973	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year		Management	Entities (Rupe	25,464,030 2,218,672 2,355,545	4,177 4,897,973 - 607,545	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year		Management	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642)	4,177 4,897,973 - 607,545	parties
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year		Management	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527)	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603 - - - - - - - - - - - - - - - - - -
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year		Management	Entities (Rupe	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758)	4,177 4,897,973 - 607,545 60,492	4,775,603 - - - - -
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance		Management	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527)	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603 - - - - - - - - - - - - - - - - - -
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances	- - - - - - - - -	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603 - - - - - - - - - - - - - - - - - - -
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance	- - - - - - - - - - - 1,144	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527)	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year	- - - - - - - - - - - - 1,144 10,157	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year		Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Repaid during the year Transfer in / (out) - net	- - - - - - - - - - - - 1,144 10,157	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year		Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) 26,751,320	4,177 4,897,973 - 607,545 60,492 - (518,967)	4,775,603
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Exchange adjustment Closing balance	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000)	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581) (1,601,517)
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Exchange adjustment Closing balance Other assets	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000) - 1,1125,000	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581) (1,601,517) 7,748,994
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Exchange adjustment Closing balance Other assets Interest / mark-up accrued	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000)	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581) (1,601,517)
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Exchange adjustment Closing balance Other assets Interest / mark-up accrued Capital Work in progress	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000) - 1,125,000	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,924,895 7,668,197 (6,242,581) (1,601,517) 7,748,994
Balances with other banks In current accounts Investments Opening balance Investment made during the year Share of profit - net of tax Equity method related adjustments Investment redeemed / disposed off during the year Dividend received during the year Revaluation of investment during the year Closing balance Advances Opening balance Addition during the year Repaid during the year Transfer in / (out) - net Exchange adjustment Closing balance Other assets Interest / mark-up accrued	1,144 10,157 (11,062)	Management Personnel	25,483	25,464,030 2,218,672 2,355,545 (426,642) (2,191,758) (668,527) - 26,751,320 1,375,000 - (250,000) - 1,1125,000	4,177 4,897,973 - 607,545 60,492 - (518,967)	7,924,895 7,668,197 (6,242,581) (1,601,517) 7,748,994

For the nine months ended September 30, 2021 (Unaudited)

			As at Decembe	r 31, 2020 (Audi	ted)	
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Permanuingo			(Rupe	es in '000)		
Borrowings Opening balance			2,787,405	929,086	1,548,476	_
Borrowings during the year	-	-	9,160,032	2,913,226	4,855,377	1,400,000
Settled during the year	_	-	(8,543,252)	(2,913,226)	(4,855,377)	(84,257)
Exchange adjustment	_	-	234,313	29,920	49,868	(0.,20.)
Closing balance			3,638,498	959,006	1,598,344	1,315,743
Danasita and ather accounts				_		
Deposits and other accounts Opening balance	97,816	193,679	10 000 221	11,245,398		3,183,114
Received during the year	687,076	2,384,726	10,999,321 258,689,238	652,057,799	-	60,738,998
Withdrawn during the year	(667,490)	(2,123,156)	(257,004,084)	(626,978,755)		(62,159,850)
Transfer in / (out) - net	4,619	35,680	(237,004,004)	(020,970,733)		(3,237)
Exchange adjustment	4,019	4,132	296,947	(5,694)	-	55,209
Closing balance	122,063	495,061	12,981,422	36,318,748		1,814,234
3	,,,,,,,,		,,	,,		,- ,-
Other liabilities Interest / mark-up payable	1,384	1,734	231,174	129,999	6,251	13,334
Payable to staff retirement fund	1,304	1,734	231,174	123,333	0,231	1,182,639
Other payables	-	-	8,711	37,931	-	347,986
Other payables	1,384	1,734	239,885	167,930	6,251	1,543,959
Contingencies and Commitments	.,001		200,000	107,000	5,25:	1,010,000
Letter of credit	-	-	145,085	_	_	1,576,326
Guarantees	-	-	134,121	_	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	316,416
Commitments in respect of forward lending	-	-	-	-	-	2,524,426
Interest rate swaps	-	-	859,491	1,125,000	-	-
·	-		2,000,329	1,125,000		7,836,215
Others Securities held as custodian		17.745	E 457 675	20.070.500		12 662 395
Securities neid as custodian		17,745	5,457,675	30,978,500		13,662,385
			e months ended	September 30,	2020 (Unaudited)
	Directors	Key	Group	Associates	Joint venture	Other related
Profit and loss account	Directors	Management Personnel	Entities	Associates	Joint venture	parties
			(Rupe	es in '000)		
Income						
Mark-up / return / profit / interest earned	-	17,828	256,884	201,304	-	823,353
Fee and commission income	-	-	83,745	737,942	263	38,968
Share of profit	-	-	-	2,037,761	508,572	-
Dividend income	-	-	- (04.000)	-	-	36,522
Loss from derivatives	-	-	(21,600)	(23,022)	-	-
Expense						
			0.000	000 -0:		
Mark-up / return / profit / interest expensed	5,270	8,860	618,998	603,731	19,797	165,352
Operating expenses	5,270	•	618,998	603,731	19,797	
Operating expenses Total compensation expense	-	8,860 894,351	618,998	603,731	19,797	
Operating expenses Total compensation expense Non-Executive Directors' fees	5,270 - 60,600	•	-	-	19,797 - -	165,352 813,750 -
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense	-	•	- - -	603,731 - - 955,351	19,797 - - -	
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost	-	•	- - 76,887	-	19,797 - - - -	
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling	-	•	- - -	-	19,797 - - - - -	813,750 - - - -
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription	-	•	- - - 76,887 15,912	-	19,797 - - - - -	813,750 - - - - - 52,514
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling	-	•	- - 76,887	-	19,797 - - - - - - -	813,750 - - - -
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Other Expenses	-	•	- - 76,887 15,912 - 76,950	-	19,797 - - - - - - -	813,750 - - - - - 52,514 255,429
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Other Expenses	-	•	76,887 15,912 - 76,950 8,944	955,351 - - - - - - -	19,797 - - - - - - -	813,750 - - - - 52,514 255,429 158,210
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Other Expenses Others Purchase of Government securities	-	894,351 - - - - - - -	76,887 15,912 - 76,950 8,944 75,901,592	955,351 - - - - - - 20,627,560	19,797 - - - - - - -	813,750 - - - - 52,514 255,429 158,210 6,313,719
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Other Expenses Others Purchase of Government securities Sale of Government securities	-	894,351 - - - - - - - - 31,716	76,887 15,912 - 76,950 8,944 75,901,592 79,135,998	955,351 - - - - - - 20,627,560 67,062,075	19,797 - - - - - - - -	813,750 - - - 52,514 255,429 158,210 6,313,719 9,442,915
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Other Expenses Others Purchase of Government securities Sale of Government securities Purchase of foreign currencies	60,600	894,351 - - - - - - - - 31,716 722	76,887 15,912 - 76,950 8,944 75,901,592 79,135,998 727,028	955,351 - - - - - - 20,627,560 67,062,075 3,875	19,797 - - - - - - - - -	813,750 - - - 52,514 255,429 158,210 6,313,719 9,442,915 1,868
Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Other Expenses Others Purchase of Government securities Sale of Government securities	-	894,351 - - - - - - - - 31,716	76,887 15,912 - 76,950 8,944 75,901,592 79,135,998	955,351 - - - - - - 20,627,560 67,062,075	19,797 - - - - - - - - - -	813,750 - - - 52,514 255,429 158,210 6,313,719 9,442,915

		(Unaudited) September 30, 2021	(Audited) December 31, 2020
35	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Rupees	s in '000)
	Minimum Capital Requirement (MCR): Paid-up capital (net of losses)	14,668,525	14,668,525
	Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital Total Eligible Tier 1 Capital Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2)	187,980,735 12,418,224 200,398,959 55,847,945 256,246,904	172,930,425 12,533,284 185,463,709 51,969,228 237,432,937
	Risk Weighted Assets (RWAs): Credit Risk Market Risk Operational Risk Total	1,218,807,255 119,221,250 203,276,223 1,541,304,728	1,042,434,363 131,554,475 203,276,223 1,377,265,061
	Common Equity Tier 1 Capital Adequacy ratio	12.20%	12.56%
	Tier 1 Capital Adequacy Ratio Total Capital Adequacy Ratio	13.00% 16.63%	<u>13.47%</u> 17.24%
	Paul and altitude of the second control of t		
	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
	of which: capital conservation buffer requirement of which: countercyclical buffer requirement	1.50% -	1.50%
	of which: D-SIB buffer requirement CET1 available to meet buffers (as a percentage of risk weighted assets)	2.00% 6.20%	2.00% 6.56%
	Other information:	0.2070	0.0076
	National minimum capital requirements prescribed by the SBP		
	CET1 minimum ratio (%) Tier 1 minimum ratio (%) Total capital minimum ratio (%)	9.50% 11.00% 13.50%	9.50% 11.00% 13.50%
	Leverage Ratio (LR)		
	Eligible Tier-1 Capital Total Exposures Leverage Ratio (%)	200,398,959 4,790,292,378 4.18%	185,463,709 4,364,466,103 4.25%
	Minimum Requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio (LCR)		sted Value s in '000)
	Average High Quality Liquid Assets Average Net Cash Outflow Liquidity Coverage Ratio (%)	1,461,148,370 621,022,630 235.28%	1,343,833,391 525,626,841 255.66%
	Minimum Requirement (%)	100.00%	100.00%
		_	hted Value s in '000)
	Net Stable Funding Ratio (NSFR) Total Available Stable Funding Total Required Stable Funding	2,890,063,091 1,691,415,207	2,637,965,349 1,448,252,363
	Net Stable Funding Ratio (%)	170.87%	182.15%
	Minimum Requirement (%)	100.00%	100.00%

36 ISLAMIC BANKING BUSINESS

The Bank operates 163 (December 31, 2020: 62) Islamic Banking branches and 732 (December 31, 2020: 853) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
ASSETS		(Rupees	s in '000)
Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments Islamic financing and related assets - net Fixed assets	36.1 36.2 36.3	25,599,459 523,535 28,143,507 160,171,404 152,914,936 2,908,895	12,685,357 85,710 5,257,358 139,619,025 153,363,009 1,163,176
Intangible assets Due from Head Office Deferred tax assets Other assets		5,000,862 - 10,366,822	90,320 - 6,132,151
LIABILITIES Bills payable		385,629,420	318,396,106 9,451
Due to financial institutions Deposits and other accounts Due to Head Office Subordinated debt Deferred tax liabilities Other liabilities	36.4 36.5	27,487,873 318,658,515 - - 471,340 11,750,626 358,432,472	32,183,448 257,414,395 12,444 - 8,718 6,000,269 295,628,725
NET ASSETS		27,196,948	22,767,381
REPRESENTED BY Islamic Banking Fund Reserves Surplus on revaluation of investments - net of tax		500,000	500,000 - 13,637
Unappropriated profit	36.6	25,959,723 27,196,948	22,253,744 22,767,381
Contingencies and commitments	36.7		udited) months ended
		September 30, 2021	September 30, 2020
PROFIT AND LOSS ACCOUNT		(Rupees	s in '000)
Profit / return earned Profit / return expensed Net profit / return	36.8 36.9	17,196,569 8,675,798 8,520,771	17,198,994 7,058,308 10,140,686
Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives		492,974 - 3,308	433,885 - (59,803)
Loss on securities- net Others Total other income		(15) 273 496,540	(180,913) 6,848 200,017
Total income		9,017,311	10,340,703
Other expenses Operating expenses Workers' Welfare Fund - charge Other charges Total other expenses Profit before provisions		2,547,914 126,590 2,803 2,677,307 6,340,004	1,542,801 161,607 14,107 1,718,515 8,622,188
Provisions and write offs - net Profit before taxation Taxation Profit after taxation		262,904 6,077,100 2,370,069 3,707,031	702,479 7,919,709 3,093,817 4,825,892

For the	nine months ended September 30, 2021				
				(Unaudited) September 30, 2021	(Audited) December 31, 2020
36.1	Due from Financial Institutions			(Rupees	in '000)
	Repurchase agreement lendings (reverse repo) Call money lendings Bai Muajjal receivable with:			16,040,000	-
	- State Bank of Pakistan			-	5,257,358
	- Other financial institutions			12,103,507 28,143,507	5,257,358
36.2	Investments by segments			, ,	
			September 3	0, 2021 (Unaudited	1)
		Cost /	Provision	Surplus /	
		amortised cost	for diminution	(deficit)	Carrying value
	Federal Government		(Rupe	es in '000)	
	securities - Ijarah Sukuks	84,394,683		497,565	84,892,248
	- Other Federal Government securities	11,901,281	-	-	11,901,281
	Non-Government debt	96,295,964	-	497,565	96,793,529
	securities - Listed	47,742,587		688,500	48,431,087
	- Unlisted	14,924,288	-	22,500	14,946,788
		62,666,875		711,000	63,377,875
	Total Investments	158,962,839		1,208,565	160,171,404
			December 3	31, 2020 (Audited)	
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Federal Government		(Rupe	es in '000)	
	securities				
	 - Ijarah Sukuks - Other Federal Government securities 	67,678,595 11,324,538	-	(322,645)	67,355,950 11,324,538
	Non-Government debt	79,003,133	-	(322,645)	78,680,488
	securities	(= aa. aaa			
	- Listed - Unlisted	47,291,628 13,301,909	-	322,500 22,500	47,614,128 13,324,409
		60,593,537	-	345,000	60,938,537
	Total Investments	139,596,670		22,355	139,619,025
36.3	Islamic financing and related assets - net			(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020 in '000)
	Diminishing Musharakah			64,618,434	71,127,412
	Running Musharakah Wakalah			44,295,557 10,000,000	45,034,254 10,000,000
	ljarah			1,952,485	2,341,651
	Murabaha Currency Salam			3,337,581	1,517,711 589,706
	Tijarah			1,211,371	422,168
	Istisna Home Financing			568,936 3,653,903	271,460 2,060,742
	Advance for Diminishing Musharakah			2,890,520	2,320,561
	Advance for Ijarah Advance for Murabaha			573,344 3,860,879	312,748 1,203,371
	Advance for Salam			220,000	1,027,180
	Advance for Istisna			10,854,949	11,874,971
	Inventories against Murabaha Inventories against Tijarah			1,932,299 2,357,468	2,204,687 824,156
	Inventories against Istisna			1,905,540	1,285,677
	Islamic financing and related assets - gross Provision against Islamic financing and related assets			154,233,266	154,418,455
	- Specific - General			(351,146) (967,184)	(126,457) (928,989)
	Islamic financing and related assets - net of provision			(1,318,330) 152,914,936	(1,055,446) 153,363,009
	Islamic financing and related assets - net of provision			132,914,930	155,505,009

26.4	Due to financial institutions	Note	(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020
36.4	Due to financial institutions Unsecured acceptances of funds		(Rupees	10,500,000
	Acceptances from the SBP under: - Islamic export refinance scheme - Islamic long term financing facility		17,864,511 5,055,226	12,185,727 4,774,050
	 Islamic refinance and credit guarantee scheme for women entrepreneurs Islamic refinance scheme for payment of wages and salaries Islamic financing facility for renewable energy power plants Islamic temporary economic refinance facility 		5,883 1,576,964 373,775 2,421,169	- 2,456,473 96,152 1,676,737
	- Islamic financing facility for storage of agricultural produce Acceptances from Pakistan Mortgage Refinance Company		8,360 181,985 27,487,873	494,309 32,183,448
36.5	Deposits and other accounts			
	Customers			
	Current deposits Savings deposits Term deposits		72,304,979 120,046,607 30,537,862	64,402,537 105,290,516 24,221,318
	Financial Institutions		222,889,448	193,914,371
	Current deposits Savings deposits Term deposits		589,361 90,437,060 4,742,646 95,769,067 318,658,515	405,136 61,847,142 1,247,746 63,500,024 257,414,395
36.6	Islamic Banking business unappropriated profit		310,030,313	237,414,333
30.0	Opening Balance Add: Islamic Banking profit for the period / year Less: Taxation		22,253,744 6,077,100 (2,370,069)	16,486,211 9,464,811 (3,696,779)
	Less: Transferred / Remitted to Head Office Closing Balance		(1,052) 25,959,723	(499) 22,253,744
36.7	Contingencies and commitments			
	- Guarantees - Commitments	36.7.1 36.7.2	2,490,130 44,959,234 47,449,364	1,498,665 7,917,674 9,416,339
36.7.1	Guarantees:			_
	Performance guarantees Other guarantees		2,032,609 457,521 2,490,130	1,435,850 62,815 1,498,665
36.7.2	Commitments:			<u> </u>
	Trade-related contingent liabilities Commitments in respect of forward foreign exchange contracts	36.7.2.1	29,333,414 15,625,820 44,959,234	6,208,476 1,709,198 7,917,674
36.7.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase Sale		7,922,298 7,703,522 15,625,820	740,199 968,999 1,709,198
			(Unaud	
36.8	Profit / return earned		September 30, 2021	September 30, 2020
	On:		(Rupees	in '000)
	Financing Investments Placements		7,711,862 8,041,493 1,443,214	10,316,618 5,857,861 1,024,515
			17,196,569	17,198,994

		•	(Unaudited) For the nine months ended	
		September 30, 2021	September 30, 2020	
36.9	Profit / return expensed	(Rupees	(Rupees in '000)	
	On:			
	Deposits and other accounts	7,781,825	6,487,505	
	Amounts due to financial institutions	726,798	465,391	
	Foreign currency deposits for Wa'ad based transactions	13,318	27,326	
	Lease liability against right-of-use assets	153,857	78,086	
		8,675,798	7,058,308	

37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

37.1 The Board of Directors, in its meeting held on October 15, 2021, has declared a cash dividend of Rs 1.75 per share in respect of the quarter ended September 30, 2021 (September 30, 2020: nil). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

38 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on October 15, 2021.

39 GENERAL

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

President and Chief Executive Officer Chief Financial Officer

Director

Director



UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2021

Habib Bank Limited Condensed Interim Unconsolidated Statement of Financial Position As at September 30, 2021

	Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020	
		2021 2020 (Rupees in '000)		
ASSETS				
ASSETS				
Cash and balances with treasury banks	5	299,463,091	347,988,749	
Balances with other banks	6	36,791,588	38,422,719	
Lendings to financial institutions	7	148,873,463	30,154,193	
Investments	8	1,892,293,930	1,912,237,993	
Advances	9	1,250,946,747	1,117,320,960	
Fixed assets	10	90,698,101	84,350,518	
Intangible assets	11	5,892,591	4,596,807	
Deferred tax assets	12	499,766	-	
Other assets	13	127,123,174	108,639,781	
		3,852,582,451	3,643,711,720	
LIABILITIES				
Bills payable	14	46,693,588	46,122,344	
Borrowings	15	393,214,852	540,095,253	
Deposits and other accounts	16	2,985,975,701	2,669,490,716	
Liabilities against assets subject to finance lease		-	-	
Subordinated debt	17	12,374,000	22,356,000	
Deferred tax liabilities	12	-	2,968,857	
Other liabilities	18	157,480,056	119,953,785	
	•	3,595,738,197	3,400,986,955	
NET ASSETS	:	256,844,254	242,724,765	
REPRESENTED BY				
Shareholders' equity				
Share capital		14,668,525	14,668,525	
Reserves		67,612,867	63,040,638	
Surplus on revaluation of assets - net of tax	19	30,868,242	35,752,856	
Unappropriated profit		143,694,620	129,262,746	
	•	256,844,254	242,724,765	
CONTINGENCIES AND COMMITMENTS	20			

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

Presid	dent a	nd	
Chief	Execu	ıtive	Officer

Habib Bank Limited Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the nine months ended September 30, 2021

	Note	September 30, 2021	January 01 to September 30, 2020	2021	2020
			(Rupee:	s in '000)	
Mark-up / return / profit / interest earned Mark-up / return / profit / interest expensed	22 23	180,997,700 90,986,779	198,059,287 105,096,322	62,026,280 31,945,601	61,322,719 27,736,743
Net mark-up / return / profit / interest income		90,010,921	92,962,965	30,080,679	33,585,976
Non mark-up / interest income Fee and commission income Dividend income	24	15,661,530 1,086,340	11,680,387 1,464,049	5,390,683 196,967	3,886,488 611,192
Foreign exchange income / (loss)		2,477,870	(941,862)	1,199,813	470,495
(Loss) / income from derivatives		(77,203)	622,896	(968,070)	364,563
Gain on securities - net	25	1,900,852	7,337,434	93,426	679,269
Other income / (loss)	26	976,892	(135,617)	537,155	104,555
Total non mark-up / interest income		22,026,281	20,027,287	6,449,974	6,116,562
Total income Non mark-up / interest expenses		112,037,202	112,990,252	36,530,653	39,702,538
The state of the s					
Operating expenses	27	62,040,974	62,769,091	20,480,094	20,081,163
Workers' Welfare Fund -charge		903,374	852,748	271,985	338,853
Other charges	28	79,084	292,448	27,242	59,840
Total non mark-up / interest expenses		63,023,432	63,914,287	20,779,321	20,479,856
Profit before provisions and taxation		49,013,770	49,075,965	15,751,332	19,222,682
Provisions / (reversals) and write offs - net	29	3,916,205	7,285,515	753,997	2,578,224
Profit before taxation		45,097,565	41,790,450	14,997,335	16,644,458
Taxation	30	18,651,876	16,804,440	6,035,961	6,583,224
Profit after taxation		26,445,689	24,986,010	8,961,374	10,061,234
	(Rupees)				
Basic and diluted earnings per share	31	18.03	17.03	6.11	6.86

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

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Habib Bank Limited Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited) For the nine months ended September 30, 2021

	•	January 01 to September 30,	July 01 to September 30,	July 01 to September 30
	2021	2020 (Rupees	2021 s in '000)	2020
Profit after taxation for the period	26,445,689	24,986,010	8,961,374	10,061,234
Other comprehensive income / (loss)				
Items that may be reclassified to the profit and loss account in subsequent periods				
Effect of translation of net investment in foreign branches - net of tax	2,174,148	2,626,107	3,577,770	(309,144)
Movement in surplus / deficit on revaluation of investments - net of tax	(4,719,320)	8,150,090	(2,181,941)	(6,788,350)
Total comprehensive income	23,900,517	35,762,207	10,357,203	2,963,740

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

President and Chief Financial Officer Director Director Director Chief Executive Officer

Habib Bank Limited Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited) For the nine months ended September 30, 2021

			Reserves	Reserves		(deficit) on			
			Сар	oital		ation of			
	Share capital	Statutory	Exchange Translation	Non - distributable	Investments	Fixed / Non- banking assets	Unappropriated profit	Total	
				(Ru	pees in '000)				
Balance as at December 31, 2019	14,668,525	33,463,859	23,263,185	547,115	3,573,355	21,237,500	104,668,407	201,421,946	
Comprehensive income for the nine months ended September 30, 2020 Profit after taxation for the nine months ended September 30, 2020	-	-	-	-	-	-	24,986,010	24,986,010	
Other comprehensive income / (loss) Effect of translation of net investment in foreign branches - net of tax	_	_	2,626,107	_	_	_	_	2,626,107	
Movement in surplus / deficit on revaluation of assets - net of tax	_	_	-	_	8,150,090	-	-	8,150,090	
ino onion in conputer action of account in the contract that		-	2,626,107	-	8,150,090	-	24,986,010	35,762,207	
Transferred to statutory reserve	-	2,498,601	-	-	-	-	(2,498,601)	-	
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(31,012)	31,012	-	
Exchange loss realised on closure of Bank branch - net of tax	-	-	1,151,197	-	-	-	-	1,151,197	
Transactions with owners, recorded directly in equity Final cash dividend - Rs 1.25 per share declared subsequent									
to the year ended December 31, 2019	-	-	-	-	-	-	(1,833,565)	(1,833,565)	
1st interim cash dividend - Rs 1.25 per share	-	-	-	-	-	-	(1,833,565)	(1,833,565)	
		-	-	-	-	-	(3,667,130)	(3,667,130)	
Balance as at September 30, 2020 Comprehensive income for the three months ended December 31, 2020	14,668,525	35,962,460	27,040,489	547,115	11,723,445	21,206,488	123,519,698	234,668,220	
Profit after taxation for the three months ended December 31, 2020	-	-	-	-	-	-	6,537,672	6,537,672	
Other comprehensive income / (loss)									
Effect of translation of net investment in foreign branches - net of tax	-	-	(1,163,193)	-	-	-	- (454 770)	(1,163,193)	
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(2.252.402)	6,090,239	(154,770)	(154,770)	
Movement in surplus / deficit on revaluation of assets - net of tax	<u> </u>		(1,163,193)		(3,253,403)	6,090,239	6,382,902	2,836,836 8,056,545	
Transferred to statutory reserve	-	653,767	(1,100,130)	-	(3,233,403)	-	(653,767)	-	
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(13,913)		-	
Balance as at December 31, 2020	14,668,525	36,616,227	25,877,296	547,115	8,470,042	27,282,814	129,262,746	242,724,765	
Comprehensive income for the nine months ended September 30, 2021									
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	26,445,689	26,445,689	
Other comprehensive income									
Effect of translation of net investment in foreign branches - net of tax	-	-	2,174,148	-	-	-	-	2,174,148	
Movement in surplus / deficit on revaluation of assets - net of tax		-	-	-	(4,719,320)	-	-	(4,719,320)	
	-	-	2,174,148	-	(4,719,320)	-	26,445,689	23,900,517	
Transferred to statutory reserve	-	2,644,569		-	-	-	(2,644,569)	-	
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(165,294)	165,294	-	
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	(246,488)	-	-	-	=	(246,488)	
Transactions with owners, recorded directly in equity									
Final cash dividend - Rs 3 per share declared subsequent									
to the year ended December 31, 2020	-	-	-	-	-	-	(4,400,556)	(4,400,556)	
1st interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)	
2nd interim cash dividend - Rs 1.75 per share				<u> </u>		-	(2,566,992)	(2,566,992)	
	-	-	-	-	-	-	(9,534,540)	(9,534,540)	
Balance as at September 30, 2021	14,668,525	39,260,796	27,804,956	547,115	3,750,722	27,117,520	143,694,620	256,844,254	

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

President and	Chief Financial Officer	Director	Director	Director
Chief Executive Officer				

Habib Bank Limited

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the nine months ended September 30, 2021

For the nine months ended September 30, 2021		
	January 01 to September 30, 2021	January 01 to September 30, 2020
	(Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES	45.007.505	44 700 450
Profit before taxation Dividend income	45,097,565 (1,086,340)	41,790,450 (1,464,049)
Dividend income	44,011,225	40,326,401
Adjustments:		
Depreciation	4,633,100	4,049,039
Amortisation Depreciation on right-of-use assets	681,953 2,048,407	528,656 2,535,591
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,526,026	1,525,476
Mark-up / return / profit / interest expensed on subordinated debt	941,834	2,133,133
Reversal of diminution in value of investments	(1,125,272)	(253,139)
Provision against other peach	4,205,706	7,650,261
Provision against other assets Provision against off-balance sheet obligations	63,206 1,192,386	186,694 33,207
Unrealised loss on held-for-trading securities	23,156	11,500
Exchange gain realised on partial repatriation of branch capital - net of tax	(246,488)	-
Exchange gain realised on liquidation of subsidiary	(13,354)	(1,395,592)
Exchange loss realised on closure of Bank branch - net of tax Gain on sale of fixed assets - net	(36,983)	1,151,197 (4,663)
Gain on sale of non - banking assets	(16,000)	(6,780)
Workers' Welfare Fund - charge	903,374	852,748
	15,781,051	18,997,328
(language) / despesse in apparation accepts	59,792,276	59,323,729
(Increase) / decrease in operating assets Lendings to financial institutions	(118,719,270)	(18,782,383)
Held-for-trading securities	(62,688,835)	154,762,189
Advances	(137,831,493)	21,269,926
Other assets (excluding advance taxation)	(19,834,565)	27,348,511
Increase / (decrease) in operating liabilities	(339,074,163)	184,598,243
Bills payable	571,244	10,055,172
Borrowings from financial institutions	(146,880,401)	(41,689,064)
Deposits and other accounts	316,484,985	285,603,493
Other liabilities	30,527,637	13,577,423
	200,703,465 (78,578,422)	<u>267,547,024</u> 511,468,996
Income tax paid	(17,562,442)	(7,817,465)
Net cash flows (used in) / generated from operating activities	(96,140,864)	503,651,531
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	115,978,235	(519,700,596)
Net investment in held-to-maturity securities	(37,456,074)	(17,508,385)
Net investment in subsidiaries	(2,324,696)	(325,635)
Net investment in associates Dividend received	(222,276) 1,027,445	115,333 1,443,600
Investments in fixed assets	(9,173,810)	(4,925,857)
Investments in intangible assets	(1,989,662)	(1,368,729)
Proceeds realised on liquidation of subsidiary	36,590	3,021,200
Proceeds from sale of fixed assets Proceeds from sale of non-banking assets	58,979 216,000	31,970 42,500
Effect of translation of net investment in foreign branches - net of tax	2,174,148	2,626,107
Net cash flows generated from / (used in) investing activities	68,324,879	(536,548,492)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of subordinated debt	(9,982,000)	(4,000)
Payment of mark-up on subordinated debt	(1,228,722)	(2,596,766)
Payment of lease liability against right-of-use assets	(2,827,007)	(2,884,124)
Dividend paid Net cash flows used in financing activities	(8,303,075) (22,340,804)	(3,660,596) (9,145,486)
Decrease in cash and cash equivalents during the period	(50,156,789)	(42,042,447)
Cash and cash equivalents at the beginning of the period	382,156,714	364,178,366
Effect of exchange rate changes on cash and cash equivalents	4,254,754	5,202,990
	386,411,468	369,381,356
Cash and cash equivalents at the end of the period	336,254,679	327,338,909
The annexed notes 1 to 39 form an integral part of these condensed interim unconsolidated financial s	statements.	

President and Chief Executive Officer

Chief Financial Officer

Director

Director

Director

1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services in Pakistan and overseas. The Bank's registered office is at 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,640 (December 31, 2020: 1,659) branches inside Pakistan including 163 (December 31, 2020: 62) Islamic Banking Branches and 38 (December 31, 2020: 38) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 Habib Finance International Limited (HFIL) had voluntarily surrendered its banking license in 2019 and was under voluntary liquidation. HFIL's final general meeting to conclude the liquidation was held on February 19, 2021 and the company stands formally dissolved as on May 19, 2021. The entire capital has been repatriated to Pakistan.
- 1.2 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.3 The Bank has decided to exit its operations in Mauritius and is at an advanced stage of discussions with a potential buyer.
- During the period, the Bank has subscribed to 200 million Rights shares issued by the First MicrofinanceBank Limited (FMFB). Resultantly, the Bank's holding in FMFB has increased from 50.51% to 71.43%.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

- 2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019, and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2020.
- 2.3 Standards, interpretations of and amendments to existing accounting and reporting standards that have become effective in the current year.

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2021. These are considered either to not be relevant or not to have any significant impact on the Bank's financial statements.

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

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited.

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

2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2020.

5	CASH AND BALANCES WITH TREASURY BANKS	(Unaudited) September 30, 2021	(Audited) December 31, 2020
		(Rupee	s in '000)
	In hand Local currency Foreign currencies	45,676,057 4,871,647 50,547,704	39,840,558 15,979,300 55,819,858
	With State Bank of Pakistan in Local currency current accounts Foreign currency current accounts Foreign currency deposit accounts	94,689,440 9,167,992 17,088,727 120,946,159	128,439,933 6,788,327 13,768,677 148,996,937
	With other Central Banks in Foreign currency current accounts Foreign currency deposit accounts	28,063,552 10,778,013 38,841,565	25,437,714 11,120,595 36,558,309
	With National Bank of Pakistan in local currency current accounts	88,568,264	104,866,634
	National Prize Bonds	559,399 299,463,091	1,747,011 347,988,749
6	BALANCES WITH OTHER BANKS		
	In Pakistan In current accounts	79,440	1,977,022
	Outside Pakistan In current accounts In deposit accounts	17,665,374 19,046,774 36,712,148 36,791,588	25,349,080 11,096,617 36,445,697 38,422,719
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings Repurchase agreement lendings (reverse repo)	16,040,000 120,729,956	- 24,896,835
	Bai Muajjal receivable with: - State Bank of Pakistan - Other financial institutions	12,103,507 12,103,507 148,873,463	5,257,358 - 5,257,358 30,154,193

8	INVESTMENTS Not	eS	September 30, 2021 (Unaudited)				Decemb	er 31, 2020 (Audited)	
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
8.1	Investments by type					Rupees in '000)			
	Held-for-trading (HFT) securities								
	Federal Government securities								
	- Market Treasury Bills	167,106,273	-	(62,259)	167,044,014	105,072,858	-	(13,636)	105,059,222
	- Pakistan Investment Bonds	24,243,762	-	22,614	24,266,376	25,655,331	-	19,066	25,674,397
	Shares								
	- Listed companies	48,320	-	(2,709)	45,611	137,682	-	8,542	146,224
	Foreign securities	0.000.705		40.400	0.045.000	400.004		00.570	100 100
	- Government debt securities	2,296,785 193,695,140	-	19,198 (23,156)	2,315,983 193,671,984	102,884 130,968,755	-	23,578 37,550	126,462 131,006,305
	Available-for-sale (AFS) securities	133,033, 140	-	(23, 130)	193,071,904	130,900,733	-	37,550	131,000,303
	Federal Government securities								
	- Market Treasury Bills	368,317,333		(72,536)	368,244,797	514,554,259	_	1,445,967	516,000,226
	- Pakistan Investment Bonds	773,794,850	_	3,532,399	777,327,249	782,920,795	_	10,650,864	793,571,659
	- Ijarah Sukuks	84,394,683	-	497,565	84,892,248	67,678,595	-	(322,645)	67,355,950
	- Government of Pakistan US Dollar Bonds	16,164,143	(426,851)	377,786	16,115,078	9,799,054	(392,763)	629,559	10,035,850
	- Government of Pakistan US Dollar Sukuks	-	-	-	-	549,457	(20,567)	43,822	572,712
	- Other Federal Government securities	1,107,281	-	-	1,107,281	530,538	-	-	530,538
	Shares								
	- Listed companies	7,580,431	(1,909,156)	570,443	6,241,718	7,975,054	(2,983,143)	846,869	5,838,780
	- Unlisted companies	5,372,623	(91,009)	-	5,281,614	4,899,328	(87,125)	-	4,812,203
	Non-Government debt securities	54 000 047	(00.400)	005 504	54.074.000	40.040.545		204.000	47.005.405
	- Listed	51,382,317	(96,460)	685,531	51,971,388	46,943,545	(070 077)	321,860	47,265,405
	- Unlisted Foreign securities	1,648,381	(247,380)	22,500	1,423,501	1,671,878	(270,877)	22,500	1,423,501
	- Government debt securities	48,906,442	(342,401)	311,845	48,875,886	40,682,649	(565,331)	(24,325)	40,092,993
	- Non-Government debt securities - Listed	6,952,252	(33,479)	103,918	7,022,691	3,520,736	(48,750)	81,717	3,553,703
	- Equity securities - Unlisted	6,107	(316)	-	5,791	5,913	(321)	-	5,592
	National Investment Unit Trust units	11,113	-	35,173	46,286	11,113	-	35,726	46,839
	Real Estate Investment Trust units	55,000	-	3,600	58,600	55,000	-	(2,000)	53,000
	Preference shares								
	- Listed	744,400	-	80,500	824,900	744,400	-	155,400	899,800
	- Unlisted	176,985	(152,990)	-	23,995	-	-	-	-
	Held-to-maturity (HTM) securities 8.2	1,366,614,341	(3,300,042)	6,148,724	1,369,463,023	1,482,542,314	(4,368,877)	13,885,314	1,492,058,751
	Federal Government securities								
	- Pakistan Investment Bonds	251,322,294	_	-	251,322,294	216,669,214	-	-	216,669,214
	- Other Federal Government securities	10,794,000	-	-	10,794,000	10,794,000	-	-	10,794,000
	Non-Government debt securities								
	- Listed	2,432,804	-	-	2,432,804	4,277,922	-	-	4,277,922
	- Unlisted	20,374,038	-	-	20,374,038	16,209,049	-	-	16,209,049
	Foreign securities								
	- Government debt securities	13,847,158	-	-	13,847,158	13,617,545	(13)	-	13,617,532
	- Non-Government debt securities	244 447	(0.470)		205.000	207.420	(44.050)		200 400
	ListedUnlisted	314,147 649,344	(8,479) (1,525)	-	305,668 647,819	397,139 312,842	(14,650) (1,516)	-	382,489
	- Offilisted	299.733.785	(10,004)	-	299,723,781	262,277,711	(16,179)		311,326 262,261,532
	Investment in associates and	200,100,100	(10,001)		200,120,101	202,2,	(10,110)		202,201,002
	joint venture 8.2	9,519,055	-	-	9,519,055	9,296,779	-	-	9,296,779
		40.040.007			40.040.007	47.044.000			47.044.000
	Investment in subsidiary companies Total Investments	19,916,087	(3,310,046)	6,125,568	19,916,087 1,892,293,930	17,614,626 1,902,700,185	(4,385,056)	13,922,864	17,614,626 1,912,237,993
	rotal invocations	1,000,110,100	(0,010,010)	0,120,000	1,002,200,000	1,002,100,100	(1,000,000)	10,022,001	1,012,207,000
								(Unaudited)	(Audited)
								September 30,	December 31
8.1.1	Investments given as collateral							2021 (Rupees	2020 in '000)
0.1.1	_		(b a mag	· 6. "				(upccs	,
	The market value of investments given as	collateral agains	t borrowings	is as follows:					
	Federal Government securities								
	- Market Treasury Bills							7,966,056	113,807,278
	- Pakistan Investment Bonds							137,996,496	207,400,499
	Foreign securities								
	_							6 935	
	Government debt securities							6,835 145,969,387	321,207,777

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

		September 30, 2	021 (Unaudited)	December 31, 20	20 (Audited)
		Book value	Market value	Book value	Market value
			(Rupee	es in '000)	
	- Investment classified as held-to-maturity - Investment in listed associates and joint venture	299,723,781 9,262,824	298,040,259 29,341,020	262,261,532 9,040,549	264,661,267 31,042,377
8.3	Particulars of provision held against diminution in the value of inves	-tmonts		(Unaudited) September 30, 2021 (Rupees in	(Audited) December 31, 2020
0.3	raticulars of provision field against diffilliation in the value of lifes	dinents		(Nupees ii	1 000)
	Opening balance Exchange adjustment Charge / (reversal)			4,385,056 50,262	4,905,784 12,357
	Charge / (reversar) Charge for the period / year Reversal for the period / year Reversal on disposal during the period / year			388,396 (295,794) (1,217,874)	1,176,274 (15,066) (1,694,293)
	Net reversal			(1,125,272)	(533,085)
	Closing balance			3,310,046	4,385,056
8.4	Particulars of provision against debt securities				
0.1	. a	(Unaud September	•	(Audite December 3	•
	Category of classification	Non- Performing Investments	Provision	Non-Performing Investments	Provision
	outegory of classification		(Rupee	es in '000)	
	Domestic Loss	247,380	247,380	270,877	270,877
8.4.1	In addition to the above, overseas branches hold a general provision against investment in accordance with the ECL requirements of IFRS 9.	of Rs 909.195 mi	llion (December	31, 2020: Rs 1,04	13.590 million)

			Perfor	ming	Non - peri	forming	Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
9	ADVANCES	Note	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
					(Rupe	es in '000)		
	Loans, cash credits, running finances, etc.		1,019,899,809	915,997,978	70,685,985	70,107,569	1,090,585,794	986,105,547
	Islamic financing and related assets	36.3	153,881,179	154,081,348	352,087	337,107	154,233,266	154,418,455
	Bills discounted and purchased		79,418,936	48,357,231	5,653,999	5,005,929	85,072,935	53,363,160
	Advances - gross		1,253,199,924	1,118,436,557	76,692,071	75,450,605	1,329,891,995	1,193,887,162
	Provision against advances							
	- Specific	9.3	-	-	(70,270,266)	(67,067,637)	(70,270,266)	(67,067,637)
	- General	3.3	(8,674,982)	(9,498,565)	-	-	(8,674,982)	(9,498,565)
			(8,674,982)	(9,498,565)	(70,270,266)	(67,067,637)	(78,945,248)	(76,566,202)
	Advances - net of provision		1,244,524,942	1,108,937,992	6,421,805	8,382,968	1,250,946,747	1,117,320,960
							(Unoudited)	(۸،،،،،انم،۱)
							(Unaudited)	(Audited)
							September 30,	December
							2021	31, 2020
9.1	Particulars of advances (Gross)						(Rupees ir	n '000)
	In local currency						1,070,182,216	1,013,517,803
	In foreign currencies						259,709,779	180,369,359
	-					-	1,329,891,995	1,193,887,162
						=		

9.2 Advances include Rs 76,692.071 million (December 31, 2020: Rs 75,450.605 million) which have been placed under non-performing status as detailed below:

/A...d:4a.d\

(Unaud	(Unaudited)			
September	30, 2021	December 31	, 2020	
Non - performing advances	Provision	Non - performing advances	Provision	
	(Rupee	s in '000)		
<u></u>				
748,091	-	723,200	-	
2,801,672	683,641	5,298,716	1,294,860	
1,709,165	854,583	1,077,034	538,517	
42,955,807	41,960,035	42,141,393	40,925,622	
48,214,735	43,498,259	49,240,343	42,758,999	
94,274	69,648	592,400	355,535	
14,233	10,240	105,684	36,925	
134,326	78,900	225,844	51,457	
2,858,008	2,187,922	2,847,011	2,846,499	
25,376,495	24,425,297	22,439,323	21,018,222	
28,477,336	26,772,007	26,210,262	24,308,638	
76,692,071	70,270,266	75,450,605	67,067,637	
	September Non - performing advances 748,091 2,801,672 1,709,165 42,955,807 48,214,735 94,274 14,233 134,326 2,858,008 25,376,495 28,477,336	T48,091 - (Rupee	September 30, 2021 December 31 Non - performing advances Provision Non - performing advances (Rupees in '000) - 723,200 2,801,672 683,641 5,298,716 1,709,165 854,583 1,077,034 42,955,807 41,960,035 42,141,393 48,214,735 43,498,259 49,240,343 94,274 69,648 592,400 14,233 10,240 105,684 134,326 78,900 225,844 2,858,008 2,187,922 2,847,011 25,376,495 24,425,297 22,439,323 28,477,336 26,772,007 26,210,262	

9.3 Particulars of provision against advances

	Note	Septen	September 30, 2021 (Unaudited)			December 31, 2020 (Audited)	
		Specific	General	Total	Specific	General	Total
				(Rupe	es in '000)		
Opening balance		67,067,637	9,498,565	76,566,202	66,459,144	3,292,615	69,751,759
Exchange adjustment		1,621,385	139,013	1,760,398	743,861	37,955	781,816
Charge for the period / year		8,202,761	619,683	8,822,444	7,989,721	6,450,039	14,439,760
Reversal for the period / year		(3,034,459)	(1,582,279)	(4,616,738)	(3,920,241)	(282,044)	(4,202,285)
Net charge / (reversal) against advances		5,168,302	(962,596)	4,205,706	4,069,480	6,167,995	10,237,475
Charged off during the period / year-							
agriculture financing	9.5	(282,052)	-	(282,052)	(750,824)	-	(750,824)
Written off during the period / year		(3,305,006)	-	(3,305,006)	(3,454,024)	-	(3,454,024)
Closing balance		70,270,266	8,674,982	78,945,248	67,067,637	9,498,565	76,566,202

- 9.4 General provision includes provision amounting to Rs 2,606.795 million (December 31, 2020: Rs 2,237.187 million) against consumer finance portfolio. General provision also includes Rs 2,326.237 million (December 31, 2020: Rs 1,843.428 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates. General provision also includes Rs 3,741.950 million (December 31, 2020: 5,417.950 million) carried as a matter of prudence on account of COVID-19.
- 9.5 These represent non-performing advances for agriculture financing which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

		Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020
10	FIXED ASSETS		(Rupee	s in '000)
	Capital work-in-progress Property and equipment	10.1	5,499,804 85,198,297	2,309,644 82,040,874
10.1	Capital work-in-progress		90,698,101	84,350,518
10.1	Capital Work III-progress			
	Civil works		2,526,167	602,868
	Equipment Advances to suppliers and contractors		440,443 2,533,194	1,182,896 523,880
			5,499,804	2,309,644
10.2	Additions to fixed assets			dited) nonths ended
			September 30,	September 30,
		-i- d.	2021 (Burges)	2020
	The following additions have been made to fixed assets during the pe	rioa:	(Rupees	s in '000)
	Capital work-in-progress - net		3,190,160	752,119
	Property and equipment		400.000	020 022
	Leasehold land Building on free hold land		400,000 2,019	928,823
	Building on leasehold land		184,048	75,124
	Machinery		85,200	58,556
	Leasehold improvements Furniture and fixtures		1,340,718 616,242	668,360 308,575
	Electrical, office and computer equipment		3,263,615	1,973,788
	Vehicles		91,808	52,737
			5,983,650	4,065,963
	Right-of-use assets - net		2,007,161	4,893,112
10.3	Disposals of fixed assets		11,180,971	9,711,194
	The net book value of fixed assets disposed off during the period is as	s follows:		
	Property and equipment			
	Leasehold improvements		24	9,410
	Furniture and fixtures Electrical, office and computer equipment		1,082 8,237	4,074 13,787
	Vehicles		12,653	36
			21,996	27,307
	Dercognition of right-of-use assets on closure of Bank branch		-	1,032,336
			21,996	1,059,643
			(Unaudited) September 30,	(Audited) December 31,
			2021	2020
11	INTANGIBLE ASSETS		(Rupee	s in '000)
	Capital work-in-progress - computer software		1,855,009	1,553,039
	Intangible assets		4,037,582	3,043,768
			5,892,591	4,596,807
				dited) nonths ended
			September 30,	September 30,
11.1	Additions to intangibles assets		2021	2020
	The following additions have been made to intangible assets during the	ne period:	(Rupees	s in '000)
		.o ponou.		
	Capital work-in-progress		301,970 1,687,692	579,498 781,861
	Computer software		1,989,662	781,861 1,361,359
			1,000,002	1,007,000

		Note	(Unaudited) September 30, 2021 (Rupee	(Audited) December 31, 2020 s in '000)
12	DEFERRED TAX ASSETS / (LIABLITIES)		` .	•
	Deductible temporary differences on			
	- Provision against investments		724,188	1,143,042
	- Provision against doubtful debts and off-balance sheet obligations		3,417,140	3,591,810
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2	2001	2,583,250	1,938,319
	- Provision against other assets		29,020	45,062
	- Deficit on revaluation of fixed assets		72,832	72,832
	- Ijarah financing		234,325 7,060,755	199,225 6,990,290
	Taxable temporary differences on		7,000,755	6,990,290
	- Accelerated tax depreciation		(1,744,810)	(1,851,784)
	- Surplus on revaluation of fixed assets	19	(1,758,358)	(1,788,461)
	- Surplus on revaluation of investments	19	(2,398,002)	(5,415,272)
	- Exchange translation reserve		(659,819)	(903,630)
			(6,560,989)	(9,959,147)
	Net deferred tax assets / (liabilities)		499,766	(2,968,857)
40	OTHER ACCETO			
13	OTHER ASSETS			
	Mark-up / return / profit / interest accrued in local currency - net of provision		40,202,151	44,804,538
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		3,336,362	2,448,754
	Advances, deposits, advance rent and other prepayments		3,371,168	2,355,787
	Advance taxation		19,886,200	21,183,176
	Advances against subscription of securities Stationery and stamps on hand		2,683 120,925	1,096,000 113,476
	Accrued fees and commissions		248,353	464,201
	Due from Government of Pakistan / SBP		1,602,191	1,441,901
	Mark to market gain on forward foreign exchange contracts		10,058,657	3,358,985
	Mark to market gain on derivative instruments		34,723	182,917
	Non-banking assets acquired in satisfaction of claims		468,175	432,937
	Branch adjustment account		-	538,852
	Acceptances		35,382,492	26,702,624
	Clearing and settlement accounts		10,364,862	3,220,084
	Dividend receivable Claims receivable against fraud and forgeries		73,921 489,410	15,026 553,356
	Others		2,564,014	645,482
			128,206,287	109,558,096
	Dravision hold against other coasts	10.4	(4 474 407)	(4.407.000)
	Provision held against other assets Other assets- net of provision	13.1	<u>(1,174,497)</u> 127,031,790	(1,127,909) 108,430,187
	Outer accessed that or provision		127,001,700	100, 100, 101
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	91,384	209,594
	Other assets - total		127,123,174	108,639,781
40.4	Decision hold against other assets			
13.1	Provision held against other assets			
	Acceptances		-	419,923
	Non-banking assets acquired in satisfaction of claims		3,105	3,152
	Claims receivable against fraud and forgeries		489,410	553,356
	Suit filed cases Others		4,800 677,183	4,998
	Outers		677,182 1,174,497	146,480 1,127,909
			1,117,701	1,121,000

		Note	(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020 s in '000)
13.1.1	Movement in provision against other assets			
	Opening balance Exchange adjustment		1,127,909 239	821,996 19,735
	Charge for the period / year Reversal for the period / year Net charge		611,021 (547,815) 63,206	691,987 (33,899) 658,088
	Written off during the period / year Transferred out		(16,857) -	(49,042) (322,868)
	Closing balance		1,174,497	1,127,909
14	BILLS PAYABLE			
	In Pakistan Outside Pakistan		44,094,363 2,599,225 46,693,588	44,792,798 1,329,546 46,122,344
15	BORROWINGS			
10	Secured Borrowings from the SBP under	,	00 400 047	00 000 040
	 Export refinance scheme Long term financing facility Financing facility for renewable energy power plants 		62,493,317 28,325,675 4,968,878	60,068,212 25,922,575 1,716,425
	 Refinance facility for modernization of Small and Medium Enterprises (SMI) Refinance and credit guarantee scheme for women entrepreneurs Financing facility for storage of agricultural produce 	Es)	254,786 135,401 363,109	152,893 163,416 292,211
	 Refinance facility for working capital of SMEs Refinance scheme for payment of wages and salaries Refinance facility for combating COVID-19 		3,533 19,767,562 1,138,886	135,625 30,928,363 1,300,000
	- Temporary economic refinance facility		19,486,843 136,937,990	4,917,263 125,596,983
	Repurchase agreement borrowings		146,963,107 283,901,097	321,070,809 446,667,792
	Unsecured		200,001,001	, ,
	Call money borrowingsOverdrawn nostro accountsBorrowings of overseas branches		- 428,165 53,926,782	13,450,000 164,928 28,814,549
	- Other long-term borrowings	15.1	54,958,808 109,313,755	50,997,984 93,427,461
			393,214,852	540,095,253

15.1 This includes the following:

- 15.1.1 A loan from the International Finance Corporation amounting to US\$ 150 million (December 31, 2020:US\$ 150 million). The principal amount is payable in six equal semi annual installments from June 2022 to December 2024. Interest at LIBOR + 5.00% is payable semi annually.
- 15.1.2 HBL has entered into a long-term financing facility arrangement of US\$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US\$ 170.975 million (December 31, 2020: US\$ 165.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments over a period of 10 years. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.
- 15.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 181.985 million (December 31, 2020: Rs 194.309 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. The profit at 11.21% per annum is payable semi-annually.

16 **DEPOSITS AND OTHER ACCOUNTS**

		September 30, 2021 (Unaudited)			December 31, 2020 (Audited)			
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
				(Rup	ees in '000)			
	Customers			r———			P	
	Current deposits	903,452,896	124,315,360	1,027,768,256	818,376,303	95,804,417	914,180,720	
	Savings deposits	1,024,647,331	88,688,439	1,113,335,770	976,981,942	85,041,111	1,062,023,053	
	Term deposits	377,459,843	162,397,543	539,857,386	292,861,588	112,812,988	405,674,576	
		2,305,560,070	375,401,342	2,680,961,412	2,088,219,833	293,658,516	2,381,878,349	
	Financial institutions							
	Current deposits	5,167,795	1,474,762	6,642,557	14,003,219	1,310,351	15,313,570	
	Savings deposits	272,443,764	617,173	273,060,937	259,670,600	657,250	260,327,850	
	Term deposits	19,577,572	5,733,223	25,310,795	5,083,529	6,887,418	11,970,947	
		297,189,131	7,825,158	305,014,289	278,757,348	8,855,019	287,612,367	
		2,602,749,201	383,226,500	2,985,975,701	2,366,977,181	302,513,535	2,669,490,716	
					Note	(Unaudited) September 30, 2021	(Audited) December 31, 2020	
						(Rupees	in '000)	
17	SUBORDINATED DEB	Т						
	Tier II Term Finance Ce	rtificates			17.1	-	9,982,000	
	Additional Tier I Term Fi	inance Certificates	6		17.2	12,374,000	12,374,000	
						12,374,000	22,356,000	

- 17.1 In accordance with Sub-Section 1.1.6 of Article 1 read with Condition 4 in Schedule 3 of the Trust Deed dated December 15, 2015 executed between the Issuer and the Trustee, the Bank has exercised the call option in full with respect to all outstanding Tier II Term Finance Certificates (TFCs). Accordingly, on February 19, 2021, the 5th anniversary of the issue date (the "Call Option Exercise Date"), the entire principal outstanding amount was redeemed along with accrued profit. The TFCs have also been delisted from the PSX with effect from March 15, 2021.
- 17.2 The Bank has issued listed, fully paid up, rated, privately placed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of Term Finance Certificates (TFCs) issued as instruments of redeemable capital under Section 66 of the Companies Act, 2017 which qualify as Additional Tier 1 Capital (AT 1) as outlined by the State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013 (KIBOR).

The key features of the issue are as follows:

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

			(Unaudited)	(Audited)
18	OTHER LIABILITIES	Note	September 30,	December 31, 2020
			(Rupees	
	Mark up / rature / profit / interest payable in local surrangy			
	Mark-up / return / profit / interest payable in local currency		15,127,686 2,922,118	9,964,075
	Mark-up / return / profit / interest payable in foreign currency Security deposits		915,274	2,209,403 974,790
	Accrued expenses		18,437,614	17,984,739
	·		6,532,000	5,996,571
	Mark to market loss on forward foreign exchange contracts Mark to market loss on derivative instruments		2,061,849	1,449,800
	Unclaimed dividends		719,206	693,700
	Dividends payable		1,321,585	115,626
	Provision for post retirement medical benefits		3,939,937	3,763,654
	Provision for employees' compensated absences		2,392,770	2,492,992
	Provision against off-balance sheet obligations	18.1	2,383,894	1,138,648
	Acceptances		35,382,492	26,702,624
	Branch adjustment account		699,140	-
	Provision for staff retirement benefits		1,225,251	1,239,418
	Payable to defined benefit plans		1,147,106	1,182,639
	Provision for Workers' Welfare Fund		7,227,700	6,324,325
	Unearned income		4,523,341	4,229,811
	Qarz-e-Hasna Fund		338,542	338,542
	Levies and taxes payable		3,773,995	6,977,533
	Insurance payable		1,222,935	868,971
	Provision for rewards program expenses		1,873,572	1,391,392
	Liability against trading of securities		12,979,488	902,755
	Clearing and settlement accounts		8,057,012	4,538,482
	Payable to HBL Foundation		271,323	315,431
	Contingent consideration payable		500,000	500,000
	Charity fund		4,409 18,752,108	4,234 15,300,909
	Lease liability against right-of-use assets		368,685	91,752
	Unclaimed deposits Others		2,379,024	2,260,969
	Chlore		157,480,056	119,953,785
18.1	Provision against off-balance sheet obligations		,,	
	Opening balance		1,138,648	437,795
	Exchange adjustment		6,931	(25,452)
	Charge for the period / year		1,265,055	480,696
	Reversal for the period / year		(72,669)	(95,905)
	Net charge		1,192,386	384,791
	Written off during the year		(1,653)	(4,053)
	Transferred in		47,582	345,567
	Closing balance		2,383,894	1,138,648
19	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
	Surplus arising on revaluation of:			
	- Fixed assets		28,784,494	28,861,681
	- Available-for-sale securities	8.1	6,148,724	13,885,314
	- Non-banking assets acquired in satisfaction of claims	13	91,384	209,594
	Deferred tax on surplus on revaluation of:		35,024,602	42,956,589
	- Fixed assets		1,758,358	1,788,461
	- Available-for-sale securities		2,398,002	5,415,272
	- Non-banking assets acquired in satisfaction of claims		- 4450,000	- 7 202 722
	Surplus on revaluation of assets - net of tax		4,156,360 30,868,242	7,203,733 35,752,856
	Surpress of revaluation of assets - fiel of tax		50,000,242	55,752,050

20	CONTINGENCIES AND COMMITMENTS	Note	(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020 in '000)
	- Guarantees	20.1	262,056,776	201,448,496
	- Commitments - Other contingent liabilities	20.2 20.3	922,046,315 25,381,123	762,895,459 23,888,069
20.1	Guarantees:		1,209,484,214	988,232,024
	Financial guarantees		90,618,578	63,750,853
	Performance guarantees Other guarantees		158,970,306 12,467,892	126,465,667 11,231,976
			262,056,776	201,448,496
20.2	Commitments:			
	Trade-related contingent liabilities		309,242,330	151,147,102
	Commitments in respect of: - Forward foreign exchange contracts	20.2.1	479,459,003	405,885,132
	- Forward Government securities transactions	20.2.2	58,750,671	150,757,178
	- Derivatives - Forward lending	20.2.3 20.2.4	35,398,475 26,711,703	38,504,637 11,085,983
	•		600,319,852	606,232,930
	Commitments for acquisition of: - Fixed assets		10,930,280	4,389,650
	- Intangible assets		1,553,853 12,484,133	1,125,777 5,515,427
			922,046,315	762,895,459
20.2.	1 Commitments in respect of forward foreign exchange contracts			
	Purchase		290,438,628	245,614,763
	Sale		189,020,375 479,459,003	160,270,369 405,885,132
20.2.3	2 Commitments in respect of forward Government securities transactions		, ,	, ,
20.2.1				
	Purchase Sale		38,984,028 19,766,643	96,427,590 54,329,588
			58,750,671	150,757,178
20.2.3	3 Commitments in respect of derivatives			
	Cross currency swaps Purchase		12 594 610	14 662 910
	Sale		13,584,610 15,475,386	14,662,810 16,007,336
	Internet rate europe		29,059,996	30,670,146
	Interest rate swaps Purchase		-	-
	Sale		6,338,479 6,338,479	7,834,491 7,834,491
20.2.4	4 Commitments in respect of forward lending		0,330,473	7,004,401
	Undrawn formal standby facilities, credit lines and other commitments to extend credit		26,711,703	11,085,983
	These represent commitments that are irrevocable because they can not be withdrawn at the or significant penalty or expense.	discretion of th	ne Bank without the	risk of incurring a
			(Unaudited) September 30,	(Audited) December 31,
			2021	2020
20.3	Other contingent liabilities		(Rupees	in '000)
			0.5.2.4.2.	00 000
20.3.	1 Claims against the Bank not acknowledged as debts		25,381,123	23,888,069
	These mainly represent counter claims by borrowers for damages, claims filed by former er	mplovees of th	ne Bank and other	claims relating to

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

20.3.2 In Q1 2020, by agreement with the New York State Department of Financial Services (NYSDFS) and the U.S. Federal Reserve, HBL surrendered its New York State license to operate HBL's New York branch office (HBLNY) and completed the voluntary liquidation of HBLNY under the New York Banking Law.

The successful closure and liquidation of HBLNY satisfied or suspended all remaining terms of the September 7, 2017 Consent Order between NYSDFS, HBL, and HBLNY, which Consent Order was disclosed in Note 21.3.2 to the Financial Statements for the year ended December 31, 2020 and in similar notes for the 2019, 2018, and 2017 financial statements. Similarly, on September 29, 2020, the Federal Reserve formally announced the termination of all Federal Reserve enforcement actions with HBL and HBLNY. Accordingly, HBL does not expect any further actions or proceedings from NYSDFS or the Federal Reserve.

In 2017, the U.S. Department of Justice (DOJ) requested documents relating to the NYSDFS Consent Order. It is not known whether DOJ will have any further questions about those documents.

21 **DERIVATIVE INSTRUMENTS**

Product Analysis

	September 30, 2021 (Unaudited)				December 31, 2020 (Audited)			
	Cross currency swaps		Interest rate swaps		Cross currency swaps		Interest rat	te swaps
	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market loss	Notional principal	Mark to market Gain
	'(Rupees in '000)'(Rupees in '000)'							
Market Making	29,059,996	(2,008,159)	6,338,479	(18,967)	30,670,146	(1,340,265)	7,834,491	73,382

MARK-UP / RETURN / PROFIT / INTEREST EARNED				(Unaudited) For the nine months ended		
Loans and advances 69,660,130 83,344,088 Investments 107,242,082 110,069,194 415,4528 296,048 491,497 296,048 296,	22	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note	September 30, 2021	September 30, 2020	
Loans and advances 69,660,130 83,344,088 Investments 107,242,082 110,069,194 415,4528 296,048 491,497 296,048 296,						
Investments				60 660 130	92 244 069	
Lendings to financial institutions 3,799,440 (296,048 4914) (296,048 49				· · ·		
Balances with banks 296,048 491,497 180,997,700 188,059,287 180,997,700 188,059,287 180,997,700 188,059,287 180,997,700 188,059,287 180,997,700 188,059,287 180,908,775 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,777 180,908,775 180,908,775 180,908,775 180,908,775 180,908,775				, ,		
MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		· · · · · · · · · · · · · · · · · · ·		, ,		
On: Deposits 66.224,638 81,159,595 Securities sold under repurchase agreement borrowings 13,275,792 10,803,577 40,305,714 5,168,115 Subordinated debt 941,834 2,133,133 Cost of foreign currency swaps against foreign currency deposits / borrowings 3,982,775 4,306,426 1,252,6026 1,525,476 4,036,779 105,096,322 24 FEE AND COMMISSION INCOME Branch banking customer fees 2,842,555 2,460,149 Consumer finance related fees 1,320,821 1,093,590 Card related fees (debit and credit cards) 5,005,268 2,982,529 Credit related fees (debit and credit cards) 5,005,268 2,982,529 Investment banking fees 588,301 431,530 Investment banking fees 2,823,559 2,207,977 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on bancassurance 610,469 474,910 Commission on cash management 635,420 511,687 Commission on obserument to Person (G2P) payments 2,500,105 1,554,443 <t< td=""><td></td><td>Balances was balike</td><td></td><td></td><td></td></t<>		Balances was balike				
Deposits 66,224,638 81,159,595 Securities sold under repurchase agreement borrowings 13,275,792 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,806,426 10,505,476 10,506,422 10,505,476 10,506,422 10,505,476 10,506,422 10,506,423 1	23	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED				
Securities sold under repurchase agreement borrowings 13,275,792 10,803,577 8,0075,0075 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,577 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,579 10,803,590		On:				
Securities sold under repurchase agreement borrowings		Deposits		66,224,638	81,159,595	
Borrowings				13,275,792	10,803,577	
Subordinated debt		· · · · · · · · · · · · · · · · · · ·		4,035,714	5,168,115	
Lease liability against right-of-use assets 2,526,026 1,525,476 90,986,779 105,0996,322 24 FEE AND COMMISSION INCOME Branch banking customer fees 2,842,555 2,460,149 Consumer finance related fees 1,320,821 1,093,590 Card related fees (debit and credit cards) 5,005,268 2,982,529 Credit related fees 588,301 431,530 Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) Easised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 25.1 1,924,008		· · · · · · · · · · · · · · · · · · ·		941,834		
Lease liability against right-of-use assets 2,526,026 1,525,476 90,986,779 105,0996,322 24 FEE AND COMMISSION INCOME Branch banking customer fees 2,842,555 2,460,149 Consumer finance related fees 1,320,821 1,093,590 Card related fees (debit and credit cards) 5,005,268 2,982,529 Credit related fees 588,301 431,530 Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) Easised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 25.1 1,924,008		Cost of foreign currency swaps against foreign currency deposits / borrowings		3,982,775	4,306,426	
Page 2016 Page 2017 Page				2,526,026	1,525,476	
Branch banking customer fees 2,842,555 2,460,149 Consumer finance related fees 1,320,821 1,093,590 Card related fees (debit and credit cards) 5,005,268 2,982,529 Credit related fees 588,301 431,530 Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on rash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)				90,986,779	105,096,322	
Consumer finance related fees 1,320,821 1,093,590 Card related fees (debit and credit cards) 5,005,268 2,982,529 Credit related fees 588,301 431,530 Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on cash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 2,35,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)	24	FEE AND COMMISSION INCOME				
Card related fees (debit and credit cards) 5,005,268 2,982,529 Credit related fees 588,301 431,530 Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on cash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)		Branch banking customer fees		2,842,555	2,460,149	
Credit related fees 588,301 431,530 Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on cash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)		Consumer finance related fees		, ,	1,093,590	
Investment banking fees 886,538 947,846 Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on cash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Sovernment to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 18,139,253 13,718,311 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 15,661,530 11,680,387 14,680,38						
Commission on trade related products and guarantees 2,823,559 2,207,977 Commission on cash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 2,500,105 1,554,443 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)					,	
Commission on cash management 635,420 511,687 Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)				,	,	
Commission on remittances (including home remittances) 374,017 236,164 Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)				· · ·		
Commission on bancassurance 610,469 474,910 Commission on Government to Person (G2P) payments 235,171 475,865 Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)		· · · · · · · · · · · · · · · · · · ·		,		
Commission on Government to Person (G2P) payments 235,171 475,865		,			,	
Merchant discount and interchange fees 2,500,105 1,554,443 Others 317,029 341,621 18,139,253 13,718,311 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 25 GAIN ON SECURITIES - NET Realised Unrealised - held-for-trading 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)					,	
Others 317,029 341,621 Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) 15,661,530 11,680,387 25 GAIN ON SECURITIES - NET Realised Unrealised - held-for-trading 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)		` ', ', '			,	
Less: Sales tax / Federal Excise Duty on fee and commission income (2,477,723) (2,037,924) (15,661,530) (11,680,387 (23,156) (11,500) (23,156) (11,500) (23,156) (11,500) (23,156) (23		<u> </u>		· · ·		
25 GAIN ON SECURITIES - NET Realised		Others				
25 GAIN ON SECURITIES - NET Realised		Less: Sales tax / Federal Excise Duty on fee and commission income		(2 477 723)	(2.037.924)	
Realised 25.1 1,924,008 7,348,934 Unrealised - held-for-trading 8.1 (23,156) (11,500)		2000 Calco (a.c.) . Gabiai Enoido Baily off foo and dominiodoff indomo				
Unrealised - held-for-trading 8.1 (23,156) (11,500)	25	GAIN ON SECURITIES - NET				
Unrealised - held-for-trading 8.1 (23,156) (11,500)		Realised	25.1	1.924.008	7.348.934	
				, ,		
		S	-		7,337,434	

		(Unaudited) For the nine months		
		September 30, 2021	September 30, 2020	
25.1	Gain / (Loss) on securities - realised	(Rupees	in '000)	
	On:			
	Federal Government securities - Market Treasury Bills	306,976	3,028,819	
	- Pakistan Investment Bonds	1,879,507	5,188,191	
	- Ijarah Sukuks	(10,763)	(148,619)	
	Shares	(563,768)	(869,909)	
	Non-Government debt securities	420	155,410	
	Foreign securities	(44,209)	(24,771)	
	Associates	355,845 1,924,008	19,813 7,348,934	
26	OTHER INCOME / (LOSS)	1,024,000	7,040,004	
20	Incidental charges	454,101	260,320	
	Exchange gain realised on partial repatriation of branch capital	404,079	200,320	
	Exchange gain realised on liquidation of subsidiary	13,354	1,395,592	
	Exchange loss realised on closure of bank branch	-	(1,887,208)	
	Gain on sale of fixed assets - net	36,983	4,663	
	Gain on sale of non-banking assets	16,000	6,780	
	Rent on properties	52,375	84,236	
27	OPERATING EXPENSES	976,892	(135,617)	
_,	Total compensation expense	24,956,542	25,022,413	
	Property expense	21,000,012	20,022,110	
	Rent and taxes	742,845	1,187,791	
	Insurance	84,431	61,972	
	Utilities cost	1,724,124	1,382,719	
	Security (including guards)	1,399,884	1,351,172	
	Repair and maintenance (including janitorial charges)	1,784,764	1,409,408	
	Depreciation on owned fixed assets	2,390,206	2,178,651	
	Depreciation on right-of-use assets	2,048,407 10,174,661	2,535,591 10,107,304	
	Information technology expenses	0.500.004	0.400.554	
	Software maintenance Hardware maintenance	2,569,864 622,759	2,193,551 552,109	
	Depreciation	1,724,073	1,339,342	
	Amortisation	681,953	528,656	
	Network charges	956,089	852,195	
	Consultancy charges	520,919	502,076	
		7,075,657	5,967,929	
	Other operating expenses			
	Legal and professional charges Outsourced services costs	446,444 1,354,461	2,461,574 1,367,792	
	Travelling and conveyance	538,026	369,026	
	Insurance	391,995	383,956	
	Remittance charges	336,109	317,936	
	Security charges	1,538,722	1,089,529	
	Repairs and maintenance	1,048,940	952,628	
	Depreciation	518,821	531,046	
	Training and development	114,486	140,599	
	Postage and courier charges	480,434	400,505	
	Communication Stationary and printing	626,475	495,071 1,030,595	
	Stationery and printing Marketing, advertisement and publicity	1,272,554 3,202,395	2,471,051	
	Donations	348,803	386,318	
	Auditors' remuneration	133,776	124,117	
	Brokerage and commission	523,198	602,585	
	Subscription	109,413	122,831	
	Documentation and processing charges	2,409,779	1,728,470	
	Entertainment	212,187	175,928	
	Consultancy charges	810,346	2,896,571	
	Deposits insurance premium expense	1,878,366	1,674,062	
	Product feature cost COVID-19 related expenses	847,182	468,498 528 773	
	Others	195,698 495,504	528,773 951,984	
		19,834,114	21,671,445	
		62,040,974	62,769,091	
		/ -	, ,,	

			(Unaudited) For the nine months ended		
		Note	September 30, 2021		
28	OTHER CHARGES		(Rupees	s in '000)	
	Penalties imposed by the State Bank of Pakistan		74,085	291,460	
	Penalties imposed by other regulatory bodies		4,999	988	
			79,084	292,448	
29	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET				
	Reversal of provision for diminution in value of investments	8.3	(1,125,272)	(253,139)	
	Provision against loans and advances	9.3	4,205,706	7,650,261	
	Provision against other assets	13.1.1	63,206	186,694	
	Provision against off-balance sheet obligations	18.1	1,192,386	33,207	
	Recoveries against written off / charged off bad debts Recoveries against other assets written off		(488,375) (9,976)	(272,073) (59,435)	
	Bad debts written off directly		78,530	(59,455)	
	Data dosto militari on directly		3,916,205	7,285,515	
30	TAXATION				
	- Current		19,014,438	16,501,317	
	- Prior years		(155,020)	74,246	
	- Deferred		(207,542)	228,877	
			18,651,876	16,804,440	
31	BASIC AND DILUTED EARNINGS PER SHARE				
	Profit for the period		26,445,689	24,986,010	
			(Nun	nber)	
	Weighted average number of ordinary shares		1,466,852,508	1,466,852,508	
			(Rup	oees)	
	Basic and diluted earnings per share		18.03	17.03	

(Unaudited)

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

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

32.1 Fair value of financial assets

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

	As at September 30, 2021 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			(Rupees in '000)		
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,437,889,762	-	1,437,889,762	-	1,437,889,762
- Shares - listed companies	6,287,329	6,287,329	-	-	6,287,329
- Non-Government debt securities					
- Listed	51,971,388	40,600,000	11,371,388	-	51,971,388
- Unlisted	622,500	-	622,500	-	622,500
- Foreign securities					
Government debt securities	51,191,869	-	51,191,869	-	51,191,869
Non-Government debt securities - Listed	7,022,691	-	7,022,691	-	7,022,691
- National Investment Unit Trust units	46,286	-	46,286	-	46,286
- Real Estate Investment Trust units	58,600	58,600	-	-	58,600
- Preference shares - Listed	780,500	780,500	-	-	780,500
	1,555,870,925	47,726,429	1,508,144,496	-	1,555,870,925
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	262,116,294		258,733,708		258,733,708
- Non-Government debt securities	202,110,254		230,733,700		250,755,766
- Non-Government debt securities - Listed	2,432,804	_	2,446,127		2,446,127
- Unlisted		-		-	
- Onlisted - Foreign securities	20,374,038	-	20,374,038	-	20,374,038
Government debt securities	12 047 150	_	15 522 900	_	15 522 900
Non-Government debt securities	13,847,158	- 1	15,532,899	-	15,532,899
	005.000		005 000		005 000
- Listed	305,668	-	305,668	-	305,668
- Unlisted	647,819	-	647,819	-	647,819
- Associates and Joint venture	9,262,824	26,528,805	2,812,215	-	29,341,020
	308,986,605	26,528,805	300,852,474	-	327,381,279
	1,864,857,530	74,255,234	1,808,996,970		1,883,252,204
		As at Sep	tember 30, 2021 (U	naudited)	
	Notional Value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fair value			(Rupees in '000)		
Commitments					
- Forward foreign exchange contracts	479,459,003	-	3,526,657	-	3,526,657
- Forward Government securities transactions	58,750,671		7,382	-	7,382
- Derivative instruments	35,398,475		(2,027,126)	_	(2,027,126)
2 STRAITS THE WITTER	00,000,470		(2,021,120)		(2,021,120)

As at December 31, 2020 (
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		(F	Rupees in '000) -		
Financial assets - measured at fair value					
Investments	<u> </u>				
- Federal Government securities	1,518,270,016	-	1,518,270,016	-	1,518,270,01
- Shares - listed companies	5,985,004	5,985,004	-	-	5,985,00
- Non-Government debt securities	4-00-40-	40.040.000			
- Listed	47,265,405	40,240,000	7,025,405	-	47,265,40
- Unlisted	622,500	-	622,500	-	622,5
- Foreign securities					
Government debt securities	40,219,455	-	40,219,455	-	40,219,4
Non-Government debt securities- listed	3,553,703	-	3,553,703		3,553,7
- National Investment Unit Trust units	46,839	-	46,839	-	46,8
- Real Estate Investment Trust units	53,000	53,000	-	-	53,0
- Preference shares - Listed	855,400 1,616,871,322	855,400 47,133,404	1,569,737,918]	855,4
Financial assets - disclosed but not measured at fair value	1,010,071,322	47,133,404	1,569,737,916	-	1,616,871,3
Investments					
- Federal Government securities	227,463,214	- 7	227,463,214		227,463,2
- Non-Government debt securities					ll.
- Listed	4,277,922	-	4,304,568	-	4,304,5
- Unlisted	16,209,049	-	16,209,049	-	16,209,0
- Foreign securities					
Government debt securities	13,617,532	-	15,850,104	-	15,850,
Non-Government debt securities					
- Listed	382,489	-	430,226	_	430,
- Unlisted	311,326	_	312,842	_	312,
- Associates and Joint venture	9,040,549	27,994,673	3,047,704	_	31,042,3
	271,302,081	27,994,673	267,617,707	-	295,612,3
	1,888,173,403	75,128,077	1,837,355,625	-	1,912,483,7
		As at Dece	ember 31, 2020 (Audited)	
Off belows short five wild instruments are several at fair value	Notional Value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fair value		(F	Rupees in '000) -		
Commitments		,	. ,		
- Forward foreign exchange contracts	405,885,132	-	(2,637,586)	-	(2,637,5
- Forward Government securities transactions	150,757,178	-	(52,974)	-	(52,9
- Derivative instruments	38,504,637	-	(1,266,883)		(1,266,8
Fair value of non-financial assets		A 4 C 4		\	
rail value of fiori-fillaticial assets	Carrying		mber 30, 2021 (U		
	value	Level 1	Level 2	Level 3	Total
		(F	Rupees in '000) -		
Fixed assets	52,889,290	_	_	52,889,290	52,889,2
Non-banking assets acquired in satisfaction of claims	556,454	_	_	556,454	556,4
• • • • • • • • • • • • • • • • • • •	53,445,744	-	-	53,445,744	53,445,7
		As at Dece	ember 31, 2020 (Audited)	
			•		
	value	Level 1	Level 2	Level 3	Total
		(F	Rupees in '000) -		
	52,560,430	- `	- 1	52,560,430	52,560,4
Fixed assets				639,379	639,3
	639.379	-	-	033,313	
Fixed assets Non-banking assets acquired in satisfaction of claims	639,379 53,199,809			53,199,809	53,199,8

33

33.1 Segment Details with respect to Business Activities

	For the nine months ended September 30, 2021 (Unaudited)							
	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				(Rupees i	n million)			
Profit and loss account								
Net mark-up / return / profit / interest income	(43,429)	20,444	8,521	22,970	80,336	2,557	(1,388)	90,011
Inter segment revenue / (expense) - net	74,378	(9,845)	-	(11,168)	(62,687)	3,027	6,295	-
Non mark-up / interest income	2,971	7,509	497	2,796	4,530	2,528	1,196	22,027
Total income	33,920	18,108	9,018	14,598	22,179	8,112	6,103	112,038
Segment direct expenses	19,197	6,707	2,174	2,612	948	7,602	23,783	63,023
Inter segment expense allocation	12,175	1,519	503	1,425	210	5,196	(21,028)	-
Total expenses	31,372	8,226	2,677	4,037	1,158	12,798	2,755	63,023
Provisions - charge / (reversal)	-	1,134	264	690	(1,074)	2,134	769	3,917
Profit / (loss) before tax	2,548	8,748	6,077	9,871	22,095	(6,820)	2,579	45,098

	As at September 30, 2021 (Unaudited)							
	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				(Rupees i	n million)			
Statement of financial position Cash and bank balances	134,411		26,123	296	100,044	75,380	_	336,254
Lendings to financial institutions	-	_	28,144	-	120,730	-	_	148,874
Inter segment lending	1,592,318	-	5,090	-	-	195,879	140,915	1,934,202
Investments	-	-	160,171	8,822	1,593,083	107,582	22,636	1,892,294
Advances - performing	-	176,006	152,915	677,572	-	215,393	22,639	1,244,525
Advances - non-performing	-	2,067	-	2,648	-	1,706	-	6,421
Others	12,918	4,219	13,186 385,629	38,065	38,678 1.852.535	19,765 615.705	97,383 283,573	224,214
Total assets	1,739,647	182,292	303,029	727,403	1,052,555	615,705	203,373	5,786,784
Borrowings	-	2,913	27,488	106,718	147,372	108,723	-	393,214
Subordinated debt	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,715,066	398	318,659	505,224	4	436,103	10,522	2,985,976
Inter segment borrowing	-	171,721	-	81,601	1,680,880	-	-	1,934,202
Others	24,581	7,260	12,285	33,860	22,650	37,654	65,883	204,173
Total liabilities	1,739,647	182,292	358,432 27,197	727,403	1,850,906 1,629	582,480 33,225	88,779 194,794	5,529,939 256,845
Equity Total equity and liabilities	1,739,647	182,292	385,629	727,403	1,852,535	615,705	283,573	5,786,784
				· ·				
Contingencies and commitments	53,823		47,449	478,211	504,309	87,753	37,939	1,209,484
		F	or the nine m	nonths ended Se	eptember 30, 20	020 (Unaudited)		
	Branch banking	Consumer,SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				_	n million)			
Profit and loss account				(Kupees i				
Net mark-up / return / profit / interest income	(55,865)	19,085	10,141	31,753	88,688	3,888	(4,727)	92,963
Inter segment revenue / (expense) - net	97,262	(10,608)	-	(20,030)	(76,019)	2,017	7,378	-
Non mark-up / interest income	2,429	4,406	200	2,450	9,918	2,052	(1,428)	20,027
Total income	43,826	12,883	10,341	14,173	22,587	7,957	1,223	112,990
Segment direct expenses	18,823	5,189	1,380	2,470	988	13,667	21,397	63,914
Inter segment expense allocation	10,243	1,434	339	1,245	207	5,195	(18,663)	-
Total expenses	29,066	6,623	1,719	3,715	1,195	18,862	2,734	63,914
Provisions - charge / (reversal)	14.604	1,779	702 7,920	2,740 7,718	(930)	2,861	(4.570)	7,285
Profit / (loss) before tax	14,694	4,481	7,920	7,710	22,322	(13,766)	(1,578)	41,791
			А	s at December 3	31, 2020 (Audite	ed)		
				Corporate,	•	•		
	Branch banking	Consumer,SME & Rural banking	Islamic	Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				(Rupees i	n million)			
Statement of financial position	170 500	- 1 11	40 774	200	405.040	07.040		200 440
Cash and bank balances Lendings to financial institutions	179,590	_ [12,771 5,257	293	125,940 24,897	67,818	_ [386,412 30,154
Inter segment lending	1,430,513	-	91] -]	27,037	183,892	145,705	1,760,201
Investments	-	-	139,619	8,675	1,660,147	81,305	22,492	1,912,238
Advances - performing	-	163,801	153,152	618,911	-	156,054	17,020	1,108,938
Advances - non-performing	-	1,960	211	4,308		1,902	2	8,383
Others Total assets	15,636 1,625,739	3,946 169,707	7,295 318,396	25,006 657,193	30,760 1,841,744	24,639 515,610	90,305 275,524	197,587 5,403,913
Democratic and		4.044	00.400	100.007	004.404	70,000		540.005
Borrowings Subordinated debt		4,011 -	32,183	100,397	324,181 -	79,323	22,356	540,095 22,356
Deposits and other accounts	1,607,921	348	257,414	430,203	9	365,484	8,112	2,669,491
Inter segment borrowing	-	159,043	- ,	98,870	1,502,288	-		1,760,201
Others	17,818	6,305	6,032	27,723	8,804	44,329	58,034	169,045
Total liabilities	1,625,739	169,707	295,629	657,193	1,835,282	489,136	88,502	5,161,188
Equity Total equity and liabilities	1,625,739	169,707	22,767 318,396	657,193	6,462 1,841,744	26,474 515,610	187,022 275,524	242,725 5,403,913
Contingencies and commitments	13,108	-	9,416	321,938	551,311	63,568	28,891	988,232

34 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at September 30, 2021 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position				(Rupees in '000)			
Balances with other banks In current accounts	-		107	577,800		-	
Investments							
Opening balance	-	-	-	17,614,626	9,161,114	135,665	4,843,724
Investment made during the period Investment redeemed / disposed off during the period	-	-	-	2,000,000 (23,236)	500,000 (277,723)	-	-
Revaluation of investment during the period	-	- -	-	324,696	(211,123)	- -	378,521
Closing balance	-			19,916,086	9,383,391	135,665	5,222,245
Advances	-						
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Addition during the period	15,493	262,100	1,438,215	556,342	874,724	-	1,969,850
Repaid during the period	(15,713)	(194,541)	(1,812,107)	(425,249)	(125,000)	-	(2,124,075)
Transfer in- net	73	25,489	<u>-</u>	-	-	-	319,375
Exchange adjustment	- 100		184,789	10,566	63,854		7044444
Closing balance	102	398,884	4,315,425	2,215,544	1,938,578		7,914,144
Other Assets		440	00.404	044.005	05.054		202.171
Interest / mark-up accrued	-	446	63,424	214,235	25,051	-	269,174
Other receivable		446	1,064 64,488	214,235	495,852 520,903		2,317 271,491
Barrawin wa							
Borrowings Opening balance			3,200,856	468,382	959,006	1,598,344	494,309
Borrowings during the period	-	-	2,997,524	1,931,772	2,862,773	6,361,717	
Settled during the period	-	-	(3,180,858)	(2,129,847)	(3,021,816)	(6,043,631)	(312,324)
Exchange adjustment	-	-	61,875	17,251	53,325	131,461	-
Closing balance	-		3,079,397	287,558	853,288	2,047,891	181,985
Deposits and other accounts							
Opening balance	20,794	447,740	7,288,452	1,087,262	36,293,203	-	1,684,143
Received during the period	197,285	3,137,519	315,249,695	276,209,037	696,761,646	-	214,218,008
Withdrawn during the period	(190,134)	(2,922,239)	(313,960,300)	(274,368,947)	(685,526,072)	-	(212,979,151)
Transfer (out) / in - net	(13,239)	(52,485)	426 674	4 004	706	-	12,059
Exchange adjustment Closing balance	14,633	19,734	436,671 9,014,518	2,932,253	796 47,529,573		10,221 2,945,280
-	,000		0,011,010	2,002,200	,020,0.0		2,0 10,200
Other liabilities		0.005		4 40=	50.440	0.004	0.040
Interest / mark-up payable Payable to staff retirement fund	37	2,635	88,803	1,187	50,419	3,891	8,343
Other payables	-	-	- 1,132	21,938	16,400	-	1,147,106 271,323
Other payables	37	2,635	89,935	23,125	66,819	3,891	1,426,772
Contingencies and Commitments							
Letter of credit	-	-	551,832	-	-	-	1,467,133
Guarantees	-	-	142,529	55,211	-	-	3,538,236
Forward Leading	-	-	1,560,298	-	-	-	516,413
Forward Lending	-	-	- 620 470	-	1,000,000	-	1,585,439
Interest rate swaps			2,893,138	55,211	1,000,000		7,107,221
Others			2,000,100	30,211	.,000,000		.,
Securities held as custodians	-	12,700	5,943,555		54,903,500		9,694,585

	For the nine months ended September 30, 2021 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Profit and loss account				(Rupees in '000)			
Income							
Mark-up / return / profit / interest earned	-	14,852	196,157	317,954	145,245	-	630,414
Fee and commission income	-	-	127,533	24,769	709,279	267	16,382
Dividend income	-	-	-	-	460,136	145,181	89,307
Foreign exchange gain	-	-	-	151,478	-	-	-
Loss from derivatives	-	-	(2,557)	-	(8,767)	-	-
Gain on sale of securities - net	-	-	-	-	355,845	-	-
Rent on properties Other income	-	-	-	31,380 20,490	-	-	-
Other income	-	-	-	20,490	-	-	-
Expense							
Mark-up / return / profit / interest expensed	88	8,712	225,562	20,661	868,243	18,210	124,043
Operating expenses							
Total compensation expense	-	1,113,926	-	-	-	-	846,139
Non-Executive Directors' fees	61,800	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,173,593	-	-
Product feature cost	-	-	139,554	-	-	-	-
Travelling	-	-	4,478	-	-	-	-
Subscription	-	-	-	-	-	-	70,959
Donation	-	-	77,230	-	-	-	271,323
Brokerage and Commission	-	-	-	-	-	-	155,858
Other expenses	-	-	-	314,356	-	-	20,140
Others							
Others Purchase of Government securities			242 442 156	1 005 005	22 452 007		9 614 457
	-	- 44.040	242,442,156	1,995,995	23,453,887	-	8,614,457
Sale of Government securities	-	44,842	248,898,039	23,450,418	26,669,475	-	15,929,192
Purchase of foreign currencies	-	-	2,221,735	610,024	101 000	-	2,791,748
Sale of foreign currencies Insurance claims settled	-	-	2,529,316	8,062,645	181,800	-	4,481,885
insurance claims settled	-	-	-	-	53,699	-	-
			As at De	ecember 31, 202	0 (Audited)		
		Key	0	0			011
	Directors	Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position				(Rupees in '000)			
, , , , , , , , , , , , , , , , , , ,				(
Balances with other banks							
In current accounts			25,483	362,924	-	4,074	
In continue and a							
Investments				19 500 630	0.276.449	125 665	4 775 602
Opening balance	-	-	-	18,590,630	9,276,448	135,665	4,775,603
Investment made during the period Investment redeemed / disposed off during the year	-	-	-	500,000	(115,334)	-	-
Revaluation of investment during the year	_	-	_	(1,625,607)	(115,554)	-	68,121
Exchange adjustment	_		_	149,603		_	00,121
Closing balance				17,614,626	9,161,114	135,665	4,843,724
				,,	2,121,111	,	.,,.
Advances							
Opening balance	1,144	302,682	3,853,355	52,035	1,375,000	-	7,924,895
Addition during the year	10,157	222,404	7,294,502	2,141,455	-	-	7,668,197
Repaid during the year	(11,062)	(162,557)	(6,729,728)	(121,823)	(250,000)	-	(6,242,581)
Transfer in / (out) - net	10	(56,693)	-	-	-	-	(1,601,517)
Exchange adjustment	_		86,399	2,218	-		-
Closing balance	249	305,836	4,504,528	2,073,885	1,125,000		7,748,994
Other Assets							
Interest / mark-up accrued	_	710	23,444	92,882	30,556	_	198,970
Other receivable	_	-	-	-	305,198	_	3,335
Caron reconsults		710	23,444	92,882	335,754		202,305
		====			,		
Borrowings							
Opening balance	-	-	2,475,576	4,187,854	929,086	1,548,476	-
Borrowings during the year	-	-	6,992,840	6,016,905	2,913,226	4,855,377	500,000
Settled during the year	-	-	(6,473,832)	(9,919,751)	(2,913,226)	(4,855,377)	(5,691)
Exchange adjustment			206,272	183,374	29,920	49,868	
Closing balance			3,200,856	468,382	959,006	1,598,344	494,309

			As at December 31, 2020 (Audited)				
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
				(Rupees in '000)		
Deposits and other accounts Opening balance	26,259	192,845	7,803,875	1,076,088	11,245,324	_	716,890
Received during the year	223,185	2,338,236	234,970,772	206,571,000	651,783,633	-	60,058,254
Withdrawn during the year	(233,311)	(2,123,153)	(235,783,141)	(206,561,582)	(626,730,063)	-	(59,090,555)
Transfer in / (out) - net	4,619	35,680	-	-	-	-	(3,237)
Exchange adjustment	42	4,132	296,946	1,756	(5,691)		2,791
Closing balance	20,794	447,740	7,288,452	1,087,262	36,293,203		1,684,143
Other liabilities							
Interest / mark-up payable	10	1,734	52,208	1,715	128,470	6,251	8,048
Payable to staff retirement fund	-	-	-	-	-	-	1,182,639
Other payables	10	1,734	1,511 53,719	1,733	33,615 162,085	6,251	315,431 1,506,118
Contingencies and Commitments		1,734	33,719	1,733	102,083	0,231	1,300,118
Letter of credit	_	_	145,085	_	_	_	1,576,326
Guarantees	-	-	134,121	4,320	-	-	3,419,047
Forward purchase of Government securities	-	-	861,632	-	-	-	316,416
Commitments in respect of forward lending	-	-	-	-	-	-	2,524,426
Interest rate swaps			859,491		1,125,000		-
Others		:====	2,000,329	4,320	1,125,000		7,836,215
Others Securities held as custodians		17,745	5,457,675		30,978,500		13,662,385
		For	the nine months	ended Sentemi	ner 30, 2020 (Un	audited)	
	Directors	Key	Group	Subsidiary	•	Í	Other related
	Directors	Management Personnel	Entities	companies	Associates	Joint venture	parties
				(Rupees in '000)		
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	17,828	256,884	229,828	201,304	-	823,353
Fee and commission income	-	-	83,745	26,710	737,942	263	38,968
Dividend income	-	-	-	-	665,244	518,967	36,522
Foreign exchange gain	-	-	-	211,992	-	-	-
Loss from derivatives	-	-	(21,600)	-	(23,022)	-	-
Gain on sale of securities - net	-	-	-	-	34,666	-	-
Rent on properties	-	-	-	28,234	-	-	-
Other income	-	-	-	6,784	-	-	-
Expense							
Mark-up / return / profit / interest expensed	88	8,860	338,982	52,652	601,909	19,797	116,574
Operating expenses							
Total compensation expense	-	846,132	-	-	-	-	691,929
Non-Executive Directors' fees	60,600	-	-	-	-	-	-
Insurance premium expense Product feature cost	-	-	- 76 997	-	883,565	-	-
Travelling	-	-	76,887 15,773	-	-	-	-
Subscription	-	-	15,775	-	-	-	44,269
Donation	_	_	76,950	_	_	_	255,429
Other expenses	-	-	7,450	199	-	-	157,303
Others			75 004 500		20 007 500		6 040 740
Purchase of Government securities	-	- 21 716	75,901,592	1 274 202	20,627,560	-	6,313,719
Sale of Government securities	-	31,716	79,135,998	1,274,283	67,062,075	-	9,442,915
Purchase of foreign currencies Sale of foreign currencies	-	-	727,028 2,438,735	11,775,792 4,374,515	3,875 92,800	-	1,868 4,471,035
Insurance claims settled	-	-	2, 4 30,133	4,014,010	32,000	-	4,471,033
	_	_	_	_	107,812	_	_

35

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENT	September 30, 2021	(Audited) December 31, 2020
MILL 0 1/ LD 1 (100D)	(Rupee	s in '000)
Minimum Capital Requirement (MCR): Paid-up capital (net of losses)	14,668,525	14,668,525
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	188,480,783	172,940,364
Eligible Additional Tier 1 (ADT 1) Capital	10,384,046	10,438,063
Total Eligible Tier 1 Capital	198,864,829	183,378,427
Eligible Tier 2 Capital	58,303,667	54,025,763
Total Eligible Capital (Tier 1 + Tier 2)	257,168,496	237,404,190
Risk Weighted Assets (RWAs):	4 404 205 207	005 440 500
Credit Risk	1,101,395,307	935,446,560
Market Risk	93,856,038	109,134,799
Operational Risk	191,948,129	191,948,129
Total	1,387,199,474	1,236,529,488
Common Equity Tier 1 Capital Adequacy ratio	13.59%	13.99%
Tier 1 Capital Adequacy Ratio	14.34%	14.83%
Total Capital Adequacy Ratio	18.54%	19.20%
Total Supriar / Godgady Hallo	10.0178	10.2070
Bank specific buffer requirement (minimum CET1 requirement plus		
capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	2.00%	2.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	7.59%	7.99%
Other information:		
National minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	9.50%	9.50%
Tier 1 minimum ratio (%)	11.00%	11.00%
Total capital minimum ratio (%)	13.50%	13.50%
1 Stal Saphar Hilliman (70)	10.0070	10.0070
Leverage Ratio (LR)		
Eligible Tier-1 Capital	198,864,829	183,378,427
Total Exposures	4,563,164,372	4,167,230,907
Leverage Ratio (%)	4.36%	4.40%
Minimum Requirement (%)	3.00%	3.00%
	Total Adju	sted Value
Liquidity Coverage Ratio (LCR)	(Rupees	
Average High Quality Liquid Assets	1,461,148,370	1,343,833,391
Average Net Cash Outflow	621,022,630	525,626,841
Liquidity Coverage Ratio (%)	235.28%	255.66%
Minimum Requirement (%)	100.00%	100.00%
	Total Weig	hted Value
Net Stable Funding Ratio (NSFR)	(Rupees	
Total Available Stable Funding	0.000.000.004	0.007.005.040
Total Available Stable Funding	2,890,063,091	2,637,965,349
Total Required Stable Funding	1,691,415,207	1,448,252,363
Net Stable Funding Ratio (%)	170.87%	182.15%
Minimum Requirement (%)	100.00%	100.00%
······································	100.0070	. 50.0070

36 ISLAMIC BANKING BUSINESS

The Bank operates 163 (December 31, 2020: 62) Islamic Banking branches and 732 (December 31, 2020: 853) Islamic Banking windows.

		(Unaudited)	(Audited)
STATEMENT OF FINANCIAL POSITION	Note	September 30, 2021	December 31, 2020
ASSETS		(Rupees	
Cash and balances with treasury banks		25,599,459	12,685,357
Balances with other banks	00.4	523,535	85,710
Due from financial institutions Investments	36.1 36.2	28,143,507 160,171,404	5,257,358 139,619,025
Islamic financing and related assets - net	36.3	152,914,936	153,363,009
Fixed assets		2,908,895	1,163,176
Intangible assets			
Due from Head Office		5,000,862	90,320
Deferred tax assets Other assets		10,366,822	6,132,151
01101 000010		385,629,420	318,396,106
LIABILITIES			
Bills payable		64,118	9,451
Due to financial institutions	36.4	27,487,873	32,183,448
Deposits and other accounts Due to Head Office	36.5	318,658,515	257,414,395 12,444
Subordinated debt		_	-
Deferred tax liabilities		471,340	8,718
Other liabilities		11,750,626	6,000,269
		358,432,472	295,628,725
NET ASSETS		27,196,948	22,767,381
REPRESENTED BY		500 000	500.000
Islamic Banking Fund Reserves		500,000	500,000
Surplus on revaluation of investments - net of tax		737,225	13,637
Unappropriated profit	36.6	25,959,723	22,253,744
		27,196,948	22,767,381
			, - ,
Contingencies and commitments	36.7	, ,	, - ,
Contingencies and commitments	36.7		idited)
Contingencies and commitments	36.7		idited)
Contingencies and commitments	36.7	(Unau For the nine r September 30,	ndited) nonths ended September 30,
	36.7	(Unau For the nine r September 30, 2021	ndited) nonths ended September 30, 2020
Contingencies and commitments PROFIT AND LOSS ACCOUNT	36.7	(Unau For the nine r September 30,	ndited) nonths ended September 30, 2020
PROFIT AND LOSS ACCOUNT		(Unau For the nine r September 30, 2021 (Rupees	sidited) nonths ended September 30, 2020 s in '000)
PROFIT AND LOSS ACCOUNT Profit / return earned	36.8	(Unau For the nine r September 30, 2021 (Rupees	sidited) nonths ended September 30, 2020 s in '000)
PROFIT AND LOSS ACCOUNT		(Unau For the nine r September 30, 2021 (Rupees	sidited) nonths ended September 30, 2020 s in '000)
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798	sidited) nonths ended September 30, 2020 s in '000) 17,198,994 7,058,308
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss)	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771	sidited) nonths ended September 30, 2020 s in '000) 17,198,994 7,058,308 10,140,686
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798	sidited) nonths ended September 30, 2020 s in '000) 17,198,994 7,058,308
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss)	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771	sidited) nonths ended September 30, 2020 s in '000) 17,198,994 7,058,308 10,140,686
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308	10,140,686 August 10,140,686 August 10,140,686 August 10,140,686 August 10,140,686 August 10,140,686
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15)	10,140,686 433,885 - (59,803) - (180,913)
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273	1dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540	dited) nonths ended September 30, 2020 in '000) 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273	1dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311	dited) nonths ended September 30, 2020 in '000) 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017 10,340,703
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses Operating expenses	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311	dited) nonths ended September 30, 2020 in '000) 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017 10,340,703
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311	dited) nonths ended September 30, 2020 in '000) 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017 10,340,703
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses Operating expenses Workers' Welfare Fund - charge Other charges Total other expenses	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311 2,547,914 126,590 2,803 2,677,307	dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 (59,803) (180,913) 6,848 200,017 10,340,703 1,542,801 161,607 14,107 1,718,515
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses Operating expenses Workers' Welfare Fund - charge Other charges Total other expenses Profit before provisions	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311 2,547,914 126,590 2,803 2,677,307 6,340,004	dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 (59,803) (180,913) 6,848 200,017 10,340,703 1,542,801 161,607 14,107 1,718,515 8,622,188
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses Operating expenses Workers' Welfare Fund - charge Other charges Total other expenses Profit before provisions Provisions and write offs - net	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311 2,547,914 126,590 2,803 2,677,307 6,340,004 262,904	dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017 10,340,703 1,542,801 161,607 14,107 1,718,515 8,622,188 702,479
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses Operating expenses Workers' Welfare Fund - charge Other charges Total other expenses Profit before provisions Provisions and write offs - net Profit before taxation	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311 2,547,914 126,590 2,803 2,677,307 6,340,004 262,904 6,077,100	dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017 10,340,703 1,542,801 161,607 14,107 1,718,515 8,622,188 702,479 7,919,709
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income / (loss) Income from derivatives Loss on securities- net Others Total other income Total income Other expenses Operating expenses Workers' Welfare Fund - charge Other charges Total other expenses Profit before provisions Provisions and write offs - net	36.8	(Unau For the nine r September 30, 2021 (Rupees 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311 2,547,914 126,590 2,803 2,677,307 6,340,004 262,904	dited) nonths ended September 30, 2020 17,198,994 7,058,308 10,140,686 433,885 - (59,803) - (180,913) 6,848 200,017 10,340,703 1,542,801 161,607 14,107 1,718,515 8,622,188 702,479

36.1	Due from Financial Institutions			(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020
00.1	Call money lendings			16,040,000	-
	Bai Muajjal receivable with: - State Bank of Pakistan - Other financial institutions			- 12,103,507	5,257,358
36.2	Investments by segments			28,143,507	5,257,358
	, <u>-</u>	;	September 30), 2021 (Unaudite	d)
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Federal Government securities		(Rupe	es in '000)	
	-ljarah Sukuks -Other Federal Government securities	84,394,683 11,901,281	-	497,565 -	84,892,248 11,901,281
	Non-Government debt securities	96,295,964	-	497,565	96,793,529
	-Listed -Unlisted	47,742,587 14,924,288	-	688,500 22,500	48,431,087 14,946,788
	Offisied	62,666,875	-	711,000	63,377,875
	Total Investments	158,962,839	-	1,208,565	160,171,404
			December 3	1, 2020 (Audited)	
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
			(Rupe	es in '000)	
	Federal Government securities -ljarah Sukuks	67,678,595	-	(322,645)	67,355,950
	-Other Federal Government securities	11,324,538 79,003,133	-	(322,645)	11,324,538 78,680,488
	Non-Government debt securities -Listed	47,291,628		322,500	47,614,128
	-Unlisted	13,301,909 60,593,537		22,500 345,000	13,324,409 60,938,537
	Total Investments	139,596,670	<u>-</u>	22,355	139,619,025
	Total Infosmone	100,000,010		(Unaudited) September 30,	(Audited) December 31,
36.3	Islamic financing and related assets - net			2021 (Rupees	2020 s in '000)
	Diminishing Musharakah Running Musharakah			64,618,434 44,295,557	71,127,412 45,034,254
	Wakalah Ijarah Murabaha			10,000,000 1,952,485 3,337,579	10,000,000 2,341,651 1,517,711
	Currency Salam Tijarah			1,211,371	589,706 422,168
	Istisna Home Financing			568,936 3,653,903	271,460 2,060,742
	Advance for Diminishing Musharakah			2,890,520	2,320,561
	Advance for Ijarah Advance for Murabaha			573,344 3,860,879	312,748 1,203,371
	Advance for Salam Advance for Istisna			220,000 10,854,949	1,027,180 11,874,971
	Inventories against Murabaha Inventories against Tijarah			1,932,299 2,357,468	2,204,687 824,156
	Inventories against Istisna			1,905,542	1,285,677
	Islamic financing and related assets - gross Provision against Islamic financing and related assets			154,233,266	154,418,455
	-Specific -General			(351,146) (967,184)	(126,457) (928,989)
	Islamic financing and related assets - net of provision			(1,318,330) 152,914,936	(1,055,446) 153,363,009
	iolarino iniarioring and related assets - Het of provision			. 52,5 : 7,550	. 55,555,555

1 01 1110	mile months chaca september 50, 2021			
36.4	Due to financial institutions	Note	(Unaudited) September 30, 2021 (Rupees	(Audited) December 31, 2020 s in '000)
			` .	•
	Unsecured acceptances of funds		-	10,500,000
	Acceptances from the SBP under:		47.004.544	10 105 707
	 Islamic export refinance scheme Islamic long term financing facility 		17,864,511 5,055,226	12,185,727 4,774,050
	Islamic refinance and credit guarantee scheme for women entrepreneurs		5,883	4,774,030
	- Islamic refinance scheme for payment of wages and salaries		1,576,964	2,456,473
	- Islamic financing facility for renewable energy power plants		373,775	96,152
	- Islamic temporary economic refinance facility		2,421,169	1,676,737
	- Islamic financing facility for storage of agricultural produce		8,360 181,985	-
	Acceptances from Pakistan Mortgage Refinance Company		27,487,873	494,309 32,183,448
				· · ·
36.5	Deposits and other accounts			
	Customers			
	Current deposits		72,304,979	64,402,537
	Savings deposits		120,046,607	105,290,516
	Term deposits		30,537,862	24,221,318
	Financial Institutions		222,889,448	193,914,371
	Current deposits		589,361	405,136
	Savings deposits		90,437,060	61,847,142
	Term deposits		4,742,646	1,247,746
			95,769,067	63,500,024
			318,658,515	257,414,395
36.6	Islamic Banking business unappropriated profit			
	Opening Balance		22,253,744	16,486,211
	Add: Islamic Banking profit for the period / year		6,077,100	9,464,811
	Less: Taxation		(2,370,069)	(3,696,779)
	Less: Transferred / Remitted to Head Office Closing Balance		(1,052) 25,959,723	22,253,744
	Closing Balance		20,000,120	22,233,144
36.7	Contingencies and commitments			
	- Guarantees	36.7.1	2,490,130	1,498,665
	- Commitments	36.7.2	44,959,234	7,917,674
			47,449,364	9,416,339
36.7.1	Guarantees:			
30.7.1	Guarantees.			
	Performance guarantees		2,032,609	1,435,850
	Other guarantees		457,521	62,815
			2,490,130	1,498,665
36.7.2	Commitments:			
	Trade-related contingent liabilities		29,333,414	6,208,476
	Commitments in respect of forward foreign exchange contracts	36.7.2.1	15,625,820	1,709,198
36721	Commitments in respect of forward foreign exchange contracts		44,959,234	7,917,674
00.7.2.	Communicates in respect of forward foreign exchange contracts			
	Purchase		7,922,298	740,199
	Sale		7,703,522	968,999
			15,625,820	1,709,198
			(Unau	dited)
			For the nine mo	nths ended
36.8	Profit / return earned		September 30, 2021	September 30, 2020
				in '000)
			• •	-
	On:			10.010.515
	Financing Investments		7,711,862	10,316,618
	Placements		8,041,493 1,443,214	5,857,861 1,024,515
			17,196,569	17,198,994

		(Unaudited) For the nine months ended	
		September 30, 2021	September 30, 2020
		(Rupees	in '000)
1	Profit / return expensed		
	On:		
	Deposits and other accounts	7,781,825	6,487,505
	Amounts due to financial institutions	726,798	465,391
	Foreign currency deposits for Wa'ad based transactions	13,318	27,326
	Lease liability against right-of-use assets	153,857	78,086
		8,675,798	7,058,308

37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

37.1 The Board of Directors, in its meeting held on October 15, 2021, has declared a cash dividend of Rs 1.75 per share in respect of the quarter ended September 30, 2021 (September 30, 2020: nil) . These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

38 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on October 15, 2021.

39 GENERAL

36.9

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

President and Chief Financial Officer Director Director Director Chief Executive Officer