# QUARTERLY REPORT SEPTEMBER 30, 2022

# A WORLD OF \_\_\_\_ DIGITAL POSSIBILITIES





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# CORPORATE INFORMATION

### **Board of Directors**

**Mr. Sultan Ali Allana** Chairman

**Mr. Shaffiq Dharamshi** Director

**Mr. Moez Ahamed Jamal** Director

**Mr. Salim Raza** Director

**Dr. Najeeb Samie** Director

Mr. Khaleel Ahmed Director

Ms. Saba Kamal Director

Mr. Muhammad Aurangzeb President & CEO

**Chief Operating Officer** Mr. Sagheer Mufti

Chief Financial Officer Mr. Rayomond Kotwal

**Company Secretary** Mr. Uzman Naveed Chaudhary

**Legal Advisors** Mandviwalla and Zafar Legal Consultants and Advocates

Auditors KPMG Taseer Hadi & Co. Chartered Accountants

### Share Registrar

CDC Share Registrar Services Limited CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi – 74400, Pakistan Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Fax: (92-21) 34326053 Email: info@cdcsrsl.com Website: www.cdcsrsl.com

HBL Corporate Secretariat Phone: (92-21) 37137543 Fax: (92-21) 35148370

Principal Office Habib Bank Limited HBL Tower, Plot no. G-4, KDA Scheme 5, Block 7 Clifton, Karachi, Pakistan Phone: (92-21) 33116030

Registered Office Habib Bank Limited 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan. Phone:(92-51) 2270856, (92-51) 2821183 Fax: (92-51) 2872205

Websites: Corporate Website: www.hbl.com

Internet Banking: www.hbl.com/personal/digital-banking/hblinternetbanking

Konnect: www.hbl.com/konnect









# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

# DIRECTORS' REVIEW

# On behalf of the Board of Directors, we are pleased to present the Consolidated Financial Statements for the nine months ended September 30, 2022.

Pakistan has become the latest affectee of climate change as devastating floods, caused by melting glaciers and unprecedented rainfall, battered vast swathes of land, inundating nearly a third of the country. The damage from the floods has been estimated by the IFIs and the UN at around \$32.4 billion, 11% of GDP. For now, the focus is on rescue and relief efforts, with rehabilitation likely to last much longer. While there is global recognition and sympathy that the impact of climate change on Pakistan dwarfs the country's contribution to the problem, tangible support has been somewhat underwhelming.

Even before the floods, contractionary policies had triggered a correction in economic indicators as demand management efforts took root. After posting a growth of 11.7% in FY'22, the Large-Scale Manufacturing Index for 2MFY'23 has declined by 0.4% YoY, its first decline in 2 years. Meanwhile, the necessary removal of fuel and electricity subsidies, global commodity price increases and food price volatility have stoked inflation to its highest level in 15 years. Headline inflation took a dip in September, due to deferral of the fuel charge adjustment, but averaged 25.1% for Q1FY'23 compared to 8.6% in Q1FY'22.

Pro-growth policies fuelled by energy subsidies had heightened the current account deficit in FY'22 to USD 17.3 billion (~4.6% of GDP). Since then, fiscal and monetary tightening, and curbing of non-essential imports have combined to contain imports, which declined by 8% in Q1FY'23. On the upside, exports grew by 5.5%, narrowing the trade deficit by 17% YoY, to USD 8.4 billion. Remittances for Q1'FY23 declined by 6% over Q1FY'22, but nevertheless maintained a healthy monthly level of ~USD 2.5 billion. However, the greatly improved trade balance reflected in a strong reduction in the current account deficit, which contracted by 37.4%, to USD 2.2 billion.

External debt repayments and delays in the IMF agreement led to foreign exchange reserves depleting precariously, by nearly 60% from December 2021. The release of the EFF tranche of ~USD 1.16 billion provided only a brief respite with SBP reserves less than USD 8 billion as of end-September. Concerns about the external account and debt financing have also led to elevated yields on Pakistan's Eurobonds, ahead of the December 2022 maturity. The currency remained under sustained pressure from the weak external position, political noise and the floods, further exacerbated by global monetary tightening. As a result, the Rupee depreciated against the US Dollar to historic lows, crossing Rs 240/\$ before a rally, spurred by the appointment of the new Finance Minister, led to some retracement. Even then, by the end of Q1FY'23, the Rupee had devalued by an unprecedented Rs 24/USD (11.5%) in one quarter alone.

The equity market continued a volatile year as the multitude of stresses – macroeconomic pressures, political uncertainty, rate increases by major central banks, and the Rupee trajectory – weighed negatively on investors. The benchmark index has remained choppy and range-bound, ending the quarter at 8.4% below the December 2021 level.

In its recent monetary policy, the SBP kept the policy rate unchanged at 15%, advocating striking a balance between taming inflation and supporting growth, especially in the wake of the floods. The SBP also noted that the economy had slowed considerably, indicating that tightening measures were gaining traction. With both upside and downside risks possible, and the impact of the floods yet to be quantified, the central bank considered it prudent to adopt a status quo position. Industry advances for the first nine months of 2022 have increased by nearly 10% while deposits have grown by 8.8% during the same period. The increases in policy rate are now beginning to be manifested in banking spreads which have increased by 43 bps for 8M'22 compared to 8M'21.

### **Financial Performance**

HBL's consolidated profit before tax of Rs 55.6 billion for the first nine months of 2022 has increased by 20% over the same period last year. This was led by another strong performance from the domestic franchise – delivering on all key activity drivers – complemented by the return to profitability of the international business and higher returns from all subsidiaries. The Bank's profit after tax, however, declined by 12% to Rs 23.6 billion because of a higher and excessive tax charge applied in the Federal Budget, which included retrospective application. Consequently, earnings per share reduced to Rs 15.95 in 9M'22 from Rs 18.21 in 9M'21.

HBL's balance sheet grew by 5% to Rs 4.5 trillion with total deposits at Rs 3.4 trillion. Domestic low-cost deposits increased by Rs 214 billion and the mix of current accounts reached nearly 40%. HBL remains committed to supporting its customers and the economic growth of the country, particularly in these challenging economic times. Advances increased by 14% over December 2021, to Rs 1.7 trillion, with broad-based double-digit growth across all customer segments. Corporate lending remains the leading driver; the Consumer business grew by 17% to Rs 120 billion while Commercial lending achieved a key milestone, crossing Rs 100 billion. Agriculture lending, where HBL remains dominant, reached a new all-time high of Rs 45 billion. The lending momentum in HBL Microfinance continues unabated, underlining the Bank's progress on its financial inclusion initiatives; advances increased by 36% over December 2021 to Rs 77 billion including an agriculture portfolio of Rs 40 billion.

With lagged asset repricing now taking effect, spreads widened as expected. Along with a Rs 564 billion growth in the average balance sheet, net interest income of the Bank grew 19% to Rs 116 billion. The growth trajectory of non-fund income continued, with fees increasing by 27% over 9M'21 to Rs 22.8 billion. The growth in fees was led by another stellar performance from HBL's flagship Cards business supported by double-digit increases in contributions from consumer finance, trade and branchless banking. Consequently, total revenue of the Bank has increased by 23% over the same period last year, to Rs 151.7 billion.

HBL continued to invest in its people and in its digital journey. HBL's administrative expenses (excluding the one-off Voluntary Separation Scheme in H1'22) increased by 26% over the nine months of last year. The Rupee devaluation alone caused an increase of Rs 3.6 billion in the expense base. 15-year high inflation, higher variable transaction-driven costs, spiralling fuel and utilities costs all contributed to the elevated expenses. Total provisions for 9M'22 have reduced by 35% over the previous year to Rs 3.6 billion, with the charge mainly emanating from general provisioning. The infection ratio remained flat at an all-time low of 5.1%, with total coverage at over 100%.

### **Movement in Reserves**

	Rupees in million
Unappropriated profit brought forward	158,441
Profit attributable to equity holders of the Bank Re-measurement gain on defined benefit obligations – net of tax Re-measurement gain on defined benefit obligations of associates – net of tax Transferred from surplus on revaluation of assets – net of tax Acquisition of additional interest in subsidiary	23,400 209 4 54 863
Profit available for appropriation	24,530 182,971
Appropriations: Transferred to statutory reserves Cash dividend – Final 2021 Cash dividend – 1st Interim 2022 Cash dividend – 2nd Interim 2022 Total appropriations Unappropriated profit carried forward	(2,433) (3,300) (3,300) (2,200) (11,233) 171, 738
Earnings per share (Rupees)	15.95

### **Capital Ratios**

HBL's robust results for 9M'22 have led to strong internal capital generation which, under normal circumstances, would lead to a continuous improvement in the Bank's Capital Adequacy Ratio (CAR), despite the Bank's focus on lending growth. However, the CAR continues to be impacted by the Rupee devaluation. In Q3'22 alone, the devaluation of Rs 24/\$ eroded Tier 1 CAR by 47 bps. The Bank's efforts to optimize its balance sheet and risk-weighted assets added 26 bps, to somewhat offset the impact of the devaluation.

HBL's total consolidated Tier 1 CAR at Sep'22 was 11.3% with Total CAR at 14.3%.

### **Credit Ratings**

During the quarter, Capital Intelligence (CI), an international rating agency, reaffirmed the Bank's long-term and short-term foreign currency ratings at B- and B respectively. HBL's Bank Standalone Rating of b- and Core Financial Strength (CFS) rating of bb- were also re-affirmed. CI noted that the CFS was supported by the Bank's diversified and stable funding profile, sound liquidity ratios and leading market positions in nearly all areas, The Outlook was changed from Stable to Negative, based on CI's view of heightened sovereign risk and Pakistan's external vulnerabilities.

Moody's also downgraded their country rating of Pakistan from B3 to Caa1 and subsequently lowered their ratings of HBL (along with other leading banks) to Caa1 in line with the sovereign.

### Dividend

The Board of Directors, in its meeting held on October 26, 2022, has declared an interim cash dividend of Rs 1.50 per share (15%) for the quarter ended September 30, 2022. This is in addition to the interim dividends of Rs 3.75/share that have been declared and paid for the first two quarters of 2022.

### **Future Outlook**

With inflation soaring to levels not seen in this century, global financial markets are in continued turmoil. A low interest rate environment, coupled with heavy government stimulus and bailouts during COVID distorted consumer spending patterns and induced excess demand at a time when supply chains were frozen. Furthermore, with the Russia-Ukraine conflict escalating and recent OPEC+ actions, volatility in the world oil market is expected to continue, casting an overhang on Pakistan's economy, which is reeling from its worst-ever floods. While headline inflation has moderated in September, core and food inflation both increased. The SBP expects higher food prices to elevate average headline inflation above pre-flood projections of 18-20%, while GDP growth is projected to fall below 2% in FY'23.

The recent removal of the country from the FATF's grey list is a major achievement, especially in the evolving geopolitical order. This represents an opportunity for Pakistan to change the global narrative on the country and should be seized. It demonstrates, and provides a stark reminder of, the benefits of policy continuity despite changes in government. It also provides a road map of how consistency in policies can and should be prioritized in areas like economic development and structural reform, through a Charter of Economy that can be agreed across the political spectrum. The Government must ensure continuity of the EFF, in particular, the structural reforms that have been agreed and strive towards widening the tax net rather than taxing the already-taxed, so that an equitable system is established. Timely repayment of the December Eurobond maturity will also go a long way in calming jittery markets and re-establishing the country's credibility.

HBL has stayed the course with its strategic focus on people, processes and technology, reflected in a record quarter. HBL has helped ease the financial pressure on many of its employees by giving them additional support through this difficult economic period. Recently, recognising the ability of people to contribute much longer than in the past, HBL raised its retirement age to 65 years. This unprecedented initiative has been widely applauded internally and acclaimed across Corporate Pakistan. Once again, at a time of crisis with the devastating floods, HBL has stepped up by contributing and delivering rations, tents and mosquito nets to thousands of affected families; our people have gone to extraordinary lengths, delivering Government subsidies to inaccessible areas at personal risk.

HBL has entrenched its position as a thought leader in all sectors of the economy – from ESG leadership, to being the Government's provider of choice for social payments, to being the key sponsor of national inclusion initiatives. We are extremely proud of our publicly acknowledged role in helping the country exit the FATF grey list, underlining our own pioneering initiatives on this front. As Pakistan's pre-eminent financial institution, HBL, as always, stands ready and willing to support the nation and its people in all their endeavours.

### **Appreciation and Acknowledgement**

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. They continue to steer us through very challenging times, with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our more than 32 million customers, who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches who continue to go the extra mile to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

Muhammad Aurangzeb President & Chief Executive Officer

October 26, 2022

Moez Ahamed Jamal Director

دائر يكثر زكاجائزه

بورڈ آف ڈائر یکٹرز کی جانب سے، ہمیں30 ستمبر 2022ء کو مکمل ہونے والے نو مہینوں کے مجموعی مالیاتی گو شوارے پیش کرتے ہوئے مسرت محسوس ہور ہی ہے۔

پاکستان حال ہی میں ماحولیاتی تبدیلیوں کے اثرات کا شکار ہواہے۔ پکھلتے ہوئے گلیشیر زادر غیر معمولی بار شوں سے آنے والے تباہ کن سیلاب نے زمین کے وسیع جھے کوبرباد کر دیاادر ملک کا تقریباً ایک تہائی حصہ زیر آب آگیا۔IFIsاور اقوام متحدہ کی جانب سے سیلاب سے ہونے والے نقصانات کا تخمینہ تقریباً توجہ ریسکیواور امدادی کو ششوں پر مرکوز ہے، جبکہ بحالی میں مزید طویل وقت لگ سکتا ہے۔ اگر چہ عالمی سطح پر ہمدردی کے ساتھ تسلیم کیا گیا ہے جو GDP کا <sup>پر</sup> 11 ہے۔ فی الحال، پاکستان کا اپنا حصہ زیادہ نہیں ہے، تاہم اس حوالے سے واضح حمایت خاصی کم رہی ہے۔

سیلاب سے پہلے ہی، طلب کی منتخلم تنظیم کی کو ششوں کے جڑیکڑتے ہی، سکڑاؤ کی پالیسیوں نے معاشی اشاریوں میں اصلاح کو تحریک دی۔مالی سال 22ء میں بڑ 11.7 کی نمو کے بعد،مالی سال 23ء کی دوسر می ششاہی کے لیے بڑے پیانے کے مینونیچرنگ انڈیکس میں گزشتہ سال کے مقاطع میں بڑ 0.4 کی سال بسال کی واقع ہوئی ہے، جو 2 سالوں میں پہلی بار ہوا ہے۔ اسی دوران، ایند ھن اور بجلی کی سبسڈی کے ضروری خاتمے، عالمی اجناس کی قیتوں میں اضافے اور خوراک کی قیتوں میں اتار پہلچا دیا ہے۔ فیول چارج ایڈ جسٹمنٹ کے التوا کی وجہ سے ستمبر میں ہیڈلائن افر اطرز رمیں کی واقع ہوئی ہے، جو 2 سالوں میں پہلی بار ہوا ہے۔ پہلچا دیا ہے۔ فیول چارج ایڈ جسٹمنٹ کے التوا کی وجہ سے ستمبر میں ہیڈلائن افر اطرز رمیں کی واقع ہوئی، تاہم میں میں ای کی میں ای پلی سے ماہی میں ای میں میں میں میں پر میں ای میں ہو کی ہوئی ہے، جو 2 سالوں میں پہلی بار ہوا ہے اسی دوران ، ایند ھن اور بجلی کی سبیڈی کے ضروری خاتمے، عالمی اجزائی کی قدیتوں میں اضاف اور خوراک کی قیتوں میں اتار چڑھاؤ نے افر اطرز کر 15 سالوں میں پر کی بلید ترین سطح پر

توانائی کی سبیڈی کی وجہ سے ترقی پیند پالیبیوں نے مالی سال 22ء میں کرنٹ اکاؤنٹ خسارہ 17.3 ملین امریکی ڈالر (GDP کا کم و میش~4.4) تک بڑھادیا تھا۔ اس کے بعد سے مالی اور مالیاتی تنگلی اور غیر ضر درمی درآمدات پر قابوسے درآمدات کم ہو گئیں، جس میں مالی سال 22ء کی پہلی سہ ماہی میں ×8 کی داقع ہوئی ہے۔ اس کے برعکس بر آمدات میں ×5.5 ضافہ ہوا جس سے تجارتی خسارہ ×17 سال بسال کم ہو کر 8.4 ارب ڈالر رہ گیا۔ مالی سال 23ء کی پہلی سہ ماہی کے دوران تر سیلات زرمیں مالی سال 22ء کی پہلی سہ ماہی میں ×8 کی داقع ہوئی ہے۔ اس کے برعکس بر آمدات میں ×5 کمی داقع چس سے تجارتی خسارہ ×17 سال بسال کم ہو کر 8.4 ارب ڈالر رہ گیا۔ مالی سال 23ء کی پہلی سہ ماہی کے دوران تر سیلات زرمیں مالی سال 22ء کی پہلی سہ ماہی کے مقاطبے میں ×6 کمی داقع ہوئی، اس کے باوجو دایک صحت بخش ماہانہ سطح 2.5 ارب ڈالر بر قر ارر ہی۔ تاہم، تجارتی توازن میں بہتری میں اضافہ کرنٹ اکاؤنٹ خسارے میں کمی کی عکاسی کر تا ہے، جو ×4.4 کی

بیرونی قرضوں کی ادائیگی اور IMF معاہد سے میں تاخیر کی وجہ سے غیر ملکی زرمبادلہ کے ذخائر خطرناک طور پر، دسمبر 2021ء سے تقریباً بر60 کم ہوگئے۔1.16 ارب ڈالر کی EFF قسط کے اجراب صرف وقق سکون ملا کیونکہ سمبر کے آخر تک اسٹیٹ بینک کے ذخائر 8 ارب ڈالر سے بھی کم تھے۔ بیرونی اکاؤنٹ اور قرضہ جات کے بارے میں خدشات کی وجہ سے دسمبر 2022ء میں میچور ٹی سے قبل پاکستان کے یوروبانڈز پر پید اوار میں بھی اضافہ ہوا۔ کر نسی کمزور بیرونی پوزیش، سیاسی افرا تفری اور سیل کی وجہ سے مستقل دباؤ میں رہی، جس کی وجہ سے عالمی مالیاتی شکل میں مزید اضافہ ہوا۔ نیتجاً، بنے وزیر خزانہ کی تقر رہ سے پہلے ریلی کے نتیجے میں بھی ہوال 240 / 8 روپے عبور کر گئی۔ اس کے باوجو دمالی سال 23ء کی پہلی سہ ماہی میں میں میں میں میں میں 20 میں میں میں رہے تک واقع ہوئی تھی۔

ایکویٹی مارکیٹ ایک سال تک عدم استخکام کا شکار رہی کیونکہ کثیر الجہات تناؤ – میکر واکنامک دباؤ، سیاسی غیر یقینی صور تحال، بڑے سینٹرل بینکوں کی طرف سے شرح میں اضافہ ، اور روپے کی رفتار – سرمایہ کاروں پر بوجھ بن گئی۔ بیچی مارک انڈیکس غیر منتخکم اور حد کا پابند رہا، جو سہ ماہی کے اختتام دسمبر 2021ء کی سطح سے بڑھ بیچے رہا۔

اسٹیٹ بینک نے اپنی حالیہ مانیٹری پالیسی میں پالیسی ریٹ <sup>بر</sup>15 پر بر قرار رکھاہے، خاص طور پر سلاب کے تناظر میں افراط زر پر قابو اور نمو کی معاونت کے در میان توازن قائم کرنے کی حمایت کی گئی ہے۔ اسٹیٹ بینک نے اپنی حالیہ مانیٹ کی کہ معنونت کے در میان توازن قائم کرنے کی حمایت کی گئی ہے۔ اسٹیٹ بینک نے یہ بھی بیان کیا کہ معینت کافی ست روکی کا شکار ہے، جس سے خاہر ہو تاہے کہ سخت اقد امات سے کھنچاؤ بڑھ رہاہے۔ او پر، نیچ دونوں طرح کے خطرات ممکن ہیں، اور سیلاب کے تناظر میں افراط زر پر قابو اور نمو کی معاونت کے در میان توازن قائم کرنے کی حمایت کی گئی ہے۔ اسٹیٹ بینک نے یہ بھی بیان کیا کہ معینت کافی ست روکی کا شکار ہے، جس سے خاہر ہو تاہے کہ سخت اقد امات سے کھنچاؤ بڑھ رہا ہے۔ او پر، نیچ دونوں طرح کے خطرات ممکن ہیں، اور سیلاب کے اثرات کاندازہ لگانا بھی باقی ہے، سینٹرل بینک نے جوں کے توں حالات قبول کرنے کو دانشمند انہ قرار دیا ہے۔ سال 22ء کے پہلے نوماہ کے دوران خطرات ممکن ہیں، اور سیلاب کے اثرات کا اندازہ لگانا بھی باقی ہے، سینٹرل بینک نے جوں کے توں حالات قبول کرنے کو دانشمند انہ قرار دیا ہے۔ سال 22ء کے پہلے نوماہ کے دوران انڈ سٹر کی ایڈ دانسز میں تقریباً براز میں 10 میں میں 88 اضافہ ہوا ہے۔ پالیسی ریٹ میں اضافہ اب بینکنگ اسپر میڈ مین خاہر ہونا شر وع ہو گیا ہے

## مالیاتی کار کردگی

HBL کے 2022ء کے پہلے نوماہ کے دوران 6.56 ارب روپے کے قبل از ٹیک منافع میں گزشتہ سال کے اس عرصے کے مقابلے میں 20اضافہ ہوا ہے۔ ڈومیسٹک فرنچائز کی طرف سے ایک اور مضبوط کار کر دگی- تمام اہم مر گرمی کے محرکین کے مطابق کام- بین الا قوامی کاروبار می منافع کی واپسی اور تمام سبسیڈریز سے آنے والے اعلی منافع سے استخکام ملا۔ تاہم، بینک کا بعد از ٹیکس منافع ×12 کم ہو کر 6.20 ارب روپ رہ گیا جس کی وجہ دفاقی بجٹ میں اضافی اور زائد ٹیکس چار بڑ بین، جس میں سابقہ اطلاق بھی شامل ہے۔ نیتر کی طرف فی شیئر آمد نی 18.21 روپے سے کم ہو کر 22ء کے نوماہ میں 15.95 روپ رہ گئی۔

HBL کی بیکنس شیٹ بر5اضافے کے ساتھ 4.5 ٹریلین روپے تک پنچ کئی جس کے کُل ڈپازٹ 4.6 ٹریلین روپے ہیں۔ ڈومیسٹک کم لاگت کے ڈپازٹس میں 214 ارب روپے کا اضافہ ہوا اور کرنٹ اکاؤنٹس کا امتراج تقریباً بر40 تک پنچ گیا۔ HBL پنے سٹر اور ملکی معاثی ترقی کے لیے پر عزم ہے، خصوصاً س مشکل معاثی دومیں۔ دسمبر 2021ء کے مقابلے میں ایڈوانسز میں بہ14 اضافہ ہوا اور بیہ 1.7 ٹریلین روپے تک پنچ گئے، جس میں تمام کسٹر سیگنٹس میں دوہند سی اضافہ ہوا۔ کارپوریٹ قرضہ جات بدستور اہم محرک رہے۔ کن پور برنس بہ17 اضافہ ہوا اور بیہ 1.7 ٹریلین روپے تک پنچ گئے، جس میں تمام کسٹر سیگنٹس میں دوہند سی اضافہ ہوا۔ کارپوریٹ قرضہ جات بدستور اہم محرک رہے۔ کن پور برنس بہ12 اضافہ کی ساتھ 120 ارب روپے تک پنچ گئے، جس میں تمام کسٹر سیگنٹس میں دوہند سی اضافہ ہوا۔ کارپوریٹ قرضہ جات بدستور اہم محرک رہے۔ کن پور برنس بہ12 اضافہ کی ساتھ 120 ارب روپے تک پنچ گئے، جس میں تمام کسٹر سیگنٹس میں دوہند سی اضافہ ہوا۔ کارپوریٹ قرضہ جات بدستور اہم محرک رہے۔ کن پور روپ کی نئی تاریخی بلند ترین سطح پر پنچ گئے۔ HBH میکر وفنانس میں قرض دینے کار ڈوار کا دی جات کی میں میں بیٹر دی ک

### منافع منقسمه

بورڈ آف ڈائر کیٹرزنے26اکتوبر 2022ء کو منعقد ہونے والے اجلاس میں 30 ستمبر 2022ء کو اختتام پذیر ہونے والی سہ ماہی کے لیے 1.50 روپے فی حصص (157) کے عبور می نقد منافع منقسمہ کا اعلان کیا۔ یہ 75.5 روپے فی حصص کے عبور می منافع کے علاوہ ہے جس کا اعلان کیا گیا ہے اور 2022ء کی پہلی دوسہ ماہیوں کے لیے ادا کیا گیا ہے۔

### مستقبل كامنظرنامه

حال ہی میں FATF کی گرے لسٹ سے ملک کا اخراج، خاص طور پر اس ارتفایذ یر عالمی سیاسی تبدیلیوں کے تناظر میں ایک بڑی کامیابی ہے۔ یہ پاکستان کے لیے اپنے بارے میں عالمی نظریہ تبدیل کرنے کا ایک موقع ہے جس سے فائدہ اٹھانا چاہیے۔ یہ حکومتی تبدیلی کے باوجو د پالیسی کے تسلسل کے فوائد کا مظاہرہ اور اس کی ایک واضح یاد دہانی ہے۔ یہ اس بات کا منصوبہ بھی فراہم کر تاہے کہ چارٹر آف اکانومی کے ذریعے معافی ترقی اور ساختی اصلاحات جیسے شعبوں میں پالیسیوں میں مستقل مز اجی کو کس طرح ترجیح دی جائم کی ہے اس بات کا سیاسی تناظر میں اس پر اتفاق کیا جا سکتا ہے۔ حکومت کو FFE کا تسلسل یقینی بنانا چاہیے، خصوصاً ان ساختی اصلاحات کے سے بیائے قبل میں اس پر اتفاق کیا جا سکتا ہے۔ حکومت کو FFE کا تسلسل یقینی بنانا چاہیے، خصوصاً ان ساختی اصلاحات ک نے بجائے قبل نے کو وسیچ کرنے کی کو شش کرنی چاہیے، تا کہ ایک منصفانہ نظام قائم کیا جائیں۔ دسمبر کے یوروبانڈ کی میچور ٹی پر روفت ادا کی کی کی روزی اور کی کو کس طرح ترجیح دی وائیں لگانے اور ملکی ساکھ بیجاں نے کا کو شش کرنی چاہے، تا کہ ایک منصفانہ نظام قائم کیا جائے۔ دسمبر کے یوروبانڈ کی میچور ٹی پر روفت ادا کی کی مزدی اور کی طور کو ہو ہے تان مار کیٹوں کو پر سکوں ہوں میں بالیسیوں میں میں میں ایک ہے دیر پر

HBL نے لوگوں، طریقہ کار اور ٹیکنالو جی پر اپنی حکمت عملی میں توجہ بر قرار رکھی ہے، جس کی عکاسی ایک ریکارڈ سہ ماہی میں ہوتی ہے۔ HBL نے اس مشکل معاشی دور میں اپنے بہت سے ملاز مین کی امداد سے ان کامالی دباؤ کم کرنے میں اضافی معاونت کی ہے۔ حال ہی میں HBL نے ماضی کے مقابلے میں طویل عرصے تک لوگوں کی تعاون کی صلاحت کو تسلیم کرتے ہوئے ریٹائز منٹ کی عمر بڑھا کر 65 سال کر دی ہے۔ اس بے مثال اقدام کوادارے میں بڑے پیانے پر سر اہا گیاہے اور کارپوریٹ پاکستان میں خراقِ محسن کی تعاون کی صلاحت کو تسلیم کرتے کن سیلاب کے بحر ان کے وقت، HBL نے آگے بڑھ کر ہز اردں متاثرہ خاندانوں کو راش ، خیصے اور گھر دانیاں فراہم کیں۔ ہمارے لوگوں کی علاق میں کی گیا۔ ایک بار پھر، تباہ فراہمی کے لیے کسی خطرے کی پر واہ کیے بغیر جان جو کھوں میں ڈال کر غیر متوقع حد تک آگے چلے گئے۔

HBL نے معیشت کے تمام شعبوں میں اپنی ایک فکری رہنما کی حیثیت متحکم کی ہے۔ESG کی قیادت سے لے کر، سابق ادائیگیوں کے لیے حکومت کے منتخب فراہم کنندہ، اور قومی شہولیت کے اقد امات کے اہم معادن کی صورت میں اس نے اپنامقام بر قرار رکھا ہے۔FATF کی گرے لسٹ سے نگلنے میں ملک کی مدد پر ہمیں عوامی سطح پر اعتراف پر انتہائی فنخر ہے سے ہمارے لیے خود اس میدان میں ایک اولین قدم ہے۔ پاکستان کے ایک معروف مالیاتی ادارے کی حیثیت سے HBL ہمیشہ کی طرح ملک و قوم کی تمام کو ششوں میں ان کی مدد کر نے سے کھر تیار اور آمادہ ہے۔

### اظهارتشكر

بورڈ اور انتظامیہ کی جانب سے ہم اپنے ریگولیٹر ز اور حکومت ِپاکستان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارتِ مالیات اور سکیوریٹیز اینڈ ایکیچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔اس غیر معمولی وقت میں، انھوں نے ایکی پالیسیاں بنائیں اور اقدامات کیے جو مصلحت پر ہنی، اور متوازن ہیں، معیشت، کسٹمر ز اور پاکستان کے عوام کی حفاظت کرتے ہیں، اور بینکنگ اور فنانشل سر وسز انڈسٹر می کی سالمیت اور کہتر کی کا تحفظ بھی کرتے ہیں۔

ہم اپنے 32 ملین سے زیادہ سٹمرز کے احسان مند ہیں جو اپنے کاروبار اور اعتماد کے ذریعے اپنا بھر وسہ جاری رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرزنے ثابت قدمی سے ہماراساتھ دیااور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈاور انتظامیہ گور ننس کے اعلیٰ ترین معیارات بر قرار رکھنے کے لیے پُرعزم ہے اور ہم اپنے اسٹیک ہولڈرز کو یقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، لیکن یقینی طور پر کسی سے کم نہیں، ہم اپنے تمام ملاز مین اور اُن کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یو نٹس اور برا نچوں میں موجو دعملے کے شکر گزار ہیں، جنھوں نے ان دوسالوں میں خطرناک وہائی حالات میں بہادری کا مظاہرہ کرتے ہوئے بحر ان کے اس وقت میں ہمارے کسٹمر زکی بنیادی ضروریات کی تنگیل یقینی بنائی۔ یہ ہمارے ہیر و اور ہیر و ٹن ہیں اور ہم اُن کے عزم اور انتقک محنت کے لیے انھیں خراج شخسین پیش کرتے ہیں۔

منجانب بورڈ

محمر اور نگزیب صدرادر چيف ايگزيکٹو آفيسر



معيزاحمه جمال ڈائیر بکٹر

تا خیر ی اثاثوں کی قیتوں پر نظر ثانی اب لا گوہونے سے اسپریڈز توقع کے مطابق وسیتے ہو گئے۔ اوسط بیکنس شیٹ میں 564 ارب روپے کے اضافے کے ساتھ سینک کی خالص سودی آمدنی ×19 اضافے سے 116 ارب روپے تک پیچ گئی۔ نان فنڈ آمدن میں اضافے کا سلسلہ جاری رہا، 21ء کے نوماہ کے مقابلے میں فیسوں میں ×27 اضافہ ہوا اور سے 22.8 ارب روپے تک پیچ گئی۔ فیسوں میں اضافے کے بعد HBL کے فلیگ شپ کارڈز کے کاروبار کی ایک اور شاند ار کار کر دگی سانے آئی، جس میں کنزیو مر فنانس، ٹریڈ اور برایخ لیس بیکنگ کی خالص شر اکت سے دوہند سی اضافہ ہوا۔ نیتجاً بینک کی مجموعی آمدنی گزشتہ سال کے اسی عرصے کے مقابلے میں ہے 150 ارب روپے تک پیچ گئی۔

HBL نے اپنے لوگوں اور اپنے ڈجیٹل سفر میں سرمایہ کاری جاری رکھی۔HBL کے انتظامی اخراجات (22ء کی پہلی ششماہی میں ایک بار کی رضاکارانہ علیحد گی اسلیم کو تچھوڑ کر) میں گزشتہ سال کے نوماہ کے مقابلے میں ×26اضافہ ہواہے۔ صرف روپے کی قدر میں کمی کی وجہ سے بنیادی اخراجات میں 3.6ارب روپے کااضافہ ہوا۔15 سالہ اعلی افراط زر، اعلی متغیر ٹرانزیکشن پر بنی اخراجات، بڑھتے ہوئے ایند ھن اور یوٹلیٹی خرچوں نے اخراجات بڑھانے میں حصہ لیا۔22ء کے نوماہ کے لیے کل پرووژن پچھلے سال کے مقابل میں 3.5 کم ہو کر 3.6 ارب روپے ہو گئے، جس میں بنیادی چار جزعومی پرووژن کے ہیں۔انفیکشن کا تناسب × 5.1 کی کم ترین سطح پر چی کی کو در بچھ سال کے مقابلہ میں ×35 کم ہو کر

### ذخائر ميں أتار چڑھاؤ

		ملي <i>ن روپ</i> ي
حى غير شخصيص شده منافع	1	158,441
احت شدہ منفعت پر منافع کے دوبارہ پیمائش کا حصتہ – محصول کا خالص	9	23,400 209
نہ جات کی دوبارہ تنتخیص پر سرپلس سے منتقل شدہ۔ محصول کا خالص	4	4 54 863
		24,530 182,971
منافع منقسمه – حتى 2021ء منافع منقسمه – پہلا عبورى 2022ء منافع منقسمه – دوسر اعبورى 2022ء تخصيص	) ) )	(2,433) (3,300) (3,300) (2,200) (11,233) 171,738
and the second	5	15.95

سرمائے کا تناسب

HBL کے 22ء کے نواہ کے لیے مضبوط نتائج کے نتیج میں مضبوط اندرونی سرمائے کی پید اوار ہوئی ہے جو عام حالات میں بینک کے کیپٹل ایڈیو یی ریثو (CAR) میں مسلسل بہتر ی کاباعث بنے گی، باوجو داس کے کہ بینک نے قرضوں کی نمو پر قوجہ دی ہے۔ تاہم، روپے کی قدر میں کی سے CAR پر مسلسل انژ پڑ رہا ہے۔ صرف تیسر ی سہ ماہی میں 24 / گر وپے کی قدر میں کمی سے Tier 1 CAR میں bps47 کی کمی واقع ہوئی۔ اپنی سیلنس شیٹ اور رسکی انا توں کو بہتر بنانے کے لیے بینک کی کو ششوں میں bps26 کا اضافہ ہوا، تا کہ قدر میں کمی کے مسلسل ان پڑ کی سے bps26 کی کو ششوں میں 24 / گر وپے کی انژات کو کسی صد تک پلٹا جا سکے۔

ستمبر 22ء میں HBL کا کل مجموعی × Tier 1 CAR 11.5 تھاجبکہ کل × CAR 14.3 تھا۔

کر یڈ ٹ ریٹنگ سہ ماہی کے دوران بین الا قوامی ریٹنگ ایجنسی کیپٹل انظیجنس (CI) نے بینک کی طویل مدتی اور قلیل مدتی غیر ملکی کر نسی کی درجہ بندی بالتر تیب -B اور B پر کرنے کی تصدیق کی۔ HBL کی بینک اسٹینڈ الون ریٹنگ-dاور کور فنانشل اسٹرینتھ (سی ایف ایس) ریٹنگ-dd کی بھی دوبارہ تصدیق کی گئی-CI نے بیان کیا کہ CFS کو بینک کے متنوع اور مستحکم فنڈنگ پروفائل، مستحکم لیکویڈ پٹی تناسب اور تقریباً تمام شعبوں میں لیڈنگ مار کیٹ پوزیشن کی حمایت حاصل تھی، منظر نامہ مستحکم سے منفی میں تبدیل کیا گیا تھا، جو CI کے نظر سے میں پاکستان کی خود مختاری کے خطرے اور بیر وٹی کمزوریوں پر مبنی تھا۔

موڈیزنے پاکستان کی اپنی کنٹری رٹینگ بھی B3 سے کم کرکے Caa1 کر دی اور بعد میں HBL (دیگر بڑے بینکوں سمیت) کی اپنی درجہ بندی Caa1 تک کم کر دی۔

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	(Unaudited) September 30, 2022 (Rupee	(Audited) December 31, 2021 s in '000)
ASSETS			
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments Advances Fixed assets Intangible assets Deferred tax assets Other assets	5 6 7 8 9 10 11 12 13	415,115,201 41,626,306 114,930,227 1,913,054,622 1,715,264,844 106,889,015 18,250,482 6,736,589 186,313,134 4,518,180,420	441,252,246 64,438,075 93,742,432 1,948,955,978 1,507,047,097 98,676,342 12,630,475 - - 150,725,500 4,317,468,145
LIABILITIES			
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Subordinated debt Deferred tax liabilities Other liabilities <b>NET ASSETS</b>	14 15 16 17 12 18	50,378,538 582,194,824 3,370,417,153 - 12,374,000 - 221,198,070 4,236,562,585 281,617,835	44,196,984 436,258,005 3,381,998,398 - 12,374,000 5,082,602 153,872,354 4,033,782,343 283,685,802
REPRESENTED BY			
Shareholders' equity Share capital Reserves Surplus on revaluation of assets - net of tax Unappropriated profit	19	14,668,525 88,675,063 3,727,860 171,737,744	14,668,525 81,375,519 25,159,371 158,441,418
Total equity attributable to the equity holders of the Bank		278,809,192	279,644,833
Non-controlling interest		2,808,643	4,040,969
		281,617,835	283,685,802
CONTINGENCIES AND COMMITMENTS	20		

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director Dr. Najeeb Samie Director

# CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	January 01 to September 30, 2022	January 01 to September 30, 2021 (Rupees	July 01 to September 30, 2022 in '000)	July 01 to September 30, 2021	
Mark-up / return / profit / interest earned Mark-up / return / profit / interest expensed Net mark-up / return / profit / interest income	22 23	309,099,482 193,061,025 116,038,457	192,743,213 95,591,346 97,151,867	121,465,176 79,322,844 42,142,332	65,879,599 33,591,370 32,288,229	
Non mark-up / interest income						
Fee and commission income Dividend income Share of profit of associates and joint ventur Foreign exchange income Loss from derivatives Gain on securities - net Other income Total non mark-up / interest income Total income	24 re 25 26	22,773,077 560,465 2,093,109 12,719,468 (3,412,516) 530,713 342,691 35,607,007 151,645,464	17,940,372 491,020 1,944,752 2,910,528 (77,203) 1,569,608 943,492 25,722,569 122,874,436	7,715,691 150,326 1,276,897 4,873,993 (2,318,240) 127,485 106,154 11,932,306 54,074,638	6,163,137 147,855 708,915 1,446,719 (968,070) 87,964 526,706 8,113,226 40,401,455	
Non mark-up / interest expenses						
Operating expenses Workers' Welfare Fund Other charges Total non mark-up / interest expenses	27 28	90,926,231 1,078,193 450,995 92,455,419	70,012,984 909,682 79,104 71,001,770	31,879,205 391,304 8,682 32,279,191	23,161,038 274,403 27,242 23,462,683	
Profit before provisions and taxation		59,190,045	51,872,666	21,795,447	16,938,772	
Provisions / (reversals) and write offs - net	29	3,591,108	5,495,337	787,993	1,758,412	
Profit before taxation		55,598,937	46,377,329	21,007,454	15,180,360	
Taxation	30	31,971,038	19,391,383	9,487,340	6,224,384	
Profit after taxation		23,627,899	26,985,946	11,520,114	8,955,976	
Attributable to:						
Equity holders of the Bank Non-controlling interest		23,399,621 228,278 23,627,899	26,707,170 278,776 26,985,946	11,513,791 6,323 11,520,114	9,050,933 (94,957) 8,955,976	
Basic and diluted earnings per share	31	15.95	Rup 18.21	ees 7.85	6.17	

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director Dr. Najeeb Samie Director

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

### FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Profit ofter toyotion for the period attributable to:	January 01 to September 30, 2022	January 01 to September 30, 2021 (Rupees	2022	July 01 to September 30, 2021
Profit after taxation for the period attributable to: Equity holders of the Bank	23,399,621	26,707,170	11,513,791	9,050,933
Non-controlling interest	228,278 23,627,899	278,776 26,985,946	6,323 11,520,114	(94,957) 8,955,976
Other comprehensive income / (loss)	23,027,033	20,903,940	11,520,114	0,933,970
Items that may be reclassified to the profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches, subsidiarie joint venture and associates - net of tax, attributable to:	s,			
Equity holders of the Bank	4,143,660	3,404,864	2,235,740	4,804,162
Non-controlling interest	44,140	49,110 3,453,974	- 2,235,740	51,650 4,855,812
Increase / (decrease) in share of exchange translation reserve of associates- net of tax	80,140	66,625	6,074	(118,752)
Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:				
Equity holders of the Bank	(20,955,370)	(4,806,910)	(4,199,860)	(2,238,199)
Non-controlling interest	(48,346) (21,003,716)	(24,807) (4,831,717)	5,961 (4,193,899)	(15,701) (2,253,900)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(290,547)	(3,279)	(154,796)	73,023
Items that are not to be reclassified to the profit and loss account in subsequent periods: Movement in surplus / deficit on revaluation of fixed assets				
- net of tax, attributable to:	(201 262)	14,317		14,317
Equity holders of the Bank Transferred to surplus on revaluation of fixed	(201,262)	14,317	-	14,317
assets - net of tax	79,789	-	79,789	-
Non-controlling interest	(3,081) (124,554)	(14,317)	- 79,789	(14,317)
Transferred from surplus on revaluation of non- banking assets - net of tax	(79,789)	-	(79,789)	-
Movement in share of surplus / deficit on revaluation of fixed assets of associates - net of tax	122,747	-	6,454	-
Remeasurement gain on defined benefit obligations - net of tax	209,435	-		-
Share of remeasurement gain on defined benefit obligations of associates - net of tax	3,735	4,160	1,949	702
Total comprehensive income	6,733,150	25,675,709	9,421,636	11,512,861
Total comprehensive income / (loss) attributable to: Equity holders of the Bank Non-controlling interest	6,512,159 220,991 6,733,150	25,386,947 288,762 25,675,709	9,409,352 12,284 9,421,636	11,586,186 (73,325) 11,512,861

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

Muhammad Aurangzeb **Rayomond Kotwal** Khaleel Ahmed Moez Ahamed Jamal Dr. Najeeb Samie President and **Chief Financial Officer** Director Director Director **Chief Executive Officer** 

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

Surplus / (deficit) or tion of Non Or trollin Total appropriat profit xed / No Sub Tota Joint acquisiti Exchange n-distri nture ar Bank of commo Banking stment ranclatio table subsidia Assets contro entity 8,543,333 27,461,581 Balance as at December 31, 2020 14.668.525 1.447.150 36.616.227 33.608.239 547.115 (156,706) 138.208.223 260.943.687 4.551.560 265.495.247 nprehensive income for the nine months ended September 30, 2021 26,707,170 26,707,170 278,776 26.985.946 Profit after taxation for the nine months ended September 30, 2021 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 4,160 4.160 obligations of associates - net 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) 3 471 489 (4.810.189) 14 317 26 711 330 25 386 947 288 762 25 675 709 211.158 2.644.569 (2.855.727) Transferred to statutory reserves 1,544 Transferred from surplus on revaluation of assets - net of tax (180,000) 181,544 (1,544)Exchange gain realised on liquidation of subsidiary - net of tax (1.369) (1.369) (1.369) Exchange gain realised on partial repatriation of branch capital - net of tax (246,489) (246.489) (246.489) Acquisition of additional interest in subsidiary 254,692 749.031 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 1st interim cash dividend - Rs 1.75 per share (4,400,556) (4,400,556) (4.400.556 (2,566,992)(2,566,992) (2,566,992 2nd interim cash dividend - Rs 1.75 per share (2.566.992) (2.566.992) (2.566.992 1.913.000 39.260.796 3.733.144 27.295.898 14 668 525 36.831.870 547.115 (156,706) 3 835 055 Balance as at September 30, 2021 153 459 861 277 553 503 281 388 558 Comprehensive income for the three months ended December 31, 2021 8.314.683 206.244 8.520.92 Profit after taxation for the three months ended December 31, 2021 8.314.683 Other comprehensive income / (loss) Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax 1.911.440 1.911.440 36.005 1.947.445 Increase in share of exchange translation reserve of 82,760 82.760 associates - net of tax 82,760 204 020 204.020 (1,152) 202.868 Remeasurement gain / (loss) on defined benefit obligations - net of tax Share of remeasurement gain on defined benefit obligations of associates - net 26 26 26 Movement in surplus / deficit on revaluation of assets - net of tax (5,896,903) 132,680 (5,764,223) (35,233) (5,799,456) Movement in share of surplus / deficit on revaluation of assets (90,334) of associates - net of tax (90,334 (90,334) 8.518.729 1.994.200 (5.987.237) 132.680 4.658.372 205.864 4.864.236 Transferred to statutory reserves 202,664 782,580 (985,244) Transferred from surplus on revaluation of assets - net of tax (15,114) 15.064 (50) 50 Transactions with owners, recorded directly in equity 3rd interim cash dividend - Rs 1.75 per share (2,566,992) (2,566,992) (2,566,992) Balance as at December 31, 2021 14,668,525 2,115,664 40,043,376 38,826,070 547,115 (156,706) (2,254,093) 27,413,464 158,441,418 279,644,833 4,040,969 283,685,802 Comprehensive income for the nine months ended September 30, 202 Profit after taxation for the nine months ended September 30, 2022 23.399.621 228.278 23.627.899 23.399.621 Other comprehensive income / (loss) Effect of translation of net investment in foreign branches subsidiaries, joint venture and associates - net of tax 4,143,660 4,143,660 44.140 4,187,800 Increase in share of exchange translation reserve of associates - net of tax 80.140 80 140 80 140 Remeasurement gain on defined benefit obligations - net of tax 209,435 209,435 209,435 Share of remeasurement gain on defined benefit obligations of associates - net 3.735 3.735 3,735 Movement in surplus / deficit on revaluation of assets - net of tax Movement in share of surplus / deficit on revaluation of assets (20,955,370) (201.262) (21,156,632) (51,427) (21,208,059) (167 800) of associates - net of tax 122 74 (167 800 23,612,791 (78,515) 220,99<sup>.</sup> 6,512,159 6,733,15 Transferred to statutory reserves 263.104 2,169,899 (2,433,003) Transferred from surplus on revaluation of assets - net of tax (53,737) 54,728 991 (991) Acquisition of additional interest in subsidiary 642,741 (57,067) 3,727 862,925 1,452,326 (1,452,326) Transactions with owners, recorded directly in equity Final cash dividend - Rs 2.25 per share declared subsequent (3,300,418) (3,300,418) (3,300,418) to the year ended December 31, 2021 1st interim cash dividend - Rs 2.25 per share 2nd interim cash dividend - Rs 1.50 per share (3 300.418) (3.300,418 (3.300.418) (2,200,279)(2,200,279)(2,200,279) (8,801,115) (8,801,115) (8,801,115) Balance as at September 30, 2022 14,668,525 2,378,768 42,213,275 43,692,611 547,115 (156,706) (23,557,077) 27,284,939 171,737,744 278,809,194 2,808,643 281,617,837

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

 Muhammad Aurangzeb
 Rayomond Kotwal
 Khaleel Ahmed
 Moez Ahamed Jamal
 Dr. Najeeb Samie

 President and
 Chief Financial Officer
 Director
 Director
 Director

# CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	January 01 to September 30, 2022	January 01 to September 30, 2021
	(Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation	55,598,937	46,377,329
Dividend income Share of profit of associates and joint venture	(560,465) (2,093,109)	(491,020) (1,944,752)
Mark-up expensed on subordinated debt	1,307,766	941,834
	<u>(1,345,808)</u> 54,253,129	<u>(1,493,938)</u> 44,883,391
Adjustments:		
Depreciation	5,640,958	5,057,323
Amortisation Depreciation on right-of-use assets	1,329,522 2,891,630	732,514 2,505,344
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,252,617	2,685,059
Provision / (reversal of provision) for diminution in value of investments	637,711	(1,130,801)
Provision against loans and advances Provision against other assets	3,279,896 861,478	5,840,770 63,206
(Reversal of provision) / provision against off-balance sheet obligations	(584,066)	1,192,386
Unrealised loss on held-for-trading securities	27,620	32,092
Exchange gain / (loss) on goodwill	782,965	(135,074)
Exchange gain realised on partial repatriation of branch capital - net of tax Exchange gain realised on liquidation of subsidiary - net of tax	:	(246,488) (1,369)
Gain on sale of fixed assets - net	(29,545)	(36,736)
Gain on sale of non-banking asset		(16,000)
Workers' Welfare Fund	<u>1,078,193</u> 18,168,979	<u>909,682</u> 17,451,908
	72,422,108	62,335,299
(Increase) / decrease in operating assets		
Lendings to financial institutions Held-for-trading securities	(21,187,795) 110,875,050	(118,719,270) (66,810,981)
Advances	(211,497,643)	(153,445,682)
Other assets (excluding advance taxation)	(44,969,056)	(19,192,585)
Increase / (decrease) in operating liabilities	(166,779,444)	(358,168,518)
Bills payable	6,181,554	568,565
Borrowings from financial institutions	145,936,819	(146,347,203)
Deposits and other accounts Other liabilities	(11,581,245) 65,055,523	336,556,006 31,636,356
	205,592,651	222,413,724
	111,235,315	(73,419,495)
Income tax paid Net cash flows generated from / (used in) operating activities	<u>(22,806,167)</u> 88,429,148	(18,161,032) (91,580,527)
CASH FLOWS FROM INVESTING ACTIVITIES	00,423,140	(31,000,027)
Net investment in available-for-sale securities	(119,695,644)	110,072,560
Net investment in held-to-maturity securities	11,767,482	(36,078,556)
Net investment in associates	(3,456,988)	(500,239)
Dividend received Investments in fixed assets	732,932 (12,480,225)	432,125 (9,439,825)
Investments in intangible assets	(6,103,280)	(2,014,969)
Proceeds from sale of fixed assets	46,061	62,089
Proceeds from sale of non-banking asset Effect of translation of net investment in foreign branches, subsidiaries,	-	216,000
joint venture and associates - net of tax	4,223,800	3,471,489
Net cash flows (used in) / generated from investing activities	(124,965,862)	66,220,674
CASH FLOWS FROM FINANCING ACTIVITIES	44.440	40.110
Effect of translation of net investment by non-controlling interest in subsidiary Repayment of subordinated debt	44,140	49,110 (9,982,000)
Payment of mark-up on subordinated debt	(1,302,145)	(1,228,722)
Payment of lease liability against right-of-use assets	(3,736,372)	(3,381,485)
Dividend paid Net cash flows used in financing activities	(7,417,723) (12,412,100)	(8,303,075) (22,846,172)
Decrease in cash and cash equivalents during the period	(48,948,814)	(48,206,025)
Cash and cash equivalents at the beginning of the period	483,456,300	425,972,091
Effect of exchange rate changes on cash and cash equivalents	22,234,021	5,841,858
Cook and each any inclusion of the and of the naminal	505,690,321	431,813,949
Cash and cash equivalents at the end of the period	456,741,507	383,607,924

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

Muhammad Aurangzeb
President and
Chief Executive Officer

Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director

Moez Ahamed Jamal Director Dr. Najeeb Samie Director

### 1 THE GROUP AND ITS OPERATIONS

The Group consists of:

#### Holding company

- Habib Bank Limited, Pakistan

#### **Subsidiaries**

- Habib Allied Holding Limited (HAHL) 100% shareholding
- HBL Bank UK Limited 100% effective shareholding
- HBL Currency Exchange (Private) Limited 100% shareholding
- HBL Asset Management Limited 100% shareholding
- HBL Microfinance Bank Limited 76.42% 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 within and outside Pakistan. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,693 (December 31, 2021: 1,648) branches inside Pakistan including 277 (December 31, 2021: 259) Islamic Banking Branches and 36 (December 31, 2021: 37) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

- 1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.
- 1.2 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.
- 1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the winddown are underway.
- 1.4 The Bank has purchased the remaining shareholding of 9.50% in HAHL from the minority shareholder. HAHL is now a wholly owned subsidiary of the Bank.
- 1.5 During the period, the Bank has subscribed to 140 million Rights shares issued by HBL Asset Management Limited (HBL AMC).
- 1.6 During the period, the Bank has subscribed to 100 million Rights shares issued by HBL Microfinance Bank Limited (HBL MFB). Post acquisition, the Bank's shareholding in HBL MFB has increased from 71.43% to 76.42%.

#### 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.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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

2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 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, 2021.

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2022. These are considered either to not be relevant or to not have any significant impact on these condensed interim consolidated financial statements.

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

As per the SBP's BPRD Circular Letter no. 03 dated July 05, 2022, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after January 01, 2023. Certain requirements of this standard will be applicable from January 01, 2024. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

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

#### 2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2021, except the following:

During the period, the Bank has reviewed the useful life of Point of Sale (POS) terminals which has resulted in a change in the Bank's estimate of the useful life of these terminals from 3 years to 4 years. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 and accordingly, has been recognised prospectively in the consolidated profit and loss account from the current year.

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

	September 30, 2023 (Rupees	September 30, 2022 5 in '000)
Decrease in information technology expenses - depreciation	41,975	76,078

#### **3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2021.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

### 4 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2021.

5	CASH AND BALANCES WITH TREASURY BANKS	(Unaudited) September 30, 2022 (Rupees	2021
	Local currency	58,507,984	48,996,151
	Foreign currencies	10,386,771	5,505,082
		68,894,755	54,501,233
	With State Bank of Pakistan in		
	Local currency current accounts	117,427,703	147,418,412
	Local currency special deposit account	2,790,176	2,531,227
	Foreign currency current accounts	10,380,174	8,637,953
	Foreign currency deposit accounts	3,574,036	18,104,962
		134,172,089	176,692,554
	With other Central Banks in		
	Foreign currency current accounts	58,444,659	58,855,062
	Foreign currency deposit accounts	31,940,018	12,755,756
	5 5 1	90,384,677	71,610,818
	With National Bank of Pakistan in		
	Local currency current accounts	120,744,692	137,197,419
	Local currency deposit account	822,398	948,771
		121,567,090	138,146,190
	National Prize Bonds	96,590	301,451
		415,115,201	441,252,246
6	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	709,997	317,534
	In deposit accounts	8,014,082	18,430,779
	•	8,724,079	18,748,313
	Outside Pakistan		
	In current accounts	23,604,817	32,804,685
	In deposit accounts	9,297,410	12,885,077
		32,902,227	45,689,762
		41,626,306	64,438,075
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	1,142,260	24,600,000
	Repurchase agreement lendings (reverse repo)	113,787,967	64,970,746
	Bai Muajjal receivable from financial institutions	=	4,171,686
	~	114,930,227	93,742,432

1.1       Investments by type       amounces cost embodies       (press 100)         Reserved cost embodies         - Notes the securities         - Match for cost (press 100)         - Match for cost (press 100)         Reserved cost embodies         - Match for cost (press 100)         - Match	8	INVESTMENTS	Note		September 30, 2	022 (Unaudited)		December 31,		2021 (Audited)	
Next or standing (117) securities         Securities <thsecurities< th="">         Securities<th>8.1</th><th>Investments by type</th><th></th><th></th><th></th><th></th><th></th><th>amortised cost</th><th></th><th></th><th>Carrying value</th></thsecurities<>	8.1	Investments by type						amortised cost			Carrying value
Model Treasury life       5122748		Held-for-trading (HFT) securities					(Kupe	es III 000)			
Model Treasury life       5122748		Federal Government securities									
- Pakaan Investment Boals Survey - Lated companies - Lated companies - Lated companies - Lated companies - Lated companies - Coverment def scalars - Survey - Refer 2 Coverment Cell scalars - Refer 2 C				31,297,495	.	(4,823)	31,292,672	111,592,255	.	(31,517)	111,560,738
- Lobd companies         22 / 467         -         (20,044)         24,623         33.260         -         (0,27)         30.86           - Covernment doit notwines         33.85.578         -         (27,14,44)         -         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,44)         -         (27,14,14)         (27,14,14)         -         (27,14,14)         (27,14,14)         -         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)         (27,14,14,14)											92,312,154
Projego securities         5.784.66         4.662         5.784.76         310.807         -         1.12,51         320.401           Analisie for sale (AFS) securities         Particul Government		Shares									
				267,467	· ·	(20,644)	246,823	332,860		(24,270)	308,590
Available-for-stale (AFS) securities         -         (27,620)         93,696,296         204,443,722         -         67,246         29,451,518           Producel Covernment execurities				5 784 064		4 062	5 788 126	316 867		12.610	320 /86
Peteral Constructions - Protect Construct examples - Protect Construct of the State - Protect Construct of Construct State - Protect Construct of Construct State - Protect Construct of Construct State - Protect State - Protect Construct State - Protect State Protect State - Protect State Protect State - Protect State Protect State - Protect State Protect State Protect State Protect State Protect State Protect State Protect Protect Protect State Protect State Protect Protect Protect Sta		- Government debt securities			<u> </u>				·		204,510,968
- Mater Treatury Bills         272,77,788         278,777,788         278,777,788         278,777,788         278,777,788         278,777,788         278,777         278,789         272,777,878         272,778         278,778         278,778         278,778         278,778         278,778         278,778         278,778         278,778         278,779         278,778         278,779         111		Available-for-sale (AFS) securities									
- Patistin Investment Bonds       989,281,685       1.       (18,822,600)       989,497,69       980,493,76       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,77       980,493,492       193,72,53       980,693,370       1,452,600       1,453,451,77       111,14       7,458,53       980,493,492       1,454,493,417,417       114,543,417,17       114,543,417,17       1,553,555       460,403,330       1,483,454,57,77       1,373,548,414,419,414,414,444,444,44		Federal Government securities									
- lands Suka         128,244,227         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         128,244,707         116,137.267         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         128,244,707         116,117.267         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100         - (, (2.197.200)         116,100											
- Owenment of Palaisan US Date Books Other Foderal Govennent sourcites         2,46,1121 3,38,181 - Unitistic companies         1,151,227 1,161,471         11,215,227 1,161,172         6,137,045 1,101,102         6,437,030 1,101,102         4,43,858 1,101,102         4,43,858 1,101,102         6,137,045 1,101,102         6,138,045 1,102,102         6,138,045 1,125,046         6,138,045 1,125,046         6,138,045 1,125,000         6,138,045 1,127,010         6,138,045 1,127,010         1,125,000         1,125,000         1,125,000         1,125,000         1,125,000         1,125,000         1,125,000         1,127,010         1,125,000         1,127,010         1,127,010         1,127,010					· · ·						
Other Techeral Converment securities         3.861.881         1.016.120         0         1.016.120 <th1.016.120< th="">         1.016.120         &lt;</th1.016.120<>					-				(247.250)		
Shares         Shares         7,156,479         2,025,716         (19,215)         5,172,88         (19,10)         427,255         6,533,33         6,533,33         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         5,537,263         (19,10)         427,255         6,533,33         7,533,227         (23,10)         1,42,00					(474,718)	(12,611,198)			(347,350)	438,586	
- Listed companies       7,756,779       (2,027,76)       (99,299)       5,027,467       (1,70,150)       (427,255)       6633330         Non-Government dobt scourtiles       - Listed       (19,110)       5,727,687       (19,027)       5,728,673       5,728,673       (12,750,473)       (2,020)       633,300       5,226,613       (12,233,468)       (42,738)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,44,33)       (2,44,33)       (2,44,34)       (14,45,49)       (16,44,69)       (1,533,22)       (2,87,99)       (11,10,41,49)       (1,45,433)       (2,47,38)       (2,47,38)       (2,47,38)       (2,47,38)       (2,40,43)       (2,48)       (2,41,43)       (2,40,44)       (1,45,44)				3,001,001		· · ·	3,001,001	1,010,120		-	1,010,120
- Urlistad companies         5.372.88         (19,110)         5.28.3778         5.372.623         (91,009)         5.28.161           Non-Covement debt securities         - Listed         5.28.41.43         (17,556)         (12,33,568)         49.937,109         15.49.951         (73,236)         653.300         52.08.01           - Writeria         - Writeria         113,181,956         (10,24,599)         (1,624,664)         110,533.325         75.032.225         (28,797)         111,104         74,286.33           - Non-Covernment debt securities         12,414,633         (1,624,644)         575         5.037,1250         (66,652)         61,682         13.075.30         66,652)         61,682         13.075.30         66,652)         61,682         13.075.30         66,652)         61,682         13.075.30         66,652)         61,682         13.075.30         66,652)         61,682         13.075.30         66,652)         61,692         13.075.30         66,652)         61,692         13.075.30         66,652)         61,692         13.075.30         65,050         62,92         61,692         13.075.30         65,050         62,92         65,050         62,92         61,692         13.075.30         65,050         62,92         65,250         62,92         65,250         62,				7,156,479	(2.029.716)	(99,296)	5.027.467	8.170.830	(1.962.154)	427,255	6.635.931
Non-Government debt securities       52,544,43       (71,56)       (2,35,640)       49,937,109       51,499,951       (78,330)       52,800       1,4500         - Ublisted       - Covernment debt securities       113,181,958       (10,24,699)       (16,24,064)       110,533,325       75,032,225       (28,879)       111,114       74,854,33         - Non-Covernment debt securities       12,414,633       (10,04,400)       (52,711)       10,838,182       75,032,225       (28,879)       111,114       74,854,33         - Ublisted       10,915,403       (1,02,4,690)       (10,64,400)       (52,711)       10,838,182       75,032,225       (28,879)       111,114       74,854,33         - Listed       10,915,403       (1,02,4,690)       110,833,325       75,032,225       (28,179)       6,318       (15,65)       -       6,500       6,000						-				-	5,281,614
- Unised       2,164,233       (413,222)       2,4000       1,775,001       1,648,381       (247,381)       2,4000       1,425,001         - Covernment debt securities       - Covernment debt securities       113,181,958       (1,024,569)       (1,024,664)       110,533,325       75,032,225       (28,791)       111,110       74,884,53         - Lated       - Covernment debt securities       12,414,693       (1,024,469)       (1,024,469)       (1,024,569)				-,	(100,110)		-,,	-,	(0.,000)		-,
Parking securities       113,181,988       (1,024,589)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,024,580)       (1,01,780)       (1,024,580)       (1,024,580)       (1,01,780)       (1,01,780)       (2,01,				52,544,143	(71,566)	(2,535,468)	49,937,109	51,499,951	(78,236)	638,300	52,060,015
- Övernment det securities       113.181.958       (1,024,569)       (1,024,690)       (10,033,02)       75,032,225       (28,731)       111.104       74,854.83         - Non-Covernment det securities       - Listed       12,414,693       (1,084,440)       52,061,710       12,814,893       (1,024,599)       (1,024,4593)       (1,051,440)       13,177,530       (165)       13,077,83       (156)       13,077,83       (156)       13,077,83       (156)       13,583       46,44         Netional Investment Turst units       11,110,000       -       14,400       892,600       74,400       15,500,00       5,800       6,829,00       1,824,933,140       (4,13,781)       (3,549,393)       1,371,714,23         Held-co-maturity (HTM) securities       8,2       5,323,240       (40,063,330)       1,453,435,577       1,373,396,410       (4,13,781)       (3,549,393)       1,371,714,23         - Patiesta Investment Bonds       2,217,90,054       -       -       2,251,835       -       -       2,256,856       -       -       2,256,856       -       -       2,256,856       -       -       2,256,856       -       -       2,256,856       -       -       2,256,856       -       -       2,256,856       -       -       2,256,856       -		- Unlisted		2,164,233	(413,232)	24,000	1,775,001	1,648,381	(247,381)	24,000	1,425,000
- Non-Government debt securities       12,444,683       (1,054,140)       (522,371)       10,838,182       13,972,530       (966,629)       61,692       13,067,59         - Unisited       - Unisited       7,794       (1696)       7,598       (1596)       6,318       (1596)       6,318       (1696)       6,16       6,00       7,400       1,17,13       1,17,17,11       1,17,13       1,17,17,11       1,17,17,13       1,17,17,13       1,17,17,13 <td></td> <td></td> <td></td> <td></td> <td>   </td> <td>   </td> <td>   </td> <td>  </td> <td> </td> <td></td> <td></td>											
- Lated       12,44,683       (1,05,4,40)       (522,377)       (1,05,4,10)       (966,22)       (61,62)       (1,05,4,10)         - Equity securities - Unisted       7,794       (196)       2,778       (196)       1,113       (196)       2,144,633       (196)       2,144,633       (196)       -       6,1692       (1,05,4,10)       5,800       42,44       6,1692       6,1771       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,1717       -       -       2,255,422       -       -       -       2,255,422       -       -       -       2,255,4335       -       -       -<				113,181,958	(1,024,569)	(1,624,064)	110,533,325	75,032,225	(288,791)	111,104	74,854,538
- Unlisted       5,006,143       - 576       5,006,719				40.444.000	(1.05.1.10)	(500.074)	40.000.400	40.070.500	(000.000)	04.000	40.007.500
- Equity securities - Unisted       7,794       (196)       2,105       7,798       6,316       (150)       1,533       64,44         Real Estate Investment Trust units       1,180,000       -       143,500       144,400       92,800       74,400       -       93,535       5,500       90,500       62,800         - Unisted       74,400       -       1,480,002       93,980       174,400       -       90,500       62,900<					(1,054,140)			13,972,530	(966,629)	61,692	13,067,593
National Investment Unit Trust units         11,113         -         35,335         46,44           Real Estate Investment Trust units         1,180,000         143,400         192,820         74,400         -         35,335         66,80           Preference shares         1,486,822,135         (5,22,240)         148,400         32,280         74,400         -         0         0,015         0,017         0,015         0,015         0,017         0,00         0,015         0,017         0,00         0,015         0,017         0,00         0,01         0,01         0,01         0,01         0,01         0,01         0,01         0,01         0,01         0,01         0,01         0,00         0,01 </td <td></td> <td></td> <td></td> <td></td> <td>(106)</td> <td>5/6</td> <td></td> <td>6 210</td> <td>(156)</td> <td></td> <td>6 162</td>					(106)	5/6		6 210	(156)		6 162
Real Estate Investment Trust units         1,180,000         -         1,43,50         1,194,350         55,000         -         5,800         60,80           - Listid         -         1,43,69         1,43,400         802,200         744,400         -         80,500         28,91           - Unisted         1,496,822,153         (5,322,404)         (40,663,300)         1,454,435,577         1,575,335,410         (4,137,781)         -         23,771,742           - Market Treasury Bils         -         60,155,492         -         -         60,165,492         397,178         -         -         23,576,400         -         1,275,356,410         -         23,576,400         -         -         23,576,400         -         -         23,576,400         -         -         23,556,565         -         10,734,000         -         1,733,539         -         -         1,733,539         -         -         1,733,539         -         -         23,556,565         -         10,744,00         -         23,556,565         -         22,556,365         -         22,356,422         -         -         22,356,422         -         -         22,356,422         -         -         22,356,422         -         -         22,356,42					(190)	29 105			(150)	35 335	
Preference shares         744,400         148,400         892,800         744,400          60,500         824,900           1.Unisted         1.176,885         (145,989)         (145,989)         1,483,435,577         1,379,335,410         (4,131,761)         (3,549,330)         1,371,714,23           Redeal Government securities           0.Warkt Treasury Bils         60,165,482           60,165,492 <td></td> <td>60,800</td>											60,800
- Listed       144,400       144,800       892,800       744,400       1.0.075)       80,500       824,90         - Unlisted       1,498,822,153       (5,323,246)       (40,063,330)       1,453,435,577       1,379,395,410       (41,131,781)       (3,549,333)       1,371,714,23         Heid-onaturity (HTM) securities       8.2         - Market Treasury Bills       60,165,402       231,790,054       -       -       60,165,402       397,173       -       -       1,250,856,566       -       -       -       1,079,4006       -       -       20,205,422       -       -       -       0,079,4006       -       -       20,505,422       -       -       -       0,079,4006       -       -       0,079,4006       -       -       0,079,4006       -       -       0,079,4006       -       -       0,079,4006       -       -       0,079,4006       -       -       0,079,4006       -       0,079,4006       -       -       0,02,056,422       -       -       -       0,079,4006       -       -       0,02,056,422       -       -       0,02,056,422       -       -       0,02,056,422       -       -       0,02,056,422       -       -       0,02,056,422       - <td< td=""><td></td><td></td><td></td><td>.,,</td><td>   </td><td>,</td><td>.,,</td><td>00,000</td><td>   </td><td>0,000</td><td>00,000</td></td<>				.,,		,	.,,	00,000		0,000	00,000
1,498,822,133       (5,323,246)       (40,063,330)       1,453,435,577       1,379,395,410       (4,131,781)       (3,549,393)       1,371,714,23         Federal Covernment securities         - Market Treasury Bills       60,165,492       -       -       231,790,054       -       -       235,685,656       -       -       -       235,685,656       -       -       235,685,656       -       -       -       235,685,656       -       -       235,685,656       -       -       -       235,685,656       -       -       235,685,656       -       -       235,685,656       -       -       23,65,422       -       -       23,65,422       -       -       23,65,422       -       -       23,65,422       -       -       23,65,422       -       -       23,65,422       -       -       23,65,422       -       -       23,65,423       -       -       14,672,88       14,672,88       -       14,672,88       -       14,672,88       22,65,613       -       -       14,672,88       226,506,10       -       -       337,652,01       -       -       337,62,41       14,672,88       -       -       36,614,54       20,614,54       26,603,711       14,615,8401				744,400		148,400	892,800	744,400		80,500	824,900
Held-to-maturity (HTM) securities         8.2           Federal Covernment securities         60,165,492         397,178         -         -         397,178         -         -         397,178         -         -         397,178         -         -         397,178         -         -         397,178         -         -         397,178         -         -         -         397,178         -         -         -         397,178         -         -         -         397,178         -         -         -         397,178         - <td></td> <td>- Unlisted</td> <td></td> <td></td> <td>(145,999)</td> <td>· ·</td> <td></td> <td>176,985</td> <td>(150,075)</td> <td>-</td> <td>26,910</td>		- Unlisted			(145,999)	· ·		176,985	(150,075)	-	26,910
Federal Government securities         60,165,492         337,173         -         -         337,173         -         -         337,173         -         -         337,173         -         -         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         -         1         337,173         -         1         337,173         -         1         337,173         1         1         337,173         1         1         337,173         1         1         337,173         337,173         1		Held-to-maturity (HTM) securities	8.2	1,498,822,153	(5,323,246)	(40,063,330)	1,453,435,577	1,379,395,410	(4,131,781)	(3,549,393)	1,371,714,236
- Market Treasury Bills       60,165,492       -       -       20,165,492       237,778       -       -       2397,178         - Pakistan Investment Bonds       231,790,054       -       -       231,790,054       225,686,656       -       -       -       236,682,656       -       -       -       236,682,656       -       -       -       236,642       -       -       -       236,642       -       -       -       236,642       -       -       -       236,642       -       -       236,642       -       -       -       236,642       22,851,833       -       -       -       226,51,833       -       -       -       22,851,833       -       -       -       22,851,833       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -			0.2								
- Pakistan investment Bonds         - Other Federal Government decurities         - Other Federal Government debt securities         - Listed         - Unisited         - Unisited         - Unisited         - Order ment debt securities         - Listed         - Unisited         - Covernment debt securities         - Listed         - Unisited         - Covernment debt securities         - Listed         -				00.405.400				007.470			007.470
- Other Federal Government securities       10.7       10.794,000       -       -       10.794,000         Non-Covernment debt securities       1,733,539       -       -       1,733,539       2,365,422       -       -       2,365,422       -       -       2,365,422       -       -       2,365,422       2,285,1835       -       -       2,365,422       -       -       2,365,422       2,285,1835       -       -       2,365,422       2,285,1835       -       -       2,365,422       2,285,1835       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       14,672,889       -       -       33,769,034       (26,620)       -       33,769,034       (26,620)       -       33,764,117       -       35,789,332       1,948,955,97       -       (97,185)       35,088,368       6       6       -       0,793,332       1,948,955,97       -       (97,185)       35,088,36       -       -       1,948,955,97       1       (4,158,401)       (3,579,332)       1,948,955,97       -       (10,704,666)       1,913,054,622       1,956,69		-				· ·			· ·		
Non-Government debt securities         1,733,539         -         -         1,733,539         2,365,422         -         -         2,365,422         -         -         2,365,422         -         -         2,365,422         -         -         2,365,422         -         -         2,365,422         2,365,422         -         -         1,733,539         2,365,422         -         -         1,733,539         2,365,422         -         -         1,236,422         2,365,422         -         -         1,236,543           - Covernment debt securities         -         13,874,117         -         -         13,874,117         -         14,672,889         -         -         14,672,889         -         -         14,672,889         -         -         37,642,41         -         14,672,889         -         -         37,642,41         -         14,672,889         -         -         37,642,41         -         37,642,41         -         -         37,642,41         -         -         37,642,41         -         -         37,642,41         -         -         37,642,41         -         -         37,642,41         -         -         37,642,41         -         -         -         37,642,41         <				231,790,054			231,790,054				
- Listed - Unlisted       1,733,539 17,808,886       - 17,808,886       - 14,672,889				-		· · ·	· · ·	10,734,000	· · ·		10,7 54,000
- Unisted         17,808,886         -         -         17,808,886         22,851,835         -         -         22,851,835           - Government debt securities         13,874,117         -         -         13,874,117         14,672,889         -         - <th< td=""><td></td><td></td><td></td><td>1.733.539</td><td></td><td>  . </td><td>1.733.539</td><td>2.365.422</td><td></td><td></td><td>2,365,422</td></th<>				1.733.539		.	1.733.539	2.365.422			2,365,422
Foreign Securities         13,874,117         -         -         13,874,117         14,672,889         -         -         14,672,889         -         133,764         -         133,764				17,808,886		.	17,808,886	22,851,835			22,851,835
- Non-Government debt securities       215,614       (15,852)       -       199,762       285,954       (25,061)       -       260,89         - Unlisted       - Unlisted       - Unlisted       -       313,255       (16,446)       -       325,885,106       337,669,034       (25,061)       -       337,642,41         Investments in associates and joint venture       8.5       40,739,377       -       (613,736)       40,125,641       35,185,545       -       (97,185)       35,088,368         Total Investments       1,959,099,000       (5,339,692)       (40,704,686)       1,913,054,622       1,956,693,711       (4,158,401)       (3,579,332)       1,948,955,97         81.1       Investments given as collateral       1,959,099,000       (5,339,692)       (40,704,686)       1,913,054,622       1,956,693,711       (4,158,401)       (3,579,332)       1,948,955,97         81.1       Investments given as collateral       2022       2021       (Rupees in '000)       (Rupees in '000)       193,954,693       2022       2021       (Rupees in '000)       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693       193,954,693<											
- Listed       215,614       (15,852)       -       199,762       285,954       (25,061)       -       260,89       614,54         - Unlisted       325,901,552       (16,446)       -       325,885,106       337,669,034       (26,620)       -       337,642,41         Investments in associates and joint venture       8.5       40,739,377       -       (613,736)       40,125,641       35,185,545       -       (97,185)       35,088,36         Total Investments       1,959,099,000       (5,339,692)       (40,704,686)       1,913,054,622       1,956,693,711       (4,158,401)       (3,579,332)       1,948,955,97         8.1.1       Investments given as collateral       2022       2021       (Rupees in '000)       (Rupees in '000)       (Rupees in '000)       (Rupees in '000)       193,954,689       192,242,182       980,922       2021       (Rupees in '000)       (Rupees in '000)       193,954,689       193,954,689       193,954,689       193,954,689       193,956,953,911       193,956,953,911       193,956,933,911       193,956,933,911       (41,158,401)       (3,579,332)       1,948,955,973         8.1.1       Investments given as collateral       193,954,959       193,956,933,911       (41,158,401)       2022       2021       (Rupees in '000)       193,956,933,911		- Government debt securities		13,874,117		.	13,874,117	14,672,889			14,672,889
- Unlisted       313,850       (594)       -       313,256       616,100       (1,559)       -       614,54         Investments in associates and joint venture       8.5       40,739,377       -       (613,736)       40,125,641       35,185,545       -       (97,185)       35,088,367         Total Investments       1,959,099,000       (5,339,692)       (40,704,686)       1,913,054,622       1,956,693,711       (4,158,401)       (3,579,332)       1,948,955,97         Kath       1,959,099,000       (5,339,692)       (40,704,686)       1,913,054,622       1,956,693,711       (4,158,401)       (3,579,332)       1,948,955,97         Kath       Investments given as collateral       (Maudited)       September 30,       December 31,         Rate       rearry Bills       (Rupees in '000)       (Rupees in '000)       (Rupees in '000)         Pakistan Investment Bonds       182,429,910       139,564,68       139,564,68       122,429,910       139,564,68         - Sukuks       25,650,200       -       188,310       -       188,310       -											
325,901,552         (16,446)         -         325,885,106         337,669,034         (26,620)         -         337,642,41           Investments in associates and joint venture         8.5         40,739,377         -         (613,736)         40,125,641         35,185,545         -         (97,185)         35,088,36           Total Investments         1,959,099,000         (5,339,692)         (40,704,686)         1,913,054,622         1,956,693,711         (4,158,401)         (3,579,332)         1,948,955,97           Total Investments         1,959,099,000         (5,339,692)         (40,704,686)         1,913,054,622         1,956,693,711         (4,158,401)         (3,579,332)         1,948,955,97           8.1.1         Investments given as collateral         Curaudited)         (Audited)         September 30, December 31, 2022         2021           Rupees in '000)         The market value of investments given as collateral against borrowings is as follows:         Federal Government securities         76,232,182         980,92         980,92           - Pakistan Investment Bonds         182,429,910         139,564,69         139,564,69         139,564,69         56,50,200         -           - Sukuks         25,650,200         -         188,310         -         188,310         -				· · · ·		·					
Investments in associates and joint venture         8.5         40,739,377         -         (613,736)         40,125,641         35,185,545         -         (97,185)         35,088,36           Total Investments         1,959,099,000         (5,339,692)         (40,704,686)         1,913,054,622         1,956,693,711         (4,158,401)         (3,579,332)         1,948,955,97           Investments         1,959,099,000         (5,339,692)         (40,704,686)         1,913,054,622         1,956,693,711         (4,158,401)         (3,579,332)         1,948,955,97           Investments given as collateral         Investments		- Unlisted				· ·					
Total Investments         1,959,099,000         (5,339,692)         (40,704,686)         1,913,054,622         1,956,693,711         (4,158,401)         (3,579,332)         1,948,955,97           (Unaudited)         (Unaudited)         (Audited)         September 30,         December 31,           8.1.1         Investments given as collateral         2022         2021         (Rupees in '000)           The market value of investments given as collateral against borrowings is as follows:         Federal Government securities         182,429,910         139,564,693           - Pakistan Investment Bonds         182,429,910         139,564,693         139,564,693         139,564,693           - Sukuks         25,650,200         -         -         -         -         -					(10,440)	-			(20,020)		
1,505,055,000       (3,505,052)       (40,104,000)       1,515,054,022       1,505,055,111       (0,101,000)       (0,101,000		Investments in associates and joint venture	8.5	40,739,377	-	(613,736)	40,125,641	35,185,545	-	(97,185)	35,088,360
September 30,       December 31,         8.1.1       Investments given as collateral       2022       2021         The market value of investments given as collateral against borrowings is as follows:       (Rupees in '000)         Federal Government securities         - Market Treasury Bills       76,232,182       980,92         - Pakistan Investment Bonds       182,429,910       139,564,69         - Sukuks       25,650,200       -         Foreign securities         - Government debt securities       188,310		Total Investments		1,959,099,000	(5,339,692)	(40,704,686)	1,913,054,622	1,956,693,711	(4,158,401)	(3,579,332)	1,948,955,978
September 30,       December 31,         8.1.1       Investments given as collateral       2022       2021         The market value of investments given as collateral against borrowings is as follows:       (Rupees in '000)         Federal Government securities         - Market Treasury Bills       76,232,182       980,92         - Pakistan Investment Bonds       182,429,910       139,564,69         - Sukuks       25,650,200       -         Foreign securities         - Government debt securities       188,310										(1) P( ))	(A. 17) D
8.1.1       Investments given as collateral       2022       2021         (Rupees in '000)         The market value of investments given as collateral against borrowings is as follows:         Federal Government securities         - Market Treasury Bills       76,232,182       980,92         - Pakistan Investment Bonds       182,429,910       139,564,69         - Sukuks       25,650,200       -         Foreign securities         - Government debt securities       188,310										. ,	
Reverse											December 31,
The market value of investments given as collateral against borrowings is as follows:         Federal Government securities         - Market Treasury Bills       76,232,182       980,922         - Pakistan Investment Bonds       182,429,910       139,564,699         - Sukuks       25,650,200       -         Foreign securities       -       -         - Government debt securities       188,310       -	8.1.1	Investments given as collateral									
Federal Government securities         76,232,182         980,92           - Market Treasury Bills         76,232,182         980,92           - Pakistan Investment Bonds         182,429,910         139,564,69           - Sukuks         25,650,200         -           Foreign securities         188,310         -		The market value of investments given as collater	al against	t borrowings is as f	ollows:					(Rupe	es in '000)
- Market Treasury Bills       76,232,182       980,92         - Pakistan Investment Bonds       182,429,910       139,564,69         - Sukuks       25,650,200       -         Foreign securities       188,310       -		-		0							
- Pakistan Investment Bonds         182,429,910         139,564,69           - Sukuks         25,650,200         -           Foreign securities         -         -           - Government debt securities         188,310         -											
- Sukuks 25,650,200 - <i>Foreign securities</i> - Government debt securities <u>188,310</u> -		- Market Treasury Bills								76,232,182	980,924
Foreign securities       188,310         - Government debt securities       188,310		- Pakistan Investment Bonds								182,429,910	139,564,697
Foreign securities       188,310         - Government debt securities       188,310		- Sukuks								25,650,200	-
- Government debt securities 188,310 -		Foreign securities								.,	
100,010		-								188 310	
204,000,002											140 545 621
										204,000,002	140,040,021

8.2 The market value of investments classified as held-to-maturity amounted to Rs 303,425.062 million (December 31, 2021: Rs 322,811.037 million).

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
8.3	Particulars of provision held against diminution in the value of investments	(Rupees	in '000)
	Opening balance	4,158,401	5,263,672
	Exchange adjustments	368,810	153,452
	Charge / (reversal)		
	Charge for the period / year	1,240,766	512,131
	Reversal for the period / year	(108,395)	(452,697)
	Reversal on disposal during the period / year	(494,660)	(1,318,157)
	Net charge / (reversal)	637,711	(1,258,723)
	Transferred in	67,880	-
	Other movement	106,890	-
	Closing balance	5,339,692	4,158,401

#### 8.4 Particulars of provision against debt securities

September	· ·	(Aud December	· ·	
Non- Performing Investments	Provision	Non- Performing Investments	Provision	
	(Rupee:	s in '000)		
413,232	413,232	247,381	247,381	
456,648	268,543	-	-	
684,973	504,873	-	-	
994,100	994,100	929,609	929,609	
2,135,721	1,767,516	929,609	929,609	
2,548,953	2,180,748	1,176,990	1,176,990	
	September Non- Performing Investments 413,232 456,648 684,973 994,100 2,135,721	Performing Investments         Provision           413,232         (Rupees 413,232           456,648         268,543           684,973         504,873           994,100         994,100           2,135,721         1,767,516	September 30, 2022         December Non-           Non-         Performing           Investments         Investments           413,232         413,232         247,381           456,648         268,543         -           684,973         504,873         -           994,100         994,100         929,609           2,135,721         1,767,516         929,609	

8.4.1 In addition to the above, overseas branches hold a general provision of Rs 873.923 million (December 31, 2021: Rs 778.017 million) against investments in accordance with the ECL requirements of IFRS 9.

8.5 This represents the Group's share of deficit on investments held by these entities.

			Performing		Non - performing		Total	
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
9	ADVANCES	Note	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
					(Rupee	es in '000)		
	Loans, cash credits, running finances,	etc.	1,386,461,453	1,222,815,080	80,623,420	74,944,865	1,467,084,873	1,297,759,945
	Islamic financing and related assets	36.3	200,646,731	166,754,863	3,482,462	337,317	204,129,193	167,092,180
	Bills discounted and purchased		128,860,981	120,442,187	7,770,651	5,606,279	136,631,632	126,048,466
	Advances - gross	,	1,715,969,165	1,510,012,130	91,876,533	80,888,461	1,807,845,698	1,590,900,591
	Provision against advances							
	- Specific	9.3	-	-	(79,482,721)	(72,845,186)	(79,482,721)	(72,845,186)
	- General	0.0	(13,098,133)	(11,008,308)	-	-	(13,098,133)	(11,008,308)
			(13,098,133)	(11,008,308)	(79,482,721)	(72,845,186)	(92,580,854)	(83,853,494)
	Advances - net of provision	•	1,702,871,032	1,499,003,822	12,393,812	8,043,275	1,715,264,844	1,507,047,097
							(Unaudited) September 30,	(Audited) December 31,

#### 9.1 Particulars of advances (gross)

In local currency				
In foreign currencies				

2021

1,222,102,342

368,798,249

1,590,900,591

(Rupees in '000)

2022

1,371,949,321

435,896,377

1,807,845,698

9.2 Advances include Rs 91,876.533 million (December 31, 2021: Rs 80,888.461 million) which have been placed under non-performing status as detailed below:

Category of classification	· · · · · · · · · · · · · · · · · · ·	(Unaudited) September 30, 2022		
	Non- performing advances	Provision	Non-performing advances	Provision
Domestic		(Rup	ees in '000)	
Other assets especially mentioned	1,423,311	16,156	676,362	3,379
Substandard	7,774,937	1,929,367	2,919,319	711,251
Doubtful	2,866,711	1,425,557	2,566,040	1,286,243
Loss	41,914,140	41,177,765	43,406,758	42,415,330
	53,979,099	44,548,845	49,568,479	44,416,203
Overseas				
Not past due but impaired	380,713	293,938	1,411,443	611,553
Overdue by:				
Upto 90 days	16,067	2,410	29,965	-
91 to 180 days	18,881	2,350	17,181	14,815
181 to 365 days	29,834	11,976	2,312,907	1,929,459
> 365 days	37,451,939	34,623,202	27,548,486	25,873,156
	37,897,434	34,933,876	31,319,982	28,428,983
Total	91,876,533	79,482,721	80,888,461	72,845,186

#### 9.3 Particulars of provision against advances

	Note	Se	(Unaudited) ptember 30, 2	022	C	(Audited) December 31, 2021	
		Specific	General	Total (Rup	Specific ees in '000)	General	Total
Opening balance		72,845,186	11,008,308	83,853,494	70,835,763	11,063,284	81,899,047
Exchange adjustment		7,768,325	745,212	8,513,537	2,670,248	222,274	2,892,522
Charge for the period / year		7,024,152	1,579,730	8,603,882	12,415,018	1,613,469	14,028,487
Reversal for the period / year		(5,088,869)	(235,117)	(5,323,986)	(4,492,724)	(1,890,719)	(6,383,443)
Net charge / (reversal) against advanc	es	1,935,283	1,344,613	3,279,896	7,922,294	(277,250)	7,645,044
Charged off during the period / year -							
agriculture financing	9.5	(274,163)	-	(274,163)	(532,280)	-	(532,280)
Written off during the period / year		(2,971,475)	-	(2,971,475)	(8,050,839)	-	(8,050,839)
Transferred out		(67,880)	-	(67,880)	-	-	-
Other movement		247,445	-	247,445	-	-	-
Closing balance		79,482,721	13,098,133	92,580,854	72,845,186	11,008,308	83,853,494

- 9.4 General provision includes provision amounting to Rs 3,196.947 million (December 31, 2021: Rs 2,753.209 million) against consumer finance portfolio and Rs 769.658 million (December 31, 2021: Rs 577.903 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 3,966.088 million (December 31, 2021: Rs 2,672.756 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates. General provision also includes Rs 5,165.440 million (December 31, 2021: Rs 5,004.440 million) carried as a matter of prudence, on account of borrowers impacted by the Covid pandemic as well as by the currently stressed economic conditions.
- 9.5 These represent non-performing advances for agriculture finance which have been classified as loss, are fully provided and are in default for more than 3 years. These non-performing advances have been charged off by extinguishing them against the provision held, in accordance with the SBP's Prudential Regulations for Agriculture Financing. This charge off does not, in any way, prejudice the Bank's right of recovery from these customers.

10	FIXED ASSETS	Note	(Unaudited) September 30, 2022 (Rupee	(Audited) December 31, 2021 s in '000)
	Capital work-in-progress Property and equipment	10.1	11,612,739 95,276,276 106,889,015	7,803,605 90,872,737 98,676,342

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

10.1	Capital work-in-progress		(Unaudited) September 30,	(Audited) December 31,
			2022	2021
				es in '000)
	Civil works		8,974,917	4,375,253
	Equipment		1,020,712	310,830
	Advances to suppliers and contractors		1,617,110	3,117,522
			11,612,739	7,803,605
10.2	Additions to fixed assets		(Unau	udited)
			For the nine i	months ended
			September 30	September 30,
			2022	2021
	The following additions have been made to fixed exacts during the period.		(Rupee	es in '000)
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress - net Property and equipment		3,809,134	3,091,830
	Leasehold land		469,366	400,000
	Building on free hold land Building on leasehold land		- 113,752	2,019 184,048
	Machinery		35,277	85,200
	Leasehold improvements		2,218,694	1,391,656
	Furniture and fixtures		801,141	626,518
	Electrical, office and computer equipment		4,618,405	3,531,694
	Vehicles		135,848	126,860
			8,392,483	6,347,995
	Right-of-use assets - net		3,551,234	2,186,468
40.0			15,752,851	11,626,293
10.3	Disposal of fixed assets			
	The net book value of fixed assets disposed off during the period is as follows:			
	Property and equipment			
	Machinery Leasehold improvements		4 5,740	- 2,903
	Furniture and fixtures		1,279	1,254
	Electrical, office and computer equipment		6,709	8,439
	Vehicles		2,784	12,757
			16,516	25,353
			(Unaudited)	(Audited)
			September 30,	(Audited)
			2022	2021
11	INTANGIBLE ASSETS		(Rupee	es in '000)
	Capital work-in-progress - computer software		4,649,673	2,056,072
	Intangible assets		13,600,809	10,574,403
			18,250,482	12,630,475
			(Unai	udited)
				nonths ended
				September 30,
			2022	2021
11.1	Additions to intangible assets		(Rupee	es in '000)
	The following additions have been made to intangible assets during the period:			
	Capital work-in-progress - net - computer software		2,593,601	256,607
	Computer software		3,509,679	1,758,362
	Goodwill - HAHL	11.1.1	579,022	-
			6,682,302	2,014,969

11.1.1 As mentioned in note 1.4, the Bank has purchased the remaining shareholding of 9.50% in HAHL from the minority shareholder. Goodwill represents the excess of the purchase consideration paid over the net assets of HAHL acquired. For the computation of Goodwill, provisional figures based on latest available information have been considered. The management expects to finalise the determination of Goodwill within one year from the acquisition date, in compliance with the time frame allowed under IFRS 3, Business Combinations.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

12	DEFERRED TAX ASSETS / (LIABILITIES)	Note	(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 s in '000)
	Deductible temporary differences on			
	- Tax losses of subsidiary		420,815	431,976
	- Provision against investments		926,151	766,916
	- Provision against doubtful debts and off-balance sheet obligations		3,979,048	3,721,755
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 200		2,719,242	2,586,450
	- Deficit on revaluation of investments	19	16,819,269	1,309,052
	- Deficit on revaluation of investments of associates	19	263,906	37,902
	- Provision against other assets		5,855	15,342
	- Ijarah financing		176,771	156,250
			25,311,057	9,025,643
	Taxable temporary differences on		(4.200.455)	(4.000.50.4)
	- Accelerated tax depreciation	40	(1,309,155)	(1,360,584)
	- Surplus on revaluation of fixed assets	19	(1,940,857)	(1,777,800)
	- Surplus on revaluation of fixed assets of associates	19	(159,138)	(56,392)
	- Management rights and goodwill		(329,841)	(288,014)
	- Share of profit of associates - Exchange translation reserve		(8,634,375)	(7,328,089) (3,287,635)
	- Exchange translation reserve		(6,097,890) (103,212)	· · · · · · · · · · · · · · · · · · ·
	- Others		(18,574,468)	(9,731) (14,108,245)
	Net deferred tax assets / (liabilities)		6,736,589	(5,082,602)
	Net deletted tax assets / (tabilities)		0,100,000	(0,002,002)
13	OTHER ASSETS			
	Mark-up / return / profit / interest accrued in local currency - net of provision		81,329,330	52,719,955
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,541,348	3,791,224
	Advances, deposits, advance rent and other prepayments		5,958,476	3,825,328
	Advance taxation		13,281,178	21,708,444
	Advance against subscription of securities		1,578,000	178,000
	Stationery and stamps on hand		238,118	181,671
	Accrued fees and commissions		341,912	554,583
	Due from Government of Pakistan / SBP		4,203,183	2,137,045
	Mark to market gain on forward foreign exchange contracts		13,723,887	8,699,989
	Mark to market gain on derivative instruments		-	251,603
	Non-banking assets acquired in satisfaction of claims		231,805	459,389
	Receivable from defined benefit plan		-	759,354
	Acceptances		37,971,065	36,686,549
	Clearing and settlement accounts		20,082,696	17,436,987
	Dividend receivable		12,746	185,213
	Claims receivable against fraud and forgeries		851,986	541,337
	Others		1,912,941	1,628,410
		40.4	188,258,671	151,745,081
	Provision held against other assets	13.1	(2,089,811)	(1,243,645)
	Other assets - net of provision	10	186,168,860	150,501,436
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims Other assets - total	19	<u>144,274</u> 186,313,134	224,064 150,725,500
			100,010,104	100,720,000
13.1	Provision held against other assets			
	Non-banking assets acquired in satisfaction of claims		-	2,467
	Claims receivable against fraud and forgeries		851,986	541,337
	Suit filed cases		4,978	4,800
	Others		1,232,847	695,041
			2,089,811	1,243,645
			2,003,011	1,240,040

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

13.1.1	Note Movement in provision against other assets	(Unaudited) September 30, 2022 (Rupees	2021
	Opening balance	1,243,645	1,127,909
	Exchange adjustment	20,824	(17,808)
	Charge for the period / year	881,626	741,684
	Reversal for the period / year	(20,148)	(551,548)
	Net charge	861,478	190,136
	Written off during the period / year	(34,804)	(56,592)
	Other movement	(1,332)	-
	Closing balance	2,089,811	1,243,645
14	BILLS PAYABLE		
		40.044.007	40 700 400
	In Pakistan	48,241,697	42,793,433
	Outside Pakistan	2,136,841	1,403,551
		50,378,538	44,196,984
15	BORROWINGS		
	Secured Borrowings from the SBP under		
	- Export refinance scheme	56,125,270	69,782,711
	- Long term financing facility	43,196,156	32,529,493
	- Financing facility for renewable energy power plants	7,531,348	6,805,470
	- Refinance facility for modernization of Small and Medium Enterprises (SMEs)	351,302	241,788
	- Refinance and credit guarantee scheme for women entrepreneurs	80,454	155,370
	- Financing facility for storage of agricultural produce	389,433	333,349
	- Refinance scheme for payment of wages and salaries	3,857,416	15,476,761
	- Refinance facility for combating COVID-19	1,786,818	1,055,725
	- Temporary economic refinance facility	33,833,156	26,010,138
	- Refinance facility for SME Asaan Finance (SAAF)	2,703,528	-
	Depurchase agreement berrowings	149,854,881	152,390,805
	Repurchase agreement borrowings	284,911,380 434,766,261	140,193,364 292,584,169
	Unsecured	434,700,201	292,304,103
	- Call money borrowings		1,000,000
	- Overdrawn nostro accounts	1,517,798	653,970
	- Borrowings of overseas branches and subsidiaries	72,817,163	82,898,483
	- Other long-term borrowings 15.1	73,093,602	59,121,383
	5 5	147,428,563	143,673,836
		582,194,824	436,258,005

#### 15.1 This includes the following:

- 15.1.1 A loan from the International Finance Corporation amounting to US\$ 125 million (December 31, 2021: US\$ 150 million). The remaining principal amount is payable in five equal semi-annual installments and the last installment is due on December 2024. Interest at LIBOR + 5.00% per annum (December 31, 2021: LIBOR + 5.00% per annum) is payable semi-annually.
- 15.1.2 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\$ 190 million (December 31, 2021: US\$ 170.975 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 from January 31, 2023 to January 31, 2033. 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 168.252 million (December 31,2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (December 31, 2021: 11.21% per annum) is payable semi-annually.

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

15.1.4 Mortgage refinancing facilities from PMRC, amounting to Rs 964.111 million (December 31, 2021: Rs 1,082.977 million), utilised by HBL Microfinance Bank Limited to extend mortgage finance to low income groups. The principal amount is payable in quarterly installments from June 2020 to June 2031. Mark-up on these facilities ranges from 6.50% to 7.14% per annum (December 31, 2021: 6.50% to 7.14% per annum) and is payable quarterly.

### 16 DEPOSITS AND OTHER ACCOUNTS

	Septemb	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total		
			(Rupees	in '000)				
Customers								
Current deposits	1,047,036,640	240,505,068	1,287,541,708	952,815,913	210,488,971	1,163,304,884		
Savings deposits	1,135,126,384	175,175,125	1,310,301,509	1,112,754,751	103,505,665	1,216,260,416		
Term deposits	374,418,245	244,848,621	619,266,866	471,532,451	180,237,348	651,769,799		
	2,556,581,269	660,528,814	3,217,110,083	2,537,103,115	494,231,984	3,031,335,099		
Financial institutions								
Current deposits	7,085,992	3,172,580	10,258,572	5,101,313	2,272,365	7,373,678		
Savings deposits	130,615,235	1,594,363	132,209,598	299,998,542	451,389	300,449,931		
Term deposits	5,350,038	5,488,862	10,838,900	36,824,833	6,014,857	42,839,690		
	143,051,265	10,255,805	153,307,070	341,924,688	8,738,611	350,663,299		
	2,699,632,534	670,784,619	3,370,417,153	2,879,027,803	502,970,595	3,381,998,398		
				Note	(Unaudited)	(Audited)		

SUBORDINATED DEBT	Note	September 30, E 2022 (Rupees i	2021
Additional Tier I Term Finance Certificates	17.1	12,374,000	12,374,000

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

The key features of the issue are as follows:

Issue Date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2021: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. 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	<ul> <li>The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following:</li> <li>(a) Prior approval of the SBP having been obtained; and</li> <li>(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.</li> <li>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").</li> </ul>
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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

18	OTHER LIABILITIES	(Unaudited) September 30, 2022 (Rupee)	(Audited) December 31, 2021 s in '000)
			· ·
	Mark-up / return / profit / interest payable in local currency	37,847,581	10,014,802
	Mark-up / return / profit / interest payable in foreign currency	6,320,629	2,589,051
	Security deposits	1,252,370	909,334
	Accrued expenses	25,214,805	20,870,306
	Mark to market loss on forward foreign exchange contracts	8,951,062	7,337,247
	Mark to market loss on derivative instruments	7,147,513	2,624,952
	Unclaimed dividends	741,521	727,940
	Dividends payable	2,697,574	1,327,763
	Provision for post retirement medical benefits	3,690,025	4,557,833
	Provision for employees' compensated absences	1,504,568	2,177,565
	Provision against off-balance sheet obligations	2,398,182	2,687,054
	Acceptances	37,971,065	36,686,549
	Branch adjustment account	6,304,492	827,848
	Provision for staff retirement benefits	1,519,573	1,251,289
	Payable to defined benefit plans	758,910	437,648
	Provision for Workers' Welfare Fund	8,730,846	7,735,706
	Unearned income	4,434,990	4,452,650
	Qarza-e-Hasna Fund	338,409	338,409
	Levies and taxes payable	5,496,870	7,690,809
	Insurance payable	1,297,719	1,235,949
	Provision for rewards program expenses	2,534,572	1,748,370
	Liability against trading of securities	22,294,347	3,701,035
	Clearing and settlement accounts	1,955,191	4,221,476
	Payable to HBL Foundation	354,485	405,576
	Contingent consideration payable	500,000	500,000
	Charity fund	20,421	44,865
	Lease liability against right-of-use asset	24,777,755	22,307,342
	Unclaimed deposits	516,897	348,609
	Others	3,625,698	4,114,377
		221,198,070	153,872,354
			.00,072,004

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

Opening balance	2,687,054	1,138,648
Exchange adjustment	295,194	(38,031)
Charge for the period / year	95,553	1,616,293
Reversal for the period / year	(679,619)	(75,785)
Net (reversal) / charge	(584,066)	1,540,508
Written off during the year	-	(1,653)
Transferred in		47,582
Closing balance	2,398,182	2,687,054

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

Note	September 30, 2022 (Unaudited) Attributable to		December 31, 2021 (A Attributable to		dited)	
Equit	uity holders	Non- controlling interest	Total	Equity holders	Non- controlling interest	Total
			(Rupees	in '000)		

8.1

8.1

Surplus / (deficit) arising on revaluation of:

- Fixed assets
- Fixed assets of associates
- Available-for-sale securities
- Available-for-sale securities held by associates
- Non-banking assets acquired in satisfaction of claims

Deferred tax liability / (asset) on surplus / (deficit)	
on revaluation of:	

- Fixed assets
- Fixed assets of associates
- Available-for-sale securities
- Available-for-sale securities held by associates
- Non-banking assets acquired in satisfaction of claims

Surplus on revaluation of assets - net of tax

28,870,56	9 16,137	28,886,706	28,876,201	26,730	28,902,931
370,08	Э -	370,089	144,596	-	144,596
(40,008,38	4) (54,946)	(40,063,330)	(3,498,964)	(50,429)	(3,549,393)
(613,73	6) -	(613,736)	(97,185)	-	(97,185)
144,27	4 -	144,274	224,064	-	224,064
(11,237,18	3) (38,809)	(11,275,997)	25,648,712	(23,699)	25,625,013

1,940,857 159,138 (16,801,137) (263,906)	- - (18,132) -	1,940,857 159,138 (16,819,269) (263,906)	1,775,005 56,392 (1,304,154) (37,902)	2,795 - (4,898) -	1,777,800 56,392 (1,309,052) (37,902)
-	-	-	-	-	-
(14,965,048)	(18,132)	(14,983,180)	489,341	(2,103)	487,238
3,727,860	(20,677)	3,707,183	25,159,371	(21,596)	25,137,775

20	CONTINGENCIES AND COMMITMENTS	Note	(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
	- Guarantees - Commitments - Other contingent liabilities	20.1 20.2 20.3	308,727,514 1,056,013,182 23,103,366	260,750,915 1,119,772,107 25,778,719
		2010	1,387,844,062	1,406,301,741
20.1	Guarantees:			
	Financial guarantees Performance guarantees Other guarantees		103,617,325 196,257,963 8,852,226	88,017,271 164,593,834 8,139,810
20.2	Commitments:		308,727,514	260,750,915
	Trade-related contingent liabilities Commitments in respect of:		386,236,657	339,979,058
	- forward foreign exchange contracts	20.2.1	472,193,172	601,681,574
	<ul> <li>forward Government securities transactions</li> </ul>	20.2.2	104,514,247	93,562,463
	- derivatives	20.2.3	59,038,216	42,049,128
	- forward lending	20.2.4	19,035,999	30,412,479
	Commitments for acquisition of:		654,781,634	767,705,644
	- fixed assets		9,779,860	10,202,010
	- intangible assets		5,215,031	1,885,395
	5		14,994,891	12,087,405
			1,056,013,182	1,119,772,107
20.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		314,762,190	340,760,830
	Sale		157,430,982	260,920,744
20.0.0			472,193,172	601,681,574
20.2.2	Commitments in respect of forward Government securities transactio	ns		
	Purchase		62,909,745	27,830,190
	Sale		41,604,502	65,732,273
20.2.3	Commitments in respect of derivatives		104,514,247	93,562,463
	Cross Currency swaps			
	Purchase		23,851,755	17,058,770
	Sale		31,569,794	19,308,883
			55,421,549	36,367,653
	Interest rate swaps			
	Purchase		-	-
	Sale		3,616,667	5,681,475
20.2.4	Commitments in respect of forward lending		3,616,667	5,681,475
20.2.4	Undrawn formal standby facilities, credit lines and other commitments to ex	stend credit	19,035,999	30,412,479
			13,033,333	00,712,773

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

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.

23,103,366

25,778,719

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

### 21 DERIVATIVE INSTRUMENTS

		September 30,	2022 (Unaudited	l)
Product Analysis	Cross curre	Interest rate Swaps		
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
		(Rupee	es in '000)	
Hedging	-	-	-	-
Market Making	55,421,549	(6,914,285)	3,616,667	(233,228)
		December 31	, 2021 (Audited)	
	Cross curre	ency swaps	Interest rat	e Swaps
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
		(Rupee	es in '000)	
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)

22	MARK-UP / RETURN / PROFIT / INTEREST EARNED	Note	(Unaud <u>For the nine m</u> September 30, 2022 (Rupees i	onths ended September 30, 2021
	On:			
	Loans and advances		133,279,549	80,037,566
	Investments		164,144,589	108,233,161
	Lendings to financial institutions		10,799,326	4,144,819
	Balances with banks		876,018	327,667
			309,099,482	192,743,213
23	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED			
	On:			
	Deposits		137,926,201	70,521,350
	Securities sold under repurchase agreement borrowings		38,997,812	13,276,087
	Borrowings		7,053,722	4,208,785
	Subordinated debt		1,307,766	941,834
	Cost of foreign currency swaps against foreign currency deposits / borrowings		5,522,907	3,958,231
	Lease liability against right-of-use assets		2,252,617	2,685,059
			193,061,025	95,591,346
24	FEE AND COMMISSION INCOME			
	Branch banking customer fees		3,011,011	2,978,901
	Consumer finance related fees		1,683,222	1,402,011
	Card related fees (debit and credit cards)		6,467,969	5,075,482
	Credit related fees		1,923,373	1,391,914
	Investment banking fees		715,100	886,538
	Commission on trade related products and guarantees		3,758,017	3,023,028
	Commission on cash management		824,291	635,647
	Commission on remittances (including home remittances)		531,962	374,017
	Commission on bancassurance		576,974	610,469
	Commission on Government to Person (G2P) payments		633,709	235,171
	Management fee		529,760	436,771
	Merchant discount and interchange fees		3,830,536	2,500,105
	Wealth management fee		422,354	546,366
	Others		754,312	321,674
			25,662,590	20,418,094
	Less: Sales Tax / Federal Excise Duty on fee and commission income		(2,889,513)	(2,477,723)
			22,773,077	17,940,371
25	GAIN ON SECURITIES - NET			

### 25 GAIN ON SECURITIES - NET

Realised	25.1	558,333	1,601,700
Unrealised - held-for-trading	8.1	(27,620)	(32,092)
		530,713	1,569,608

25.1	Gain / (loss) on securities - realised	(Unau) <u>For the nine n</u> September 30, 2022	nonths ended
	On:	(Rupees	in '000)
	Federal Government securities - Market Treasury Bills - Pakistan Investment Bonds	(177,391) 914,722	306,976 1,879,507
	- Ijarah Sukuk	77,455	(10,763)
	Shares	(264,496)	(563,768)
	Non-Government debt securities	17,890	9,356
	Foreign securities	<u>(9,847)</u> 558,333	(19,608) 1,601,700
26	OTHER INCOME		, ,
	Incidental charges	298,455	463,763
	Exchange gain realised on partial repatriation of branch capital	-	404,079
	Exchange gain realised on liquidation of subsidiary	-	1,919
	Gain on sale of fixed assets - net Gain on sale of non-banking assets	29,545	36,736 16,000
	Rent on properties	- 14,691	20,995
		342,691	943,492
27	OPERATING EXPENSES		
	Total compensation expense	37,766,675	29,760,214
	Property expense Rent and taxes	1 066 880	805,794
	Insurance	1,066,889 148,542	117,103
	Utilities cost	3,028,288	1,890,242
	Security (including guards)	1,844,345	1,599,270
	Repair and maintenance (including janitorial charges)	2,642,956	1,875,022
	Depreciation on owned fixed assets Depreciation on right-of-use assets	2,969,521 2,891,630	2,573,777 2,505,344
	Depredation on right-of-use assets	14,592,171	11,366,552
	Information technology expenses		
	Software maintenance	4,397,874	2,846,480
	Hardware maintenance Depreciation	967,967 1,968,397	635,406 1,830,630
	Amortisation	1,329,522	732,514
	Network charges	1,157,562	1,045,267
	Consultancy charges	585,248 10,406,570	520,919 7,611,216
	Other operating expenses	10,400,570	7,011,210
	Legal and professional charges	788,528	557,838
	Outsourced services costs	1,668,459	1,354,461
	Travelling and conveyance Insurance	1,108,007 996,121	662,059 656,274
	Remittance charges	484,918	434,566
	Security charges	1,844,428	1,461,597
	Repairs and maintenance	1,290,360	1,076,800
	Depreciation Training and development	703,040	652,916
	Postage and courier charges	333,723 642,576	138,908 546,210
	Communication	1,113,426	661,908
	Stationery and printing	1,829,703	1,417,352
	Marketing, advertisement and publicity	2,809,743	2,448,242
	Donations Auditors' remuneration	358,685 272,470	351,005 246,899
	Brokerage and commission	590,839	523,198
	Subscription	283,605	215,342
	Documentation and processing charges	4,031,042	2,515,865
	Entertainment	430,307	259,306
	Consultancy charges Deposit insurance premium expense	948,383 2,026,813	881,023 1,878,366
	Product feature cost	2,515,397	1,495,647
	COVID-19 related expenses	44,021	195,698
	Others	1,046,221	643,522
		<u>28,160,815</u> 90,926,231	21,275,002 70,012,984
		50,320,231	10,012,904

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

			(Unaudited) For the nine months ended	
28	OTHER CHARGES	Note	September 30, 2022 (Rupees	September 30, 2021 in '000)
	Penalties imposed by the State Bank of Pakistan Penalties imposed by other regulatory bodies		428,488 22,507 450,995	74,105 4,999 79,104
29	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
	Provision / (reversal of provision) for diminution in value of investments Provision against loans and advances Provision against other assets (Reversal of provision) / provision against off-balance sheet obligations Recoveries against written off / charged off bad debts Recoveries against other assets written off Other write offs Bad debts written off directly	8.3 9.3 13.1.1 18.1	637,711 3,279,896 861,478 (584,066) (669,347) (1,087) 66,523 - - 3,591,108	(1,130,801) 5,840,770 63,206 1,192,386 (538,778) (9,976) - - 78,530 5,495,337
30	TAXATION			
	- Current - Prior years - Deferred		27,886,775 3,188,663 895,600 31,971,038	19,480,641 (155,020) 65,762 19,391,383
31	BASIC AND DILUTED EARNINGS PER SHARE			
	Profit for the period attributable to equity holders of the Bank		23,399,621	26,707,170
			(Nun	ıber)
	Weighted average number of ordinary shares		1,466,852,508	1,466,852,508
			(Rup	ees)
	Basic and diluted earnings per share		15.95	18.21

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

### 32 FAIR VALUE MEASUREMENTS

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

The fair 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 following fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

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

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

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

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

Federal Government securities	The fair values of Federal Government securities are determined on the basis of rates / prices sourced from Reuters.
Non-Government debt securities	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 September 30, 2022 (Unaudited)

On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total					
On balance sheet mancial instruments	(Rupees in '000)									
Financial assets - measured at fair value										
Investments										
- Federal Government securities	1,346,509,512	-	1,346,509,512	-	1,346,509,512					
- Shares - listed companies	5,274,290	5,274,290		-	5,274,290					
- Non-Government debt securities										
- Listed	49,937,109	40,280,000	9,657,109		49,937,109					
- Unlisted	624,000	-	624,000		624,000					
- Foreign securities	,		,							
Government debt securities	116,321,451		116,321,451		116,321,451					
Non-Government debt securities			.,. , .							
- Listed	10,838,182		10,838,182		10,838,182					
- Unlisted	5,096,719		5,096,719		5,096,719					
- National Investment Unit Trust units	40,218		40,218		40,218					
- Real Estate Investment Trust units	69,350	69,350	-		69,350					
- Preference Shares - Listed	848,400	848,400			848,400					
	1,535,559,231	46,472,040	1,489,087,191		1,535,559,231					
Financial assets - disclosed but not measured at fa		,,	-,,,		-,,,,					
Investments										
- Federal Government securities	291,955,546	-	268,875,133	-	268,875,133					
- Non-Government debt securities			,							
- Listed	1,733,539		1,739,778		1,739,778					
- Unlisted	17,808,886		18,701,143		18,701,143					
- Foreign securities	,,		,							
Government debt securities	13,874,117		13,607,453		13,607,453					
Non-Government debt securities	10,014,117	_	10,007,400		10,007,400					
- Listed	199,762		199,762		199,762					
- Unlisted	313,256		301,793		301,793					
	325,885,106		303,425,062	-	303,425,062					
	1,861,444,337	46,472,040	1,792,512,253		1,838,984,293					

		As at Sep	tember 30, 2022 (U	naudited)	
	Notional value	Level 1	Level 2	Level 3	Total
			- (Rupees in '000) -		
Off-balance sheet financial instruments - measured at fa	air value				
Commitments - Forward foreign exchange contracts	472,193,172		4,772,825		4,772,825
- Forward Government securities transactions	104,514,247	-	22,381	-	22,381
- Derivative instruments	59,038,216	-	(7,147,513)	-	(7,147,513
		As at De	ecember 31, 2021 (A	Audited)	
	Carrying value	Level 1	Level 2	Level 3	Total
			- (Rupees in '000) -		
On balance sheet financial instruments					
Financial assets - measured at fair value Investments					
- Federal Government securities	1,420,281,097		1,420,281,097		1,420,281,097
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,521
- Non-Government debt securities					-
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,015
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities Government debt securities	75 184 024		75,184,024		75 194 004
Non-Government debt securities- listed	75,184,024 13,067,593		13,067,593	-	75,184,024 13,067,593
- National Investment Unit Trust units	46,448	_	46,448	_	46,448
- Real Estate Investment Trust units	60,800	60,800	· · · ·	-	60,800
- Preference Shares - Listed	780,500	780,500		-	780,500
	1,569,048,998	48,385,821	1,520,663,177	-	1,569,048,998
Financial assets - disclosed but not measured at fair va Investments	lue				
- Federal Government securities	296,876,834	-	281,751,196		281,751,196
- Non-Government debt securities	200,070,004		201,701,100	_	201,701,100
- Listed	2,365,422	-	2,376,486	-	2,376,486
- Unlisted	22,851,835	-	22,930,932	-	22,930,932
- Foreign securities					
Government debt securities	14,672,889	-	14,823,285	-	14,823,285
Non-Government debt securities - Listed	260,893		316,157		316,157
- Unlisted	614,541	-	612,981	-	612,981
	337,642,414		322,811,037	-	322,811,037
	1,906,691,412	48,385,821	1,843,474,214	-	1,891,860,035
		As at De	ecember 31, 2021 (/	Audited)	
	Notional value	Level 1	Level 2	Level 3	Total
			- (Rupees in '000) -		
Off-balance sheet financial instruments - measured at fa	air value				
Commitments					
- Forward foreign exchange contracts	601,681,574	-	1,362,742	-	1,362,742
- Forward Government securities transactions	93,562,463	-	200,063	-	200,063
- Derivative instruments	42,049,128	-	(2,373,349)	-	(2,373,349
Fair value of non-financial assets			tember 30, 2022 (U		
	Carrying value	Level 1	Level 2	Level 3	Total
			- (Rupees in '000) -		
- Land and building	53,612,781	-	-	53,612,781	53,612,781
- Non-banking assets acquired in satisfaction of claims	376,079	-		376,079	376,079
	53,988,860	-		53,988,860	53,988,860
		As at De	ecember 31, 2021 (/	Audited)	
	Carrying value	Level 1	Level 2	Level 3	Total
			- (Rupees in '000) -		
	50 400 000			53,190,296	53,190,296
- Land and building	53,190,296	-	-	33,190,290	00,100,200
<ul> <li>Land and building</li> <li>Non-banking assets acquired in satisfaction of claims</li> </ul>	<u> </u>			680,986	680,986

#### 33 SEGMENT INFORMATION

#### 33.1 Segment details with respect to Business Activities

	For the nine months ended September 30, 2022 (Unaudited)									
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account					(I	Rupees in million)				
Net mark-up / return / profit / interest income	(85,518)	27,750	12,111	43,143	108,116	5,038	(69)	7,325	(1,858)	116,038
Inter segment revenue / (expense) - net	139,266	(15,304)	-	(23,638)	(107,008)	3,946	-		2,738	-
Non mark-up / interest income	2,780	9,283	1,335	2,819	12,746	6,936	547	1,329	(2,168)	35,607
Total Income	56,528	21,729	13,446	22,324	13,854	15,920	478	8,654	(1,288)	151,645
Segment direct expenses	19,373	10,256	4,359	2,556	911	13,894	325	5,775	35,006	92,455
Inter segment expense allocation	14,589	5,677	893	7,831	1,048	1,100	-	-	(31,138)	-
Total expenses	33,962	15,933	5,252	10,387	1,959	14,994	325	5,775	3,868	92,455
Provisions - charge / (reversal)	155	1,137	1,134	(1,664)	45	198		1,653	933	3,591
Profit / (loss) before tax	22,411	4,659	7,060	13,601	11,850	728	153	1,226	(6,089)	55,599

As at September 30, 2022 (Unaudited)

							aanoaj			
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position					(	Rupees in million) -				
Cash and bank balances	179,039	·	28,763	472	107,620	124,732	10	14,670	1,436	456,742
Lendings to financial institutions	-	-	-	-	114,930	-	-	-	-	114,930
Inter segment lending	1,746,992	-	-	-	-	4,336	-	-	171,562	1,922,890
Investments	-	-	187,679	8,806	1,480,301	166,859	370	22,515	46,525	1,913,055
Advances - performing		208,202	199,829	830,599	-	359,446	-	75,415	29,380	1,702,871
Advances - non-performing		2,323	2,128	3,304	-	2,964	-	1,675	-	12,394
Others	31,495	3,970	26,536	56,425	70,079	27,452	3,199	10,800	88,233	318,189
Total assets	1,957,526	214,495	444,935	899,606	1,772,930	685,789	3,579	125,075	337,136	6,441,071
Borrowings		6,069	48,272	120,621	261,073	141,196	-	4,964	-	582,195
Subordinated debt		-	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,929,099	592	343,781	540,290	-	438,242	-	98,269	20,144	3,370,417
Inter segment borrowing		194,722	7,376	199,813	1,481,418	39,561	-	-	-	1,922,890
Others	28,427	13,112	15,232	38,882	44,308	28,015	2,124	9,932	91,544	271,576
Total liabilities	1,957,526	214,495	414,661	899,606	1,786,799	647,014	2,124	113,165	124,062	6,159,452
Equity	-		30,274	-	(13,869)	38,775	1,455	11,910	213,074	281,619
Total equity and liabilities	1,957,526	214,495	444,935	899,606	1,772,930	685,789	3,579	125,075	337,136	6,441,071
Contingencies and commitments	73,489	-	33,339	547,564	483,477	212,821	-		37,154	1,387,844

	For the nine months ended September 30, 2021 (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					(I	Rupees in million)				
Net mark-up / return / profit / interest income	(43,183)	20,444	8,521	22,724	80,336	3,845	(104)	5,933	(1,364)	97,152
Inter segment revenue / (expense) - net	74,287	(9,845)	-	(11,077)	(62,687)	3,027	-	-	6,295	-
Non mark-up / interest income	3,024	7,503	497	2,802	4,530	3,640	444	865	2,418	25,723
Total Income	34,128	18,102	9,018	14,449	22,179	10,512	340	6,798	7,349	122,875
Segment direct expenses	15,913	6,744	2,174	1,821	939	11,001	349	4,342	27,719	71,002
Inter segment expense allocation	12,005	4,790	503	6,509	679	895	-	-	(25,381)	-
Total expenses	27,918	11,534	2,677	8,330	1,618	11,896	349	4,342	2,338	71,002
Provisions - charge / (reversal)	-	1,163	263	1,270	(1,074)	2,087	-	1,626	160	5,495
Profit / (loss) before tax	6,210	5,405	6,078	4,849	21,635	(3,471)	(9)	830	4,851	46,378
					As at De	cember 31, 2021 (Au	idited)			
	Branch banking	Consumer, SME & Rural	Islamic	Corporate, Commercial and Investment	Treasury	International and correspondent	Asset management	Microfinance	Head office / others	Total
		Banking		Banking		banking				
Statement of financial position		Banking		Banking	(I	Banking Rupees in million)	-			
Statement of financial position	181.994	Banking	29.178		, 	Rupees in million)	11	24.910	582	505,690
			29,178 28,672	Banking 364	(I 151,013 65,070		11	24,910	582	505,690 93,742
Cash and bank balances			· ·		151,013	Rupees in million)	11 - -	24,910 - -	582 - 142,415	
Cash and bank balances Lendings to financial institutions	-		· ·		151,013	Rupees in million) 117,638	11 - - 50	24,910 - - 14,231	-	93,742
Cash and bank balances Lendings to financial institutions Inter segment lending	-	- - - 199,979	28,672	364 - -	151,013 65,070 -	Rupees in million) 117,638 - 266,460	-	-	- 142,415	93,742 2,003,742
Cash and bank balances Lendings to financial institutions Inter segment lending Investments	-	- - - -	28,672 - 191,865	364 - - 8,822	151,013 65,070 -	Rupees in million) 117,638 - 266,460 128,519	-	- 14,231	- 142,415 38,901	93,742 2,003,742 1,948,956
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing	1,594,867 - - - 18,762	- - - 199,979 1,503 2,838	28,672 191,865 166,056 3 17,592	364 - - 8,822 744,323 2,403 41,047	151,013 65,070 - 1,566,568 - - 44,735	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388	- 50 - 2,895	- 14,231 55,629 1,243 13,876	- 142,415 38,901 24,116 - 101,900	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing	- 1,594,867 - - -	- - - 199,979 1,503	28,672 - 191,865 166,056 3	364 - - 8,822 744,323 2,403	151,013 65,070 - 1,566,568 - -	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891	- - 50 - -	- 14,231 55,629 1,243	- 142,415 38,901 24,116 -	93,742 2,003,742 1,948,956 1,499,004 8,043
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others	1,594,867 - - - 18,762	- - - 199,979 1,503 2,838	28,672 191,865 166,056 3 17,592	364 - - 8,822 744,323 2,403 41,047	151,013 65,070 - 1,566,568 - - 44,735	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388	- 50 - 2,895	- 14,231 55,629 1,243 13,876	- 142,415 38,901 24,116 - 101,900	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets	1,594,867 - - - 18,762	- - 199,979 1,503 2,838 204,320	28,672 - 191,865 166,056 3 17,592 433,366	364 - - 8,822 744,323 2,403 41,047 796,959	151,013 65,070 - 1,566,568 - - 44,735 1,827,386	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797	- 50 - 2,895 2,956	- 14,231 55,629 1,243 13,876 109,889	- 142,415 38,901 24,116 - 101,900	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others Total assets Borrowings	1,594,867 - - - 18,762	- - 199,979 1,503 2,838 204,320	28,672 - 191,865 166,056 3 17,592 433,366	364 - - 8,822 744,323 2,403 41,047 796,959	151,013 65,070 - 1,566,568 - - 44,735 1,827,386	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797	- 50 - 2,895 2,956	- 14,231 55,629 1,243 13,876 109,889	- 142,415 38,901 24,116 - 101,900 307,914	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210 436,258
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others <b>Total assets</b> Borrowings Subordinated debt	1,594,867 - - - - - - - - - - - - - - - - - - -	- - - 199,979 1,503 2,838 204,320 2,830 -	28,672 - 191,865 166,056 3 17,592 433,366 31,568 -	364 - - 8,822 744,323 2,403 41,047 796,959 119,175 -	151,013 65,070 - 1,566,568 - - 44,735 1,827,386 140,787 -	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797 137,816 -	- 50 - 2,895 2,956	- 14,231 55,629 1,243 13,876 109,889 2,882 -	- 142,415 38,901 24,116 - 101,900 307,914	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210 436,258 12,374 3,381,998 2,003,742
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others <b>Total assets</b> Borrowings Subordinated debt Deposits and other accounts	1,594,867 - - 1,795,623 1,795,623 - 1,777,354 - - 18,269	- - - 199,979 1,503 2,838 204,320 2,830 - 374 194,287 6,829	28,672 - 191,865 166,056 3 17,592 433,366 31,568 - 346,895 11,440 15,654	364 - - 8,822 744,323 2,403 41,047 796,959 119,175 - 519,884 122,508 35,392	151,013 65,070 - 1,566,568 - - 44,735 1,827,386 140,787 - 122 1,675,507 14,139	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797 137,816 - 640,658 - 22,894	- 50 - - 2,895 2,956 1,200 - - - 422	- 14,231 55,629 1,243 13,876 109,889 2,882 - 91,362 - 5,561	- 142,415 38,901 24,116 - 101,900 307,914 - 12,374 5,349 - 83,992	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210 436,258 12,374 3,381,998 2,003,742 203,152
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others <b>Total assets</b> Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing	1,594,867 - - 1,795,623 1,795,623	- - - 199,979 1,503 2,838 204,320 2,830 - 374 194,287	28,672 - 191,865 166,056 3 17,592 433,366 31,568 - 346,895 11,440	364 - - 8,822 744,323 2,403 41,047 796,959 119,175 - 519,884 122,508	151,013 65,070 - 1,566,568 - - 44,735 1,827,386 140,787 - 122 1,675,507	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797 137,816 - 640,658	- 50 - - 2,895 2,956 1,200 - - - -	- 14,231 55,629 1,243 13,876 109,889 - 2,882 - 91,362 -	- 142,415 38,901 24,116 - 101,900 307,914 - 12,374 5,349 -	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210 436,258 12,374 3,381,998 2,003,742
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others <b>Total assets</b> Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others	1,594,867 	- - - - - - - - - - - - - - - - - - -	28,672 191,865 166,056 3 17,592 433,366 31,568 - 346,895 11,440 15,654 405,557 27,809	364 - 8,822 744,323 2,403 41,047 796,959 119,175 - 519,884 122,508 35,392 796,959	151,013 65,070 - 1,566,568 - - 44,735 1,827,386 140,787 - 122 1,675,507 14,139 1,830,555 (3,169)	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797 137,816 - 640,658 - 22,894 801,368 41,429	- 50 - - 2,895 2,956 1,200 - - - 422 1,622 1,334	- 14,231 55,629 1,243 13,876 109,889 2,882 - 91,362 - 5,561 99,805 10,084	- 142,415 38,901 24,116 - 101,900 307,914 - 12,374 5,349 - 83,992 101,715 206,199	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210 436,258 12,374 3,381,998 2,003,742 203,152 6,037,524 283,686
Cash and bank balances Lendings to financial institutions Inter segment lending Investments Advances - performing Advances - non-performing Others <b>Total assets</b> Borrowings Subordinated debt Deposits and other accounts Inter segment borrowing Others <b>Total liabilities</b>	1,594,867 - - 1,795,623 1,795,623 - 1,777,354 - - 18,269	- - - 199,979 1,503 2,838 204,320 2,830 - 374 194,287 6,829	28,672 - 191,865 166,056 3 17,592 433,366 31,568 - 346,895 11,440 15,654 405,557	364 - - 8,822 744,323 2,403 41,047 796,959 119,175 - 519,884 122,508 35,392 796,959	151,013 65,070 - 1,566,568 - - 44,735 1,827,386 140,787 - 1,827,386 140,787 - 1,827,507 14,139 1,830,555	Rupees in million) 117,638 - 266,460 128,519 308,901 2,891 18,388 842,797 137,816 - 640,658 - 22,894 801,368	- 50 - - 2,895 2,956 1,200 - - - - 422 1,622	- 14,231 55,629 1,243 13,876 109,889 2,882 - 91,362 - 5,561 99,805	- 142,415 38,901 24,116 - 101,900 307,914 - 12,374 5,349 - 83,992 101,715	93,742 2,003,742 1,948,956 1,499,004 8,043 262,033 6,321,210 436,258 12,374 3,381,998 2,003,742 203,152 6,037,524

#### 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, 2022 (Unaudi	ted)	
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Statement of financial position			(Rupe	es in '000)		
Balances with other banks						
In current accounts	-	-	1,130	-	114	-
Investments						
Opening balance	-	-	-	28,790,446	6,297,914	7,713,055
Investment made during the period	-	-	-	1,633,611	-	2,000,000
Share of profit - net of tax	-	-	-	1,423,640	669,469	-
Equity method adjustments Investment redeemed / disposed off during the period	-	-	-	4,700,709	1,203,915	-
Dividend received during the period	-	-	-	(3,636,299) (666,706)	-	-
Revaluation of fixed asset during the period				225,493	-	-
Revaluation of investment during the period	-	-	-	(510,311)	(6,240)	-
Provision for dimunition in the value of investments	-	-	-	-	-	(13,877)
Transfer in - net	-	-	-	-	-	29,286
Closing balance	-	-	-	31,960,583	8,165,058	9,728,464
Provision for dimunition in the value of investments					<u> </u>	13,877
Advances						
Opening balance	527	837,259	4,001,392	3,348,613		11,166,809
Addition during the period	25.487	294,339	13,457,837		-	11,693,729
Repaid during the period	(23,857)	(276,793)	(14,224,933)	(2,784,770)	-	(11,647,310)
Transfer in / (out) - net	-	10,072	-	-	-	-
Exchange adjustment	-	64,760	756,962	186,157	-	5,822
Closing balance	2,157	929,637	3,991,258	750,000	-	11,219,050
Other assets						
Interest / mark-up accrued	-	13,025	22,467	22,010	-	621,935
Other receivables		-	21,382	185,879	-	4,748
	<u> </u>	13,025	43,849	207,889		626,683
Borrowings						
Opening balance	-	-	3,177,871	3,969,060	-	1,264,962
Borrowings during the period	-	-	3,974,090	10,572,347	8,336,441	-
Settled during the period	-	-	(3,541,768)	(7,981,753)	(4,366,707)	(132,599)
Exchange adjustment			425,013	1,556,052	599,306	-
Closing balance		-	4,035,206	8,115,706	4,569,040	1,132,363
Deposits and other accounts Opening balance	155,051	546,158	10 926 562	50,630,080		3,504,348
Received during the period	803,503	2,348,874	19,836,563 313,833,454	822,050,513	- 14,748	51,145,022
Withdrawn during the period	(664,115)	(2,255,036)	(310,323,914)	(858,692,881)	(11,277)	(52,985,470)
Transfer out - net	-	(20,112)	(0.0,020,01.)	-	-	- (02,000, 0)
Exchange adjustment	7,218	4,075	307,712	5,280	2,317	40,460
Closing balance	301,657	623,959	23,653,815	13,992,992	5,788	1,704,360
Other liabilities						
Interest / mark-up payable	1,066	4,398	317,157	16,425	16,773	5,293
Payable to defined benefit plan	-	-			-	758,910
Others	-	-	67,441	129,516	-	362,785
	1,066	4,398	384,598	145,941	16,773	1,126,988
Contingencies and commitments						
Letters of credit	-	-	1,001,366	-	-	1,937
Letters of guarantee	-	-	154,340	-	-	3,530,727
Forward purchase of Government securities	-	-	4,842,596	-	-	2,611,603
Forward sale of Government securities	-	-	-	-	-	388,141
Interest rate swaps			5,998,302	750,000 750,000	-	6,532,408
Others		05 770		405 070 000		
Securities held as custodian	<u> </u>	35,770	23,015,145	125,978,300		16,815,615
	For the nine months ended September 30, 2022 (Unaudited)					
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	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
			(Rupe	es in '000)		
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	-	30,296	181,945	87,419	-	1,280,050
Fee and commission income	-	-	187,358	587,456	-	6,524
Share of profit	-	-	-	1,423,640	669,469	-
Dividend income	-	-	-	-	-	66,225
Unrealised loss on derivatives	-	-	-	(54,768)	-	-
Expenses						
Mark-up / return / profit / interest expensed	16,712	16,582	1,098,990	2,725,248	14,573	261,906
Operating expenses						
Total compensation expense	-	1,950,393	-	-	-	2,103,642
Non-Executive Directors' fees	71,400	-	-	-	-	-
Insurance premium expense	-	-	9,047	1,934,288	-	-
Product feature cost	-	-	77,563	-	-	-
Travelling	-	-	7,994	-	-	-
Subscription	-	-	-	-	-	14,716
Donations	-	-	-	-	-	354,485
Brokerage and Commission	-	-	-	-	-	163,271
Other expenses	-	-	32,192	123	-	44,355
Provision for dimunition in the value of investments	-	-	-	-	-	13,877
Others						
Purchase of Government securities	-	-	149,084,771	58,278,417	-	21,571,340
Sale of Government securities	-	42,278	172,376,874	107,312,067	-	23,576,091
Purchase of foreign currencies	-	3,375	1,600,856		-	5,152
Sale of foreign currencies	6,972	153,782	1,599,076	90,300	-	8,070,518
Insurance claims settled	-	-	=	215,189	-	=

	As at December 31, 2021 (Audited)					
	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	-		374	-	104	-
Investments						
Opening balance	-	-	-	26,751,320	5,047,043	4,744,343
Investment made during the year	-	-	-	1,355,788	-	2,969,103
Share of profit - net of tax	-	-	-	1,700,017	885,578	-
Equity method adjustments	-	-	-	1,501,604	501,861	-
Investment redeemed / disposed off during the year	-	-	-	(1,892,695)	-	-
Dividend received during the year	-	-	-	(463,512)	(145,181)	-
Revaluation of investment during the year	-		-	(162,076)	8,613	(391)
Closing balance	-		-	28,790,446	6,297,914	7,713,055
Advances						
Opening balance	249	696,088	4,504,529	1,125,000	-	7,782,917
Addition during the year	19,023	372,347	2,013,784	2,265,231	-	5,567,065
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(292,998)	-	(2,365,348)
Transfer in / (out) - net	276	34,006	-	-	-	182,500
Exchange adjustment	-	(250)	265,108	251,380	-	(325)
Closing balance	527	837,259	4,001,392	3,348,613	-	11,166,809
Other assets						
Interest / mark-up accrued	-	552	68,780	42,651	-	123,587
Receivable from defined benefit plan	-	-	-	-	-	759,354
Capital Work in progress	-	-	10,214	-	-	-
Other receivables	-		29	154,005	-	-
	_	552	79,023	196,656		882,941

			As at Decembe	er 31, 2021 (Audite	ed)	
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
Borrowings			(Rupe	es in '000)		
Opening balance	-	-	2,314,648	2,282,856	1,598,344	1,315,743
Borrowings during the year	-	-	4,216,030	7,564,980	6,516,419	400,000
Settled during the year	-	-	(3,695,853)	(6,027,688)	(8,145,524)	(450,781)
Transfer out - net Exchange adjustment	-	-	- 343,046	- 148.912	- 30,761	-
Closing balance	-	-	3,177,871	3,969,060	-	- 1,264,962
Deposits and other accounts						
Opening balance	122,063	496,147	12,981,422	36,318,748	-	1,833,343
Received during the year	646,231	3,514,801	485,687,364	1,001,631,636	-	88,512,854
Withdrawn during the year	(616,464)	(3,417,522)	(479,581,131)	(987,320,818)	-	(87,008,311)
Transfer in / (out) - net	3,118	(36,996)	-	-	-	114,741
Exchange adjustment	103	(10,272)	748,908	514		51,721
Closing balance	155,051	546,158	19,836,563	50,630,080		3,504,348
Other liabilities Interest / mark-up payable	1	723	135,791	11 504		10,476
Payable to defined benefit plan	-	123	135,791	41,504	-	437,648
Others	-	-	10,471	72,601	-	411,052
Others	1	723	146,262	114,105		859,176
Contingencies and Commitments						
Letters of credit	-	-	910,308	-	-	673,614
Letters of guarantee	-	-	167,204	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	1,859,052
Commitments in respect of forward lending	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	875,000	-	-
Others	-		2,272,972	875,000	-	7,769,362
Others						
Securities held as custodians	-	12,920	5,326,720	77,701,130	-	9,860,745
Securities held as custodians						9,860,745
Securities held as custodians		For the nir Key		September 30, 20		9,860,745 Other related
Securities held as custodians Profit and loss account	Directors	For the nir	ne months ended		- 021 (Unaudited) Joint venture	
Profit and loss account	Directors	For the nir Key Management	ne months ended Group Entities	September 30, 20		Other related
Profit and loss account	Directors	For the nir Key Management Personnel	ne months ended Group Entities	September 30, 20 Associates es in '000)		Other related parties
Profit and loss account Income Mark-up / return / profit / interest earned	Directors	For the nir Key Management	ne months ended Group Entities (Rupe 196,157	September 30, 20 Associates es in '000) 162,492	Joint venture	Other related parties 630,414
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income	- Directors -	For the nir Key Management Personnel	ne months ended Group Entities (Rupe 196,157 127,533	September 30, 20 Associates es in '000) 162,492 709,279	Joint venture	Other related parties
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit	- Directors - - -	For the nir Key Management Personnel 14,852	ne months ended Group Entities (Rupe 196,157	September 30, 20 Associates es in '000) 162,492	Joint venture	Other related parties 630,414 16,382
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income	- Directors - - - -	For the nir Key Management Personnel 14,852	ne months ended Group Entities (Rupe 196,157 127,533	September 30, 20 Associates es in '000) 162,492 709,279	Joint venture	Other related parties 630,414
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income	- Directors - - - - - - -	For the nir Key Management Personnel 14,852	ne months ended Group Entities (Rupe 196,157 127,533 -	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819	Joint venture	Other related parties 630,414 16,382
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives	- Directors - - - - - - - - - - - - - - - - - - -	For the nir Key Management Personnel 14,852	ne months ended Group Entities (Rupe 196,157 127,533 -	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819	Joint venture	Other related parties 630,414 16,382
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense		For the nir Key Management Personnel 14,852 - - - -	ne months ended Group Entities 	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 (8,767)	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 -
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - -	ne months ended Group Entities 	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 (8,767)	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 -
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees		For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities 	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - - - -	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 (8,767)	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities 	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - - - -	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - - 89,307 - - 182,213 990,451 - - -
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 -	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213 990,451 - - - - - 72,388
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities 	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - - 89,307 - - 182,213 990,451 - - - - 72,388 271,323
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 -	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213 990,451 - - - - - 72,388
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Brokerage and Commission	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 - 77,230	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213 990,451 - - 72,388 271,323 155,858
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Brokerage and Commission Other Expenses	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 - 77,230	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - 89,307 - 182,213 990,451 - - 72,388 271,323 155,858
Profit and loss account         Income         Mark-up / return / profit / interest earned         Fee and commission income         Share of profit         Dividend income         Unrealised loss on derivatives         Expense         Mark-up / return / profit / interest expensed         Operating expenses         Total compensation expense         Non-Executive Directors' fees         Insurce premium expense         Product feature cost         Tavelling         Subscription         Donations         Brokerage and Commission         Other Expenses	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - 8,712	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 - 77,230 - 7,210	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - 1,504,179 - - - - - - - - - - - - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 - - 89,307 - - 182,213 990,451 - - - 72,388 271,323 155,858 37,798
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Brokerage and Commission Other Expenses Murchase of Government securities Sale of Government securities Purchase of foreign currencies	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - - - - - - - - - - - - - - - -	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 - 77,230 - 7,210 242,442,156	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - 1,504,179 - - - - - - - - - - - - - - - - - - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 -
Profit and loss account Income Mark-up / return / profit / interest earned Fee and commission income Share of profit Dividend income Unrealised loss on derivatives Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donations Brokerage and Commission Other Expenses  Others Purchase of Government securities Sale of Government securities	- - - - - 6,003 -	For the nir Key Management Personnel 14,852 - - - - - - - - - - - - - - - - - - -	ne months ended Group Entities (Rupe 196,157 127,533 - (2,557) 829,136 - - 139,554 11,508 - 77,230 - 7,210 242,442,156 248,898,039	September 30, 20 Associates es in '000) 162,492 709,279 1,199,819 - (8,767) 869,894 - - 1,504,179 - - - - - - - - - - - - - - - - - - -	Joint venture 267 744,933 -	Other related parties 630,414 16,382 -

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

**Minimum Requirement (%)** 

35	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 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)	195,435,036 12,404,748 207,839,784 54,603,073 262,442,857	192,465,081 12,606,759 205,071,840 55,846,089 260,917,929
	Risk Weighted Assets (RWAs): Credit Risk Market Risk Operational Risk Total	1,505,496,946 110,065,238 224,085,265 1,839,647,449	1,328,791,152 116,679,788 224,085,265 1,669,556,205
	Common Equity Tier 1 Capital Adequacy ratio	10.62%	11.53%
	Tier 1 Capital Adequacy Ratio	11.30%	12.28%
	Total Capital Adequacy Ratio	14.27%	15.63%
	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 of which: D-SIB buffer requirement	1.50% - 2.00%	1.50% - 2.00%
	CET1 available to meet buffers (as a percentage of risk weighted assets)	4.62%	5.53%
	Other information:		
	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)	(Rupees	in '000)
	Eligible Tier-1 Capital Total Exposures Leverage Ratio (%)	207,839,784 5,407,365,298 3.84%	205,071,840 4,687,343,787 4.38%
	Minimum Requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio (LCR)	Total Adju (Rupees	sted Value
	Average High Quality Liquid Assets Average Net Cash Outflow Liquidity Coverage Ratio (%)	1,589,558,928 642,248,866 	1,477,650,149 638,366,023 231.47%
	Minimum Requirement (%)	100.00%	100.00%
	Net Stable Funding Ratio (NSFR)	Total Weig (Rupees	hted Value i in '000)
	Total Available Stable Funding Total Required Stable Funding Net Stable Funding Ratio (%)	3,093,415,106 2,193,804,625 141.01%	3,046,911,457 1,964,571,726 155.09%

141.01%	155.09%
100.00%	100.00%
100.00%	100.00%

#### **ISLAMIC BANKING BUSINESS** 36

The Bank operates 277 (December 31, 2021: 259) Islamic Banking branches and 573 (December 31, 2021: 614) Islamic Banking windows.

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
ASSETS		(Rupees	in '000)
Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments Islamic financing and related assets - net	36.1 36.2 36.3	27,930,468 832,124 - 187,679,329 201,956,796	28,015,270 1,162,953 28,671,686 191,864,941 166,058,790
Fixed assets Intangible assets Due from Head Office Deferred tax assets Other assets		5,736,629 - - 768,806 20,030,938	4,629,739 - - 12,962,183
LIABILITIES Bills payable		444,935,090	433,365,562
Due to financial institutions Deposits and other accounts Due to Head Office Subordinated debt	36.4 36.5	48,272,086 343,780,827 7,375,943 -	31,567,668 346,895,368 11,439,635 -
Deferred tax liabilities Other liabilities		- 15,205,445 414,661,135	73,097 15,554,392 405,556,470
NET ASSETS REPRESENTED BY Islamic Banking Fund		30,273,955	27,809,092
Reserves (Deficit) / surplus on revaluation of investments - net of tax Unappropriated profit	36.6	- (1,019,114) <u>30,793,069</u> <u>30,273,955</u>	- 114,330 27,194,762 27,809,092
Contingencies and commitments			
	36.7	(Unauc) For the nine m	
	36.7		
PROFIT AND LOSS ACCOUNT	36.7	For the nine m September 30,	onths ended September 30, 2021
	36.7 36.8 36.9	For the nine m September 30, 2022	onths ended September 30, 2021
PROFIT AND LOSS ACCOUNT Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income	36.8	For the nine m September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 -	onths ended September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 -
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         Income from derivatives         Gain on securities- net	36.8	For the nine m September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 777,552	onths ended September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15)
PROFIT AND LOSS ACCOUNT         Profit / return expensed         Profit / return         Other income / (loss)         Fee and commission income         Dividend income         Foreign exchange income         Income from derivatives         Gain on securities- net         Others         Total other income	36.8	For the nine m September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 -	onths ended September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 -
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         Income from derivatives         Gain on securities- net         Others         Total other income	36.8	For the nine m September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 777,552 537 1,334,825	onths ended September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540
PROFIT AND LOSS ACCOUNT         Profit / return expensed         Profit / return         Other income / (loss)         Fee and commission income         Dividend income         Foreign exchange income         Income from derivatives         Gain on securities- net         Others         Total other income         Total income         Operating expenses         Workers' Welfare Fund	36.8	For the nine m           September 30, 2022           (Rupees)           32,564,590           20,453,330           12,111,260           795,573           -           461,163           -           77,552           537           1,334,825           13,446,085           4,933,817           149,426	onths ended September 30, 2021 in '000) 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

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

				(Unaudited) September 30, 2022	(Audited) December 31, 2021
36.1	Due from Financial Institutions			(Rupees i	
	Call money lendings Bai Muajjal receivable from financial institutions			-	24,500,000 4,171,686 28,671,686
36.2	Investments by segments		Sontombo	r 30, 2022 (Unaudited)	
30.2	investments by segments		Provision	100, 2022 (Onadanca)	
		Cost / amortised cost	for	Surplus / (deficit)	Carrying value
				upees in '000)	
	Federal Government securities - Ijarah Sukuk	128,452,627		(2,197,920)	126,254,707
	- Other Federal Government securities	3,861,881		-	3,861,881
		132,314,508	-	(2,197,920)	130,116,588
	Non-Government debt securities - Listed	46 402 545		296.000	46 570 545
	- Unlisted	46,193,545 10,959,196		386,000 24,000	46,579,545 10,983,196
		57,152,741	<u> </u>	410,000	57,562,741
	Total Investments	189,467,249	-	(1,787,920)	187,679,329
			Decembe	er 31, 2021 (Audited)	
			Provision		
		Cost / amortised cost	for diminution	Surplus / (deficit)	Carrying value
				1000	
	Federal Government securities		(R	upees in '000)	
	- Ijarah Sukuk	119,617,967	-	(537,141)	119,080,826
	- Other Federal Government securities	11,810,120	-	-	11,810,120
	Non-Government debt securities	131,428,087	-	(537,141)	130,890,946
	- Listed	47,325,231	- 1	681,000	48,006,231
	- Unlisted	12,924,196	-	43,568	12,967,764
	Total Investments	<u>60,249,427</u> 191,677,514		724,568 187,427	60,973,995 191,864,941
		101,011,011			
				(Unaudited) September 30,	(Audited) December 31,
36.3	Islamic financing and related assets - net			2022 (Rupees i	2021 in '000)
00.0	-				
	Diminishing Musharakah Running Musharakah			87,802,286 47,115,459	81,033,335 30,704,784
	Wakalah			9,896,566	10,381,176
	ljarah			2,204,058	2,095,534
	Murabaha			3,991,567	1,897,123
	Currency Salam Tijarah			54,999 2,736,478	195,118 2,058,785
	Istisna			1,960,651	973,605
	Musawamah			2,653,161	401,370
	Advance for Diminishing Musharakah			8,863,970	3,573,753
	Advance for Ijarah			3,420,056	1,208,139
	Advance for Murabaha			5,992,663	8,687,338
	Advance for Salam Advance for Istisna			- 15,275,393	1,228,367 12,886,460
	Advance for Musawamah			1,449,023	272,258
	Inventories against Murabaha			4,950,580	2,438,918
	Inventories against Salam			1,201,000	-
	Inventories against Tijarah			2,216,444	3,347,923
	Inventories against Istisna			2,344,839	3,708,194
	Islamic financing and related assets - gross Provision against Islamic financing and related assets			204,129,193	167,092,180
	- Specific			(1,354,538)	(334,402)
	- General			(817,859)	(698,988)
				(2,172,397)	(1,033,390)
	Islamic financing and related assets - net of provision			201,956,796	166,058,790

	•	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
36.4	Due to financial institutions		(Rupees	in '000)
	Unsecured acceptances of funds Acceptances from the SBP under:		-	1,000,000
	- Islamic export refinance scheme		11,545,690	20,029,111
	- Islamic long term financing facility		7,489,315	5,892,219
	- Islamic financing facility for renewable energy power plants		782,641	336,665
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)		91,600	7,480
	- Islamic refinance and credit guarantee scheme for women entrepreneurs		4,011	-
	- Islamic refinance scheme for payment of wages and salaries		341,073	1,253,895
	- Islamic refinance facility for combating COVID-19		152,537	-
	- Islamic temporary economic refinance facility		2,757,936	2,866,313
	Bai Muajjal - purchase		24,939,031	-
	Acceptances from Pakistan Mortgage Refinance Company		168,252	181,985
			48,272,086	31,567,668

#### 36.5 Deposits and other accounts

	Customers			
	Current deposits	Г	78,703,697	77,159,559
	Savings deposits		147,409,716	124,677,445
	Term deposits		28,125,776	37,475,091
			254,239,189	239,312,095
	Financial Institutions			
	Current deposits	Г	93,720	628,929
	Savings deposits		89,446,272	103,455,298
	Term deposits		1,646	3,499,046
			89,541,638	107,583,273
		=	343,780,827	346,895,368
20.0	Islamia Deutien has been successed at the fit			
36.6	Islamic Banking business unappropriated profit Opening Balance		27 404 762	22 252 744
	Add: Islamic Banking profit for the period / year		27,194,762 7,060,550	22,253,744 8,101,754
	Less: Taxation		(3,459,670)	(3,159,684)
	Less: Transferred / Remitted to Head Office		(2,573)	(1,052)
	Closing Balance	-	30,793,069	27,194,762
		=	00,700,000	21,104,102
36.7	Contingencies and commitments			
	- Guarantees	36.7.1	2,757,321	2,446,959
	- Commitments	36.7.2	30,581,953	54,293,996
		-	33,339,274	56,740,955
		=		
36.7.1	Guarantees			
	Performance guarantees	_	2,757,321	2,446,959
		_		
36.7.2	Commitments			
	Trade-related contingent liabilities		26,876,566	36,101,034
	Commitments in respect of forward foreign exchange contracts	36.7.2.1	3,705,387	18,192,962
		_	30,581,953	54,293,996
36.7.2.1	Commitments in respect of forward foreign exchange contracts	_		
	Purchase		1,866,031	9,520,227
	Sale		1,839,356	8,672,735
			3,705,387	18,192,962
		=		

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

			(Unaudited) For the nine months ended		
36.8	Profit / return earned	September 30, 2022	September 30, 2021		
		(Rupees	in '000)		
	On:				
	Financing	15,049,252	7,711,862		
	Investments	16,868,822	8,041,493		
	Amounts due from financial institutions	646,516	1,443,214		
		32,564,590	17,196,569		
36.9	Profit / return expensed				
	On:				
	Deposits and other accounts	14,771,996	7,781,825		
	Amounts due to financial institutions	5,388,716	726,798		
	Foreign currency deposits for Wa'ad based transactions	13,132	13,318		
	Lease liability against right-of-use assets	279,486	153,857		
		20,453,330	8,675,798		

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

37.1 The Board of Directors, in its meeting held on October 26, 2022, has declared a cash dividend of Rs 1.50 per share in respect of the quarter ended September 30, 2022 (September 30, 2021: Rs 1.75 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

#### 38 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue in the Board of Directors meeting held on October 26, 2022.

#### 39 GENERAL

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director

# CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

# DIRECTORS' REVIEW

# On behalf of the Board of Directors, we are pleased to present the Unconsolidated Financial Statements for the nine months ended September 30, 2022.

Pakistan has become the latest affectee of climate change as devastating floods, caused by melting glaciers and unprecedented rainfall, battered vast swathes of land, inundating nearly a third of the country. The damage from the floods has been estimated by the IFIs and the UN at around \$32.4 billion, 11% of GDP. For now, the focus is on rescue and relief efforts, with rehabilitation likely to last much longer. While there is global recognition and sympathy that the impact of climate change on Pakistan dwarfs the country's contribution to the problem, tangible support has been somewhat underwhelming.

Even before the floods, contractionary policies had triggered a correction in economic indicators as demand management efforts took root. After posting a growth of 11.7% in FY'22, the Large-Scale Manufacturing Index for 2MFY'23 has declined by 0.4% YoY, its first decline in 2 years. Meanwhile, the necessary removal of fuel and electricity subsidies, global commodity price increases and food price volatility have stoked inflation to its highest level in 15 years. Headline inflation took a dip in September, due to deferral of the fuel charge adjustment, but averaged 25.1% for Q1FY'23 compared to 8.6% in Q1FY'22.

Pro-growth policies fuelled by energy subsidies had heightened the current account deficit in FY'22 to USD 17.3 billion (~4.6% of GDP). Since then, fiscal and monetary tightening, and curbing of non-essential imports have combined to contain imports, which declined by 8% in Q1FY'23. On the upside, exports grew by 5.5%, narrowing the trade deficit by 17% YoY, to USD 8.4 billion. Remittances for Q1'FY23 declined by 6% over Q1FY'22, but nevertheless maintained a healthy monthly level of ~USD 2.5 billion. However, the greatly improved trade balance reflected in a strong reduction in the current account deficit, which contracted by 37.4%, to USD 2.2 billion.

External debt repayments and delays in the IMF agreement led to foreign exchange reserves depleting precariously, by nearly 60% from December 2021. The release of the EFF tranche of ~USD 1.16 billion provided only a brief respite with SBP reserves less than USD 8 billion as of end-September. Concerns about the external account and debt financing have also led to elevated yields on Pakistan's Eurobonds, ahead of the December 2022 maturity. The currency remained under sustained pressure from the weak external position, political noise and the floods, further exacerbated by global monetary tightening. As a result, the Rupee depreciated against the US Dollar to historic lows, crossing Rs 240/\$ before a rally, spurred by the appointment of the new Finance Minister, led to some retracement. Even then, by the end of Q1FY'23, the Rupee had devalued by an unprecedented Rs 24/USD (11.5%) in one quarter alone.

The equity market continued a volatile year as the multitude of stresses – macroeconomic pressures, political uncertainty, rate increases by major central banks, and the Rupee trajectory – weighed negatively on investors. The benchmark index has remained choppy and range-bound, ending the quarter at 8.4% below the December 2021 level.

In its recent monetary policy, the SBP kept the policy rate unchanged at 15%, advocating striking a balance between taming inflation and supporting growth, especially in the wake of the floods. The SBP also noted that the economy had slowed considerably, indicating that tightening measures were gaining traction. With both upside and downside risks possible, and the impact of the floods yet to be quantified, the central bank considered it prudent to adopt a status quo position. Industry advances for the first nine months of 2022 have increased by nearly 10% while deposits have grown by 8.8% during the same period. The increases in policy rate are now beginning to be manifested in banking spreads which have increased by 43 bps for 8M'22 compared to 8M'21.

## **Financial Performance**

HBL's Unconsolidated profit before tax of Rs 51.5 billion for the first nine months of 2022 has increased by 14% over the same period last year. This was led by another strong performance from the domestic franchise – delivering on all key activity drivers – complemented by the return to profitability of the international business. The Bank's profit after tax, however, declined by 18% to Rs 21.7 billion because of a higher and excessive tax charge applied in the Federal Budget, which included retrospective application. Consequently, earnings per share reduced to Rs 14.79 in 9M'22 from Rs 18.03 in 9M'21.

HBL's balance sheet grew by 4% to Rs 4.3 trillion with total deposits at Rs 3.2 trillion. Domestic low-cost deposits increased by Rs 214 billion and the mix of current accounts reached nearly 40%. HBL remains committed to supporting its customers and the economic growth of the country, particularly in these challenging economic times. Advances increased by 13% over December 2021 to Rs 1.6 trillion, with broad-based double-digit growth across all customer segments. Corporate lending remains the leading driver; the Consumer business grew by 17% to Rs 120 billion while Commercial lending achieved a key milestone, crossing Rs 100 billion. Agriculture lending, where HBL remains dominant, reached a new all-time high of Rs 45 billion.

With lagged asset repricing now taking effect, spreads widened as expected. Along with a Rs 521 billion growth in the average balance sheet, net interest income of the Bank grew 19% to Rs 107 billion. The growth trajectory of non-fund income continued, with fees increasing by 28% over 9M'21 to Rs 20 billion. The growth in fees was led by another stellar performance from HBL's flagship Cards business supported by double-digit increases in contributions from consumer finance, trade and branchless banking. Consequently, total revenue of the Bank has increased by 21% over the same period last year, to Rs 135.8 billion.

HBL continued to invest in its people and in its digital journey. HBL's administrative expenses (excluding the one-off Voluntary Separation Scheme in H1'22) increased by 25% over the nine months of last year. The Rupee devaluation alone caused an increase of Rs 2.8 billion in the expense base. 15-year high inflation, higher variable transaction-driven costs, spiralling fuel and utilities costs all contributed to the elevated expenses. Total provisions for 9M'22 have reduced by 40% over the previous year to Rs 2.4 billion, with the charge mainly emanating from general provisioning. The infection ratio remained flat at an all-time low of 5.2%, with total coverage at over 102%.

#### **Movement in Reserves**

	Rupees in million
Unappropriated profit brought forward	148,392
Profit attributable to equity holders of the Bank Re-measurement gain on defined benefit obligations – net of tax Transferred from surplus on revaluation of assets – net of tax	21,699 209 44 21,952
Profit available for appropriation Appropriations:	170,344
Transferred to statutory reserves	(2,170)
Cash dividend – Final 2021	(3,300)
Cash dividend – 1st Interim 2022	(3,300)
Cash dividend – 2nd Interim 2022	(2,200)
Total appropriations	(10,970)
Unappropriated profit carried forward	159,374
Earnings per share (Rupees)	14.79

## **Capital Ratios**

HBL's robust results for 9M'22 have led to strong internal capital generation which, under normal circumstances, would lead to a continuous improvement in the Bank's Capital Adequacy Ratio (CAR), despite the Bank's focus on lending growth. However, the CAR continues to be impacted by the Rupee devaluation. In Q3'22 alone, the devaluation of Rs 24/\$ eroded Tier 1 CAR by 42 bps. The Bank's efforts to optimize its balance sheet and risk-weighted assets added 29 bps to somewhat offset the impact of the devaluation.

HBL's total unconsolidated Tier 1 CAR at Sep'22 was 12.3% with Total CAR at 14.9%.

## **Credit Ratings**

During the quarter, Capital Intelligence (CI), an international rating agency, reaffirmed the Bank's long-term and short-term foreign currency ratings at B- and B respectively. HBL's Bank Standalone Rating of b- and Core Financial Strength (CFS) rating of bb- were also re-affirmed. CI noted that the CFS was supported by the Bank's diversified and stable funding profile, sound liquidity ratios and leading market positions in nearly all areas, The Outlook was changed from Stable to Negative, based on CI's view of heightened sovereign risk and Pakistan's external vulnerabilities.

Moody's also downgraded their country rating of Pakistan from B3 to Caa1 and subsequently lowered their ratings of HBL (along with other leading banks) to Caa1 in line with the sovereign.

## Dividend

The Board of Directors, in its meeting held on October 26, 2022, has declared an interim cash dividend of Rs 1.5 per share (15%) for the quarter ended September 30, 2022. This is in addition to the interim dividends of Rs 3.75/share that have been declared and paid for the first two quarters of 2022.

## **Future Outlook**

With inflation soaring to levels not seen in this century, global financial markets are in continued turmoil. A low interest rate environment, coupled with heavy government stimulus and bailouts during COVID distorted consumer spending patterns and induced excess demand at a time when supply chains were frozen. Furthermore, with the Russia-Ukraine conflict escalating and recent OPEC+ actions, volatility in the world oil market is expected to continue, casting an overhang on Pakistan's economy, which is reeling from its worst-ever floods. While headline inflation has moderated in September, core and food inflation both increased. The SBP expects higher food prices to elevate average headline inflation above pre-flood projections of 18-20%, while GDP growth is projected to fall below 2% in FY'23.

The recent removal of the country from the FATF's grey list is a major achievement, especially in the evolving geopolitical order. This represents an opportunity for Pakistan to change the global narrative on the country and should be seized. It demonstrates, and provides a stark reminder of, the benefits of policy continuity despite changes in government. It also provides a road map of how consistency in policies can and should be prioritized in areas like economic development and structural reform, through a Charter of Economy that can be agreed across the political spectrum. The Government must ensure continuity of the EFF, in particular, the structural reforms that have been agreed and strive towards widening the tax net rather than taxing the already-taxed, so that an equitable system is established. Timely repayment of the December Eurobond maturity will also go a long way in calming jittery markets and re-establishing the country's credibility.

HBL has stayed the course with its strategic focus on people, processes and technology, reflected in a record quarter. HBL has helped ease the financial pressure on many of its employees by giving them additional support through this difficult economic period. Recently, recognising the ability of people to contribute much longer than in the past, HBL raised its retirement age to 65 years. This unprecedented initiative has been widely applauded internally and acclaimed across Corporate Pakistan. Once again, at a time of crisis with the devastating floods, HBL has stepped up by contributing and delivering rations, tents and mosquito nets to thousands of affected families; our people have gone to extraordinary lengths, delivering Government subsidies to inaccessible areas at personal risk.

HBL has entrenched its position as a thought leader in all sectors of the economy – from ESG leadership, to being the Government's provider of choice for social payments, to being the key sponsor of national inclusion initiatives. We are extremely proud of our publicly acknowledged role in helping the country exit the FATF grey list, underlining our own pioneering initiatives on this front. As Pakistan's pre-eminent financial institution, HBL, as always, stands ready and willing to support the nation and its people in all their endeavours.

## Appreciation and Acknowledgement

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. They continue to steer us through very challenging times, with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and people of Pakistan, while also safeguarding the integrity and soundness of the banking and financial services industry.

We are indebted to our more than 32 million customers, who continue to entrust us with their business and confidence. Our shareholders have provided steadfast support and to them, and to all our stakeholders, we are deeply grateful. The Board and the management remain committed to maintaining the highest standards of governance and we assure our stakeholders that we will be industry leaders in this area.

Lastly, but certainly not the least, we express our deepest appreciation and gratitude to our employees and their families, especially in customer facing units and branches who continue to go the extra mile to ensure that our customers are able to meet their critical needs. They are our heroes and heroines and we salute them for their dedication and tireless efforts.

On behalf of the Board

Muhammad Aurangzeb President & Chief Executive Officer Moez Ahamed Jamal Director

October 26, 2022

تا خیر ی اثانوں کی قیمتوں پر نظر ثانی اب لا گوہونے سے اسپریڈز توقع کے مطابق وسیع ہو گئے۔ اوسط ہیلنس شیٹ میں 521 ارب روپے کے اضافے کے ساتھ ساتھ بینک کی خالص سودی آمدنی ×19 اضافے سے 107 ارب روپے تک پنچ گئی۔ نان فنڈ آمدن میں اضافے کا سلسلہ جاری رہا، 21ء کے نوماہ کے مقابلے میں فیسوں میں ×28 اضافہ ہوااور یہ 20 ارب روپے تک پنچ گئی۔ فیسوں میں اضافے کے بعد HBL کے فلیگ شپ کارڈز کے کاروبار کی ایک اور شاندار کار کر دگی ساخے آئی، جس میں کنزیو مر فنانس، ٹریڈ اور برانچ لیس بیئنگ کی خالص شر اکت سے دوہند می اضافہ ہوا۔ نیتجاً بینک کی مجموعی آمدنی گزشتہ سال کے اسی عرصے کے مقابلے میں بی 135 ارب روپے تک پنچ گئی۔

HBL نے اپنے لوگوں اور اپنے ڈجیٹل سفریٹ سرمایہ کاری جاری رکھی۔HBL کے انتظامی اخراجات (22ء کی پہلی ششمانی میں ایک بار کی رضاکارانہ علیحد گی اسلیم کو چھوڑ کر) میں گزشتہ سال نے نوماہ کے مقابلے میں ×25اضافہ ہواہے۔صرف روپے کی قدر میں کی کی وجہ سے بنیادی اخراجات میں 2.8ارب روپے کا اضافہ ہوا۔15 سالہ اعلی افراط زر، اعلی متغیر ٹر انزیکشن پر بینی اخراجات، بڑھتے ہوئے ایند ھن اور یونلیٹی خرچوں نے اخراجات بڑھانے میں حصہ لیا۔22ء کے نوماہ کے لیے کل پر دوژن پیچھلے سال کے مقابلے میں 40 کم ہو کر 1.4 پر بینی اخراجات، بڑھتے ہوئے ایند ھن اور یونلیٹی خرچوں نے اخراجات بڑھانے میں حصہ لیا۔22ء کے نوماہ کے لیے کل پر دو ژن پیچھلے سال کے مقابلے میں ×40 کم ہو کر

ذخائر ميں أتار چڑھاؤ

ملین رو <u>پ</u>	
148,392	افتأحى غير شخصيص شده منافع
21,699 209 44	بینک ایکویٹی کے حامل افراد کے لیے قابلِ ادائیگی منافع وضاحت شرہ منفعت پر منافع کے دوبارہ پیائش کا حصتہ – محصول کا خالص اثاثہ جات کی دوبارہ تشخیص پر سرپلس سے منتقل شدہ– محصول کا خالص
21,952 170,344	مناسب کارر وائی کے لیے دستیاب منافع
(2,170)	<b>مختلف مدوں میں رکھی گئی رقوم:</b> تانونی ذخائر میں منتقل شدہ
(3,300)	نقذ منافع منقسمه – حتمی 2021ء نتیب فترمن
(3,300) (2,200)	نقذ منافع منقسمه– پېړلاعبوری2022ء نقد منافع منقسمه– دوسر اعبوری2022ء
(10,970)	كل شخصيص
159,374	اختتامی غیر شخصیص شده منافع
14.79	نی حصص(شیئر) آمدنی(روپے)
	سرمائے کا تناسب

روپ کی پیش ایڈیولی کی بیشی مسلسل بہتری HBL کے 22ء کے نوماہ کے لیے مضبوط نتائج کے نتیج میں مضبوط اندرونی سرمائے کی پیداوار ہوئی ہے جو عام حالات میں بینک کے کیپٹل ایڈیولی ریشو (CAR) میں مسلسل بہتری کاباعث بنے گی، باوجود اس کے کہ بینک نے قرضوں کی نمو پر توجہ دی ہے۔ تاہم، روپے کی قدر میں کمی سے CAR پر مسلسل اثر پڑرہا ہے۔ صرف تیسری سہ ماہی میں \$/24روپے کی قدر میں کمی سے Tier 1 CAR میں bps42 کی کمی واقع ہوئی۔ اپنی بیلنس شیٹ اور رسکی اثاثوں کو بہتر بنانے کے لیے بینک کی کو ششوں میں bps29کا اضافہ ہوا، تا کہ قدر میں کمی کے CAR اثرات کو کسی حد تک پلٹا جا سکے۔

ستمبر 22ء میں HBL کی کل غیر مجموعی 12.3 × Tier 1 CAR تھاجبکہ کل <sup>پر</sup> CAR 14.9 تھا۔

**گریڈٹ رٹینگ** سہ ماہی کے دوران بین الا قوامی رٹینگ ایجنسی کیپٹل انٹلیجنس(CI) نے بینک کی طویل مدتی اور قلیل مدتی غیر ملکی کرنسی کی درجہ بندی بالتر تیب-B اور B پر کرنے کی تصدیق کی۔ HBL کی بینک اسٹیٹڈ الون رٹینگ -b اور کور فنانشل اسٹرینتھ(سی ایف ایس) رٹینگ -bb کی بھی دوبارہ تصدیق کی گئی۔CI نے بیان کیا کہ CFS کو بینک کے متنوع اور مستخلم فنڈنگ پروفائل، مستخلم لیکویڈ پٹی تناسب اور تقریباً تمام شعبوں میں لیڈنگ مار کیٹ پوزیشن کی حمایت حاصل تھی، منظر نامہ مستخلم سے منفی میں تبدیل کیا گیا تھا، جو CI کے نظر سے میں پاکستان کی خود میتاری کے خطرے اور بیر دنی کمزوریوں پر مبنی تھا۔

موڈیزنے پاکستان کی اپنی کنٹر می ریٹنگ بھی B3سے کم کرکے Caa1 کر دمی اور بعد میں HBL ( دیگر بڑے بینکوں سمیت ) کی اپنی درجہ بند می Caa1 تک کم کر دمی۔

ڈا*ئر یکٹر ز*کاجائزہ

بورڈ آف ڈائر یکٹرز کی جانب سے، ہمیں 30 ستمبر 2022ء کو مکمل ہونے والے نو مہینوں کے غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس ہور بی ہے۔

پاکستان حال ہی میں ماحولیاتی تبدیلیوں کے اثرات کا شکار ہواہے۔ پیکھلتے ہوئے گلیشیر زادر غیر معمولی بار شوں سے آنے والے تباہ کن سیلاب نے زمین کے وسیع حصے کوبر باد کر دیا ادر ملک کا تقریباً ایک تہائی حصہ زیر آب آگیا۔IFIs اور اقوام متحدہ کی جانب سے سیلاب سے ہونے والے نقصانات کا تخمینہ تقریباً توجہ ریسکیو اور امدادی کو ششوں پر مرکوز ہے، جبکہ بحالی میں مزید طویل وفت لگ سکتا ہے۔ اگر چہ عالمی سطح پر ہمدردی کے ساتھ تسلیم کیا گیا ہے جو اک تا ہے۔ پلی کی وجو ہات سے سال کے نقصانات کا تخمینہ تقریباً 20 اب ڈالر لگایا گیا ہے جو GDD کا <sup>پر</sup> 11 ہے۔ فی الحال، توجہ ریسکیو اور امدادی کو ششوں پر مرکوز ہے، جبکہ بحالی میں مزید طویل وفت لگ سکتا ہے۔ اگر چہ عالمی سطح پر ہمدردی کے ساتھ تسلیم کیا گیا ہے کہ آب وہوا کی تبدیلی کی وجو ہات میں پاکستان کا اپنا حصہ زیادہ نہیں ہے، تاہم اس حوالے سے واضح حمایت خاصی کم رہی ہے۔

سیلاب سے پہلے ہی، طلب کی منتخلم تنظیم کی کو ششوں کے جڑیکڑتے ہی، سکڑاؤ کی پالیسیوں نے معاشی اشاریوں میں اصلاح کو تحریک دی۔مالی سال 22ء میں بڑا۔11 کی نمو کے بعد،مالی سال 23ء کی دوسر می ششاہی کے لیے بڑے پیانے کے مینونیچر نگ انڈیکس میں گزشتہ سال کے مقاطبے میں بڑا۔0.0 کی سال بسال کی واقع ہوئی ہے، جو 2 سالوں میں پہلی بار ہوا ہے۔ اسی دوران، ایند ھن اور بجلی کی سبسڈی کے ضروری خاتمے، عالمی اجناس کی قیتوں میں اضافے اور خوراک کی قیتوں میں اتار پہلچا دیا ہے۔ فیول چارج ایڈ جسٹمنٹ کے التواکی وجہ سے ستمبر میں ہیڈلائن افر اطرز رمیں کی واقع ہوئی ہے، جو 2 سالوں میں پہلی بار ہوا ہے۔ پہلچ یہ ماہی میں یہ بڑی ہے۔ میں اور بحد میں میڈلائن افر اطرز رمیں کی واقع ہوئی، تاہم سی مالی 2ء کی پہلی سہ ماہی میں او سطاً × 1.22 رہی، جبکہ مالی سال 22ء کی

توانائی کی سبیڈی کی وجہ سے ترقی پیند پالیبیوں نے مالی سال 22ء میں کرنٹ اکاؤنٹ خسارہ 17.3 ملین امریکی ڈالر (GDP کا کم و میش~4.4) تک بڑھادیا تھا۔ اس کے بعد سے مالی اور مالیاتی تنگلی اور غیر ضر درمی درآمدات پر قابوسے درآمدات کم ہو گئیں، جس میں مالی سال 22ء کی پہلی سہ ماہی میں ×8 کی داقع ہوئی ہے۔ اس کے برعکس بر آمدات میں ×5.5 ضافہ ہوا جس سے تجارتی خسارہ ×17 سال بسال کم ہو کر 8.4 ارب ڈالر رہ گیا۔ مالی سال 23ء کی پہلی سہ ماہی کے دوران تر سیلات زرمیں مالی سال 22ء کی پہلی سہ ماہی میں ×8 کی داقع ہوئی ہے۔ اس کے برعکس بر آمدات میں ×5 کمی داقع چس سے تجارتی خسارہ ×17 سال بسال کم ہو کر 8.4 ارب ڈالر رہ گیا۔ مالی سال 23ء کی پہلی سہ ماہی کے دوران تر سیلات زرمیں مالی سال 22ء کی پہلی سہ ماہی کے مقاطبے میں ×6 کمی داقع ہوئی، اس کے باوجو دایک صحت بخش ماہانہ سطح 2.5 ارب ڈالر بر قر ارر ہی۔ تاہم، تجارتی توازن میں بہتری میں اضافہ کرنٹ اکاؤنٹ خسارے میں کمی کی عکاسی کر تا ہے، جو ×4.4 کی

بیرونی قرضوں کی ادائیگی اور IMF معاہد سے میں تاخیر کی وجہ سے غیر ملکی زرمبادلہ کے ذخائر خطرناک طور پر، دسمبر 202ء سے تقریباً بر60 کم ہوگئے۔1.16 ارب ڈالر کی EFF قسط کے اجراسے صرف وقق سکون ملا کیونکہ سمبر کے آخر تک اسٹیٹ بینک کے ذخائر 8 ارب ڈالر سے بھی کم تھے۔ بیرونی اکاؤنٹ اور قرضہ جات کے بارے میں خدشات کی وجہ سے دسمبر 2022ء میں میچور ٹی سے قبل پاکستان کے یوروبانڈز پر پید ادار میں بھی اضافہ ہوا۔ کرنسی کمزور بیرونی پوزیشن، ساسی افرا تفری اور سیاب کی وجہ سے مستقل دباؤ میں رہی، جس کم تھے۔ بیرونی اکاؤنٹ اور قرضہ جات کے بارے میں خدشات کی وجہ سے کی وجہ سے عالمی مالیاتی نظلی میں مزید اضافہ ہوا۔ نیتر تیز اور میں بھی اضافہ ہوا۔ کرنسی کمزور بیرونی پوزیشن، ساسی افرا تفری اور سیلاب کی وجہ سے مستقل دباؤ میں رہی، جس کی وجہ سے عالمی مالیاتی نظلی میں مزید اضافہ ہوا۔ نیتر ڈن انہ کی تقر ری سے پہلے ریلی کے نیتیج میں بحالی سے قبل امر کی ڈالر کے مقابلے میں روپ کی قدر تاریخی خلی رہیں کی وجہ سے عالمی مالیاتی نظلی میں مزید اضافہ ہوا۔ نیتر ڈالر سے بھی سے پہلے ریلی کے نیتیج میں بحالی سے قبل امر کی کی دو تر کی قدر میں کی میں مزید اضافہ ہوا۔ نیتیجا، سے وز اختر سے معلی میں میں میں ہی بی خان میں دیں مطر میں میں

ایکویٹی مارکیٹ ایک سال تک عدم استخکام کا شکار رہی کیونکہ کثیر الجہات تناؤ – میکر واکنامک دباؤ، سیاسی غیر یقینی صور تحال، بڑے سینٹرل بینکوں کی طرف سے شرح میں اضافہ ، اور روپے کی رفتار – سرمایہ کاروں پر بوجھ بن گئی۔ بیچی مارک انڈیکس غیر مستخکم اور حد کا پابند رہا، جو سہ ماہی کے اختشام دسمبر 2021ء کی سطح سے بڑھ بیچے رہا۔

اسٹیٹ بینک نے اپنی حالیہ مانیٹری پالیسی میں پالیسی ریٹ <sup>بر</sup>15 پر بر قرار رکھاہے، خاص طور پر سلاب کے تناظر میں افراط زر پر قابو اور نمو کی معاونت کے در میان توازن قائم کرنے کی حمایت کی گئی ہے۔ اسٹیٹ بینک نے اپنی حالیہ مانیٹ کی کہ معنونت کے در میان توازن قائم کرنے کی حمایت کی گئی ہے۔ اسٹیٹ بینک نے یہ بھی بیان کیا کہ معینت کافی ست روکی کا شکار ہے، جس سے خاہر ہو تاہے کہ سخت اقد امات سے کھنچاؤ بڑھ رہاہے۔ او پر، نیچ دونوں طرح کے خطرات ممکن ہیں، اور سیلاب کے تناظر میں افراط زر پر قابو اور نمو کی معاونت کے در میان توازن قائم کرنے کی حمایت کی گئی ہے۔ اسٹیٹ بینک نے یہ بھی بیان کیا کہ معینت کافی ست روکی کا شکار ہے، جس سے خاہر ہو تاہے کہ سخت اقد امات سے کھنچاؤ بڑھ رہاہے۔ او پر، نیچ دونوں طرح کے خطرات ممکن ہیں، اور سیلاب کے اثرات کاندازہ لگانا بھی باقی ہے، سینٹرل بینک نے جوں کے توں حالات قبول کرنے کو دانشمندانہ قرار دیا ہے۔ سال 22ء کے پہلے نوماہ کے دوران خطرات ممکن ہیں، اور سیلاب کے اثرات کا اندازہ لگانا بھی باقی ہے، سینٹرل بینک نے جوں کے توں حالات قبول کرنے کو دانشمندانہ قرار دیا ہے۔ سال 22ء کے پہلے نوماہ کے دوران انڈ سٹر کی ایڈ دانسز میں تقریباً 10 اضافہ ہوا ہے جب می خاص طور پر طال میں بھی میں اضافہ ہوں ہو گیا ہے۔ میں خاہم ہو نا ہر وا میں خاہ ہو کا میں ہیں میں میں 20 میں ہو گیا ہے ہیں معاون ہو گیا ہے میں 202ء کے 8 مین خاہر ہو نا شر وع ہو گیا ہے جس میں 202ء کے 8 مینوں کے لیے 20 کا خال خافہ ہوا ہے۔ پالیسی دیٹ میں اضافہ اب بینکنگ اسپریڈ میں خاہر ہو ناشر وع ہو گیا ہے جس میں 202ء کے 8 مینوں کے لیے 24 کا اضافہ ہوا ہے۔

# مالياتي كاركردگى

HBL کے 2022ء کے پہلے نوماہ کے دوران 5.15 ارب روپے کے قبل از نیکس غیر مجموعی منافع میں گزشتہ سال کے اسی عرصے کے مقابلے میں جمع 11 اضافہ ہوا ہے۔ ڈومیسٹک فرنچائز کی طرف سے ایک اور مضبوط کار کردگی - تمام اہم سر گرمی کے محرکین کے مطابق کام اور بین الا قوامی کاروبار ی منافع کی واپس سے استخکام ملا۔ تاہم، بینک کا بعد از نیکس منافع ج18 کم ہو کر 12 ارب روپے رہ گیا جس کی وجہ وفاقی بجٹ میں اضافی اور زائد نیکس چار جزمیں، جس میں سابقہ اطلاق بھی شامل ہے۔ نیتجاً 21ء کے نوماہ میں فی شیئر آمدنی 18.03 روپے سے کم ہو کر 22ء کے نوماہ میں 14.79 روپے رہ گئی۔

HBL کی بیکن شیٹ ۶4 اضافے کے ساتھ 4.5 ٹریلین روپے تک پنچ گئی جس کے کُل ڈپازٹس 2.5 ٹریلین روپے ہیں۔ ڈومیسٹک کم لاگت کے ڈپازٹس میں 214 ارب روپے کا اضافہ ہوا اور کرنٹ اکاؤنٹس کا امتراج تقریباً 4.7 کی پنچ گیا۔ HBL پنے سٹر اور ملکی معاثق ترقی کے لیے پر عزم ہے، خصوصاً اس مشکل معاثق دو میں۔ دسمبر 2021ء کے مقابلے میں ایڈ وانسز میں ۶2 اضافہ ہوا اور یہ 1.6 ٹریلین روپے تک پنچ گئے، جس میں تمام کسٹر سیٹمنٹس میں دوہند سی اضافہ ہوا۔ کارپوریٹ قرضہ جات بد ستور اہم محرک رہے۔ کنر پور بزنس ۶۲ اضافہ ہوا اور یہ 1.6 ٹریلین روپے تک پنچ گئے، جس میں تمام کسٹر سیٹمنٹس میں دوہند سی اضافہ ہوا۔ کارپوریٹ قرضہ جات بد ستور اہم محرک رہے۔ کنر پور بزنس ۶۲ اضاف سے ساتھ 120 ارب روپے تک پنچ گیا جبکہ کر شل قربے 100 ارب روپے کا اہم سنگ میل عبور کر گئے۔ زرعی قرضہ جہاں HBL کی برتری ہے، 165 ار روپے کی نئی تاریخی بلند ترین سطح پر چنچ گئے۔

# منافع منقسمه

بورڈ آف ڈائر کیٹرزنے26 اکتوبر 2022ء کو منعقد ہونے والے اجلاس میں 30 ستمبر 2022ء کو اختتام پذیر ہونے والی سہ ماہی کے لیے 1.50 روپے فی حصص (15) کے عبوری نفذ منافع منقسمہ کا اعلان کیا۔ یہ 3.75 روپے فی حصص کے عبوری منافع کے علاوہ ہے جس کا اعلان کیا گیا ہے اور 2022ء کی پہلی دوسہ ماہیوں کے لیے ادا کیا گیا ہے۔

# مستقبل كامنظرنامه

حال ہی میں FATF کی گرے لسٹ سے ملک کا اخراج، خاص طور پر اس ارتفایذ یر عالمی سیاسی تبدیلیوں کے تناظر میں ایک بڑی کا میابی ہے۔ یہ پاکستان کے لیے اپنے بارے میں عالمی نظریہ تبدیل کرنے کا ایک موقع ہے جس سے فائدہ اٹھانا چاہیے۔ یہ حکومتی تبدیلی کے باوجو دپالیسی کے تسلسل کے فوائد کا مظاہرہ اور اس کی ایک واضح یا د دہانی ہے۔ یہ اس بات کا منصوبہ بھی فراہم کر تاہے کہ چارٹر آف اکانو می کے ذریعے معاشی ترقی اصلاحات جیسے شعبوں میں پالسیبوں میں مستقل مز اجی کو کس طرح ترجیح دیات کے لیے اپنے بارے میں عالم سیاسی تناظر میں اس پر انفاق کیا جاسکتا ہے۔ حکومتی تو قلی اصلاحات جیسے شعبوں میں پالسیبوں میں مستقل مز اجی کو کس طرح ترجیح دیاتے دیں جا سیاسی تناظر میں اس پر انفاق کیا جاسکتا ہے۔ حکومت کو FFE کا تسلسل یقینی بنانا چاہیے، خصوصاً ان ساختی اصلاحات کا جن پر انفاق کیا گیاہے اور پہلے سے نئیں دہندہ افراد پر نئیں لگانے سیاسی تناظر میں اس پر انفاق کیا جاسکتا ہے۔ حکومت کو FFE کا تسلسل یقینی بنانا چاہیے، خصوصاً ان ساختی اصلاحات کا جن پر انفاق کیا گیاہے اور پہلے سے نئیں دہندہ افراد پر نئیں لگانے کی بجائے نئیں نیٹ کو وسیم کرنے کی کو شش کرنی چاہیے، تا کہ ایک منصفانہ نظام قائم کیا جاسکے دسمبر کے یوروبانڈ کی میچور ٹی پر بروقت ادائے کی کی کی جان کے بلیے دیندہ افراد پر نئیں لگانے اور ملکی ساکھ بحال کرنے میں ایک طویل سفر طے کرنا ہو گا۔

HBL نے لوگوں، طریقہ کار اور شیکنالو تی پر اپنی حکمت عملی میں توجہ بر قرارر کھی ہے، جس کی عکاسی ایک ریکارڈ سہ ماہی میں ہوتی ہے۔ HBL نے اس مشکل معاشی دور میں اپنے بہت سے ملاز مین کی امداد سے ان کامالی دباؤ کم کرنے میں اضافی معاونت کی ہے۔ حال ہی میں HBL نے ماضی کے مقابلے میں طویل عرصے تک لوگوں کی تعاون کی صلاحت کو تسلیم کرتے ہوئے ریٹائز منٹ کی عمر بڑھا کر 65 سال کر دی ہے۔ اس بے مثال اقدام کوادارے میں بڑے پیانے پر سر اہا گیاہے اور کارپوریٹ پاکستان میں خرابح محسین پیش کی کی کی عکامی کی مقابلے میں طویل عرصے تک لوگوں کی تعاون کی صلاحت کو تسلیم کرتے کن سیلاب کے بحران کے وقت، HBL نے آگے بڑھ کر ہز اروں متاثرہ خاند انوں کو راش ، خیصے اور کچھر دانیاں فراہم کیں۔ ہمارے لوگ میں تک رائی طور میں سرکاری سبیڈی کی فراہمی سے لیے کسی خطرے کی پر واہ کیے بغیر جان جو کھوں میں ڈال کر غیر متوقع حد تک آگے چلے گئے۔

HBL نے معیشت کے تمام شعبوں میں اپنی ایک فکری رہنما کی حیثیت متحکم کی ہے۔ESG کی قیادت سے لے کر، سابق ادائیگیوں کے لیے حکومت کے منتخب فراہم کنندہ، اور قومی شہولیت کے اقد امات کے اہم معادن کی صورت میں اس نے اپنامقام بر قرار رکھا ہے۔FATF کی گرے لسٹ سے نگلنے میں ملک کی مدد پر ہمیں عوامی سطح پر اعتراف پر انتہائی فنخر ہے سے ہمارے لیے خود اس میدان میں ایک اولین قدم ہے۔ پاکستان کے ایک معروف مالیاتی ادارے کی حیثیت سے HBL ہمیشہ کی طرح ملک و قوم کی تمام کو ششوں میں ان کی مد د کر سے تعلق میں ملک کی مدد پر ہمیں عوامی سطح پر اعتراف پر انتہائی فنخر ہے سے تیار اور آمادہ ہے۔

## اظهارتشكر

بورڈ اور انتظامیہ کی جانب سے ہم اپنے ریگولیٹر ز اور حکومتِ پاکتان، بالخصوص اسٹیٹ بینک آف پاکستان، وزارتِ مالیات اور سکیوریٹیز اینڈ ایکیچینج کمیشن آف پاکستان کی کاوشوں کا اعتراف کرتے ہیں۔اس غیر معمولی وقت میں،انھوں نے ایکی پالیسیاں بنائیں اور اقدامات کیے جو مصلحت پر ہنی،اور متوازن ہیں،معیشت، کسٹمر ز اور پاکستان کے عوام کی حفاظت کرتے ہیں،اور بینکنگ اور فنانشل سر وسز انڈسٹر کی کی سالمیت اور بہتر کی کا تحفظ بھی کرتے ہیں۔

ہم اپنے 32 ملین سے زیادہ سٹمر زکے احسان مند ہیں جو اپنے کاروبار اور اعتماد کے ذریعے اپنا بھر وسہ جاری رکھے ہوئے ہیں۔ ہمارے شیئر ہولڈرزنے ثابت قدمی سے ہماراساتھ دیااور ان کے ساتھ ہم تمام اسٹیک ہولڈرز کے بھی انتہائی شکر گزار ہیں۔ بورڈاور انتظامیہ گور ننس کے اعلیٰ ترین معیارات بر قرار رکھنے کے لیے پُرعزم ہے اور ہم اپنے اسٹیک ہولڈرز کویقین دلاتے ہیں کہ اس خطے میں ہم اپنی کاروباری صنعت میں عروج پر ہوں گے۔

آخر میں، لیکن یقینی طور پر کسی سے کم نہیں، ہم اپنے تمام ملاز مین اور اُن کے اہل خانہ، بالخصوص کسٹمر کا سامنا کرنے والے یو نٹس اور برا نچوں میں موجو دعملے کے شکر گزار ہیں، جنھوں نے ان دوسالوں میں خطرناک وہائی حالات میں بہادری کا مظاہرہ کرتے ہوئے بحر ان کے اس وقت میں ہمارے کسٹمرز کی بنیادی ضروریات کی بنکیل یقینی بنائی۔ یہ ہمارے ہیر و اور ہیر وئن ہیں اور ہم اُن کے عزم اور انتقک محنت کے لیے انھیں خراج شخسین پیش کرتے ہیں۔

منجانب بورڈ

محمر اور نگزیب صدر ادر چیف ایگزیکٹو آفیسر



معيزاحمه جمال ڈائیر بکٹر

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 s in '000)
ASSETS			
Cash and balances with treasury banks	5	384,477,618	409,528,880
Balances with other banks	6	22,576,127	32,176,188
Lendings to financial institutions	7	114,930,227	93,742,432
Investments	8	1,853,421,757	1,905,188,657
Advances	9	1,564,719,144	1,384,549,476
Fixed assets	10	102,342,793	94,158,252
Intangible assets	11	11,340,995	6,613,409
Deferred tax assets	12	18,951,232	3,744,933
Other assets	13	178,525,713	144,885,979
		4,251,285,606	4,074,588,206
LIABILITIES			
Bills payable	14	45,982,431	43,853,860
Borrowings	15	576,541,086	432,261,654
Deposits and other accounts	16	3,155,376,487	3,184,260,887
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	12,374,000	12,374,000
Deferred tax liabilities		-	-
Other liabilities	18	208,322,311	143,908,895
	I	3,998,596,315	3,816,659,296
NET ASSETS		252,689,291	257,928,910
REPRESENTED BY			
Shareholders' equity			
Share capital		14,668,525	14,668,525
Reserves		73,821,743	69,678,669
Surplus on revaluation of assets - net of tax	19	4,825,435	25,189,245
Unappropriated profit		159,373,588	148,392,471
		252,689,291	257,928,910
CONTINGENCIES AND COMMITMENTS	20		

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director

# CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022	January 01 to September 30, 2021 (Rupees	September 30, 2022	September 30, 2021
Mark-up / return / profit / interest earned Mark-up / return / profit / interest expensed Net mark-up / return / profit / interest income	22 23	290,012,963 183,313,778 106,699,185	180,997,700 90,986,779 90,010,921	114,680,667 75,656,105 39,024,562	62,026,280 31,945,601 30,080,679
Non mark-up / interest income Fee and commission income Dividend income Foreign exchange income Loss from derivatives Gain on securities - net Other income Total non mark-up / interest income	24 25 26	19,986,361 1,216,515 10,301,944 (3,412,516) 687,309 358,670 29,138,283	15,661,530 1,086,340 2,477,870 (77,203) 1,900,852 976,892 22,026,281	6,785,545 394,203 3,946,396 (2,318,240) 211,537 116,972 9,136,413	5,390,683 196,967 1,199,813 (968,070) 93,426 537,155 6,449,974
Total income Non mark-up / interest expenses		135,837,468	112,037,202	48,160,975	36,530,653
Operating expenses Workers' Welfare Fund Other charges Total non mark-up / interest expenses	27 28	80,482,078 1,030,352 450,995 81,963,425	62,040,974 903,374 79,084 63,023,432	28,141,337 380,926 8,682 28,530,945	20,480,094 271,985 27,242 20,779,321
Profit before provisions and taxation		53,874,043	49,013,770	19,630,030	15,751,332
Provisions / (reversals) and write offs - net Profit before taxation	29	2,355,915 51,518,128	3,916,205 45,097,565	527,478 19,102,552	753,997
Taxation	30	29,819,141	18,651,876	8,915,936	6,035,961
Profit after taxation		21,698,987	26,445,689	10,186,616	8,961,374
Basic and diluted earnings per share	31	14.79	18.03	6.94	6.11

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	September 30, 2022	January 01 to September 30, 2021 (Rupees	September 30, 2022	July 01 to September 30, 2021
Profit after taxation for the period	21,698,987	26,445,689	10,186,616	8,961,374
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	1,973,175	2,174,148	1,070,809	3,577,770
Movement in surplus / deficit on revaluation of investments - net of tax	(20,118,839)	(4,719,320)	(3,797,309)	(2,181,941)
Items that are not to be reclassified to the profit and loss account in subsequent periods				
Remeasurement gain on defined benefit obligations - net of tax	209,435	-		-
Movement in surplus / deficit on revaluation of fixed assets - net of tax	(201,262)	-		-
Transferred to surplus on revaluation of fixed assets - net of tax	79,789	-	79,789	-
Transferred from surplus on revaluation of non-banking assets - net of tax	(79,789)	-	(79,789)	-
Total comprehensive income	3,561,496	23,900,517	7,460,116	10,357,203

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

Khaleel Ahmed Director

Moez Ahamed Jamal Director

# CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

			Reserves		Surplus /	(deficit) on		
			Car	oital	revaluation of			
	Share capital	Statutory	Exchange Translation	Non - distributable	Investments	Fixed / Non Banking Assets	Unappropriated profit	Total
Belance as at December 24, 2020	14 669 525	26.616.207	25 977 206		pees in '000)	07 000 014	120 262 746	242 724 765
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 / (loss) Effect of translation of net investment in foreign branches - net of tax Movement in surplus / deficit on revaluation of assets - net of tax	-	-	2,174,148	-	- (4,719,320)	-	-	2,174,148 (4,719,320)
Transferred to statutory reserve Transferred from surplus on revaluation of assets - net of tax	- - -	- 2,644,569 -	2,174,148 - -	- - -	(4,719,320)	- (165,294)	26,445,689 (2,644,569) 165,294	23,900,517
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 1st interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(4,400,556) (2,566,992)	(4,400,556) (2,566,992)
2nd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
	-	-	-	-	-	-	(9,534,540)	(9,534,540)
Balance as at September 30, 2021 Comprehensive income for the three months ended December 31, 2021	14,668,525	39,260,796	27,804,956	547,115	3,750,722	27,117,520	143,694,620	256,844,254
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	7,825,805	7,825,805
Other comprehensive income / (loss) Effect of translation of net investment in foreign branches - net of tax	-	-	1,283,222	-	-	-	- 206,025	1,283,222 206,025
Remeasurement loss on defined benefit obligations - net of tax Movement in surplus / deficit on revaluation of assets - net of tax	-	-	1,283,222	-	(5,796,084)	132,680		(5,663,404) 3,651,648
Transferred to statutory reserve Transferred from surplus on revaluation of assets - net of tax	-	782,580	1,203,222 - -	-	(5,790,004) - -	132,680 - (15,593)	(782,580) 15,593	3,031,040 - -
Transactions with owners, recorded directly in equity 3rd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
Balance as at December 31, 2021	14,668,525	40,043,376	29,088,178	547,115	(2,045,362)	27,234,607	148,392,471	257,928,910
Comprehensive income for the nine months ended September 30, 2022								
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	21,698,987	21,698,987
Other comprehensive income / (loss) Effect of translation of net investment in foreign branches - net of tax Remeasurement gain on defined benefit obligations - net of tax	-	-	1,973,175 -	-	-	-	- 209,435	1,973,175 209,435
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	- 1.973.175	-	(20,118,839)	(201,262)	- 21,908,422	(20,320,101) 3,561,496
Transferred to statutory reserve	-	2,169,899	1,973,175	-	(20,110,039) -	(201,262)	(2,169,899)	3,301,490
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(43,709)	43,709	-
Transactions with owners, recorded directly in equity Final cash dividend - Rs 2.25 per share declared subsequent								
to the year ended December 31, 2021	-	-	-	-	-	-	(3,300,418)	(3,300,418)
1st interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)
2nd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279) (8,801,115)	(2,200,279) (8,801,115)
Balance as at September 30, 2022	14,668,525	42,213,275	31,061,353	547,115	(22,164,201)	26,989,636	159,373,588	252,689,291
Datanos as at deptember 30, 2022	14,000,020	76,613,613	51,001,000	547,113	(22,104,201)	20,303,030	100,010,000	202,003,231

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director

# CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	September 30,	September 30,
	2022 (Rupees	2021 in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		,
Profit before taxation	51,518,128	45,097,565
Dividend income Mark-up expensed on subordinated debt	(1,216,515) 1,307,766	(1,086,340) 941,834
Mark-up expensed on subordinated dept	91,251	(144,506)
	51,609,379	44,953,059
Adjustments: Depreciation	5,147,845	4,633,100
Amortisation	1,249,545	681,953
Depreciation on right-of-use assets	2,402,757	2,048,407
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,099,628 637,711	2,526,026
Provision / (reversal of provision) for diminution in value of investments Provision against loans and advances	1,893,867	(1,125,272) 4,205,706
Provision against other assets	861,478	63,206
(Reversal of provision) / provision against off-balance sheet obligations	(584,066)	1,192,386
Unrealised gain on held-for-trading securities	27,650	23,156
Exchange gain realised on partial repatriation of branch capital - net of tax Exchange gain realised on liquidation of subsidiary		(246,488) (13,354)
Gain on sale of fixed assets - net	(29,135)	(36,983)
Gain on sale of non - banking assets		(16,000)
Workers' Welfare Fund	1,030,352	903,374
	<u>14,737,632</u> 66,347,011	14,839,217 59,792,276
(Increase) / decrease in operating assets		
Lendings to financial institutions Held-for-trading securities	(21,187,795) 112,338,192	(118,719,270) (62,688,835)
Advances	(182,063,535)	(137,831,493)
Other assets (excluding advance taxation)	(43,147,454)	(19,834,565)
Increase ( (decrease) in energing lightlifting	(134,060,592)	(339,074,163)
Increase / (decrease) in operating liabilities Bills payable	2,128,571	571,244
Borrowings from financial institutions	144,279,432	(146,880,401)
Deposits and other accounts	(28,884,400)	316,484,985
Other liabilities	<u>60,390,678</u> 177,914,281	<u>30,527,637</u> 200,703,465
	110,200,700	(78,578,422)
Income tax paid	(22,006,673)	(17,562,442)
Net cash flows generated from / (used in) operating activities	88,194,027	(96,140,864)
CASH FLOWS FROM INVESTING ACTIVITIES Net investment in available-for-sale securities	(104,545,963)	115,978,235
Net investment in held-to-maturity securities	9,711,064	(37,456,074)
Net investment in subsidiaries	(4,286,993)	(2,324,696)
Net investment in associates	2,178,957	(222,276)
Dividend received Investments in fixed assets	1,388,982 (11,543,836)	1,027,445 (9,173,810)
Investments in intangible assets	(5,917,497)	(1,989,662)
Proceeds realised on liquidation of subsidiary	-	36,590
Proceeds from sale of fixed assets	42,904	58,979
Proceeds from sale of non-banking assets Effect of translation of net investment in foreign branches - net of tax	- 1,973,175	216,000 2,174,148
Net cash flows (used in) / generated from investing activities	(110,999,207)	68,324,879
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of subordinated debt	-	(9,982,000)
Payment of mark-up on subordinated debt Payment of lease liability against right-of-use assets	(1,302,145) (3,126,275)	(1,228,722) (2,827,007)
Dividend paid	(7,417,723)	(8,303,075)
Net cash flows used in financing activities	(11,846,143)	(22,340,804)
Decrease in cash and cash equivalents during the period	(34,651,323)	(50,156,789)
Cash and cash equivalents at the beginning of the period	421,808,267	382,156,714
Effect of exchange rate changes on cash and cash equivalents	19,896,801	4,254,754
	441,705,068	386,411,468
Cash and cash equivalents at the end of the period	407,053,745	336,254,679

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director

January 01 to

January 01 to

#### 1 STATUS AND NATURE OF BUSINESS

Habib Bank Limited (the Bank) is incorporated in Pakistan and is engaged in commercial banking services within and outside Pakistan. The Bank's registered office is at Habib Bank Tower, 9th Floor, Jinnah Avenue, Blue Area, Islamabad and its principal office is at HBL Tower, Plot # G-4, KDA Scheme 5, Block 7, Clifton, Karachi. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 1,693 (December 31, 2021: 1,648) branches inside Pakistan including 277 (December 31, 2021: 259) Islamic Banking Branches and 36 (December 31, 2021: 37) branches outside the country including in the Karachi Export Processing Zone (KEPZ). The Aga Khan Fund for Economic Development S.A. (AKFED) is the parent company of the Bank and its registered office is in Geneva, Switzerland.

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

#### 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 with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

2.2 The disclosures made in these condensed interim 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, 2021.

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are considered either to not be relevant or to not have any significant impact on these condensed interim unconsolidated financial statements.

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

As per the SBP's BPRD Circular Letter no. 03 dated July 05, 2022, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after January 01, 2023. Certain requirements of this standard will be applicable from January 01, 2024. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

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

#### 2.5 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2021, except the following:

During the period, the Bank has reviewed the useful life of Point of Sale (POS) terminals which has resulted in a change in the Bank's estimate of the useful life of these terminals from 3 years to 4 years. This revision has been accounted for as a change in accounting estimate in accordance with the requirements of IAS 8 and accordingly, has been recognised prospectively in the unconsolidated profit and loss account from the current year.

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

	September 30, 2023	September 30, 2022
	(Rupees	s in '000)
Decrease in information technology expenses - depreciation	41,975	76,078

#### 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, 2021.

#### 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, 2021.

5	CASH AND BALANCES WITH TREASURY BANKS	(Unaudited) September 30, 2022	(Audited) December 31, 2021
0	CASH AND DALANCES WITH INCLOSULT DAINS		es in '000)
	In hand	(Rupee	5 m 000)
	Local currency	56,350,553	46,849,289
	Foreign currencies	9,831,446	5,167,639
	r oroigh ourrenoice	66.181.999	52.016.928
	With State Bank of Pakistan in	00,101,000	02,010,020
	Local currency current accounts	113,268,690	143,740,748
	Local currency special deposit account	2,790,176	2,531,227
	Foreign currency current accounts	10,380,174	8,637,953
	Foreign currency deposit accounts	3,574,036	18,104,962
		130,013,076	173,014,890
	With other Central Banks in	,	,,
	Foreign currency current accounts	35,501,243	34,242,436
	Foreign currency deposit accounts	31,940,018	12,755,756
		67,441,261	46,998,192
	With National Bank of Pakistan in local currency current accounts	120,744,692	137,197,419
	National Prize Bonds	96,590	301,451
		384,477,618	409,528,880
6	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts		65
			00
	Outside Pakistan	44.004.400	05 005 000
	In current accounts	14,334,499	25,295,629
	In deposit accounts	8,241,628	6,880,494
		22,576,127	32,176,123
		22,576,127	32,176,188
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	1,142,260	24,600,000
	Repurchase agreement lendings (reverse repo)	113,787,967	64,970,746
	Bai Muajjal receivable from financial institutions	-	4,171,686
		114,930,227	93,742,432

8	INVESTMENTS Not	e <u>S</u>		2022 (Unaudited	d)			er 31, 2021 (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		aiminution		(	(Rupees in '000)	aiminution		
	Held-for-trading (HFT) securities								
	Federal Government securities								
	- Market Treasury Bills - Pakistan Investment Bonds	29,705,285 56,286,892		(4,853) (6,215)	29,700,432 56,280,677	111,463,172 92,201,740	-	(31,502) 110,414	111,431,670 92,312,154
	Shares - Listed companies Foreign securities	267,467	-	(20,644)	246,823	332,860	-	(24,270)	308,590
	- Government debt securities	5,784,064		4,062	5,788,126	316,867	-	12,619	329,486
	Available-for-sale (AFS) securities	92,043,708	-	(27,650)	92,016,058	204,314,639	-	67,261	204,381,900
	Federal Government securities								
	Aarket Treasury Bills     Pakistan Investment Bonds     Ijarah Sukuk	256,973,422 865,968,775 128,452,627		(1,834,585) (18,621,841) (2,197,920)	255,138,837 847,346,934 126,254,707	274,430,197 801,894,166 119,617,967	-	121,938 (4,790,129) (537,141)	274,552,135 797,104,037 119,080,826
	- Government of Pakistan US Dollar Bonds - Other Federal Government securities	23,426,543 3,861,881	(474,718) -	(11,903,000) -	11,048,825 3,861,881	15,473,165 1,016,120	(347,350) -	458,144 -	15,583,959 1,016,120
	Shares - Listed companies - Unlisted companies Non-Government debt securities	7,156,479 5,372,623	(2,029,716) (109,110)	(99,296) -	5,027,467 5,263,513	8,170,830 5,372,623	(1,962,154) (91,009)	427,255 -	6,635,931 5,281,614
	- Listed - Unlisted Foreign securities	52,544,143 2,164,233	(71,566) (413,232)	(2,535,468) 24,000	49,937,109 1,775,001	51,499,951 1,648,381	(78,236) (247,381)	638,300 24,000	52,060,015 1,425,000
	Government debt securities     Non-Government debt securities - Listed     Equity securities - Unlisted National Investment Unit Trust units	93,693,705 8,215,053 7,794 11,113	(1,024,569) (60,040) (196)	(1,421,902) (486,407) - 29,105	91,247,234 7,668,606 7,598 40,218	58,024,162 6,958,115 6,318 11,113	(288,791) (37,019) (156)	112,561 70,385 - 35,335	57,847,932 6,991,481 6,162 46,448
	Real Estate Investment Unit Trust units Preference shares - Listed	1,180,000		14,350	1,194,350	55,000	-	5,800	60,800
	- Unlisted	744,400 176,985	- (145,999)	148,400	892,800 30,986	744,400 176,985	- (150,075)	80,500	824,900 26,910
	Held-to-maturity (HTM) securities 8.2	1,449,949,776	(4,329,146)	(38,884,564)	1,406,736,066	1,345,099,493	(3,202,171)	(3,353,052)	1,338,544,270
	Federal Government securities - Market Treasury Bills - Pakistan Investment Bonds - Other Federal Government securities	59,719,000 229,219,842 -		-	59,719,000 229,219,842 -	- 285,512,630 10,794,000	- -	- - -	285,512,630 10,794,000
	Non-Government debt securities - Listed - Unlisted	1,733,539 17,808,886	- -	:	1,733,539 17,808,886	2,365,422 18,348,917	-	-	2,365,422 18,348,917
	Foreign securities - Government debt securities - Non-Government debt securities	13,874,117	-	-	13,874,117	14,672,889	-	-	14,672,889
	- Listed - Unlisted	215,614 313,850 322,884,848	(15,852) (594) (16,446)		199,762 313,256 322,868,402	285,954 616,100 332,595,912	(25,061) (1,559) (26,620)	-	260,893 614,541 332,569,292
	Investment in associates and joint venture 8.2	7,422,474	-	-	7,422,474	9,601,431	-	-	9,601,431
	Investment in subsidiary companies Total Investments	24,378,757 1,896,679,563	- (4,345,592)	- (38,912,214)	24,378,757 1,853,421,757	20,091,764 1,911,703,239	- (3,228,791)	(3,285,791)	20,091,764 1,905,188,657
								(Unaudited) September 30,	(Audited) December 31,
0.4.4								2022 (Burness)	2021
8.1.1	Investments given as collateral The market value of investments given as	collateral agains	t borrowings	s is as follows	:			(Rupees i	in '000)
	Federal Government securities - Market Treasury Bills - Pakistan Investment Bonds - Sukuk							76,232,182 182,429,910 25,650,200	980,924 139,564,697 -
	Foreign securities Government debt securities							188,310 284,500,602	- 140,545,621

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

		September 30, 2	2022 (Unaudited)	December 31,	2021 (Audited)
		Book value	Market value	Book value	Market value
			(Rupees	in '000)	
	- Investments classified as held-to-maturity	322,868,402	299,985,092	332,569,292	317,744,030
	- Investment in listed associates and joint venture	7,166,243	16,243,716	9,345,200	27,584,028
				(Unaudited)	(Audited)
				September 30, 2022	December 31, 2021
8.3	Particulars of provision held against diminution in the value of investments			(Rupees	in '000)
	Opening balance			3,228,791	4,385,056
	Exchange adjustment			304,320	74,724
	Charge / (reversal)				
	Charge for the period / year			1,240,766	512,131
	Reversal for the period / year			(108,395)	(424,963)
	Reversal on disposal during the period / year			(494,660)	(1,318,157)
	Net charge / (reversal)			637,711	(1,230,989)
	Transferred in			67,880	-
	Other movement			106,890	-
	Closing balance			4,345,592	3,228,791

#### 8.4 Particulars of provision against debt securities

Particulars of provision against debt securities				
	(Unaudited) September 30, 2022		(Audi December	
Category of classification	Non- Performing Investments	Provision	Non- Performing Investments in '000)	Provision
Domestic Loss	413,232	413,232	247,381	247,381
Overseas Overdue by:				
Upto 90 days	456,648	268,543	-	-
91 to 180 days	684,973	504,873	-	-
	1,141,621	773,416	-	-
Total	1,554,853	1,186,648	247,381	247,381

8.4.1 In addition to the above, overseas branches hold a general provision of Rs 873.923 million (December 31, 2021: Rs 778.017 million) against investment in accordance with the ECL requirements of IFRS 9.

			Perfo	rming	Non - performing		То	tal
			(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
9	ADVANCES	Note	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
					(Rupees	in '000)		
	Loans, cash credits, running finances, Islamic financing and related assets Bills discounted and purchased	etc. 36.3	1,255,596,257 200,646,731 110,332,786	1,125,717,507 166,754,863 96,563,328	73,913,795 3,482,462 7,770,651	68,226,061 337,317 5,606,279	1,329,510,052 204,129,193 118,103,437	1,193,943,568 167,092,180 102,169,607
	Advances - gross		1,566,575,774	1,389,035,698	85,166,908	74,169,657	1,651,742,682	1,463,205,355
	Provision against advances - Specific - General	9.3	- (11,456,838) (11,456,838)	- (9,569,507) (9,569,507)	(75,566,700) - (75,566,700)	(69,086,372) - (69,086,372)	(75,566,700) (11,456,838) (87,023,538)	(69,086,372) (9,569,507) (78,655,879)
	Advances - net of provision		1,555,118,936	1,379,466,191	9,600,208	5,083,285	1,564,719,144	1,384,549,476

		(Unaudited)	(Audited)
		September 30, 2022	December 31, 2021
9.1	Particulars of advances (gross)	(Rupees	in '000)
	In local currency	1,294,366,679	1,164,857,784
	In foreign currencies	357,376,003	298,347,571
		1,651,742,682	1,463,205,355

9.2 Advances include Rs 85,166.908 million (December 31, 2021: Rs 74,169.657 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Unauc September		(Audited) December 31, 2021	
	Non - performing advances	Provision	Non - performing advances in '000)	Provision
Domestic		<b>V</b> . <b>P</b>		
Other assets especially mentioned	697,724	-	338,312	-
Substandard	7,286,325	1,807,839	2,613,643	633,285
Doubtful	1,724,898	862,449	1,204,317	602,158
Loss	41,578,632	40,862,456	43,080,525	42,092,554
Overseas	51,287,579	43,532,744	47,236,797	43,327,997
Not past due but impaired	164,074	77,299	33,958	8,490
Overdue by:				
Upto 90 days	16,067	2,410	29,965	-
91 to 180 days	18,881	2,350	17,181	14,815
181 to 365 days	14,135	11,976	1,995,683	1,929,459
> 365 days	33,666,172	31,939,921	24,856,073	23,805,611
	33,879,329	32,033,956	26,932,860	25,758,375
Total	85,166,908	75,566,700	74,169,657	69,086,372

#### 9.3 Particulars of provision against advances

Note	Septemb	er 30, 2022 (Una	udited)	Decem	ber 31, 2021 (Aud	dited)
	Specific	General	Total	Specific	General	Total
			(Rupees	in '000)		
Opening balance	69,086,372	9,569,507	78,655,879	67,067,637	9,498,565	76,566,202
Exchange adjustment	7,121,131	734,473	7,855,604	2,397,887	209,339	2,607,226
Charge for the period / year	4,542,198	1,211,497	5,753,695	9,396,546	1,284,701	10,681,247
Reversal for the period / year	(3,801,189)	(58,639)	(3,859,828)	(3,455,270)	(1,423,098)	(4,878,368)
Net charge / (reversal) against advances	741,009	1,152,858	1,893,867	5,941,276	(138,397)	5,802,879
Charged off during the period / year-						
agriculture financing 9.5	(274,163)	-	(274,163)	(532,280)	-	(532,280)
Written off during the period / year	(1,039,769)	-	(1,039,769)	(5,788,148)	-	(5,788,148)
Transferred out	(67,880)	-	(67,880)	-	-	-
Closing balance	75,566,700	11,456,838	87,023,538	69,086,372	9,569,507	78,655,879

9.4 General provision includes provision amounting to Rs 3,196.947 million (December 31, 2021: Rs 2,753.209 million) against consumer finance portfolio. General provision also includes Rs 3,800.551 million (December 31, 2021: Rs 2,517.958 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates. General provision also includes Rs 4,459.340 million (December 31, 2021: Rs 2,517.958 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Bank operates. General provision also includes Rs 4,459.340 million (December 31, 2021: 4,298.340 million) carried as a matter of prudence, on account of borrowers impacted by the Covid pandemic as well as by the currently stressed economic conditions.

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

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
10	FIXED ASSETS			s in '000)
	Capital work-in-progress	10.1	11,031,909	7,487,106
	Property and equipment	10.1	91,310,884	86,671,146
			102,342,793	94,158,252
10.1	Capital work-in-progress			- , , -
	Civil works		8 066 004	4,367,583
	Equipment		8,966,094 1,020,712	310,830
	Advances to suppliers and contractors		1,045,103	2,808,693
	Advances to suppliers and contractors		11,031,909	7,487,106
			11,001,000	1,101,100
10.2	Additions to fixed assets		(Unau) For the nine r	
			September 30,	September 30,
			2022	2021
	The following additions have been made to fixed assets during the perio	d:	(Rupees	
	Capital work-in-progress - net		3,544,803	3,190,160
	Property and equipment			
	Leasehold land		469,366	400,000
	Building on freehold land		-	2,019
	Building on leasehold land		113,752	184,048
	Machinery		35,277	85,200
	Leasehold improvements		2,174,664	1,340,718
	Furniture and fixtures		792,674	616,242
	Electrical, office and computer equipment Vehicles		4,347,452 65,848	3,263,615 91,808
	Venicies		7,999,033	5,983,650
	Right-of-use assets - net		3,250,675	2,007,161
			14,794,511	11,180,971
10.3	Disposals of fixed assets			
	The net book value of fixed assets disposed off during the period is as for	ollows:		
	Property and equipment			
	Machinery		4	-
	Leasehold improvements		4,978	24
	Furniture and fixtures		1,231	1,082
	Electrical, office and computer equipment		6,189	8,237
	Vehicles		1,367	12,653
			13,769	21,996
			(Unaudited)	(Audited)
			September 30,	December 31,
			2022	2021
11	INTANGIBLE ASSETS		(Rupee	s in '000)
	Capital work-in-progress - computer software		4,622,306	2,034,059
	Intangible assets		6,718,689	4,579,350
			11,340,995	6,613,409
			(Unau	
				nonths ended
11 1	Additions to intensibles seasts		September 30,	September 30,
11.1	Additions to intangibles assets		2022 (Puppes	2021
	The following additions have been made to intangible assets during the	period:	(Rupees	000)
	Capital work-in-progress - net - computer software		2,588,247	301,970
	Computer software		3,329,250	1,687,692
	Compater Contrare		5,917,497	1,989,662
			0,011,401	1,000,002

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		Note	(Unaudited) September 30, 2022 (Rupee	(Audited) December 31, 2021 s in '000)
12	DEFERRED TAX ASSETS / (LIABILITIES)			
	Deductible temporary differences on			
	- Provision against investments		850,306	744,857
	- Provision against doubtful debts and off-balance sheet obligations	004	3,156,537	3,033,816
	<ul> <li>Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2</li> <li>Deficit on revaluation of investments</li> </ul>	19	2,717,261 16,720,363	2,583,250 1,307,690
	- Provision against other assets	19	5,855	15,342
	- Ijarah financing		176,771	156,250
	·]		23,627,093	7,841,205
	Taxable temporary differences on			
	- Accelerated tax depreciation		(1,812,751)	(1,675,533)
	- Surplus on revaluation of fixed assets	19	(1,916,677)	(1,748,389)
	- Exchange translation reserve		(946,433)	(672,350)
			(4,675,861)	(4,096,272)
	Net deferred tax assets		18,951,232	3,744,933
13	OTHER ASSETS			
	Mark-up / return / profit / interest accrued in local currency - net of provision		75,727,182	48,301,309
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,196,022	3,558,922
	Advances, deposits, advance rent and other prepayments		5,577,902	3,564,250
	Advance taxation		13,459,667	21,699,101
	Advance against subscription of securities		1,578,000	178,000
	Stationery and stamps on hand		137,031	134,835
	Accrued fees and commissions Due from Government of Pakistan / SBP		341,912	542,228
	Mark to market gain on forward foreign exchange contracts		4,115,631 13,074,886	2,048,993 8,470,307
	Mark to market gain on derivative instruments		-	251,603
	Non-banking assets acquired in satisfaction of claims		231,805	459,389
	Receivable from defined benefit plan			759,354
	Branch adjustment account		-	897,554
	Acceptances		37,134,252	35,740,017
	Clearing and settlement accounts		20,082,696	17,436,987
	Dividend receivable		12,746	185,213
	Claims receivable against fraud and forgeries		851,986	541,337
	Others		1,949,532 180,471,250	1,136,161 145,905,560
			100,471,230	143,903,500
	Provision held against other assets	13.1	(2,089,811)	(1,243,645)
	Other assets- net of provision		178,381,439	144,661,915
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	144,274	224,064
	Other assets - total		178,525,713	144,885,979
13.1	Provision held against other assets			
	Non-banking assets acquired in satisfaction of claims		-	2,467
	Claims receivable against fraud and forgeries		851,986	541,337
	Suit filed cases		4,978	4,800
	Others		1,232,847	695,041
			2,089,811	1,243,645

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
13 1 1	Movement in provision against other assets		(Rupee	s in '000)
10.1.1				
	Opening balance Exchange adjustment		1,243,645 20,824	1,127,909 (17,808)
	Charge for the period / year Reversal for the period / year Net charge		881,626 (20,148) 861,478	741,684 (551,548) 190,136
	Written off during the period / year		(34,804)	(56,592)
	Other movement		(1,332)	-
	Closing balance		2,089,811	1,243,645
14	BILLS PAYABLE			
	In Pakistan		44,047,886	42,654,426
	Outside Pakistan		1,934,545	1,199,434
15	BORROWINGS		45,982,431	43,853,860
	<ul> <li>Secured</li> <li>Borrowings from the SBP under <ul> <li>Export refinance scheme</li> <li>Long term financing facility</li> <li>Financing facility for renewable energy power plants</li> <li>Refinance facility for modernization of Small and Medium Enterprises (SMEs)</li> <li>Refinance and credit guarantee scheme for women entrepreneurs</li> <li>Financing facility for storage of agricultural produce</li> <li>Refinance scheme for payment of wages and salaries</li> <li>Refinance facility for combating COVID-19</li> <li>Temporary economic refinance facility</li> <li>Refinance facility for SME Asaan Finance (SAAF) scheme</li> </ul> </li> <li>Repurchase agreement borrowings</li> <li>Overdrawn nostro accounts <ul> <li>Borrowings of overseas branches</li> <li>Other long-term borrowings</li> </ul> </li> </ul>	15.1	56,125,270 43,196,156 7,531,348 351,302 80,454 389,433 3,857,416 1,786,818 33,833,156 2,703,528 149,854,881 284,911,380 434,766,261	69,782,711 32,529,493 6,805,470 241,788 155,370 333,349 15,476,761 1,055,725 26,010,138 - 152,390,805 140,193,364 292,584,169 1,000,000 618,796 81,220,283 56,838,406 139,677,485
			576,541,086	432,261,654
15 1	This includes the following:			

## 15.1 This includes the following:

- 15.1.1 A loan from the International Finance Corporation amounting to US\$ 125 million (December 31, 2021: US\$ 150 million). The remaining principal amount is payable in five equal semi-annual installments and the last installment is due on December 2024. Interest at LIBOR + 5.00% per annum (December 31, 2021: LIBOR + 5.00% per annum) is payable semi-annually.
- 15.1.2 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\$ 190 million (December 31, 2021: US\$ 170.975 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 from January 31, 2023 to January 31, 2033. 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 168.252 million (December 31, 2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (December 31, 2021: 11.21% per annum) is payable semi-annually.

### 16 DEPOSITS AND OTHER ACCOUNTS

	Septem	ber 30, 2022 (Un	audited)	Decer	mber 31, 2021 (Ai	udited)
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			(Rupee	s in '000)		
Customers						
Current deposits	1,041,325,337	161,245,397	1,202,570,734	946,973,718	130,629,895	1,077,603,613
Savings deposits	1,113,744,476	164,565,582	1,278,310,058	1,083,204,383	93,067,228	1,176,271,611
Term deposits	344,340,209	216,556,353	560,896,562	437,652,740	158,727,090	596,379,830
	2,499,410,022	542,367,332	3,041,777,354	2,467,830,841	382,424,213	2,850,255,054
Financial institutions						
Current deposits	7,630,850	3,025,651	10,656,501	5,635,457	1,406,584	7,042,041
Savings deposits	93,258,139	1,594,363	94,852,502	294,001,584	451,389	294,452,973
Term deposits	2,601,268	5,488,862	8,090,130	26,495,962	6,014,857	32,510,819
	103,490,257	10,108,876	113,599,133	326,133,003	7,872,830	334,005,833
	2,602,900,279	552,476,208	3,155,376,487	2,793,963,844	390,297,043	3,184,260,887
				Note	(Unaudited) September 30, 2022 (Rupee	(Audited) December 31, 2021 s in '000)
SUBORDINATED DEE	зт				(Rupoo	
Additional Tier I Term I	- inance Certificate	S		17.1	12,374,000	12,374,000

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

The key features of the issue are as follows:

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Issue date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2021: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. 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 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".

18	OTHER LIABILITIES	Note	(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
	Mark-up / return / profit / interest payable in local currency		36,338,208	8,660,189
	Mark-up / return / profit / interest payable in foreign currency		6,119,903	2,499,116
	Security deposits		1,252,370	909,334
	Accrued expenses		22,090,887	19,564,176
	Mark to market loss on forward foreign exchange contracts		8,444,220	6,895,147
	Mark to market loss on derivative instruments		7,147,513	2,624,952
	Unclaimed dividends		741,521	727,940
	Dividends payable		2,697,574	1,327,763
	Provision for post retirement medical benefits		3,690,025	4,557,833
	Provision for employees' compensated absences		1,504,568	2,177,565
	Provision against off-balance sheet obligations	18.1	2,398,182	2,687,054
	Acceptances		37,134,252	35,740,017
	' Branch adjustment account		3,520,929	-
	Provision for staff retirement benefits		1,519,573	1,251,289
	Payable to defined benefit plans		758,910	433,201
	Provision for Workers' Welfare Fund		8,534,177	7,503,825
	Unearned income		4,434,990	4,452,650
	Qarz-e-Hasna Fund		338,409	338,409
	Levies and taxes payable		5,143,609	7,527,698
	Insurance payable		1,271,586	1,221,867
	Provision for rewards program expenses		2,534,572	1,748,370
	Liability against trading of securities		22,294,347	3,701,035
	Clearing and settlement accounts		1,901,607	4,214,923
	Payable to HBL Foundation		354,485	405,576
	Contingent consideration payable		500,000	500,000
	Charity fund		20,421	44,865
	Lease liability against right-of-use assets		22,094,822	19,528,712
	Unclaimed deposits		516,897	348,609
	Others		3,023,754	2,316,780
			208,322,311	143,908,895
18.1	Provision against off-balance sheet obligations			
	Opening balance		2,687,054	1,138,648
	Exchange adjustment		295,194	(38,031)
	Charge for the period / year		95,553	1,616,293
	Reversal for the period / year		(679,619)	(75,785)
	Net (reversal) / charge		(584,066)	1,540,508
	Written off during the year		-	(1,653)
	Transferred in		-	47,582
	Closing balance		2,398,182	2,687,054
19	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
	Surplus / (deficit) arising on revaluation of:			
	- Fixed assets		28,762,039	28,758,932
	- Available-for-sale securities	8.1	(38,884,564)	(3,353,052)
	- Non-banking assets acquired in satisfaction of claims	13	144,274	224,064
	Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:		(9,978,251)	25,629,944
	- Fixed assets		1,916,677	1,748,389
	- Available-for-sale securities		(16,720,363)	(1,307,690)
	- Non-banking assets acquired in satisfaction of claims		-	-
			(14,803,686)	440,699
	Surplus on revaluation of assets - net of tax		4,825,435	25,189,245

20	CONTINGENCIES AND COMMITMENTS	Note	(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
	- Guarantees	20.1	308,383,290	259,969,505
	- Commitments - Other contingent liabilities	20.2 20.3	1,024,579,907 22,729,517 1,355,692,714	1,073,509,689 25,699,064 1,359,178,258
20.1	Guarantees:		1,555,092,714	1,339,170,230
	Financial guarantees		103,275,118	86,368,473
	Performance guarantees Other guarantees		196,255,946 8,852,226	165,461,222 8,139,810
20.2	Commitments:		308,383,290	259,969,505
20.2				
	Trade-related contingent liabilities Commitments in respect of:		384,958,969	336,984,624
	- forward foreign exchange contracts	20.2.1	444,165,293	560,033,923
	- forward Government securities transactions - derivatives	20.2.2 20.2.3	104,514,247 59,038,216	93,562,463 42,049,128
	- forward lending	20.2.4	16,908,291	28,792,146
	Commitments for acquisition of:		624,626,047	724,437,660
	- fixed assets		9,779,860	10,202,010
	- intangible assets		5,215,031	1,885,395
			14,994,891	12,087,405
			1,024,579,907	1,073,509,689
20.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		300,793,079	320,185,675
	Sale		143,372,214	239,848,248
			444,165,293	560,033,923
20.2.2	Commitments in respect of forward Government securities transactions			
	Purchase		62,909,745	27,830,190
	Sale		<u>41,604,502</u> 104,514,247	65,732,273 93,562,463
20.2.3	Commitments in respect of derivatives		104,514,247	33,302,403
	Cross currency swaps Purchase		23,851,755	17,058,770
	Sale		31,569,794	19,308,883
	Interact rate swape		55,421,549	36,367,653
	Interest rate swaps Purchase		-	-
	Sale		3,616,667	5,681,475
20.2.4	Commitments in respect of forward lending		3,616,667	5,681,475
	Undrawn formal standby facilities, credit lines and other commitments to extend credit		16,908,291	28,792,146
	These represent commitments that are irrevocable because they can not be withdrawn at th	o discrotion of t	he Bank without the r	isk of incurring a

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

		(Unaudited)	(Audited)
		September 30,	December 31,
		2022	2021
		(Rupees	s in '000)
20.3	Other contingent liabilities		
20.3.1	Claims against the Bank not acknowledged as debts	22,729,517	25,699,064

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

#### 21 DERIVATIVE INSTRUMENTS

Prod	uct	Ana	lveie
1100	uut	Allu	y 313

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Segtember 30, 2022 (Juscilled)           Cross currency swaps         Interest rats swaps           Notional         Mark to principal         Notional         Mark to market loss           Market Making         55,421,549         (6,914,285)         3,616,667         (233,228)           December 31, 2021 (Audited)         Cross currency swaps         Interest rats swaps         Notional         Market loss           Market Making         55,421,549         (6,914,285)         3,616,667         (233,228)           December 31, 2021 (Audited)         Cross currency swaps         Interest rats swaps         Notional         Market loss           Market Making         38,367,653         (2,189,720)         5,681,475         (183,629)           Market Making         38,367,663         (2,189,720)         5,681,475         (183,629)           Market Making         117,872,481         60,648,243         20,21         2,22,25,748         66,224,638	Product Analysis		Contombor 20	2022 (Unouditor	D
Notional Mark to principal market loss principal market loss proncipal market loss principal market loss princi market loss principal market loss principal market loss princip		Cross curr			
Market Making         55,421,549         (6,914,285)         3,616,667         (233,229)           December 31, 2021 (Audited)         Interest rate swaps         Interest rate swaps         Mark to principal market loss           Hedging			market loss	principal	market loss
Market Making         55,421,549         (6,914,285)         3,616,667         (233,229)           December 31, 2021 (Audited)         Interest rate swaps         Interest rate swaps         Mark to principal market loss           Hedging	Hedaina				
Cross currency swaps         Interest rate swaps           Notional Mark to Principal Market loss         Mark to Principal Market loss         Mark to Principal Market loss           Hedging         36,367,653         (2,189,720)         5,681,475         (183,629)           Market Making         36,367,653         (2,189,720)         5,681,475         (183,629)           Market Making         36,367,653         (2,189,720)         5,681,475         (183,629)           MARK-UP / RETURN / PROFIT / INTEREST EARNED         Constant advances         117,872,481         69,648,343           Investments         162,249,711         107,242,082         3,011,227           Balances with banks         255,019         20,0143         255,019         20,0143           Deposits         255,162         3,897,604         132,75,723         3,811,227           Balances with banks         25,557,498         66,224,638         35,897,760         43,5714           Or:         Deposits         28,987,664         13,377,783         90,986,779           Lease liability against right-of-use assets         2,897,763         4,833,827,775         2,626,026           Cost of foring numerory swaps against foreign currency deposits / borrowings         5,551,749         66,224,638         36,937,776         4,925,064 <td></td> <td>- 55,421,549</td> <td>- (6,914,285)</td> <td>3,616,667</td> <td>(233,228)</td>		- 55,421,549	- (6,914,285)	3,616,667	(233,228)
Notional principal market loss         Mark to principal market loss           Market Making         36.367.653         (2.199.720)         5.681.475         (183.629)           MARK-UP / RETURN / PROFIT / INTEREST EARNED         (Unaudited)         For the nine months ended September 30, 2022         2021           Con: Leans and advances Investments         117,672,481         69,648,343         102.249,711         107.242,062           Con: Leans and advances         117,672,481         69,246,333         122,557,498         66,224,638           Used in the site solution and the site solutions         9,2285,152         3.811,227         296,043           Deposits         236,077,65         4,226,079         236,048         236,075           On: Deposits solut under repurchase agreement borrowings         33,977,664         13,277,70         41,337,775         90,398,778           Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         398,2775         2,282,084         2,282,084         2,282,084         2,282,084         2,282,084         2,282,082,087         2,282,084 <t< td=""><td></td><td></td><td>December 3</td><td>1, 2021 (Audited)</td><td></td></t<>			December 3	1, 2021 (Audited)	
Principal         market loss         principal         market loss           Market Making         36,367,653         (2,199,720)         5,681,475         (183,629)           Market Making         36,367,653         (2,199,720)         5,681,475         (183,629)           MARK-UP / RETURN / PROFIT / INTEREST EARNED         Current is ended         September 30.		Cross curr	ency swaps	Interest r	ate swaps
Hedging Market Making         36,367,653         (2,189,720)         5,681,475         (183,629)           VID audited)         For the nile months ended         September 30, 2022         2021         2021         2021           MARK-UP / RETURN / PROFIT / INTEREST EARNED         (Rupees in '000)         (Rupees in '000)         0:           On:         Loans and advances Investments         117,872,481         69,648,343         102,242,9711         107,242,062           Balances with banks         290,012,963         180,997,700         296,044         296,042,933         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         0:         0:         296,044         13,275,792           On:         Deposits         Securities sold under repurchase agreement borrowings         36,997,604         13,275,792           Borrowings         5,531,626         3,982,775         2,258,026         1483,313,778         90,998,779           FEE AND COMMISSION INCOME         2,258,026         1483,313,778         90,998,779         2,258,744         597,295           Card related fees         6,67,714         597,295         1,682,222         1,402,012         2,258,026           Card related fees         6,77,714         597,295         1,422,012         2,347,723         1,422,012 <td></td> <td></td> <td>market loss</td> <td>principal</td> <td></td>			market loss	principal	
Market Making         36,367,653         (2,189,720)         5,681,475         (183,629)           Unaudited)         For the nine months ended         September 30,	Hedaina	_	(Kup		_
For the inhe months ended September 30, September 30, 2022 2021           MARK-UP / RETURN / PROFIT / INTEREST EARNED         (Rupees in '000)           On: Loans and advances Investments         117,872,481 69,648,343 162,249,711 107,242,082 9,295,152 3,811,227         69,648,343 162,249,711 107,242,082 9,295,152 3,811,227           Balances with banks         595,619 296,048 290,012,963 180,997,700         290,012,963 180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         0r: Deposits Securities sold under repurchase agreement borrowings Securities sold under repurchase agreement borrowings Subordinated debt         128,577,498 66,224,638 3,987,666 4,035,774 1,307,766 941,834 Cost of foreign currency swaps against foreign currency deposits / borrowings Lease liability against right-of-use assets         2,842,49 2,842,49 2,842,555 2,099,628 2,252,026 183,313,778 90,986,779           FEE AND COMMISSION INCOME         Branch banking customer fees Consumer finance related fees (edit related fees Consumer finance related fees Commission on trade related frees Commission on trade related frees Commission on trade related fees Commission on trade related fees Commission on cash management S2,857,46 61,370,92 S1,920 Commission on cosh management Commission on cosh management S3,997,693 Commission on cash management Commission on cosh management fee Commission on cosh management fee Commission on cosh coreans (C22) payments Marchant discount and interchange fees Cash fee and commission income         2,847,723 C2,875,874 C2,875,874 C3,830,253 C2,800,105           We		36,367,653	(2,189,720)	5,681,475	(183,629)
September 30, 2022         September 30, 2021         September 30, 2022         September 30, 2021         September 30, 2022         September 30, 2021         Septemb					
MARK-UP / RETURN / PROFIT / INTEREST EARNED         (Rupees in '000)           On:         117,872,481         69,648,343           Investments         117,872,481         69,648,343           Lendings to financial institutions         9,285,152         3,811,227           Balances with banks         290,012,963         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         0         595,619         296,048           On:         Deposits         38,997,604         13,275,792         66,224,638           Securities sold under repurchase agreement borrowings         38,997,604         13,275,792         68,19,656         4,035,714           Subordinated debt         1,307,766         941,834         Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         3,982,775           Eese liability against right-of-use assets         2,099,628         2,280,028         2,280,028         2,280,028         2,280,028         2,280,028         2,280,028         2,280,028         143,313,778         90,986,779           FEE AND COMMISSION INCOME         Eranch banking customer fees         2,854,249         2,842,555         1,683,222         1,402,012         2,41         587,295         149,2515         2,535,559         2,535,559         168,538         152,235,559					
On:         117,872,481         69,648,343           Investments         162,249,711         107,242,082           Leanings to financial institutions         92,925,152         38,11227           Balances with banks         290,012,963         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         0r:         0           Deposits         38,997,604         13,275,793           Securities sold under repurchase agreement borrowings         6,819,656         4,035,714           Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         3,982,775           Lease liability against right-of-use assets         2,099,628         2,526,026           Cord related fees         1,683,222         1,402,012           Card related fees         1,683,222         1,402,012           Card related fees         697,214         582,559           Investment banking customer fees         715,100         865,538           Commission on trade related products and guarantees         74,811         2,823,559           Commission on remittances         1,637,714         513,922         374,017           Commission on commertinences         1,637,729         2,823,559					
Lans and advances         117,872,481         60,643,343           Investments         162,249,711         107,242,082           Lendings to financial institutions         9,295,152         3,811,227           Balances with banks         290,012,963         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED          290,012,963         180,997,700           On:         Deposits         38,997,604         13,275,793         66,224,638           Securities sold under repurchase agreement borrowings         6,819,656         4,035,714         Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         3,982,775         Lease liability against right-of-use assets         2,252,026         183,313,778         90,996,779           FEE AND COMMISSION INCOME         E         2         2,842,499         2,842,555         2,854,249         2,842,555         2,909,622         2,252,026         2,97,763         4,925,084           Card related fees         1,683,222         1,402,012         2         2         2,920,624         2,252,026         2,920,624         2,252,026         2,920,624         2,252,026         2,937,778         2,90,962,779         2,824,555         2,009,627,79         <	MARK-UP / RETURN / PROFIT / INTEREST EARNED			(Rupees	s in '000)
Investments         162,249,711         107,242,082           Lendings to financial institutions         9,295,152         3,811,227           Balances with banks         290,012,963         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         28,557,498         66,224,638           On:         Deposits         38,997,604         13,275,792           Borrowings         6,819,656         4,035,714         30,927,766           Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         2,556,102         3,982,775           Lease liability against right-of-use assets         2,099,622         3,982,779           FEE AND COMMISSION INCOME         2         2,842,555           Branch banking customer fees         2,684,249         2,842,555           Consumer finance related fees         16,63,222         1,402,012           Card related fees (debit and credit cards)         6,277,763         4,925,084           Commission on cash management         83,831,15         2,823,529           Commission on cash management         83,833,837         63,740           Commission on cash management to erson (G2P) payments         633,709         235,170           Marchart banking income					~~~~~
Lendings to financial institutions         9,295,152         3,811,227           Balances with banks         290,012,963         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         128,557,498         66,224,638           On:         Deposits         38,997,604         13,275,792           Borrowings         38,997,604         13,275,792           Borrowings         6,819,656         4,035,714           Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         3,982,775           Lease liability against right-of-use assets         2,099,623         2,256,026           Tele AND COMMISSION INCOME         6,877,63         4,925,084           Branch banking customer fees         6,877,763         4,925,084           Cordit related fees (debit and credit cards)         6,277,763         4,925,084           Commission on transition on transitione sender fees         715,100         886,538           Commission on cash management         823,872         635,420         244,255           Commission on cash management         823,872         635,420         244,055           Commission on cash management         823,872         635,420         235,170					
Balances with banks         595,619         296,048           290,012,963         180,997,700           MARK-UP / RETURN / PROFIT / INTEREST EXPENSED           On:         Deposits         38,997,604         13,275,792           Borrowings         38,997,604         13,275,792           Borrowings         6,819,656         4,035,714           Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         3,982,775           Lease liability against right-of-use assets         2,099,628         2,256,026           183,313,778         90,986,779           FEE AND COMMISSION INCOME         1,683,222         1,402,012           Card related fees         1,683,222         1,402,012           Card related fees         6,877,763         4,925,084           Credit related fees         6,877,763         4,925,084           Commission on cash management         823,872         63,420           Commission on cash management         823,872         63,420           Commission on cash management         823,872         633,709         235,170           Commission on cash management fee         3,430,536         2,500,105         531,962         374,0				, ,	
MARK-UP / RETURN / PROFIT / INTEREST EXPENSED         On:       Deposits       128,557,498       66,224,638         Securities sold under repurchase agreement borrowings       38,997,604       13,275,792         Borrowings       6,819,656       4,035,714         Subordinated debt       1,307,766       941,834         Cost of foreign currency swaps against foreign currency deposits / borrowings       2,531,626       3,982,775         Lease liability against right-of-use assets       2,099,628       2,526,026         FEE AND COMMISSION INCOME       1,833,13,778       90,986,779         FEE AND Commission niccome fees       2,854,249       2,842,555         Consumer finance related fees       1,683,222       1,402,012         Card related fees       6,977,763       4,925,084         Credit related fees       6,972,714       587,284         Commission on cash management       823,872       263,420         Commission on cash management       823,872       235,420         Commission on Bacassurance       576,974       610,469         Commission on Bacassurance       3,330,536       2,500,10-5         Others       3,430,536       2,503,420         Commission on Bacassurance       576,974       610,469         Commission				595,619	
On:       Deposits       128,557,498       66,224,638         Securities sold under repurchase agreement borrowings       38,997,604       13,275,792         Borrowings       6,819,656       4,035,714         Subordinated debt       1,307,766       941,834         Cost of foreign currency swaps against foreign currency deposits / borrowings       5,531,626       3,982,775         Lease liability against right-of-use assets       2,099,628       2,526,026         183,313,778       90,986,779         FEE AND COMMISSION INCOME         Branch banking customer fees       1,683,222       1,402,012         Card related fees (debit and credit cards)       6,277,763       4,925,084         Credit related fees       697,214       587,225         Investment banking fees       715,100       86,538         Commission on trade related products and guarantees       3,485,115       2,823,559         Commission on cash management       823,872       635,420       2,874,017         Commission on Government to Person (G2P) payments       633,709       235,170       44,478       -         Others       751,680       317,029       22,875,874       18,139,253         Less: Sales Tax / Federal Excise Duty on fee and commission income       (2,889,513)				290,012,963	180,997,700
Deposits         128,557,498         66,224,638           Securities sold under repurchase agreement borrowings         38,997,604         13,275,792           Borrowings         6,819,656         4,035,714           Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         5,531,626         3,982,775           Lease liability against right-of-use assets         2,099,628         2,556,026           Ha3,313,778         90,986,779           FEE AND COMMISSION INCOME         1,683,222         1,402,012           Card related fees         1,683,222         1,402,012           Card related fees         6,277,763         4,925,084           Credit related fees         6,277,763         4,925,084           Credit related fees         6,277,763         4,925,084           Credit related fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         633,420           Commission on cash management fee         3,830,536         2,500,105           Waeth management fee         3,830,536         2,500,105           Weath management fee         3	MARK-UP / RETURN / PROFIT / INTEREST EXPENSED				
Securities sold under repurchase agreement borrowings         38,997,604         13,275,792           Borrowings         6,819,656         4,035,714           Subordinated debt         1,307,766         941,834           Cost of foreign currency swaps against foreign currency deposits / borrowings         2,099,628         2,252,026           Lease liability against right-of-use assets         2,099,628         2,526,026           The second					
Borrowings6,819,6564,035,714Subordinated debt1,307,766941,834Cost of foreign currency swaps against foreign currency deposits / borrowings5,531,6263,982,775Lease liability against right-of-use assets2,854,2492,842,655 <b>FEE AND COMMISSION INCOME</b> Branch banking customer fees2,854,2492,842,555Consumer finance related fees1,683,2221,402,012Card related fees6,977,7634,925,084Credit related fees697,214587,295Investment banking fees715,100886,538Commission on trade related products and guarantees3,485,1152,823,559Commission on trade related products and guarantees531,962374,017Commission on Boncassurance576,974610,469Commission on Government to Person (G2P) payments633,709235,170Wealth management fee14,478-Others751,680311,029Less: Sales Tax / Federal Excise Duty on fee and commission income(2,889,513)(2,477,723)					
Subordinated debt1,307,766941,834Cost of foreign currency swaps against foreign currency deposits / borrowings5,531,6263,982,775Lease liability against right-of-use assets2,099,6282,526,026183,313,77890,986,779 FEE AND COMMISSION INCOME Branch banking customer fees Consumer finance related fees (debit and credit cards) Card related fees (debit and credit cards) Commission on trade related products and guarantees Commission on cash management Commission on succassurance Commission on succassurance Commission on bancassurance Commission on bancassurance Commission on Government to Person (G2P) payments Wealth management fee Others T51,680 317,029 22,875,874 18,139,253 Less: Sales Tax / Federal Excise Duty on fee and commission income (2,889,513) (2,477,723)					
Cost of foreign currency swaps against foreign currency deposits / borrowings5,531,6263,982,775Lease liability against right-of-use assets2,099,6282,526,026183,313,77890,986,779FEE AND COMMISSION INCOMEBranch banking customer fees2,854,2492,842,555Consumer finance related fees1,683,2221,402,012Card related fees (debit and credit cards)6,277,7634,925,084Credit related fees697,214587,295Investment banking fees715,100886,538Commission on trade related products and guarantees3,485,1152,823,559Commission on cash management823,872635,420Commission on cash management576,974610,469Commission on cash management633,709235,170Merchant discount and interchange fees3,830,5362,500,105Wealth management fee14,478-Others751,680317,029Z2,875,87418,139,253Less: Sales Tax / Federal Excise Duty on fee and commission income(2,889,513)(2,477,723)	8				
FEE AND COMMISSION INCOME           Branch banking customer fees         2,854,249         2,842,555           Consumer finance related fees         1,683,222         1,402,012           Card related fees (debit and credit cards)         6,277,763         4,925,084           Credit related fees         697,214         587,295           Investment banking fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on Government to Person (G2P) payments         531,962         374,017           Commission on Government fee         14,478         -           Others         751,680         317,029           Z2,875,874         18,139,253           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)	Cost of foreign currency swaps against foreign currency deposits / borrowi	ngs			
FEE AND COMMISSION INCOMEBranch banking customer fees2,854,2492,842,555Consumer finance related fees1,683,2221,402,012Card related fees (debit and credit cards)6,277,7634,925,084Credit related fees697,214587,295Investment banking fees715,100886,538Commission on trade related products and guarantees3,445,1152,823,559Commission on cash management823,872635,420Commission on remittances (including home remittances)531,962374,017Commission on Government to Person (G2P) payments633,709235,170Merchant discount and interchange fees14,478-Others751,680317,029Less: Sales Tax / Federal Excise Duty on fee and commission income(2,889,513)(2,477,723)	Lease liability against right-of-use assets			2,099,628	2,526,026
Branch banking customer fees         2,854,249         2,842,555           Consumer finance related fees         1,683,222         1,402,012           Card related fees (debit and credit cards)         6,277,763         4,925,084           Credit related fees         697,214         587,295           Investment banking fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on Bovernment to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           22,875,874         18,139,253         18,139,253				183,313,778	90,986,779
Consumer finance related fees         1,683,222         1,402,012           Card related fees (debit and credit cards)         6,277,763         4,925,084           Credit related fees         697,214         587,295           Investment banking fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on Bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           22,875,874         18,139,253         18,139,253	FEE AND COMMISSION INCOME				
Card related fees (debit and credit cards)         6,277,763         4,925,084           Credit related fees         697,214         587,295           Investment banking fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)	Branch banking customer fees			2,854,249	2,842,555
Credit related fees         697,214         587,295           Investment banking fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           22,875,874         18,139,253           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Investment banking fees         715,100         886,538           Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Commission on trade related products and guarantees         3,485,115         2,823,559           Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Commission on cash management         823,872         635,420           Commission on remittances (including home remittances)         531,962         374,017           Commission on bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Commission on bancassurance         576,974         610,469           Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Commission on Government to Person (G2P) payments         633,709         235,170           Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           22,875,874         18,139,253           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					374,017
Merchant discount and interchange fees         3,830,536         2,500,105           Wealth management fee         14,478         -           Others         751,680         317,029           22,875,874         18,139,253           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Wealth management fee         14,478         -           Others         751,680         317,029           22,875,874         18,139,253           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)					
Others         751,680         317,029           22,875,874         18,139,253           Less: Sales Tax / Federal Excise Duty on fee and commission income         (2,889,513)         (2,477,723)	-				-
Less: Sales Tax / Federal Excise Duty on fee and commission income (2,889,513) (2,477,723)	-			751,680	317,029
				22,875,874	18,139,253
<b>19,986,361</b> 15,661,530	Less: Sales Tax / Federal Excise Duty on fee and commission income			(2,889,513)	(2,477,723)
				19,986,361	15,661,530

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

September 10, 2012         September 10, 2012         September 10, 2012         September 10, 2012           23         CAN ON SECURITES - NET         11         727.000         720.000           24.1         Canada         100.000         100.000           25.1         Gain (Loss) on securities - nealised         100.000         100.000           01         Canada         100.000         100.000           02         Canada         100.000         100.000           01         Canada         100.000         100.000           02         CHER NOCE         100.000         100.000           02         CHER NOCE         200.000         100.000           02         Canada and and and and and and and and an			Note	(Unaud For the nine mo	onths ended
25         CAN ON SECURITIES - NET           26.1         Can Obsecurities - realised         25.1         27.4599         1920.305           26.3         Gain / (Los) on securities - realised         97.4599         1920.305           26.3         Gain / (Los) on securities - realised         97.459         1920.305           26.4         Content for securities - realised         97.459         1920.305           26.5         Content for securities - realised         97.459         1920.305           26.6         Content for securities - realised         97.459         1920.305           26.6         OTHER NCOME         192.423         192.423           27.0         OTHER NCOME         290.279         454.101           28.0         OTHER NCOME         290.279         454.101           29.0         OTHER NCOME         290.279         454.101           20.0         OTHER NCOME         290.279         454.101 <t< th=""><th></th><th></th><th></th><th>September 30, 2022</th><th>September 30, 2021</th></t<>				September 30, 2022	September 30, 2021
Resided Umaskeds - belic/ordaring         25.1         74.859         1.522.008           2.1         Carrier         1.000,000         1.000,000         1.000,000           2.1         Carrier         1.000,000         1.000,000         1.000,000           2.1         Carrier         1.000,000         1.000,000         1.000,000           2.1         Carrier         1.000,000         91.41,22         1.000,000           2.10         Carrier         1.000,000         91.41,22         1.000,000           2.10         Carrier         1.000,000         91.41,22         1.000,000         1.000,000           2.10         Carrier         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000         1.000,000	25				
Unvested - heid-bordnaming         8.1         (27,69)         (21,03)           25.1         Cain / (Loss) on securities - realized         1500,852         1500,852           26.1         Cain / (Loss) on securities - realized         1500,852         1500,852           7.1         Cain / (Loss) on securities - realized         1500,852         1500,852           7.1         Cain / (Loss) on securities - realized         1500,852         1500,852           7.1         Cain / (Loss) on securities - realized         1500,852         1500,852           7.1         Cain / (Loss) on securities - realized         1500,852         1500,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852           7.1         Cain / (Loss) on securities - realized         1200,852         1200,852	20				
20.1         Gain / Loss) on securities - realised           Or: Ported Covernment scontilis Warkstin Investment Boods Paktian Investment Pattore Paktian Investment Pattore Paktian Investment Pattore Paktian Investment Paktian Investment Pattore Paktian Investment Paktian Investment 					
Or.         90.725         90.975         90.975           1.971 Statu         97.455         1.075.03         97.455         1.075.03           2.0         0.0000         97.455         1.075.03         1.075.03         1.075.03           2.0         0.0000         97.455         1.075.03         1.025.000         1.025.000           2.0         0.0000         97.455         1.025.000         1.025.000         1.025.000           2.0         0.0000         97.455         1.025.000         1.025.000         1.025.000           2.0         0.0000         97.455         1.025.000         1.025.000         1.025.000           2.0         0.00000         97.455         1.025.000					
Pederal Coventment securities         (167,079)         0.000,074           • Parkates Investment Boots         94,722         1,775,507           • Parkates Investment Boots         94,722         1,775,507           • Manage memore that securities         1,7200         420           • Associates         1,720,001         1,721,001           • Contract co	25.1	Gain / (Loss) on securities - realised			
- Match Tresury Bils         (197.073)         305.077           - iprain Subuk         77.455         (197.073)           - iprain Subuk         77.455         (197.073)           Summa         (284.404)         (283.702)           Summa         (284.404)         (283.702)           Association         (280.778)         (454.101)           Exchange gin machesion characterization         (280.778)         (454.101)           Exchange gin machesion characterization         (280.778)         (280.778)           Cain on sale of fract ances area         (280.778)         (280.778)           Rest on properties         (280.778)         (270.776)         (272.478)           Rest on and taxes         (280.781)         (274.128)         (270.478)         (274.481)           Unifies cord         (270.478)         (274.482)         (274.482)         (274.482) <td></td> <td>On:</td> <td></td> <td></td> <td></td>		On:			
- Patkatan Investment bonds         94,722         1,979,507           - Igram Study         974,722         1,979,507           Shares         (10,753)         17,259           Num. Communit dud securities         17,259         1,924,333           Associates         17,259         1,924,333           Associates         1924,333         1,955,846           Total comparison         290,278         464,010           Exchange gain realised on patkation of branch capital         290,278         464,010           Exchange gain realised on patkation of branch capital         290,278         464,011           Can on sale of fron-banking assets         42,277         62,330           Rent on properties         42,227         62,330           Village contact on patkation of studentary         20,355         366,670           Property expense         31,825,242         24,986,542           Rent and read         1,936,843         7,224,815           Village cost         2,770,941         1,724,124           Utilise cost         2,707,941         1,724,124           Village cost         2,746,851         7,747,424           Deprecision on oncord foct de seases         2,244,957         2,244,956           Deprecision on on				(167.075)	206.076
Sharies         (264.49)         (264.39)         (263.78)           Poreign securities         136.433         335.430           74         OTHER NCOME         136.433         335.430           74         OTHER NCOME         280.278         451.101           75         CHER NCOME         138.433         355.430           76         OTHER NCOME         280.278         451.101           77         Decknappe gain realled on partial repartiation of branch ceptal         2         3.384           78         OTHER NCOME         92.135         3.880           78         OPEnchappe gain realled on quadration of subidiary gain seatch         92.277         52.277           70         OPEnchappe gain realled on partial repartiation of branch ceptal         94.593         742.495           70         OPEnchappe gain realled on partial repartiation of branch ceptal         94.594         975.892           71         OPEnchappe gain realled on partial repartiation of branch ceptal         94.594         74.245           71         OPEnchappe gain realled on partial repartiation on partial repar					
Non-Government det securites         17.320         17.320         4.42.00           Associates         136.433         235.545           20         OTHER NCOME         240.276         444.200           21         Incidential charges         240.276         444.200           22.03.027.03         444.007         5.45.00         444.007           23.03.027.03         444.077         5.43.00         5.45.00           24.03.027.03         444.077         5.43.00         444.077           25.03.02.027.03         444.077         5.33.00         442.27           26.03.03.00         42.27         52.37.27         350.670         42.27           27         OPERATING EXPENSES         44.956.542         44.956.542           27         OPERATING EXPENSES         31.825.284         24.956.542           28         Rein and taxes         96.194         17.27.128         47.27.128           10.1100.010 temported         13.955.00         17.27.128         27.25.284         2.95.084           29.02.02         22.03.200         22.03.200         2.03.200         2.03.200         17.17.950         17.17.43.124           10.1100.000000000000000000000000000000					
Associates         -					,
20         OTHER INCOME           1nddential charge gain realised on partial repartition of branch capital Excharge gain realised on partial repartition of the partition of		Foreign securities		-	(44,209)
Incidental charges         280,278         455,101           Exchange gain realised on partal repatitation of branch capital         -         404,779           Gain on sale of flood assets - net         29,133         38,885           Rati on properties         29,277         52,237           20         20277         52,237           21         Total composation exponse         29,153           22         Total composation exponse         31,825,264         24,959,562           23         Composation exponse         31,825,264         24,959,562           24         Security (including gaurdis)         16,114,114         17,24,134           1         Security (including gaurdis)         16,114,114         17,24,134           1         Security (including gaurdis)         16,114,114         17,44,134           1         Security (including gaurdis)         16,114,114         17,144,174           1         Security (including gaurdis)         10,124,611         17,144,743 </td <td></td> <td>Associates</td> <td></td> <td></td> <td></td>		Associates			
Incidental charges         280,278         455,101           Exchange gain realised on partal repatitation of branch capital         -         404,779           Gain on sale of flood assets - net         29,133         38,885           Rati on properties         29,277         52,237           20         20277         52,237           21         Total composation exponse         29,153           22         Total composation exponse         31,825,264         24,959,562           23         Composation exponse         31,825,264         24,959,562           24         Security (including gaurdis)         16,114,114         17,24,134           1         Security (including gaurdis)         16,114,114         17,24,134           1         Security (including gaurdis)         16,114,114         17,44,134           1         Security (including gaurdis)         16,114,114         17,144,174           1         Security (including gaurdis)         10,124,611         17,144,743 </td <td>26</td> <td></td> <td></td> <td></td> <td></td>	26				
Exchange gan realised on partial repairtation of branch capital         - 444,479           Exchange gan realised on pluquator of subidiary         - 13,354           Gain on sale of Kerd assets - net         29,135           Rent on properties         - 22,037           27         OPERATING EXPENSES         - 16,000           28         - 24,955,520           29         - 24,955,520           20         OPERATING EXPENSE         - 24,955,520           21         Coll compensation expense         - 94,64,194           Reveal as a set on - and s	20				
Exchange gan realised on faubidity         -         13,354           Gain on sale of feed assets - net         29,155         30,803           Gain on sale of non-banking assets         -         16,000           Rent on properties         328,870         976,892           27         OPERATING EXPENSES         31,825,264         24,956,542           Property expense         946,194         7,42,845           Rent and taxes         946,194         7,42,845           Utilities cost         1,825,264         24,956,542           Property expense         946,194         7,42,845           Utilities cost         1,182,162         2,143,567           Utilities cost         1,182,162         2,143,567           Depreciation on onjeth dividing jaintotial charges)         2,244,1957         2,340,407           Depreciation on onjeth dividi assets         1,114,714         1,3115,556         10,174,073           Amortisation         1,114,7164         2,245,917         2,244,071           Amortisation         1,3115,556         10,174,073         1,242,962         965,0608           Consultancy charges         9,721,892         7,075,657         1,424,962         965,0608         1,242,962         965,0608         1,334,46         1,33				280,278	
Gain on sale of non-banking assets         -         16.000           Average of the properties         358.670         976.892           27 <b>OPERATING EXPENSES</b> 31.825.24         24.956.542 <b>Property expense</b> 946.194         742.845           Rent and taxes         941.113         84.431           Lillies cost         946.194         1.724.124           Depreciation or owned finded assets         2.441.587         1.734.784           Depreciation or owned finded assets         2.441.587         1.784.784           Depreciation or owned finded assets         2.440.257         1.174.681           Depreciation or owned finded assets         947.4688         2.528.984           Depreciation or owned finded assets         947.7688         2.528.984           Depreciation or owned finded assets         9.721.892         7.075.657           Depreciation or owned finded assets         9.721.892         7.075.657           Depreciation are maintenance         9.61.953         1.244.756         950.035           Depreciation are development         1.31.193.555         1.044.964         1.334.461           Other owned and transpector         9.721.892         7.075.657         1.31.194.361           Depreciation         9.721.892					13,354
Rent on properties         49,257         52,375           27         OPERATING EXPENSES         358,670         976,892           27         Total compensation expense         31,825,264         24,966,542           Property expense         946,194         742,845           Rent and taxes         113,1133         2,770,619           Insurance         946,194         742,845           Utilisies cost         2,241,212         1,734,748           Security (including guards)         8,821,814         1,744,748           Depreciation on owned fixed assets         2,2461,2737         2,300,206           Depreciation on owned fixed assets         2,255,986         10,174,661           Depreciation on gith-or use assets         9,474,088         2,259,984           Depreciation on gith-or use assets         9,474,088         2,259,984           Outsource maintenance         9,497,698         2,227,796           Depreciation on gith-or use assets         9,721,892         7,075,557           Other operating expense         9,721,892         7,075,557           Depreciation charges         9,721,892         7,075,557           Depreciation and photogenetic costs         1,848,4461         1,344,441           10,322,208         1,353,072<				29,135	
27         OPERATING EXPENSES         31,825,264         24,996,542           Property expense         946,194         742,245           Rent and baxes         946,194         742,245           Insurance         946,194         742,245           Utilities cost         946,194         742,245           Security (including guards)         846,194         742,245           Repair and maintenance (including janitorial charges)         2,743,632         2,743,632           Depreciation on owned fixed assets         2,743,632         2,743,632         2,300,206           Information technology expenses         13,119,566         10,174,661         1,724,174         2,300,206           Bepreciation on give/oxise maintenance         4,074,698         2,2559,184         1,724,173         2,300,206           Depreciation on give/oxise maintenance         9,771,892         10,174,661         1,724,073         1,248,401         1,837,333         1,242,662         966,089         1,724,073         1,249,454         686,195         1,242,662         966,089         1,724,073         1,249,454         686,454         1,646,444         1,664,444         1,664,444         1,563,464         1,563,120,113         1,244,461         580,202         1,364,461         1,266,303         1,266,303					52,375
Property expense         946.194         74.245           Rent and taxes         946.194         74.245           Insurance         946.194         74.245           Utilities cost         2,770.091         1,724.124           Repair and maintenance (including jantorial charges)         2,641.537         1,339.84           Depreciation on winght-of-use assets         2,240.2757         2,309.208           Information tachnology expenses         3,119.556         10,174.661           Software maintenance         949.768         2,259.864           Pepreciation on wight-of-use assets         2,259.864         392.992           Depreciation on right-of-use assets         2,269.864         32.259.864           Depreciation on right-of-use assets         2,259.864         32.259.864           Depreciation on right-of-use assets         2,269.864         32.259.864           Depreciation on right-of-use assets         2,269.864         32.59.864           Depreciation on right-of-use assets         2,269.864         32.59.864           Depreciation on right-of-use assets         2,569.871         32.402.757           Depreciation on right-of-use assets         2,569.871         32.50.864           Outcored services costs         1,724.973         33.06.09         33.373	27	OPERATING EXPENSES		358,670	976,892
Rent and taxes         946,194         742,245           Insurance         103,193         2,770,091         1,724,124           Security (including juntoinal charges)         2,740,091         1,724,124           Depreciation on wright-of-use assets         2,741,823         2,390,206           Depreciation on wright-of-use assets         2,441,857         2,740,832         2,300,206           Information technology expenses         1,119,556         10,174,061         2,269,843           Software maintenance         4,074,898         2,259,964         3,437,863         2,259,964           Amortisation         1,127,49,495         1,127,49,495         1,127,40,73         1,127,40,73           Amortisation         1,127,40,73         1,274,945         1,1249,945         1,1249,945         1,1249,945         1,1249,945         1,1249,945         1,1249,945         1,2249,945         1,96,049         1,224,945         1,96,049         1,224,945         1,2249,945         1,2249,945         1,2249,945         1,96,049         1,224,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,445         1,249,445         1,		Total compensation expense		31,825,264	24,956,542
Rent and taxes         946,194         742,245           Insurance         103,193         2,770,091         1,724,124           Security (including juntoinal charges)         2,740,091         1,724,124           Depreciation on wright-of-use assets         2,741,823         2,390,206           Depreciation on wright-of-use assets         2,441,857         2,740,832         2,300,206           Information technology expenses         1,119,556         10,174,061         2,269,843           Software maintenance         4,074,898         2,259,964         3,437,863         2,259,964           Amortisation         1,127,49,495         1,127,49,495         1,127,40,73         1,127,40,73           Amortisation         1,127,40,73         1,274,945         1,1249,945         1,1249,945         1,1249,945         1,1249,945         1,1249,945         1,1249,945         1,2249,945         1,96,049         1,224,945         1,96,049         1,224,945         1,2249,945         1,2249,945         1,2249,945         1,96,049         1,224,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,945         1,249,445         1,249,445         1,		Property expense			
Utilities cost       2,770,091       1,724,124         Security (including guards)       1,898,84         Repair and maintenance (including janitorial charges)       2,441,597         Depreciation on owned fixed assets       2,743,632         Zydato       2,440,275         Depreciation on owned fixed assets       2,440,275         Software maintenance       4,402,781         Hardware maintenance       4,947,468         Legal and professional charges       1,724,172         Consultancy charges       576,669         Hardware maintenance       4,837,741         Hardware maintenance       1,354,461         Outsourced services costs       566,689         Consultancy charges       576,669         Remair and maintenance       1,354,461         Network charges       363,227         Remair and maintenance       1,358,461         Depreciation       1,468,444         Outsourced services costs       1,468,444         Traveling and developm					
Security (including guards)         1,612,102         1,339,884           Repair and maintenance (including jantorial charges)         2,441,571         2,443,632         2,300,205           Depreciation on wight-of-use assets         2,402,2757         2,408,407         1,114,556         1,017,4661           Software maintenance         4,074,598         2,2569,864         949,768         2,2569,864           Particulation technology expenses         1,127,4073         1,2149,545         1,224,073         1,224,073           Network charges         1,042,962         565,089         567,531         1,224,073         550,089           Consultancy charges         567,536         520,919         7,075,657         7,075,657           Cols envices costs         1,883,483         1,524,461         1,534,461         1,534,461           Travelling and conveyance         1,686,459         1,738,070         336,109         336,127           Security charges         1,728,070         1,358,461         1,554,461         1,554,461           Travelling and conveyance         1,852,461         1,554,661         1,554,661         1,554,661           Security charges         1,274,073         1,354,661         1,554,661         1,554,661         1,554,661         1,554,661         1,554,661 </td <td></td> <td></td> <td></td> <td></td> <td>· · · · ·</td>					· · · · ·
Depreciation on wight-of-use assets         2,743,632         2,390,206           Depreciation on right-of-use assets         2,402,757         2,408,407           Information technology expenses         9,074,698         2,2569,864           Software maintenance         949,768         949,768         622,759         2,648,407           Depreciation         13,119,556         10,174,661         2,269,864         622,759         2,684,007           Arrotisation         1,249,545         1,837,338         1,724,073         681,953         681,953         681,953         656,059         556,059         550,059         550,059         550,059         550,059         550,059         550,059         550,059         550,059         550,059         560,059         567,536         520,919         7,075,657         1,344,461         533,474         633,427         1,354,461         538,676         1,354,461         538,676         1,354,461         538,676         1,354,461         538,676         1,354,461         538,670         1,354,461         538,722         363,102         1,354,461         538,722         363,102         1,354,461         538,722         363,102         1,354,461         538,722         363,102         1,354,461         538,776         1,354,861         538,722					
Depreciation on right-of-use assets         2,402,757         2,048,407           Information technology expenses         13,119,556         10,174,661           Software maintenance         94,9748         2,569,864           Hardware maintenance         94,9748         2,569,864           Depreciation         1,337,333         1,724,073           Amortisation         1,837,833         1,724,073           Network charges         9,721,892         7075,657           Consultancy otharges         9,721,892         7075,657           Usourced services costs         9,721,892         7075,657           Remittance charges         363,227         333,1199           Security charges         1,538,722         338,1199           Security charges         1,252,306         1446,444           Outsourced services costs         1,138,766         1,688,459           Insurance         1,33,733         1,249,455         1,049,840           Depreciation         1,538,722         336,109         1,252,306         1,448,444           Training and development         1,252,306         1,448,444         1,334,461         1,338,722         1,448,940         1,538,722         1,448,940         1,588,722         1,448,940         1,588,721					
Information technology expenses         4,074,688         2,569,864           Hardware maintenance         949,768         622,759           Depreciation         1,249,545         681,953           Amortisation         1,249,545         681,953           Network charges         567,556         520,919           Consultancy charges         9,721,892         7,075,657           Other operating expenses         9,721,892         7,075,657           Legal and professional charges         9,837,441         538,026           Insurance         893,744         538,026           Insurance         9,334,145         538,026           Insurance         1,354,461         538,026           Insurance         1,538,472         1,538,472           Repairs and maintenance         936,227         1,538,722           Depreciation         556,670         480,434           Communication         1,252,306         1,448,440           Postage and courier charges         559,670         480,434           Communication         1,358,461         1,357,22           Repairs and maintenance         274,122         114,346           Postage and courier charges         559,670         480,434 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>					
Software maintenance         4,074,698         2,569,864           Hardware maintenance         949,768         62,759           Depreciation         1,837,83         1,724,073           Amortisation         1,042,962         955,089           Consultancy charges         9,721,892         7,075,657           Other operating expenses         576,669         446,444           Outsourced services costs         1,668,459         883,741           Travelling and conveyance         576,669         446,444           Insurance         576,669         446,444           Travelling and conveyance         1,584,461         1,584,461           Traveling and conveyance         1,736,076         1,538,722           Repairs and maintenance         1,252,306         1,048,940           Depreciation         566,850         518,821           Training and development         2,526,919         1,774,822           Postage and courier charges         559,670         440,443           Communication         1,660,495         1,272,554           Marketing, advertisement and publicity         2,897,188         2,553,830           Dotations         1,972,958         1,272,554           Subtory remuneration         181,468		Information technology expenses		13,119,556	10,174,661
Depreciation         1.837,333         1,724,073           Amortisation         1.837,333         1,724,073           Amortisation         1,847,833         1,724,073           Network charges         9560,089         550,089           Consultancy charges         9,721,892         7,075,657           Other operating expenses         9,721,892         7,075,657           Char operating expenses         9,721,892         7,075,657           Cutsourced services costs         1,668,459         1,454,461           Traveling and conveyance         1,883,741         538,026           Insurance         447,650         391,995           Remittance charges         366,227         336,109           Security charges         1,725,076         1,538,722           Repairs and maintenance         1,252,306         1,0449,400           Depreciation         1,252,306         1,0449,400           Training and development         274,122         114,468           Postage and courier charges         559,670         480,434           Communication         1,600,495         1,272,754           Marketing, advertisement and publicity         2,897,188         2,553,930           Documentation and processing charges         3488		Software maintenance			
Amortisation         1,249,545         681,953           Network charges         957,532         956,039           Consultancy charges         9,721,892         7,075,657           Other operating expenses         9,721,892         7,075,657           Legal and professional charges         9,721,892         7,075,657           Maximum Consume Strikes costs         1,668,459         1,354,461           Travelling and conveyance         893,721         358,025           Insurance         363,227         336,109           Security charges         1,252,306         1,048,940           Depreciation         566,630         518,821           Traveling and development         274,122         144,864           Postage and courier charges         559,670         480,434           Communication         559,670         480,434           Communication         1,070,958         62,877           Stationery and printing         1,262,306         1,272,554           Marketing, advertisement and publicity         2,387,148         133,383,055           Donations         358,865         349,803         523,198           Subscription         358,865         2,409,779           Documentation and processing charges					
Consultancy charges         567,536         520,919           Other operating expenses         9,721,892         7,075,657           Legal and professional charges         576,669         446,444           Outsourced services costs         576,669         446,444           Insurance         576,669         446,444           Insurance         839,741         538,026           Insurance         467,650         391,995           Remittance charges         363,227         336,109           Security charges         1,736,076         1,588,722           Repairs and maintenance         1,252,306         1,048,940           Depreciation         566,630         518,821           Training and development         274,122         114,486           Postage and courier charges         559,670         480,434           Communication         1070,958         626,475           Stationery and printing         1,272,554         1,272,554           Marketing, advertisement and publicity         2,897,188         2,553,930           Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         580,683         24,09,779		Amortisation		1,249,545	681,953
Other operating expenses         9,721,892         7,075,657           Legal and professional charges         576,669         446,444           Outsourced services costs         1,668,459         1,354,461           Travelling and conveyance         487,650         381,227           Insurance         487,650         381,995           Remittance charges         363,227         336,109           Security charges         1,252,306         1,048,940           Depreciation         558,670         480,434           Postage and courier charges         559,670         480,434           Communication         1,070,958         626,475           Stationery and printing         2,4897,188         2,553,930           Marketing, advertisement and publicity         2,897,188         2,553,930           Donations         388,665         348,003           Auditors' remuneration         599,670         480,434           Documentation and processing charges         3,888,065         348,033           Subscription         3,888,065         3,488,03           Documentation and processing charges         2,409,779         2,114,76           Deposits insurance premium expense         2,026,813         1,878,366           Drodut featur					
Legal and professional charges         576,669         446,444           Outsourced services costs         1,364,461         1,668,459         1,334,461           Travelling and conveyance         893,741         538,026         391,995           Insurance         467,650         391,995         363,227         336,109           Security charges         1,736,076         1,538,722         336,109           Repairs and maintenance         1,252,306         1,048,940           Depreciation         566,830         518,821           Training and development         274,122         114,486           Postage and courier charges         559,670         480,434           Communication         1,070,958         626,475           Stationery and printing         1,600,495         1,272,554           Marketing, advertisement and publicity         2,897,188         2,553,930           Donations         358,665         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         590,639         523,198           Subscription         172,088         2,409,779           Documentation and processing charges         868,111         810,346           Depositis insurance premi		Consultancy charges			
Outsourced services costs         1,668,459         1,354,461           Travelling and conveyance         893,741         538,026           Insurance         467,650         391,995           Remittance charges         363,227         336,109           Security charges         1,736,076         1,538,722           Repairs and maintenance         1,252,006         1,048,940           Depreciation         566,830         518,821           Training and development         274,122         114,486           Postage and courier charges         59,670         480,434           Communication         1,070,958         626,475           Stationery and printing         1,272,554         359,670         480,434           Auditors' remuneration         1,070,958         626,475         553,930           Donations         358,685         348,803         323,198           Subscription         172,088         109,413         109,413           Documentation and processing charges         359,233         221,2187           Consultancy charges         359,233         221,2187           Deposits insurance premium expense         2,022,813         1,80,464           Deposits insurance premium expense         2,026,813				576.669	446.444
Insurance         467,650         391,995           Remittance charges         363,227         336,109           Security charges         1,736,076         1,538,722           Repairs and maintenance         1,252,306         1,048,940           Depreciation         566,830         518,821           Training and development         274,122         114,486           Postage and courier charges         559,670         480,434           Communication         1,070,958         626,475           Stationery and printing         1,660,495         1,272,554           Marketing, advertisement and publicity         2,897,188         2,553,930           Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         368,118         810,436           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,017,91         1,486,647           COVID-19 related expenses         2,026,813         1,478,366           Product feature cost         2,515		Outsourced services costs		1,668,459	1,354,461
Remittance charges         363,227         336,109           Security charges         1,736,076         1,538,722           Repairs and maintenance         1,252,306         1,048,821           Depreciation         566,630         518,821           Training and development         274,122         114,486           Postage and courier charges         559,670         480,434           Communication         1,070,958         62,6475           Marketing, advertisement and publicity         2,897,188         2,553,930           Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and comission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         368,8065         2,409,779           Entertainment         359,233         212,187           Consultancy charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         2,255,04         25,504           Others         25,815,366		• •			
Repairs and maintenance         1,252,306         1,048,940           Depreciation         566,830         518,821           Training and development         274,122         114,486           Postage and courier charges         559,670         480,434           Communication         1,070,958         626,475           Stationery and printing         1,660,495         1,272,554           Marketing, advertisement and publicity         2,897,188         2,553,930           Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         2,409,779         149,446           Entertainment         358,685         348,803           Consultancy charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,926,813         1,878,366           Others         44,021         195,694           0thers         258,15,366         19,834,114					
Depreciation         566,830         518,821           Training and development         274,122         114,486           Postage and courier charges         559,670         480,434           Communication         1,070,958         626,475           Stationery and printing         1,660,495         1,272,554           Marketing, advertisement and publicity         2,897,188         2,253,930           Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,6947           COVID-19 related expenses         44,021         495,694           Others         25,815,366         19,834,114					
Training and development       274,122       114,486         Postage and courier charges       559,670       480,434         Communication       1,070,958       662,475         Stationery and printing       1,660,495       1,272,554         Marketing, advertisement and publicity       2,897,188       2,553,930         Donations       358,685       348,003         Auditors' remuneration       181,468       133,776         Brokerage and commission       550,839       523,198         Subscription       172,088       109,413         Documentation and processing charges       3,888,065       2,409,779         Entertainment       359,233       212,187         Consultancy charges       868,111       810,346         Deposits insurance premium expense       2,026,813       1,878,366         Product feature cost       2,515,397       1495,647         COVID-19 related expenses       440,21       195,698         Others       25,815,366       19,834,114		•			
Communication         1,070,958         626,475           Stationery and printing         1,660,495         1,272,554           Marketing, advertisement and publicity         2,897,188         2,53,930           Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         3,888,065         2,409,779           Entertainment         3359,233         212,187           Consultancy charges         868,111         810,346           Product feature cost         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         823,255         495,504		Training and development		274,122	114,486
Stationery and printing       1,660,495       1,272,554         Marketing, advertisement and publicity       2,897,188       2,553,930         Donations       338,685       348,803         Auditors' remuneration       181,468       133,776         Brokerage and commission       590,839       523,198         Subscription       172,088       109,413         Documentation and processing charges       3,888,065       2,409,779         Entertainment       359,233       212,187         Consultancy charges       868,111       810,346         Deposits insurance premium expense       2,026,813       1,878,366         Product feature cost       2,515,397       1,495,647         COVID-19 related expenses       44,021       195,698         Others       25,815,366       19,834,114					
Donations         358,685         348,803           Auditors' remuneration         181,468         133,776           Brokerage and commission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         3,888,065         2,409,779           Entertainment         359,233         212,187           Consultancy charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         823,255         495,504					
Auditors' remuneration       181,468       133,776         Brokerage and commission       590,839       523,198         Subscription       172,088       109,413         Documentation and processing charges       3,888,065       2,409,779         Entertainment       359,233       212,187         Consultancy charges       868,111       810,346         Deposits insurance premium expense       2,026,813       1,878,366         Product feature cost       2,515,397       1,495,647         COVID-19 related expenses       44,021       195,698         Others       823,255       495,504					
Brokerage and commission         590,839         523,198           Subscription         172,088         109,413           Documentation and processing charges         3,888,065         2,409,779           Entertainment         339,233         212,187           Consultancy charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         25,815,366         19,834,114					· · · · ·
Documentation and processing charges         3,888,065         2,409,779           Entertainment         359,233         212,187           Consultancy charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         25,815,366         19,834,114		Brokerage and commission		590,839	523,198
Entertainment         359,233         212,187           Consultancy charges         868,111         810,346           Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         25,815,366         19,834,114					
Deposits insurance premium expense         2,026,813         1,878,366           Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         823,255         495,504           19,834,114         19,834,114		Entertainment		359,233	212,187
Product feature cost         2,515,397         1,495,647           COVID-19 related expenses         44,021         195,698           Others         823,255         495,504           25,815,366         19,834,114		, ,			
Others         823,255         495,504           25,815,366         19,834,114					
<b>25,815,366</b> 19,834,114					
		Ullers			
				80,482,078	62,040,974

			(Unaudited) For the nine months ende		
		Note	September 30, 2022	September 30, 2021	
28	OTHER CHARGES		(Rupees	s in '000)	
	Penalties imposed by the State Bank of Pakistan		428,488	74,085	
	Penalties imposed by other regulatory bodies		22,507 450,995	4,999 79,084	
29	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET				
	Provision / (reversal of provision) for diminution in value of investments	8.3	637,711	(1,125,272)	
	Provision against loans and advances	9.3	1,893,867	4,205,706	
	Provision against other assets	13.1.1	861,478	63,206	
	(Reversal of provision) / provision against off-balance sheet obligations	18.1	(584,066)	1,192,386	
	Recoveries against written off / charged off bad debts		(518,511)	(488,375)	
	Recoveries against other assets written off		(1,087)	(9,976)	
	Other write offs		66,523	-	
	Bad debts written off directly		-	78,530	
			2,355,915	3,916,205	
30	TAXATION				
	- Current		26,899,449	19,014,438	
	- Prior years		3,188,663	(155,020)	
	- Deferred		(268,971)	(207,542)	
			29,819,141	18,651,876	
31	BASIC AND DILUTED EARNINGS PER SHARE				
	Profit for the period		21,698,987	26,445,689	
			(Nun	nber)	
	Weighted average number of ordinary shares		1,466,852,508	1,466,852,508	
			(Rup	ees)	
	Basic and diluted earnings per share		14.79	18.03	

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

#### 32 FAIR VALUE MEASUREMENTS

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

The fair 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.

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.

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

#### 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, 2022 (Unaudited)						
	Carrying value	Level 1	Level 2	Level 3	Total		
On balance sheet financial instruments			(Rupees in '000)				
inancial assets - measured at fair value							
nvestments							
Federal Government securities	1,325,770,412	-	1,325,770,412	-	1,325,770,412		
Shares - listed companies	5,274,290	5,274,290		-	5,274,29		
Non-Government debt securities							
- Listed	49,937,109	40,280,000	9,657,109	-	49,937,10		
- Unlisted	624,000	-	624,000	-	624,00		
Foreign securities							
Government debt securities	97,035,360		97,035,360		97,035,360		
Non-Government debt securities - Listed	7,668,606	-	7,668,606	-	7,668,600		
National Investment Unit Trust units	40.218		40,218	_	40.218		
Real Estate Investment Trust units	69,350	69,350			69,350		
Preference shares - Listed	848,400	848,400			848,40		
	1,487,267,745	46,472,040	1,440,795,705	-	1,487,267,74		
Financial assets - disclosed but not measured at fair value nvestments							
Federal Government securities Non-Government debt securities	288,938,842	-	265,435,163	-	265,435,163		
- Listed	1,733,539		1,739,778	-	1,739,77		
- Unlisted	17,808,886		18,701,143	-	18,701,143		
Foreign securities	1 1						
Government debt securities Non-Government debt securities	13,874,117	-	13,607,453	-	13,607,453		
- Listed	199,762		199,762	-	199,762		
- Unlisted	313,256	-	301.793	-	301,793		
Associates and Joint venture	7,166,243	16,243,716	-	-	16,243,710		
	330,034,645	16,243,716	299,985,092	-	316,228,808		
	1,817,302,390	62,715,756	1,740,780,797	-	1,803,496,553		
		As at Sep	tember 30, 2022 (U	naudited)			
	Notional Value	Level 1	Level 2	Level 3	Total		
Off-balance sheet financial instruments - measured at fair value			(Rupees in '000)				

- Forward foreign exchange contracts - Forward Government securities transactions

- Derivative instruments

444,165,293 4,630,666 4,630,666 22,381 104,514,247 22,381 59,038,216 (7,147,513 (7,147,513)

		As at Dece	ember 31, 2021 (/	Audited)	
	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					
- Federal Government securities	1,410,064,781	-	1,410,064,781	-	1,410,064,781
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,52
- Non-Government debt securities	I				
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,01
- Unlisted	624,000	-	624,000	-	624,00
- Foreign securities	I				
Government debt securities	58,177,418	-	58,177,418	-	58,177,41
Non-Government debt securities- listed	6,991,481	-	6,991,481		6,991,48
- National Investment Unit Trust units	46,448	-	46,448	-	46,44
- Real Estate Investment Trust units	60,800	60,800	-		60,80
- Preference shares - Listed	780,500	780,500	-		780,50
	1,535,749,964	48,385,821	1,487,364,143	-	1,535,749,964
Financial assets - disclosed but not measured at fair value	.,,,	,	.,,		.,,,.
Investments					
- Federal Government securities	296,306,630	-	281,187,106	-	281,187,10
- Non-Government debt securities	I				
- Listed	2,365,422	-	2,376,486	-	2,376,48
- Unlisted	18,348,917		18,428,015		18,428,01
- Foreign securities	,,				,,
Government debt securities	14,672,889		14,823,285		14,823,28
Non-Government debt securities	14,012,000		14,020,200		14,020,20
- Listed	260,893		316,157		316,15
		-		-	
- Unlisted	614,541	-	612,981	-	612,98
- Associates and Joint venture	9,345,200	24,846,843	2,737,185	-	27,584,02
	341,914,492	24,846,843	320,481,215	-	345,328,05
	1,877,664,456	73,232,664	1,807,845,358		1,881,078,02
		As at Dece	ember 31, 2021 (/	Audited)	
	Notional	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fair value	Value	Lever	Level 2	Level 5	TOtal
		(F	Rupees in '000) -		
Commitments					
<ul> <li>Forward foreign exchange contracts</li> </ul>	560,033,923	-	1,575,160	-	1,575,16
- Forward Government securities transactions	93.562.463	-	200.063	-	200.06
- Derivative instruments	42,049,128		(2,373,349)	-	(2,373,34
	42,043,120		(2,070,040)		(2,070,04
Fair value of non-financial assets		As at Septer	mber 30, 2022 (U	naudited)	
	Carrying	Level 1	Level 2	Level 3	Total
	value	Lever	Level 2	Level 5	TOLAI
		(F	Rupees in '000) -		
		`			
			-	53,424,094	53,424,09
Land and Buildings	53,424,094	-			376,07
Land and Buildings Non-banking assets acquired in satisfaction of claims	53,424,094 376,079	-	-	376,079	570,07
		-	-	376,079 53,800,173	
	376,079	- - -	- -	53,800,173	
	376,079	As at Dece	- 	53,800,173	
	376,079 53,800,173 Carrying			53,800,173 Audited)	53,800,17
	376,079 53,800,173	- - As at Dece Level 1	- ember 31, 2021 (/ Level 2	53,800,173	
	376,079 53,800,173 Carrying	Level 1	Level 2	53,800,173 Audited)	53,800,17
Non-banking assets acquired in satisfaction of claims	376,079 53,800,173 Carrying value	Level 1		53,800,173 Audited) Level 3	53,800,17
Non-banking assets acquired in satisfaction of claims	376,079 53,800,173 Carrying value 52,925,664	Level 1	Level 2	53,800,173 Audited) Level 3 52,925,664	53,800,173 Total 52,925,664
Non-banking assets acquired in satisfaction of claims	376,079 53,800,173 Carrying value	Level 1	Level 2	53,800,173 Audited) Level 3	53,800,173

#### 33 SEGMENT INFORMATION

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

		F	or the nine m	onths ended Se	ptember 30, 20	022 (Unaudited)		
	Branch banking	Consumer, SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				(Rupees in	n million)			
Profit and loss account								
Net mark-up / return / profit / interest income	(85,518)	27,750	12,111	43,143	108,116	3,015	(1,918)	106,69
Inter segment revenue / (expense) - net	139,266	(15,304)	-	(23,638)	(107,008)	3,946	2,738	-
Non mark-up / interest income	2,780	9,283	1,335	2,819	12,746	4,958	(4,782)	29,13
Total income	56,528	21,729	13,446	22,324	13,854	11,919	(3,962)	135,83
Segment direct expenses	19,373	10,256	4,359	2,556	911	9,782	34,726	81,96
Inter segment expense allocation	14,589	5,677	893	7,831	1,048	1,100	(31,138)	-
Total expenses	33,962	15,933	5,252	10,387	1,959	10,882	3,588	81,96
Provisions - charge / (reversal)	155	1,137	1,134	(1,664)	45	616	933	2,35
Profit / (loss) before tax	22,411	4,659	7,060	13,601	11,850	421	(8,483)	51,5

			As	at September 3	0, 2022 (Unaud	ited)		
	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	179,039	-	28,763	472	107,620	91,160	-	407,054
Lendings to financial institutions	-	-	-	-	114,930	-	-	114,930
Inter segment lending	1,746,992	-	-	-	-	4,336	171,562	1,922,890
Investments	· · ·	-	187,679	8,806	1,480,301	151,197	25,439	1,853,422
Advances - performing	· · ·	208,202	199,829	830,599	-	287,109	29,380	1,555,119
Advances - non-performing	-	2,323	2,128	3,304	-	1,845	-	9,600
Others	31,495	3,970	26,536	56,425	70,079	23,108	99,548	311,161
Total assets	1,957,526	214,495	444,935	899,606	1,772,930	558,755	325,929	6,174,176
Borrowings	· ·	6,069	48,272	120,621	261,073	140,506	-	576,541
Subordinated debt		-	-	· · ·	-	· ·	12,374	12,374
Deposits and other accounts	1,929,099	592	343,781	540,290	-	319,919	21,696	3,155,377
Inter segment borrowing	-	194,722	7,376	199,813	1,481,418	39,561	-	1,922,890
Others	28,427	13,112	15,232	38,882	44,308	32,274	82,070	254,305
Total liabilities	1,957,526	214,495	414,661	899,606	1,786,799	532,260	116,140	5,921,487
Equity	-	-	30,274	-	(13,869)	26,495	209,789	252,689
Total equity and liabilities	1,957,526	214,495	444,935	899,606	1,772,930	558,755	325,929	6,174,176
Contingencies and commitments	73,551	-	33,339	547,564	483,477	180,608	37,154	1,355,693

	Branch banking	Consumer, SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon- dent banking	Head Office / Others	Total
				(Rupees ir	n million)			
come	(43,183)	20,444	8,521	22,724	80,336	2,557	(1,388)	90,011
	74,287	(9,845)	-	(11,077)	(62,687)	3,027	6,295	-
	3,024	7,503	497	2,802	4,530	2,533	1,137	22,026
-	34,128	18,102	9,018	14,449	22,179	8,117	6,044	112,037
	15,913	6,744	2,174	1,821	939	7,760	27,672	63,023
	12,005	4,790	503	6,509	679	895	(25,381)	-
	27,918	11,534	2,677	8,330	1,618	8,655	2,291	63,023
	-	1,163	263	1,270	(1,074)	2,134	160	3,916
	6,210	5,405	6,078	4,849	21,635	(2,672)	3,593	45,098

As at December 21, 2021 (Audited)

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

	As at December 31, 2021 (Audited)								
	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	404.004		00.470	004	454.040	70.450		444 705	
Cash and bank balances	181,994	-	29,178	364	151,013	79,156	-	441,705 93,742	
Lendings to financial institutions	- 1,594,867	-	28,672	-	65,070	266,460	- 144,415		
Inter segment lending Investments	1,594,007	-	- 191,865	8,822	1 566 569	115,350	22,584	2,005,742	
Advances - performing		199,979	166,056	746,323	1,566,568	242,992	22,564 24,116	1,905,189 1,379,466	
Advances - performing Advances - non-performing		1,503	100,050	2,403	-	1,174	24,110	5,083	
Others	18,762	2,838	17,592	41,047	44,735	15,078	109,351	249,403	
Total assets	1,795,623	204,320	433,366	798,959	1,827,386	720,210	300,466	6,080,330	
Borrowings	-	2,830	31,568	119,175	140,787	137,902	-	432,262	
Subordinated debt		-	-	-	-	-	12,374	12,374	
Deposits and other accounts	1,777,354	374	346,895	519,884	122	528,259	11,373	3,184,261	
Inter segment borrowing		194,287	11,440	124,508	1,675,507	-	-	2,005,742	
Others	18,269	6,829	15,654	35,392	14,139	22,881	74,599	187,763	
Total liabilities	1,795,623	204,320	405,557	798,959	1,830,555	689,042	98,346	5,822,402	
Equity	-	-	27,809		(3,169)	31,168	202,120	257,928	
Total equity and liabilities	1,795,623	204,320	433,366	798,959	1,827,386	720,210	300,466	6,080,330	
Contingencies and commitments	60,144		56,741	463,954	601,350	138,579	38,410	1,359,178	

#### Profit and loss account

Net mark-up / return / profit / interest inco Inter segment revenue / (expense) - net Non mark-up / interest income Total income

Segment direct expenses Inter segment expense allocation Total expenses Provisions - charge / (reversal) Profit / (loss) before tax

HBL QUARTERLY REPORT SEPTEMBER 30, 2022

#### 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 Se	eptember 30, 202	2 (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			1,130	340,039			
Investments							
Opening balance Investment made during the period Investment redeemed / disposed off during	-	-	-	20,091,764 2,728,838	9,465,766 44,567	135,665 -	7,713,055 2,000,000
the period	-	-	-	-	(2,223,524)	-	-
Revaluation of investment during the period	-	-	-	1,558,155	-	-	-
Provision for diminution in the value of investments	-	-	-	-	-	-	(13,877)
Transfer in - net Closing balance	<u> </u>			- 24,378,757	- 7,286,809	- 135,665	29,286 9,728,464
•					.,200,000		
Provision for diminution in the value of investments	-				-		13,877
Advances	527	447,007	4 004 202	2,092,521	1,845,811		11,132,886
Opening balance Addition during the period	25,487	289,619	4,001,392 13,457,837	670,376	1,040,011	-	11,132,000
Repaid during the period	(23,857)	(264,449)	(14,224,933)	(536,837)	(1,216,663)	-	(11,650,680)
Transfer (out) / in - net	-	(8,110)	-	-	-	-	8,430
Exchange adjustment	-	-	756,962	25,836	120,852	-	-
Closing balance	2,157	464,067	3,991,258	2,251,896	750,000	-	11,189,282
Other Assets							
Interest / mark-up accrued	-	473	22,467	653,345	22,010	-	620,270
Borrowings							
Opening balance	-	-	3,177,871	475,527	3,969,060	-	181,985
Borrowings during the period	-	-	3,974,090	67,485	10,572,347	8,336,441	-
Settled during the period Exchange adjustment	-		(3,541,768) 425,013	(602,209) 59,197	(7,568,092) 1,142,391	(4,366,707) 599,306	(13,733)
Closing balance			4,035,206	-	8,115,706	4,569,040	168,252
•							
Deposits and other accounts Opening balance	42,382	468.361	10,820,031	6,314,465	50,605,027		2,960,354
Received during the period	332.775	2,319,088	259,268,632	489,661,669	745,661,193	14.748	49,246,621
Withdrawn during the period	(246,973)	(2,148,236)	(253,955,112)	(494,462,577)	(794,938,783)	(11,277)	(51,027,100)
Transfer (out) / in - net	-	(28,254)	-	-	-	-	7,451
Exchange adjustment	7,218	215	307,714	170,740	5,282	2,317	15,567
Closing balance	135,402	611,174	16,441,265	1,684,297	1,332,719	5,788	1,202,893
Other liabilities							
Interest / mark-up payable	1,066	4,396	124,719	350	14,288	16,773	3,911 758,910
Payable to defined benefit plan Others	-	-	- 55.441	- 18,261	- 66.640	-	354,485
	1,066	4,396	180,160	18,611	80,928	16,773	1,117,306
Contingencies and Commitments Letters of credit			4 004 000				4 007
Letters of guarantee	-	-	1,001,366 154,340	- 61,441	-	-	1,937 3,530,727
Forward purchase of Government securities		-	4,842,596	600,713	-	-	2,611,603
Forward sale of Government securities		-		-	-	-	388,141
Forward purchase of foreign exchange contracts	-	-	-	228,451	-	-	-
Interest rate swaps	-		-	-	750,000		-
Other	-	-	5,998,302	890,605	750,000	-	6,532,408
Others Securities held as custodian	-	35,770	23,015,145	605,665	125,978,300	-	16,815,615
		55,110	_0,010,140		,510,000		

		F	or the nine month	is ended Septem	ber 30, 2022 (Una	audited)	
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
				(Rupees in '000	))		
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	17,492	181,945	662,483	83,299	-	1,278,982
Fee and commission income	-	-	187,358	3,391	587,456	-	6,524
Dividend income	-	-	-	-	666,706	-	66,225
Foreign exchange gain	-	-	-	1,014,121	-	-	-
Unrealised loss on derivatives	-	-	-	-	(54,768)	-	-
Gain on sale of securities - net	-	-	-	-	136,433	-	-
Rent on properties	-	-	-	34,567	-	-	-
Other income	-	-	-	312	-	-	-
Expense							
Mark-up / return / profit / interest expensed	1,845	16,581	238,268	50,801	1,128,749	14,573	199,497
Operating expenses							
Total compensation expense	-	1,733,234	-	-	-	-	1,945,340
Non-Executive Directors' fees	71,400	-	-	-	-	-	-
Insurance premium expense	-	-	9,047	-	1,339,414	-	-
Product feature cost	-	-	77,563	-	-	-	-
Travelling	-	-	7,184	-	-	-	-
Subscription	-	-	-	-	-	-	13,631
Donation	-	-	-	-	-	-	354,485
Brokerage and Commission	-	-	-	-	-	-	163,271
Other expenses	-	-	20,990	96,059	123	-	39,304
Provision for diminution in the value of investments	-	-	-	-	-	-	13,877
Others							
Purchase of Government securities	-	-	149,084,771	42,838,927	58,278,417	-	21,571,340
Sale of Government securities	-	42,278	172,376,874	46,404,409	107,312,067	-	23,576,091
Purchase of foreign currencies	-	-	1,600,856	1,985,947	-	-	4,482
Sale of foreign currencies	-	-	1,599,076	5,841,045	90,300	-	8,051,658
Insurance claims settled	-	-	-	-	215,033	-	
			As at I	December 31, 202	21 (Audited)		
	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			074	005 405			
In current accounts	-	-	374	235,105	-		-
Investments							
Opening balance	-	-	-	17,614,626	9,161,114	135,665	4,744,343
Investment made during the period	-	-	-	2,000,000	650,000	-	2,969,103
Investment redeemed / disposed off during the year	-	-	-	(23,236)	(345,348)	-	- (391
Revaluation of investment during the year	-			500 374		-	(39

Revaluation of investment during the year	-	-	-	500,374		-	(391)
Closing balance	-	-	-	20,091,764	9,465,766	135,665	7,713,055
Advances							
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Addition during the year	19,023	372,347	2,013,784	1,720,019	895,993	-	5,567,065
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(1,688,225)	(250,000)	-	(2,365,348)
Transfer in - net	276	34,006	-	-	-	-	182,500
Exchange adjustment	-	(250)	265,109	(13,158)	74,818	-	(325)
Closing balance	527	447,007	4,001,392	2,092,521	1,845,811	-	11,132,886
Other Assets							
Interest / mark-up accrued	-	552	68,780	179,118	16,130	-	123,587
Receivable from defined benefit plan	-	-		-	-	-	759,354
· · · · · · · · · · · · · · · · · · ·		552	68,780	179,118	16,130	-	882,941
Borrowings							
Opening balance	-	-	1,877,006	468,382	2,282,856	1,598,344	494,309
Borrowings during the year	-	-	4,216,030	2,327,678	7,564,980	6,516,419	-
Settled during the year	-	-	(3,258,210)	(2,366,193)	(6,027,688)	(8,145,524)	(312,324)
Exchange adjustment	-	-	343,045	45,660	148,912	30,761	-
Closing balance	-	-	3,177,871	475,527	3,969,060	-	181,985
0				- / -			

			As at I	December 31, 202	21 (Audited)		
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Deposits and other accounts				(Rupees in '000	))		
Opening balance	20,794	447.740	7,288,452	1,087,262	36,293,203	_	1,684,143
Received during the year	260,411	2,277,862	445,766,161	412,224,268	1,001,182,265	-	86,731,344
Withdrawn during the year	(242,044)	(2,000,383)	(442,983,490)	(406,949,534)	(986,870,955)	-	(85,600,878)
Transfer in / (out) - net	3,118	(267,073)	-	-	-	-	114,741
Exchange adjustment	103	10,215	748,908	(47,531)	514	-	31,004
Closing balance	42,382	468,361	10,820,031	6,314,465	50,605,027	-	2,960,354
Other liabilities							
Interest / mark-up payable	1	723	6,255	908	40,182		8,233
Payable to defined benefit plan	- '	-	-	-	-10,102		433.201
Others	-	-	4,150	18,784	43,601	-	405,576
	1	723	10,405	19,692	83,783	-	847,010
Contingencies and Commitments							
Letters of credit	-	-	910,308	-	-	-	673,614
Letters of guarantee	-	-	167,204	55,672	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	-	1,859,052
Commitment in respect of Forward Foreign Currency	-	-	-	282,422	-	-	-
Commitment in respect Forward lending	-	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	-	875,000		-
	-	-	2,272,972	338,094	875,000	-	7,769,362
Others		10,000	5 000 700		77 704 400		0 000 745
Securities held as custodian	-	12,920	5,326,720	-	77,701,130		9,860,745
		F Key	or the nine month		ber 30, 2021 (Una	udited)	
	Directors		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
	-	14,852 -	196,157 127,533	317,954 24,769	145,245 709,279	- 267	630,414 16,382
Mark-up / return / profit / interest earned	- -	14,852 - -					
Mark-up / return / profit / interest earned Fee and commission income	- - -	14,852 - - -	127,533	24,769	709,279	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income	- - -	14,852 - - - -	127,533	24,769	709,279	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain	- - - -	14,852 - - - - -	127,533 - -	24,769 - 151,478	709,279 460,136 -	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives	- - - - -	14,852 - - - - - -	127,533 - -	24,769 - 151,478 -	709,279 460,136 - (8,767)	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net	-	14,852 - - - - - - -	127,533 - -	24,769 - 151,478 - -	709,279 460,136 - (8,767) 355,845	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties		14,852 - - - - - -	127,533 - -	24,769 - 151,478 - - 31,380	709,279 460,136 - (8,767) 355,845	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income	- - - - - - 88	14,852 - - - - - 8,712	127,533 - -	24,769 - 151,478 - - 31,380	709,279 460,136 - (8,767) 355,845	267	16,382
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income	- - - - - 88	-	127,533 - (2,557) - - -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - -	267 145,181 - - - - -	16,382 89,307 - - - - - -
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income Expense Mark-up / return / profit / interest expensed Operating expenses	- - - - - 88	-	127,533 - (2,557) - - -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - -	267 145,181 - - - - -	16,382 89,307 - - - - - -
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income Expense Mark-up / return / profit / interest expensed	-	- - - - - 8,712	127,533 - (2,557) - - -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - -	267 145,181 - - - - -	16,382 89,307 - - - - - 124,043
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income Expense Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees	- - - - - 88 - 61,800	- - - - - 8,712	127,533 - (2,557) - - -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - - - 124,043
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - - - -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - -	267 145,181 - - - -	16,382 89,307 - - - - - 124,043
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - - 139,554	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - - - 124,043
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - - - -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - - - 124,043 846,139 - - - - -
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - 139,554 4,478 -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - - 124,043 846,139 - - - - 70,959
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - - 139,554	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - - 124,043 846,139 - - - - 70,959 271,323
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - 139,554 4,478 -	24,769 - 151,478 - - 31,380 20,490	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - - - 124,043 846,139 - - - - - - 70,959
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Mark-up / return / profit / interest expensed Operating expenses Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation Brokerage and Commission Other expenses	-	- - - - - 8,712	127,533 - (2,557) - - 225,562 - 139,554 4,478 -	24,769 - 151,478 - 31,380 20,490 20,661 - - - - - - - - - - - - - - - - - -	709,279 460,136 - (8,767) 355,845 - - 868,243 - -	267 145,181 - - - -	16,382 89,307 - - - 124,043 846,139 - - - 70,959 271,323 155,858
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Mark-up / return / profit / interest expensed Operating expenses Mark-up / return / profit / interest expensed Operating expenses Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation Brokerage and Commission Other expenses	-	- - - - - 8,712	127,533 - (2,557) - - - 225,562 - - - 139,554 4,478 - 77,230 - - -	24,769 - 151,478 - 31,380 20,490 20,661 - - - - - 314,356	709,279 460,136 - (8,767) 355,845 - - 868,243 - - 1,173,593 - - - - - - - - - - - - - -	267 145,181 - - - -	16,382 89,307 - - - - 124,043 846,139 - - 70,959 271,323 155,858 20,140
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Renton properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation Brokerage and Commission Other expenses	-	- - - - - - - 1,890,101 - - - - - - - - - - - - - - - - - -	127,533 - (2,557) - - 225,562 - 139,554 4,478 - 77,230 - - - 242,442,156	24,769 - 151,478 - 31,380 20,490 20,661 - - - - 314,356 1,995,995	709,279 460,136 - (8,767) 355,845 - - 868,243 - - 1,173,593 - - - - - - 23,453,887	267 145,181 - - - -	16,382 89,307 - - - - - 124,043 846,139 - - - 70,959 271,323 155,858 20,140 8,614,457
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation Brokerage and Commission Other expenses <b>Expense</b> Purchase of Government securities Sale of Government securities	-	- - - - - 8,712	127,533 - - (2,557) - - - 225,562 - - 139,554 4,478 - 77,230 - - 77,230 - - 242,442,156 248,898,039	24,769 - 151,478 - 31,380 20,490 20,661 - - - - - - 314,356 1,995,995 23,450,418	709,279 460,136 - (8,767) 355,845 - - 8668,243 - - 1,173,593 - - - - - - - - - - - 23,453,887 26,669,475	267 145,181 - - - -	16,382 89,307 - - - - 124,043 846,139 - - - 70,959 271,323 155,858 20,140 8,614,457 15,929,192
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation Brokerage and Commission Other expenses <b>Others</b> Purchase of Government securities Sale of Government securities Purchase of foreign currencies	-	- - - - - - - 1,890,101 - - - - - - - - - - - - - - - - - -	127,533 - (2,557) - - 225,562 - 139,554 4,478 - 77,230 - 77,230 - - 242,442,156 248,898,039 2,221,735	24,769 - 151,478 - 31,380 20,490 20,661 - - - - - - - - - - - - -	709,279 460,136 - (8,767) 355,845 - - 868,243 - 1,173,593 - - - - - - - - - - - - - - - - - - -	267 145,181 - - - - -	16,382 89,307 - - - - 124,043 846,139 - - - 70,959 271,323 155,858 20,140 8,614,457 15,929,192 2,791,748
Mark-up / return / profit / interest earned Fee and commission income Dividend income Foreign exchange gain Unrealised loss on derivatives Gain on sale of securities - net Rent on properties Other income <b>Expense</b> Mark-up / return / profit / interest expensed Operating expenses Total compensation expense Non-Executive Directors' fees Insurance premium expense Product feature cost Travelling Subscription Donation Brokerage and Commission Other expenses <b>Expense</b> Purchase of Government securities Sale of Government securities	-	- - - - - - - 1,890,101 - - - - - - - - - - - - - - - - - -	127,533 - - (2,557) - - - 225,562 - - 139,554 4,478 - 77,230 - - 77,230 - - 242,442,156 248,898,039	24,769 - 151,478 - 31,380 20,490 20,661 - - - - - - 314,356 1,995,995 23,450,418	709,279 460,136 - (8,767) 355,845 - - 8668,243 - - 1,173,593 - - - - - - - - - - - 23,453,887 26,669,475	267 145,181 - - - - -	16,382 89,307 - - - - 124,043 846,139 - - - 70,959 271,323 155,858 20,140 8,614,457 15,929,192

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Unaudited)	(Audited)
	September 30, 2022	December 31, 2021
	(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	196,069,589	193,371,438
Eligible Additional Tier 1 (ADT 1) Capital	9,150,183 205,219,772	10,428,514 203,799,952
Total Eligible Tier 1 Capital Eligible Tier 2 Capital	43,273,842	58,372,958
Total Eligible Capital (Tier 1 + Tier 2)	248,493,614	262,172,910
Risk Weighted Assets (RWAs):		
Credit Risk	1,377,013,954	1,217,657,907
Market Risk	84,354,725	92,254,538
Operational Risk Total	212,268,669 1,673,637,348	212,268,669 1,522,181,114
Common Equity Tier 1 Capital Adequacy ratio	11.72%	12.70%
Tier 1 Capital Adequacy Ratio	12.26%	13.39%
Total Capital Adequacy Ratio	14.85%	17.22%
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)	5.72%	6.70%
Other information:		
Minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	9.50%	9.50%
Tier 1 minimum ratio (%) Total capital minimum ratio (%)	11.00% 13.50%	11.00% 13.50%
Leverage Ratio (LR)	(Rupees	s in '000)
Eligible Tier-1 Capital	205,219,772	203,799,952
Total Exposures	5,129,684,056	
Leverage Ratio (%)	4.00%	4.56%
Minimum Requirement (%)	3.00%	3.00%
Linuidite Courses a Rotio (LOR)		sted Value
Liquidity Coverage Ratio (LCR)	(Kupees	s in '000)
Average High Quality Liquid Assets	1, <b>589,558,928</b>	1,477,650,149
Average Net Cash Outflow	642,248,866	638,366,023
Liquidity Coverage Ratio (%)	247.50%	231.47%
Minimum Requirement (%)	100.00%	100.00%
	Total Weig	hted Value
Net Stable Funding Ratio (NSFR)	-	s in '000)
Total Available Stable Funding	3,093,415,106	3,046,911,457
Total Required Stable Funding	2,193,804,625	1,964,571,726
	4 4 4 0 4 0 /	455.000/
Net Stable Funding Ratio (%)	141.01%	155.09%

#### 36 ISLAMIC BANKING BUSINESS

The Bank operates 277 (December 31, 2021: 259) Islamic Banking branches and 573 (December 31, 2021: 614) Islamic Banking windows.

WINDOWS.			
		(Unaudited)	(Audited)
STATEMENT OF FINANCIAL POSITION	Note	September 30,	December 31,
		2022	2021
ASSETS		(Rupees	in '000)
		(	
Cash and balances with treasury banks		27,930,468	28,015,270
Balances with other banks		832,124	1,162,953
Due from financial institutions	36.1		28,671,686
Investments	36.2	187,679,329	191,864,941
Islamic financing and related assets - net	36.3	201,956,796	166,058,790
Fixed assets		5,736,629	4,629,739
Intangible assets		-	-
Due from Head Office		-	-
Deferred tax assets		768,806	-
Other assets		20,030,938	12,962,183
		444,935,090	433,365,562
LIABILITIES		26.924	26.240
Bills payable	00.4	26,834	26,310
Due to financial institutions	36.4	48,272,086	31,567,668 346,895,368
Deposits and other accounts	36.5	343,780,827	, ,
Due to Head Office Subordinated debt		7,375,943	11,439,635
Deferred tax liabilities		-	73,097
Other liabilities		15,205,445	15,554,392
Other habilities		414,661,135	405,556,470
		414,001,133	405,550,470
NET ASSETS		30,273,955	27,809,092
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
(Deficit) / surplus on revaluation of investments - net of tax		(1,019,114)	114,330
Unappropriated profit	36.6	30,793,069	27,194,762
	00.7	30,273,955	27,809,092
Contingencies and commitments	36.7	(Unau	dited)
			ionths ended
		September 30,	September 30,
PROFIT AND LOSS ACCOUNT		September 30, 2022	September 30, 2021
PROFIT AND LOSS ACCOUNT		September 30,	September 30, 2021
PROFIT AND LOSS ACCOUNT Profit / return earned	36.8	September 30, 2022	September 30, 2021
	36.8 36.9	September 30, 2022 (Rupees	September 30, 2021 in '000) 17,196,569 8,675,798
Profit / return earned		September 30, 2022 (Rupees 32,564,590	September 30, 2021 in '000) 17,196,569
Profit / return earned Profit / return expensed Net profit / return		September 30, 2022 (Rupees 32,564,590 20,453,330	September 30, 2021 in '000) 17,196,569 8,675,798
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b>		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income		September 30, 2022 (Rupees 32,564,590 20,453,330	September 30, 2021 in '000) 17,196,569 8,675,798
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 -	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 -
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 -	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 -
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15)
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 777,552 537	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 - 492,974 - 3,308 - (15) 273
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 777,552 537	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 - 492,974 - 3,308 - (15) 273
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income <b>Total income</b> <b>Other expenses</b>		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income <b>Total income</b> <b>Other expenses</b> Operating expenses		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085	September 30, 2021 in '000) 17,196,569 8,675,798 8,520,771 492,974 - 3,308 - (15) 273 496,540 9,017,311 2,547,914
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income Total other income Total income Other expenses Operating expenses Workers' Welfare Fund		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085 4,933,817 149,426	September 30, 2021 in '000) 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
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income <b>Total income</b> <b>Other expenses</b> Operating expenses Workers' Welfare Fund Other charges		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085 4,933,817 149,426 168,332	September 30, 2021 in '000) 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
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income <b>Total income</b> <b>Other expenses</b> Operating expenses Workers' Welfare Fund Other charges Total other expenses		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085 4,933,817 149,426 168,332 5,251,575	September 30, 2021 in '000) 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
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income Total income Other expenses Vorkers' Welfare Fund Other charges Total other expenses Profit before provisions		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085 4,933,817 149,426 168,332 5,251,575 8,194,510	September 30, 2021 in '000) 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
Profit / return earned Profit / return expensed Net profit / return <b>Other income / (loss)</b> Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income <b>Total income</b> <b>Other expenses</b> Operating expenses Workers' Welfare Fund Other charges Total other expenses <b>Profit before provisions</b> Provisions and write offs - net		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085 4,933,817 149,426 168,332 5,251,575 8,194,510 1,133,960	September 30, 2021 in '000) 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
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income Total other income Other expenses Vorkers' Welfare Fund Other charges Total other expenses Profit before provisions Provisions and write offs - net Profit before taxation		September 30, 2022 (Rupees           32,564,590           20,453,330           12,111,260           795,573           -           461,163           -           77,552           537           1,334,825           13,446,085           4,933,817           149,426           168,332           5,251,575           8,194,510           1,133,960           7,060,550	September 30, 2021 in '000) 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
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income Total other income Total other income Other expenses Vorkers' Welfare Fund Other charges Total other expenses Profit before provisions Provisions and write offs - net Profit before taxation Taxation		September 30, 2022 (Rupees 32,564,590 20,453,330 12,111,260 795,573 - 461,163 - 77,552 537 1,334,825 13,446,085 4,933,817 149,426 168,332 5,251,575 8,194,510 1,133,960 7,060,550 3,459,670	September 30, 2021 in '000) 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 2,370,069
Profit / return earned Profit / return expensed Net profit / return Other income / (loss) Fee and commission income Dividend income Foreign exchange income Income from derivatives Gain / (loss) on securities- net Others Total other income Total other income Other expenses Operating expenses Workers' Welfare Fund Other charges Total other expenses Profit before provisions Provisions and write offs - net Profit before taxation		September 30, 2022 (Rupees           32,564,590           20,453,330           12,111,260           795,573           -           461,163           -           77,552           537           1,334,825           13,446,085           4,933,817           149,426           168,332           5,251,575           8,194,510           1,133,960           7,060,550	September 30, 2021 in '000) 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

36.1	Due from Financial Institutions			(Unaudited) September 30, 2022 (Rupees	(Audited) December 31, 2021 in '000)
00.1				(	,
	Call money lendings			-	24,500,000
	Bai Muajjal receivable from financial institutions				4,171,686 28,671,686
20.0	Level and the second state		O antamban 20		
36.2	Investments by segments		Provision	0, 2022 (Unaudited)	)
		Cost / amortised cost	for	Surplus /	Carrying value
		amortised cost	diminution	(deficit)	
	Federal Government securities		(Rupe	es in '000)	
	- Ijarah Sukuk	128,452,627	- 1	(2,197,920)	126,254,707
	- Other Federal Government securities	3,861,881	-	-	3,861,881
		132,314,508	-	(2,197,920)	130,116,588
	Non-Government debt securities				
	- Listed	46,193,545	-	386,000	46,579,545
	- Unlisted	10,959,196	-	24,000	10,983,196
	Total Investments	57,152,741 189,467,249		410,000 (1,787,920)	57,562,741 187,679,329
	Total investments	109,407,249		(1,707,920)	107,079,529
				31, 2021 (Audited)	
		Cost /	Provision for	Surplus /	Carrying value
		amortised cost	diminution	(deficit)	Carrying value
				es in '000)	
	Federal Government securities			(507.444)	440.000.000
	- Ijarah Sukuk - Other Federal Government_securities	119,617,967 11,810,120	-	(537,141)	119,080,826 11,810,120
	- Other Federal Government Securities	131,428,087	-	(537,141)	130,890,946
	Non-Government debt securities				
	- Listed	47,325,231	-	681,000	48,006,231
	- Unlisted	12,924,196	-	43,568	12,967,764
	Total Investments	<u>60,249,427</u> 191,677,514		724,568 187,427	60,973,995 191,864,941
		- ,- ,-			
				(Unaudited) September 30,	(Audited) December 31,
				2022	2021
36.3	Islamic financing and related assets - net			(Rupees	in '000)
	Diminishing Musharakah			87,802,286	81,033,335
	Running Musharakah			47,115,459	30,704,784
	Wakalah			9,896,566	10,381,176
	ljarah			2,204,058	2,095,534
	Murabaha Currency Salam			3,991,567 54,999	1,897,123 195,118
	Tijarah			2,736,478	2,058,785
	Istisna			1,960,651	973,605
	Musawamah			2,653,161	401,370
	Advance for Diminishing Musharakah			8,863,970	3,573,753
	Advance for Ijarah Advance for Murabaha			3,420,056 5,992,663	1,208,139 8,687,338
	Advance for Salam			-	1,228,367
	Advance for Istisna			15,275,393	12,886,460
	Advance for Musawamah			1,449,023	272,258
	Inventories against Murabaha Inventories against Salam			4,950,580 1,201,000	2,438,918
	Inventories against Salah Inventories against Tijarah			2,216,444	3,347,923
	Inventories against Istisna			2,344,839	3,708,194
	Islamic financing and related assets - gross			204,129,193	167,092,180
	Provision against Islamic financing and related assets -Specific			(1,354,538)	(334,402)
	-Specific -General			(1,354,538) (817,859)	(698,988)
				(2,172,397)	(1,033,390)
	Islamic financing and related assets - net of provision			201,956,796	166,058,790

	Νο	ote	(Unaudited) September 30, 2022	(Audited) December 31, 2021
36.4	Due to financial institutions		(Rupees	in '000)
	Unsecured acceptances of funds Acceptances from the SBP under:		-	1,000,000
	- Islamic export refinance scheme		11,545,690	20,029,111
	- Islamic long term financing facility		7,489,315	5,892,219
	- Islamic financing facility for renewable energy power plants		782,641	336,665
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)		91,600	7,480
	- Islamic refinance and credit guarantee scheme for women entrepreneurs		4,011	-
	- Islamic refinance scheme for payment of wages and salaries		341,073	1,253,895
	- Islamic refinance facility for combating COVID-19		152,537	-
	- Islamic temporary economic refinance facility		2,757,936	2,866,313
	Bai Muajjal - purchase		24,939,031	-
	Acceptances from Pakistan Mortgage Refinance Company		168,252	181,985
			48,272,086	31,567,668

#### 36.5 Deposits and other accounts

	Customers			
	Current deposits	٦	78,703,697	77,159,559
	Savings deposits		147,409,716	124,677,445
	Term deposits		28,125,776	37,475,091
		-	254,239,189	239,312,095
	Financial Institutions			
	Current deposits	ſ	93,720	628,929
	Savings deposits		89,446,272	103,455,298
	Term deposits		1,646	3,499,046
		_	89,541,638	107,583,273
		_	343,780,827	346,895,368
36.6	Islamic Banking business unappropriated profit	_		
	Opening Balance		27,194,762	22,253,744
	Add: Islamic Banking profit for the period / year		7,060,550	8,101,754
	Less: Taxation		(3,459,670)	(3,159,684)
	Less: Transferred / Remitted to Head Office		(2,573)	(1,052)
	Closing Balance		30,793,069	27,194,762
36.7	Contingencies and commitments - Guarantees - Commitments	36.7.1 36.7.2	2,757,321 30,581,953	2,446,959 54,293,996
	- Communents	30.7.2	33,339,274	56,740,955
		=	55,559,274	50,740,955
36.7.1	Guarantees			
	Performance guarantees	=	2,757,321	2,446,959
36.7.2	Commitments			
	Trade-related contingent liabilities		26,876,566	36,101,034
	Commitments in respect of forward foreign exchange contracts	36.7.2.1	3,705,387	18,192,962
	• • • • • • • • • • • • • • • • • • •	-	30,581,953	54,293,996
36.7.2.1	Commitments in respect of forward foreign exchange contracts	=		
	Purchase		1,866,031	9,520,227
	Sale		1,839,356	8,672,735
		-	3,705,387	18,192,962
		=		

# NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		(Unaudited) For the nine months ended	
		September 30, 2022	September 30, 2021
36.8	PROFIT / RETURN EARNED	(Rupees	s in '000)
0010	On:		
	Financing	15,049,252	7,711,862
	Investments	16,868,822	8,041,493
	Amounts due from financial institutions	646,516	1,443,214
		32,564,590	17,196,569
36.9	Profit / return expensed		
	On:		
	Deposits and other accounts	14,771,996	7,781,825
	A second se	5 000 740	700 700

	14,111,330	1,101,025
Amounts due to financial institutions	5,388,716	726,798
Foreign currency deposits for Wa'ad based transactions	13,132	13,318
Lease liability against right-of-use assets	279,486	153,857
	20,453,330	8,675,798

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

37.1 The Board of Directors, in its meeting held on October 26, 2022, has declared a cash dividend of Rs 1.50 per share in respect of the quarter ended September 30, 2022 (September 30, 2021: Rs 1.75 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

#### 38 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on October 26, 2022.

#### 39 GENERAL

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

Muhammad Aurangzeb President and Chief Executive Officer Rayomond Kotwal Chief Financial Officer Khaleel Ahmed Director Moez Ahamed Jamal Director

