

NATIONAL BANK OF PAKISTAN

THE BANK YOU TRUST

QUARTERLY REPORT
SEPTEMBER 2023

شاہد باہو
پاک سروسز بینک

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CORPORATE INFORMATION

Board of Directors

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

Audit Committee

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

Chief Financial Officer

Mr. Abdul Wahid Sethi

Company Secretary

Syed Muhammad Ali Zamin

Auditors

A.F. Ferguson & Co.
Chartered Accountants

BDO Ebrahim & Co.
Chartered Accountants

Legal Advisors

Khalid Anwer & Co.
Advocates and Legal Consultants

Registered & Head Office

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

Registrar & Share Registration Office

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

Website

www.nbp.com.pk

Directors' Report to the Shareholders Standalone Financial Statements

Dear Shareholders,

On behalf of the Board of Directors "the Board", we have the pleasure of presenting to you, the condensed interim standalone financial statements of the Bank for the nine-months period ended September 30, 2023.

Economic Environment

Globally, there are indications of an economic upswing, poised to surpass earlier projections for the first half of 2023. However, these improvements are delicate, as persistent core inflation, elevated interest rates, and ongoing geopolitical uncertainties continue to put pressure on economic activities.

In recent months, Pakistan's economy has made strides toward recovery, benefiting from the global economic upturn. Positive developments have been observed in both agriculture and large-scale manufacturing (LSM), both of which have rebounded from a previous slump. The nine-month Stand-By Arrangement (SBA) with the IMF has addressed immediate concerns regarding external sector stability by shoring up foreign exchange reserves. Following the disbursement of the initial tranche under the SBA and \$3 billion in bilateral support, the State Bank of Pakistan's foreign exchange reserves rose from \$4.5 billion at the end of June 2023 to \$7.6 billion as of October 6, 2023. The Pakistani Rupee (PKR), which experienced an earlier depreciation of approximately 25% over the year, has recently staged a notable recovery, appreciating by 5.28% since hitting a record low of 307 in early September. Due to stringent government measures to combat hoarding of commodities and foreign currency, Consumer Price Index (CPI) inflation has begun to moderate, decreasing from its peak of 38% Year-on-Year (YoY) in May 2023 to 27.4% in August 2023. The central bank anticipates further declines in inflation from October onward. Following a 600 basis point increase since December 2022, the State Bank of Pakistan has maintained the policy rate at 22% since July 2023. With bolstered investor confidence, the KSE-100 index, though impacted by the current economic climate during the year, has shown considerable growth, surpassing a six-year high of 49,000 points. Pakistan's banking sector has demonstrated robust performance and resilience. Deposits in the banking sector amounted to PKR 26.8 trillion at the end of June 2023, reflecting a 14.2% increase since December 2022, while net advances in the banking sector closed at PKR 12.0 trillion at the end of June 2023, up 2.0% from December 2022. Spreads have improved, propelled by a higher average policy rate, though there are some concerns regarding asset quality and credit risks. The central bank has forecasted an economic improvement of 2-3% for Pakistan in the current fiscal year of 2023-24. SBP's foreign exchange reserves are expected to exceed \$10 billion by the end of the current fiscal year on June 30, 2024, and the current account deficit is projected to remain within the range of 0.5-1.5% of Gross Domestic Product (GDP) for FY24.

Financial Performance – 9M'2023

Amidst the challenges of the prevailing business environment, your Bank has delivered strong financial results for the nine-month period ended September 30, 2023. These results demonstrate the resilience inherent in the Bank's business model, effectiveness of the strategic efforts by management, and the commitment demonstrated by our field personnel in these demanding circumstances.



- **Summary (PKR 'Bn)**

No.	Key Items	Sep'23	Sep'22	Better / (Worse) Amount %	
1	Net Interest Income	120.6	80.6	40.0	49.6% ▲
2	Non-Fund Income	24.7	25.3	(0.6)	(2.5%) ▼
3	Total Income	145.3	105.9	39.3	37.1% ▲
4	Admin Exp.	65.4	54.8	(10.7)	19.5% ▲
5	Pre-Provision Profit	79.8	51.1	28.7	56.1% ▲
6	Provision Charge	9.2	2.8	(6.4)	229.5% ▲
7	Pre-tax Profit	70.6	48.3	22.3	46.0% ▲
8	Tax	32.4	29.2	(3.3)	11.2% ▲
9	After-tax Profit	38.2	19.2	19.0	99.1% ▲
10	EPS (Rs.)	17.9	9.0	8.9	99.1% ▲

- **Mark-up/Interest Income**

For the nine-months period under review, your Bank earned Gross Interest Income 'GII' of PKR 728.7 Bn as against PKR 332.2 Bn for the corresponding nine-months period of 2022. The PKR 396.5 Bn increase in GII was achieved through a volumetric growth in average interest-bearing assets coupled with the favourable impact of average policy rate during 9M'23. During this period, the Bank's investments averaged PKR 3,760.5 Bn (9M'22:PKR 2,425.5 Bn) and generated a mark-up/interest income of PKR 541.6 Bn being PKR 316.1 Bn or 140.1% up against PKR 225.5 Bn for 9M'22. This translates into average yield at 19.26% (9M'22:12.43%). In the rising policy rate environment, maturity profile of the Bank's investment book is skewed as a strategy towards the shorter duration securities. Similarly, placements, that averaged PKR 153.7 Bn (9M'22:PKR 126.9 Bn) generated a mark-up income of PKR 22.5 Bn (9M'22: PKR 10.8 Bn) at an improved yield of 19.61% as compared to 11.34% for 9M'22.

The Bank's loan book generated a mark-up income of PKR 164.5 Bn i.e. PKR 68.6 Bn or 71.6% higher than PKR 95.9 Bn of 9M'22. This too was achieved through both, a volumetric growth by PKR 14.3 Bn, as well as the favourable rate variance with particular growth observed in SME/Commercial and retail loan portfolios. Pertinent to mention, this growth in income was achieved despite the Bank carrying a higher proportion of lower-margin and non-performing loans of certain state-owned entities. Likewise, on the back of higher average policy rate, the Bank's cost of funds for 9M'23 also stood higher at PKR 608.1 Bn as compared to PKR 251.6 Bn for the similar 9M period of 2022. This increase of PKR 356.5 Bn or 141.7% was mainly contributed by an increase in cost of Deposits by PKR 119.6 Bn and the borrowings/repo cost by PKR 234.7 Bn. While average cost of deposits stood higher from 7.25% in 9M'22 to 12.13% in 9M'23, total cost of funds increased from 9.14% to 15.84%. Consequently, the Net Interest Income 'NII' for the period under review closed at PKR 120.6 Bn, depicting an increase of 49.6% against PKR 80.6 Bn of 9M'22.

• Non-Fund Income

Non-Fund Income 'NFI' for the 9M'23 closed at PKR 24.7 Bn which is PKR 0.62 Bn or 2.5% lower than PKR 25.3 Bn of 9M'22. While fee & commission income recorded a YoY increase of 3.4% to close at PKR 14.9 Bn (9M'22:PKR 14.5 Bn), the dividend income decreased by PKR 0.04 Bn or 1.2% to close at PKR 3.4 Bn. On the other hand, while FX income decreased by 55.2% to close at PKR 2.3 Bn as against PKR 5.1 Bn for 9M'22, capital gains recorded a increase of PKR 1.3 Bn or 115.9% to close at PKR 2.4 Bn (9M'22:PKR 1.1 Bn). Going forward, the NFI is expected to rebound as the economic situation is showing stability following the recent developments with an expected rise in the stock market as well as the foreign exchange reserves.

• Operating Expenses

Amidst the high inflationary pressures, operating expenses of the Bank for the nine-months period under review amounted to PKR 65.2 Bn which is 19.2% higher YoY as compared to PKR 54.7 Bn for the similar period last year. HR cost that constitutes around 64.4% of the total operating expenses, amounted to PKR 42.0 Bn depicting a YoY increase of PKR 6.6 Bn or 18.8%. While property related expenses amounted to PKR 8.2 Bn (9M'22:PKR 7.2 Bn), IT related expenses amounted to PKR 4.2 Bn (9M'22: PKR 3.0 Bn) as the Bank is diligently upgrading its IT infrastructure through core banking system and other systems.

Positively, despite an increase in the operating costs, the Bank's cost-to-income ratio for the nine-months period ended September 30, 2023 stood improved to 44.9% as against 51.7% for the similar period last year under a prudent cost control strategy. Therefore, the increase observed in the operating expenses incurred during the period are in line with the inflationary pressures and industry norms.

• Loan Losses & Provisions

The Bank prudently identifies impairments in its asset portfolio and maintains strong level of provisions thereagainst. During 9M'23, the Bank's gross non-performing loans increased by 7.7% to reach PKR 221.0 Bn from PKR 205.3 Bn on Dec 31, 2022 mainly due to PKR depreciation on overseas NPLs. These translate into loan infection ratio at 14.5% (Dec'22:14.3%). Gross NPL ratio stands high as the Bank carries a significant amount of legacy NPLs. Accordingly, for the nine-months period under review, net provision charge amounted to PKR 9.2 Bn (Sep'22: PKR 2.8 Bn). This increase was mainly triggered by an exchange impact of PKR 13.5 Bn due to rupee devaluation. Specific and General provisions held against NPLs stood at PKR 204.7 Bn (Dec'22: PKR 190.7 Bn) and PKR 24.3 Bn (Dec'22: PKR 17.3 Bn), respectively. Thus, provision coverage at September 30, 2023 stood at 92.6%.

• Taxation and Profit After-tax

Taxation charge for the period amounted to PKR 32.4 Bn as against PKR 29.2 Bn for 9M'22. Pertinent to mention that for the 9M period of 2022 effective tax rate was higher mainly due to then applicability of ADR related taxation which has been done away with for the current tax year. Consequently, profit after-tax for the nine-months period ended September 30, 2023 stood at PKR 38.2 Bn i.e. PKR 19.0 Bn or 99.1% higher than PKR 19.2 Bn for 9M'22. This translates into Earnings per Share of Rs. 17.93 as compared to Rs. 9.01 for 9M'22.

• Appropriation of Profit

(PKR 'Mn)

Profit after tax for the nine-months period ended Sep 30, 2023	38,150.34
Unappropriated profit brought forward	172,511.67
Other comprehensive income - net of tax	908.66
Transfer from surplus on revaluation of fixed assets-net of tax	136.16
	173,556.49
Profit available for appropriation	211,706.83
Appropriation:	
Transfer to Statutory Reserve (@ 10% of PAT)	(3,815.03)
Unappropriated profit carried forward	207,891.80

Financial Position as at September 30, 2023

As of September 30, 2023, total assets of the Bank amounted to PKR 6,639.4 Bn, depicting a 26.7% increase against PKR 5,240.4 Bn level as of December 31, 2022.

• Loans & Advances

As of September 30, 2023, gross loans & advances of the Bank amounted to PKR 1,524.4 Bn depicting an increase of 6.0% or PKR 85.8 Bn against PKR 1,438.6 Bn at end of the year 2022. Net advances stood at PKR 1,295.3 Bn i.e. 5.3% up from PKR 1,230.5 Bn level at the end of 2022. Growth in advances was achieved in products including corporate and Islamic.

• Investments

Pursuant to an effective risk/liquidity management strategy, the Bank is maintaining a well-diversified investment portfolio across zero risk weighted instruments, high dividend yielding equities and other interest-bearing financial instruments. As at September 30, 2023, the Bank's investments (at cost) amounted to PKR 4,191.9 Bn (2022:PKR 3,509.0 Bn) with a carrying value of PKR 4,150.8 Bn (2022:PKR 3,477.4 Bn). During the nine-months period under review, PKR 682.8 Bn or 19.5% growth in the investments (at cost) mostly came in the short-term maturity 'available-for-sale' securities to capitalize on price volatility in the prevailing rate environment.

• Deposits & Funding

As of September 30, 2023, total deposits amounted to PKR 3,345.0 Bn which is PKR 678.8 Bn or 25.5% higher than the Dec'22 levels of PKR 2,666.2 Bn. The major share of the Bank's funding comes from core customer sticky deposits that contribute PKR 2,963.7 Bn or 88.6% of the Bank's total deposits. With total current account deposits at PKR 1,712.4 Bn or 51.2% of the total deposits at September 30, 2023, the Bank maintains a strong liquidity and funding profile. The Bank's CASA ratio stood high at 78.9%. Liquidity Coverage Ratio and Net Stable Funding Ratio stood at 200% (Dec'22:147%) and 255% (Dec'22:251%), respectively vis-à-vis regulatory requirement of 100% for each.

Capital Strength and Adequacy

The Bank has been designated as a Domestic Systemically Important Bank "D-SIB" by the SBP. Accordingly, the Bank seeks to maintain strong levels of capitalization to build resilience and maintain adequate buffers over regulatory requirements.

The Bank's Eligible Tier 1 capital as of September 30, 2023 stood at PKR 273.1 Bn depicting an increase of PKR 41.9 Bn or 18.1 % from PKR 231.2 Bn at YE'22. Corresponding to the increase in Tier 1 capital, eligible Tier 2 capital also increased by PKR 5.6 Bn or 7.4% to close at PKR 80.6 Bn. As the Bank is following a risk-prudent asset growth strategy, total RWAs increased by PKR 109.0 Bn or 7.7% to reach PKR 1,527.5 Bn as against PKR 1,418.5 Bn at YE'22. Consequently, the Total Capital Adequacy Ratio (CAR) improved to 23.16% with Tier-1 capital adequacy ratio at 17.88% as compared to 21.59% and 16.30%, respectively, at YE'2022. As of September 30, 2023, the Bank's leverage ratio stood at 3.03% which has been relaxed for the Bank up to 2.5% by the central bank till March 31, 2024. Other financial soundness ratios are well compliant with applicable regulatory requirements.

Compliance & Risk Matters in the New York Branch

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

Contingency Regarding the Pension Case

Status of the case as explained in note 25.3.4.1 to the audited unconsolidated financial statements for the year ended December 31, 2022, remains unchanged. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements as the Bank is confident of a favourable outcome on the matter.

Changes in the Board of Directors

During the period under review, following changes occurred in the Board of Directors:

1. Mr. Rehmat Ali Hasnie has been appointed as President/CEO of NBP by the Federal Government vide Notification # F.1 (9) Bkg-III/2022-1119 dated August 07, 2023.
2. Mr. Farid Malik, Director NBP, completed his tenure on July 26, 2023. He was re-elected by private shareholders through the election in the EOGM held on July 25, 2023.

Credit Ratings

NBP is rated as 'AAA' by both the recognised credit rating agencies in Pakistan. In June 2023, M/s VIS Credit Rating Company re-affirmed the Bank's standalone credit rating as "AAA", the highest credit rating awarded by the company for a bank in Pakistan. Similarly, M/s PACRA Credit Rating Company also assigned the Bank long-term entity rating as 'AAA' (Triple AAA) and short-term credit rating as 'A1+' (A-one Plus).

Future Outlook

As Pakistan's leading commercial bank, NBP will continue to play its national role towards supporting a robust economic momentum in the country, while also maintaining a strong & resilient balance sheet to create long term sustainable value for its shareholders and other stakeholders. In the foreseeable future, the Bank's business strategy will remain focused on digitising and extending financial solutions across all business segments with particular focus on financial inclusion of the underserved sectors including SME, Microfinance, Agriculture Finance as well as Islamic financing on a priority basis. We are following a strategy of de-risking in the overseas footprint where necessary.

Acknowledgement & Appreciation

We appreciate the continued efforts & dedication of our employees towards providing financial services to the Nation. We would also like to acknowledge the support of the Government of Pakistan, the State Bank of Pakistan, the SECP and other regulatory bodies for enabling the Bank to achieve its potential and contribute towards the socio-economic development in the country.

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO

Ali Syed
Director

Karachi
Dated: October 24, 2023

مستقبل

پاکستان کے سرکردہ کمرشل بینک کے طور پر، NBP ملک میں ایک مضبوط اقتصادی رفتار کو سپورٹ کرنے کے لیے اپنا قومی کردار ادا کرتا رہے گا، جبکہ اپنے سینئر ہولڈرز اور دیگر اسٹیک ہولڈرز کے لیے طویل مدتی پائیدار قدر پیدا کرنے کے لیے ایک مضبوط اور پکدار بیلنس شیٹ کو بھی برقرار رکھے گا۔ مستقبل قریب میں، بینک کی کاروباری حکمت عملی تمام کاروباری طبقات میں مالیاتی حل کو ڈیجیٹائز کرنے اور توسیع دینے پر مرکوز رہے گی، خاص طور پر ترجیحی بنیادوں پر ایس ایم ای، مائیکرو فنانس، ایگریکلچر فنانس کے ساتھ ساتھ اسلامی فنانسنگ سمیت غیر محفوظ شعبوں کی مالی شمولیت پر توجہ دی جائے گی۔ جہاں ضروری ہو ہم بیرون ملک قدموں کے نشانات کو خطرات سے بچانے کی حکمت عملی پر عمل پیرا ہیں۔

اعتراف اور تعریف

ہم قوم کو مالی خدمات فراہم کرنے کے لیے اپنے ملازمین کی مسلسل کوششوں اور لگن کو سراہتے ہیں۔ ہم حکومت پاکستان، اسٹیٹ بینک آف پاکستان، ایس ای سی پی اور دیگر ریگولیٹری اداروں کی حمایت کو بھی تسلیم کرنا چاہیں گے تاکہ بینک کو اس کی صلاحیت کو حاصل کرنے اور ملک میں سماجی و اقتصادی ترقی میں اپنا حصہ ڈالنے کے قابل بنایا جائے۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے

علی سید
ڈائریکٹر

رحمت علی حسنی
صدر اور سی ای او

کراچی

بتاریخ: 24 اکتوبر 2023

پنشن کیس سے متعلق صورتحال

کیس کی حیثیت میں، جیسا کہ نوٹ 25.3.4.1 میں 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے آڈٹ شدہ غیر متفقہ مالیاتی بیانات میں بیان کیا گیا ہے، کوئی تبدیلی نہیں ہوئی ہے۔ قانونی مشیر کی رائے کی بنیاد پر، ان غیر مربوط کنڈینسڈ عبوری مالیاتی بیانات میں کسی اضافی پنشن کی ذمہ داری کا کوئی بندوبست نہیں کیا گیا ہے کیونکہ بینک کو اس معاملے پر ایک سازگار نتیجہ کا یقین ہے۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

زیر نظر مدت کے دوران، بورڈ آف ڈائریکٹرز میں درج ذیل تبدیلیاں ہوئیں:

1. جناب رحمت علی حسنی کو وفاقی حکومت نے نوٹیفکیشن # F.1(9) Bkg-III/2022-1119 مورخہ 07 اگست 2023 کے ذریعے ہٹا کر صدر/CEO مقرر کیا ہے۔

2. جناب فرید ملک، ڈائریکٹر، نے 26 جولائی 2023 کو اپنی مدت پوری کی۔ وہ 25 جولائی 2023 کو منعقدہ EOGM میں انتخابات کے ذریعے پرائیویٹ شیئر ہولڈرز کے ذریعے دوبارہ منتخب ہوئے۔

کریڈٹ ریٹنگ

پاکستان میں دونوں تسلیم شدہ کریڈٹ ریٹنگ ایجنسیوں کے ذریعہ آپ کی بینک کو 'AAA' کا درجہ دیا گیا ہے۔ جون 2023 میں، VIS کریڈٹ ریٹنگ کمپنی نے بینک کی اسٹینڈالون کریڈٹ ریٹنگ کو "AAA" کی حیثیت سے دوبارہ تصدیق کی، جو پاکستان میں کسی بینک کے لیے کمپنی کی طرف سے دی جانے والی سب سے زیادہ کریڈٹ ریٹنگ ہے۔ اسی طرح، میسرز پیکر (PACRA) کریڈٹ ریٹنگ کمپنی نے بھی بینک کو طویل مدتی ہستی کی درجہ بندی بطور 'AAA' (ٹرپل AAA) اور مختصر مدت کے کریڈٹ ریٹنگ کو 'A1+' (One Plus-A) کے طور پر تفویض کیا ہے۔

نیٹ اسٹیل فنڈنگ ریشو ہر ایک کے لیے 100 فیصد کی ریگولیٹری ضرورت کے مقابلے میں بالترتیب 200 فیصد (دسمبر 2022: 147 فیصد) اور 255% (دسمبر 2022: 251 فیصد) رہے۔

سرمائے کی طاقت اور مناسبت

بینک کو اسٹیٹ بینک نے نظام کے لحاظ سے اہم مقامی بینک "D-SIB" کے طور پر نامزد کیا ہے۔ اس کے مطابق بینک چک پیدا کرنے اور ریگولیٹری تقاضوں پر مناسب بفرز کو برقرار رکھنے کے لیے سرمایہ کاری کی مضبوط سطح کو برقرار رکھنے کی کوشش کرتا ہے۔

30 ستمبر 2023 تک بینک کا اہل درجے کا سرمایہ 273.1 بلین روپے تھا جو سال 2022 میں 231.2 بلین روپے سے 41.9 بلین روپے یا 18.1% کا اضافہ ظاہر کرتا ہے۔ ٹائر 1 کیپٹل میں اضافے کے مطابق، ٹائر 2 کا اہل سرمایہ بھی 5.6 بلین روپے یا 7.4% بڑھ کر 80.6 بلین روپے پر بند ہوا۔ چونکہ بینک خطرے سے متعلق اثاثہ کی ترقی کی حکمت عملی پر عمل پیرا ہے، کل RWAs میں 109.0 بلین روپے یا 7.7% کا اضافہ ہوا ہے جو سال 2022 میں 1,418.5 بلین روپے کے مقابلے 1,527.5 بلین روپے تک پہنچ گیا ہے۔ نتیجتاً، کل کیپٹل ایڈیکویٹی ریشو (CAR) 2022 میں بالترتیب 21.59% اور 16.30% کے مقابلے میں 17.88% کے ساتھ Tier-1 کیپٹل ایکویٹی ریشو کے ساتھ 23.16% تک بہتر ہو گیا۔ 30 ستمبر 2023 تک، بینک کا لیوریج ریشو 3.03% تھا جسے مرکزی بینک نے 31 مارچ 2024 تک بینک کے لیے 2.5% تک نرم کر دیا ہے۔

نیویارک برانچ میں تعمیل اور Risk کے معاملات

بورڈ آف ڈائریکٹرز اور ہیڈ آفس سینئر مینجمنٹ کی قریبی نگرانی کے ساتھ، نیویارک برانچ نے نیویارک اسٹیٹ ڈیپارٹمنٹ آف فنانشل سروسز اور فیڈرل ریزرو بینک کی طرف سے جاری کردہ پبلک انفورسمنٹ کارروائیوں کے مطابق اصلاحی کارروائیاں مکمل کیں۔ ریگولیٹری تقاضوں کو پورا کرنے میں اہم پیش رفت کے باوجود ہیڈ آفس اور بورڈ برانچ کی قریبی نگرانی جاری رکھیں گے۔ برانچ کے ذریعے نافذ کیے گئے اقدامات اور اندرونی جائزے کے ذریعے ان کی متعلقہ توثیق اس کے ریگولیٹرز کے جائزے کے تابع رہتی ہے۔

30 ستمبر 2023 تک کی مالی پوزیشن

30 ستمبر 2023 کو بینک کے کل اثاثوں کی رقم 6,639.4 بلین روپے تھی، یہ 31 دسمبر 2022 کی 5,240.4 بلین روپے کی سطح کے مقابلے میں 26.7 فیصد کیا اضافہ کو ظاہر کرتا ہے۔

قرضہ جات

30 ستمبر 2023 تک، بینک کے مجموعی قرضوں اور ایڈوانسز کی رقم 1,524.4 بلین روپے رہی جو سال 2022 کے آخر کے 1,438.6 بلین روپے کے مقابلے میں 6 فیصد یا 85.8 بلین روپے کا اضافہ ظاہر کرتی ہے۔ خالص قرضہ جات 2022 کے آخر کے 1,230.5 بلین روپے کی سطح سے 5.3 فیصد زیادہ 1,295.3 بلین روپے رہے۔ قرضوں میں اضافہ بڑی کارپوریٹ اور اسلامی مصنوعات سے ہوا ہے۔

سرمایہ کاری

مؤثر رسک/لیکویڈیٹی مینجمنٹ حکمت عملی کے تحت، بینک صفر خطرے والی دستاویزات، زیادہ منافع بخش سرگرمیوں اور دیگر سودی مالیاتی دستاویزات (Instruments) میں ایک متنوع سرمایہ کاری کے پورٹ فولیو کو برقرار رکھے ہوئے ہے۔ 30 ستمبر 2023 تک، بینک کی سرمایہ کاری (قیمت پر) 4,191.9 بلین روپے (2022: 3,509.0 بلین روپے) تھی جس کی مالیت 4,150.8 بلین روپے (2022: 3,477.7 بلین روپے) زیر جائزہ نومبر کے جائزے کے دوران سرمایہ کاری میں 682.8 بلین روپے یا 19.5% اضافہ (قیمت پر) زیادہ تر قلیل مدتی میچورٹی 'دستیاب برائے فروخت' سیکیورٹیز میں آیا ہے تاکہ موجودہ شرح ماحول میں قیمتوں کے اتار چڑھاؤ سے فائدہ اٹھایا جاسکے۔

ذخائر اور فنڈنگ

30 ستمبر 2023 تک، کل ذخائر کی مالیت 3,345.0 بلین روپے رہی جو 31 دسمبر 2022 کی 2,666.2 بلین روپے کی سطح سے 678.8 بلین روپے یا 25.5% زیادہ ہے۔ بینک کی فنڈنگ کا بڑا حصہ بنیادی صارفین کے نسکی ذخائر سے آتا ہے جو 2,963.7 بلین روپے یا بینک کے کل ڈپازٹس کا 88.6% حصہ بنتے ہیں۔ 30 ستمبر 2023 کو 1,712.4 بلین روپے کے کل کرنٹ اکاؤنٹ ڈپازٹس یا کل ڈپازٹس کے 51.2% کے ساتھ، بینک ایک مضبوط لیکویڈیٹی اور فنڈنگ پروفائل کو برقرار رکھتا ہے۔ بینک کا CASA تناسب 78.9 فیصد پر بلند رہا۔ لیکویڈیٹی کوریج ریشو اور

مجموعی این پی ایل کا تناسب بہت زیادہ ہے کیونکہ بینک کے پاس پرانے غیر فعال قرضوں کی ایک قابل ذکر رقم موجود ہے۔ اس کے مطابق زیر جائزہ نو ماہ کی مدت کے لیٹا لٹس تصرفات کے اخراجات 9.2 بلین روپے (ستمبر 2022: 2.8 بلین روپے) رہے۔ یہ اضافہ بنیادی طور پر روپے کی قدر میں کمی کی وجہ سے 13.5 بلین روپے کے زرمبادلہ کے اثر سے ہوا۔ غیر فعال قرضوں کے خلاف مخصوص اور عمومی تصرفات بالترتیب 204.7 بلین روپے (دسمبر 2022: 190.7 بلین روپے) اور 24.3 بلین روپے (دسمبر 2022: 17.3 بلین روپے) رہے۔ اس طرح ستمبر 2023 پر پروویژن کوریج 92.6 فیصد رہی۔

ٹیکسیشن اور ٹیکس کے بعد منافع

ٹیکسیشن چارج نو ماہ 2022 کے 29.2 بلین روپے کے مقابلے میں 32.4 بلین روپے رہے۔ قابل ذکر ہے کہ بنیادی طور پر 2022 کی نو ماہ کی مدت کے لیے اس وقت کے ADR سے متعلقہ ٹیکس کے اطلاق کی وجہ سے ٹیکس کی موثر شرح زیادہ تھی جسے موجودہ ٹیکس سال کے لیے ختم کر دیا گیا ہے۔ نتیجتاً، 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کی مدت کے لیے بعد از ٹیکس منافع، نو ماہ 2022 کے 19.2 بلین روپے سے 19.0 بلین روپے یا 99.1% زیادہ یعنی، 38.2 بلین روپے رہا۔ یہ روپیہ فی حصص آمدنی پر اثر انداز ہوتا ہے۔ یہ نو ماہ 2022 کے 9.01 روپے کے مقابلے میں 17.93 روپے کی فی حصص آمدنی کو ظاہر کرتا ہے۔

منافع کی تخصیص

(بلین روپے)
38,150.34
172,511.67
908.66
136.16
173,556.49
211,706.83

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے بعد از ٹیکس منافع

غیر تصرف شدہ آگے لایا جانے والا منافع

دیگر جامع آمدنی۔ بعد از ٹیکس

جامد اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی

تصرف کے لیے دستیاب منافع

تصرف:

قانونی ذخائر میں منتقلی (بعد از ٹیکس منافع کا 10%)

غیر تصرف شدہ منافع۔ آگے بڑھانے کے لیے:

(3,815.03)
207,891.80

پر بند ہوا، سرمائے پر آمدنی (Dividend) یوڈنڈ آمدنی 0.04 بلین روپے یا 1.2% کم ہو کر 3.4 بلین روپے پر بند ہوئی۔ دوسری طرف، جب کہ زرمبادلہ آمدنی نومبر 2022 کے 5.1 بلین روپے کے مقابلے میں 55.2% سے کم ہو کر 2.3 بلین روپے پر بند ہوئی، کیپٹل گینئر نومبر 2022 کے 1.1 بلین روپے کے مقابلے میں 1.3 بلین روپے یا 15.9% اضافے سے 2.4 بلین روپے پر بند ہوئے۔ مستقبل میں غیر سودی آمدنی کی بحالی متوقع ہے کیونکہ اسٹاک مارکیٹ اور غیر ملکی زرمبادلہ کے ذخائر میں متوقع اضافے کے ساتھ حالیہ پیش رفت کے بعد معاشی صورتحال استحکام کا مظاہرہ کر رہی ہے۔

انتظامی اخراجات

مہنگائی کے سخت باؤ کے درمیان، زیر جائزہ نومبر کی مدت کے لیے بینک کے انتظامی اخراجات 65.2 بلین روپے رہے جو گزشتہ سال کی اسی مدت کے 54.7 بلین روپے کے مقابلے میں 19.2 فیصد زیادہ ہے۔ HR لاگت جو کل انتظامی اخراجات کا تقریباً 64.4% بنتی ہے، 42.0 بلین روپے ہے جو سالانہ 6.6 بلین روپے یا 18.8% کے اضافے کو ظاہر کرتی ہے۔ جبکہ جائیداد سے متعلق اخراجات 8.2 بلین روپے (نومبر 2022: 7.2 بلین روپے) تھے، IT سے متعلق اخراجات 4.2 بلین روپے (نومبر 2022: 3.0 بلین روپے) تھے کیونکہ بینک پوری تندی سے کوری بینکنگ سسٹم اور دوسرے نظام کے ذریعے اپنے IT انفراسٹرکچر کو اپ گریڈ کر رہا ہے۔

مثبت طور پر، آپریٹنگ اخراجات میں اضافے کے باوجود، 30 ستمبر 2023 کو ختم ہونے والی نومبر کی مدت کے لیے بینک کی لاگت سے آمدنی کا تناسب دانشمندانہ حکمت عملی کے سبب بہتر ہو کر 44.9 فیصد ہو گیا جو کہ گزشتہ سال اسی مدت کے لیے 51.7 فیصد تھا۔ اس لیے اس مدت کے دوران کیے گئے آپریٹنگ اخراجات میں جو اضافہ دیکھا گیا ہے وہ افراط زر کے دباؤ اور شعبے کے اصولوں کے مطابق ہے۔

قرضوں کے نقصانات اور تصرفات

بینک اپنے اثاثہ جات کے پورٹ فولیو میں متوقع کریڈٹ نقصان کی سمجھداری سے نشانہ ہی کرتا ہے اور اس کے لیے سخت شرائط کو برقرار رکھتا ہے۔ نومبر 2023 کے دوران بینک کے مجموعی غیر فعال قرضے 31 دسمبر 2022 کے 205.3 بلین روپے سے 7.7 فیصد بڑھ کر 221.0 بلین روپے تک پہنچ گئے جس کی بنیادی وجہ بیرون ملک غیر فعال قرضوں پر روپے کی قدر میں کمی ہے۔ یہ 14.5 فیصد قرضہ جاتی انفیکشن ریشو کی ترجمانی کرتے ہیں جو دسمبر 2022 میں 14.3 تھا۔

مارک اپ/سودی آمدنی

زیر جائزہ نو ماہ کی مدت کے لیے، بینک نے 2022 کے اسی نو ماہ کی مدت کے 332.2 بلین روپے کے مقابلے میں 728.7 بلین روپے کی مجموعی سود کی آمدنی ریکارڈ کی۔ مجموعی سودی آمدنی میں 396.5 بلین روپے کا اضافہ 2023 کے نو ماہ کے دوران اعلیٰ اوسط پالیسی شرح کے اثرات کے ساتھ اوسط سودی اثاثوں میں جی نمو کے ذریعے حاصل کیا گیا۔

اس مدت کے دوران بینک کی سرمایہ کاری کا اوسط 3,760.5 بلین روپے (22'9M'22 بلین روپے) رہا جبکہ سودی آمدنی 2022 کے نو ماہ کے 225.5 بلین روپے کے مقابلے میں 140.1% یا 316.1 بلین روپے زیادہ ہو کر 541.6 بلین روپے رہی۔ یہ اوسط پیداوار میں 19.26 فیصد (نوامبر 2022: 12.43 فیصد) کی ترجمانی کرتا ہے، بڑھتے پالیسی ریٹ کے ماحول میں، بینک کی سرمایہ کاری کی میچورٹی پروفائل مختصر مدت کی سیکیورٹیز کی طرف متوجہ ہوتی ہے۔ اسی طرح، پلیسمنٹ جن کی اوسط 153.7 بلین روپے (نوامبر 2022: 126.9 بلین روپے) تھی، نے نو ماہ 2022 کے 10.8 بلین روپے کے مقابلے میں 19.61 فیصد کی بہتری سے 22.5 بلین روپے کی مارک اپ آمدنی حاصل کی (22'9M'22: 11.34%)۔ بینک کی لون بک نے نو ماہ 2022 کے 95.9 بلین روپے کے مقابلے میں 164.5 بلین روپے کی مارک اپ آمدنی کی جو کہ 68.6 بلین روپے یا 71.6 فیصد زیادہ ہے۔ یہ بھی 14.3 بلین روپے کی جی نمو کے ساتھ ساتھ تجارتی اور خوردہ قرض کے پورٹ فولیوز میں مشاہدہ کردہ خاص نمو کے ساتھ سازگار شرح کے فرق کی وجہ سے رہا۔ قابل ذکر بات یہ ہے کہ یہ کارکردگی بینک کے کم مارجن اور غیر فعال سرکاری شعبے کے قرضے کے زیادہ تناسب کے باوجود حاصل کی گئی۔ اسی طرح، اعلیٰ اوسط پالیسی کی شرح کی وجہ سے بینک کے فنڈز کی لاگت بھی نو ماہ 2022 کے 251.6 بلین روپے سے نو ماہ 2023 کے لیے 608.1 بلین روپے تک بڑھ گئی۔ 356.5 بلین روپے کا یہ 141.7 فیصد اضافہ بنیادی طور پر ڈپازٹس کی لاگت میں 119.6 بلین روپے اور قرض/ریپو لاگت 234.7 بلین روپے کے اضافے کی وجہ سے ہے۔ ڈپازٹس کی اوسط لاگت نو ماہ 2022 کی 7.25% کے مقابلے میں نو ماہ 2023 میں 12.13% رہی، ڈپازٹس کی کل لاگت 9.14% سے بڑھ کر 15.84% ہو گئی۔ نتیجتاً، زیر جائزہ مدت کے لیے خالص سودی آمدنی 'NII' 120.6 بلین روپے پر بند ہوئی، جو کہ نو ماہ 2022 کے 80.6 بلین روپے کے مقابلے میں 49.6 فیصد کا اضافہ ظاہر کرتی ہے۔

غیر مارک اپ/سودی آمدنی

نو ماہ 2023 کے لیے غیر سودی آمدنی جو کہ 24.7 بلین روپے رہی، جو نو ماہ 2022 کے 25.3 بلین روپے کے مقابلے میں 0.62 بلین روپے یا 2.5 فیصد کم ہے۔ جبکہ فیس اور کمیشن کی آمدنی میں 3.4 فیصد سالانہ اضافہ ریکارڈ کیا گیا جو کہ 14.9 بلین روپے (22'9M'22 14.5 بلین روپے)

معیار اور کریڈٹ کے خطرات سے متعلق کچھ خدشات ہیں۔ مرکزی بینک نے 2023-24 کے رواں مالی سال میں پاکستان کے لیے 2 سے 3 فیصد کی اقتصادی بہتری کی پیش گوئی کی ہے۔ اسٹیٹ بینک کے زرمبادلہ کے ذخائر 30 جون 2024 کو رواں مالی سال کے اختتام تک 10 بلین ڈالر سے تجاوز کرنے کی توقع ہے، اور کرنٹ اکاؤنٹ خسارہ مالی سال 2024 کے لیے مجموعی ملکی پیداوار (جی ڈی پی) کے 0.5 سے 1.5 فیصد کی حد میں رہنے کا امکان ہے۔

مالی کارکردگی کا جائزہ:- نومبر 2023

مستند دہوار اقتصادی ماحول کے باوجود بینک نے 30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے لیے مضبوط مالیاتی نتائج پیش کیے ہیں۔ یہ نتائج ہنگامے کے شاندار کاروباری انداز کی لچک، انتظامیہ کی دیرپا حکمت عملیوں کی تاثیر اور ہمارے عملے کی لگن کو ظاہر کرتا ہے۔

(بلین روپے)

خلاصہ

نمبر	اہم اشارہ جات	ستمبر 23	ستمبر 22	بہتری / (اہتری) رقم فیصد
1	خالص سودی آمدنی	120.6	80.6	▲ 49.6% 40.0
2	غیر فنڈڈ آمدنی	24.7	25.3	▼ (2.5%) (0.6)
3	کل آمدنی	145.3	105.9	▲ 37.1% 39.3
4	آپریٹنگ اور دیگر اخراجات	65.4	54.8	▲ 19.5% (10.7)
5	قبل از تصرف منافع	79.8	51.1	▲ 56.1% 28.7
6	تصرفات	9.2	2.8	▲ 229.5% (6.4)
7	قبل از ٹیکس منافع	70.6	48.3	▲ 46.0% 22.3
8	ٹیکس	32.4	29.2	▲ 11.2% (3.3)
9	بعد از ٹیکس منافع	38.2	19.2	▲ 99.1% 19.0
10	فی حصص آمدنی (روپے)	17.9	9.0	▲ 99.1% 8.9

ڈائریکٹرز کی حصص داران کو رپورٹ انفرادی مالیاتی گوشوارے

محترم حصص داران،

ہم بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کی مدت کے لئے نیشنل بینک آف پاکستان "بینک" کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معاشی ماحول:

عالمی سطح پر، اقتصادی ترقی کے اشارے مل رہے ہیں، جو کہ 2023 کی پہلی ششماہی کے لیے پہلے کے تخمینوں کو پیچھے چھوڑ رہے ہیں۔ تاہم، یہ بہتری حساس ہے، کیونکہ مسلسل بنیادی افراط زر، بلند شرح سود، اور جاری جغرافیائی سیاسی غیر یقینی صورتحال معاشی سرگرمیوں پر دباؤ ڈال رہی ہے۔

حالیہ مہینوں میں، پاکستان کی معیشت نے عالمی اقتصادی بہتری سے فائدہ اٹھاتے ہوئے بحالی کی طرف پیش قدمی کی ہے۔ زراعت اور بڑے پیمانے پر پیداواری شعبے میں (LSM) دونوں میں مثبت پیشرفت دیکھی گئی ہے، یہ دونوں ہی گزشتہ سے واپس آئے ہیں۔ IMF کے ساتھ نو ماہ کے اسٹینڈ بائی انجمنٹ (SBA) نے زرمبادلہ کے ذخائر کو کم کر کے بیرونی شعبے کے استحکام کے بارے میں فوری خدشات کو دور کیا ہے۔ ایس بی اے کے تحت ابتدائی قسط اور 3 بلین ڈالر کی دوطرفہ امداد کے بعد اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر جون 2023 کے آخر میں 4.5 بلین ڈالر سے بڑھ کر 6 اکتوبر 2023 تک 7.6 بلین ڈالر ہو گئے۔ پاکستانی روپیہ (PKR) جس نے سال کے دوران تقریباً 25% کی پہلے گراوٹ کا تجربہ کیا تھا، نے حال ہی میں ایک قابل ذکر بحالی کا آغاز کیا ہے، جو ستمبر کے اوائل میں 307 کی ریکارڈ کم ترین سطح کے بعد سے 5.28 فیصد تک بڑھ گیا ہے۔ اجناس اور غیر ملکی کرنسی کے ذخیرہ اندوزی سے نمٹنے کے لیے سخت حکومتی اقدامات کی وجہ سے، کنزیومر پرائس انڈیکس (CPI) افراط زر اعتدال میں آنا شروع ہو گیا ہے، جو مئی 2023 میں 38% سال بہ سال (YoY) کی چوٹی سے کم ہو کر اگست 2023 میں 27.4% ہو گیا ہے۔ مرکزی بینک کو اکتوبر کے بعد افراط زر میں مزید کمی کی توقع ہے۔ دسمبر 2022 سے 600 پیسز پوائنٹ کے اضافے کے بعد، اسٹیٹ بینک آف پاکستان نے جولائی 2023 سے پالیسی ریٹ کو 22% پر برقرار رکھا ہے۔ سرمایہ کاروں کے اعتماد میں اضافہ کے ساتھ، KSE-100 انڈیکس نے، جو اگرچہ سال کے دوران موجودہ اقتصادی ماحول سے متاثر ہوا ہے، 49,000 پوائنٹس کی چھ سال کی بلند ترین سطح کو عبور کرتے ہوئے کافی ترقی دکھائی۔ پاکستان کے بینکنگ سیکٹر نے مضبوط کارکردگی اور چمک کا مظاہرہ کیا ہے۔ جون 2023 کے آخر میں بینکنگ سیکٹر میں ڈپازٹس کی رقم 26.8 ٹریلین روپے تھی، جو دسمبر 2022 کے بعد سے 14.2 فیصد اضافے کی عکاسی کرتی ہے، جبکہ بینکنگ سیکٹر میں خالص ترقی جون 2023 کے آخر میں 12.0 ٹریلین روپے پر بند ہوئی، جو دسمبر 2022 سے 2.0 فیصد زیادہ ہے۔ اسپریڈز میں بہتری آئی ہے، جو کہ اعلیٰ اوسط پالیسی کی شرح سے آگے بڑھی ہے، حالانکہ اثاثوں کے

Unconsolidated Condensed Interim Statement of Financial Position As at September 30, 2023

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks	6	301,201,820	229,910,949
Balances with other banks	7	12,394,601	18,593,800
Lendings to financial institutions	8	567,584,062	31,272,467
Investments	9	4,150,759,113	3,477,353,874
Advances	10	1,295,340,417	1,230,521,804
Fixed assets	11	56,848,904	57,105,842
Intangible assets	12	1,560,843	1,388,947
Right of use assets	13	7,103,174	6,708,404
Deferred tax asset	14	21,925,682	22,299,403
Other assets	15	224,420,749	165,269,056
		6,639,139,365	5,240,424,546
LIABILITIES			
Bills payable	16	11,226,922	55,268,019
Borrowings	17	2,610,386,955	1,940,485,787
Deposits and other accounts	18	3,344,975,779	2,666,184,360
Lease liability against right of use assets	19	8,355,046	8,267,949
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	20	319,361,075	269,370,672
		6,294,305,777	4,939,576,787
NET ASSETS		344,833,588	300,847,759
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves		77,762,825	64,144,050
Surplus on revaluation of assets	21	37,903,830	42,916,902
Unappropriated profit		207,891,802	172,511,676
		344,833,588	300,847,759
CONTINGENCIES AND COMMITMENTS			
	22		

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and nine months period ended September 30, 2023

		Quarter ended		Nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note		------(Rupees in '000)-----			
Mark-up / return / interest earned	23	296,352,611	152,805,418	728,685,063	332,195,215
Mark-up / return / interest expensed	24	248,948,037	125,321,627	608,134,722	251,607,060
Net mark-up / return / interest income		47,404,574	27,483,791	120,550,341	80,588,155
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	4,439,012	4,216,339	14,949,656	14,456,396
Dividend income		1,011,758	1,476,899	3,381,113	3,421,458
Foreign exchange income		(1,802,529)	780,131	2,265,940	5,058,891
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	26	1,491,786	32,396	2,412,868	1,117,447
Other income	27	541,489	470,228	1,697,424	1,273,696
Total non-mark-up / interest income		5,681,516	6,975,993	24,707,001	25,327,888
Total income		53,086,090	34,459,784	145,257,342	105,916,043
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	21,333,271	18,897,488	65,232,072	54,712,266
Other charges	29	9,051	31,594	205,964	61,749
Total non-markup / interest expenses		21,342,322	18,929,082	65,438,036	54,774,015
Profit before provisions		31,743,768	15,530,702	79,819,306	51,142,028
Provisions and write offs - net	30	8,812,872	1,065,471	9,224,733	2,799,199
PROFIT BEFORE TAXATION		22,930,896	14,465,231	70,594,573	48,342,829
Taxation	31	10,802,818	7,441,943	32,444,232	29,179,226
PROFIT AFTER TAXATION		12,128,078	7,023,288	38,150,341	19,163,603
------(Rupees)-----					
Earnings per share - basic and diluted	32	5.70	3.30	17.93	9.01

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Director



Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the quarter and nine months period ended September 30, 2023

	Quarter ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
------(Rupees in '000)-----				
Profit after taxation for the period	12,128,078	7,023,288	38,150,341	19,163,603
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Exchange gain / (loss) on translation of net assets of foreign branches - net of tax	(140,427)	3,603,881	9,803,741	8,484,520
Movement in surplus on revaluation of investments - net of tax	8,219,643	(1,713,072)	(4,455,813)	(10,349,575)
	8,079,216	1,890,809	5,347,928	(1,865,055)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement (loss) / gain on defined benefit obligations - net of tax	1,028,834	(9,568)	908,660	(1,618,779)
Movement in surplus on revaluation of fixed assets - net of tax	(3,035)	-	(418,066)	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(3,034)	-
	1,025,799	(9,568)	487,560	(1,618,779)
Total comprehensive income	21,233,093	8,904,529	43,985,829	15,679,769

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

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Director

Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the nine months period ended September 30, 2023

	Share capital	Reserves					Surplus / (Deficit) on revaluation of assets			Unappropriated profit	Total
		Exchange translation	Statutory reserve	Merger reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / Non-banking assets		
(Rupees in '000)											
Balance as at January 01, 2022											
	21,275,131	12,577,854	38,928,501	343,802	8,000,000	521,338	60,371,495	19,888,217	44,593,905	64,482,122	140,073,817
286,202,565											
Profit after taxation for nine months ended September 30, 2022											
	-	-	-	-	-	-	-	-	-	-	-
	-	8,484,520	-	-	-	-	8,484,520	(10,349,575)	-	(10,349,575)	(1,618,779)
	-	8,484,520	-	-	-	-	8,484,520	(10,349,575)	-	(10,349,575)	(3,483,834)
	-	-	1,916,360	-	-	-	1,916,360	-	-	-	15,679,769
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	148,263
	-	-	-	19,804	-	-	19,804	-	-	-	8,000,000
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	19,804
Balance as at October 01, 2022											
	21,275,131	21,062,374	40,844,861	363,606	-	521,338	62,792,179	9,538,642	44,445,642	53,984,284	163,850,544
301,902,138											
Profit after taxation for three months ended December 31, 2022											
	-	-	-	-	-	-	-	-	-	-	-
	-	227,201	-	-	-	-	227,201	(13,792,324)	2,774,363	(11,017,961)	(1,510,316)
	-	227,201	-	-	-	-	227,201	(13,792,324)	2,774,363	(11,017,961)	(1,054,379)
	-	-	1,124,670	-	-	-	1,124,670	-	-	-	(1,124,670)
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The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

Ashraf Mahmood Wathra
Chairman

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Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2023

		September 30, 2023	September 30, 2022
Note		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		70,594,573	48,342,829
Less: dividend income		(3,381,113)	(3,421,458)
		<u>67,213,460</u>	<u>44,921,371</u>
Adjustments:			
Depreciation		1,831,634	1,857,413
Depreciation on right of use assets		1,503,608	1,491,580
Amortisation		239,079	184,906
Provision and write-offs - net	30	9,224,733	2,799,199
Gain on sale of fixed assets - net		(251,129)	(6,494)
Financial charges on leased assets		53,552	129,821
Finance charges on lease liability against right of use assets		589,836	618,709
Unrealized gain on revaluation of investments classified as held-for-trading		(322,626)	62,959
Charge for defined benefit plans - net		9,288,292	6,339,258
		<u>22,156,979</u>	<u>13,477,351</u>
		<u>89,370,439</u>	<u>58,398,722</u>
Decrease / (increase) in operating assets			
Lendings to financial institutions		(530,311,595)	212,215,705
Held-for-trading securities		(82,626,123)	6,817,549
Advances		(85,865,908)	(110,378,351)
Other assets (excluding advance taxation)		(58,840,803)	(95,684,366)
		<u>(757,644,428)</u>	<u>12,970,537</u>
Increase / (decrease) in operating liabilities			
Bills payable		(44,041,097)	(7,522,913)
Borrowings from financial institutions		671,879,081	1,279,742,949
Deposits		678,791,419	(8,379,123)
Other liabilities (excluding current taxation)		53,093,212	50,928,729
		<u>1,359,722,615</u>	<u>1,314,769,642</u>
Financial charges paid		(643,388)	(748,530)
Income tax paid		(25,850,000)	(9,750,000)
Benefits paid		(2,758,819)	(2,355,895)
Net cash flows generated from operating activities		<u>662,196,419</u>	<u>1,373,284,476</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(783,083,061)	(1,357,338,235)
Net investments in held-to-maturity securities		184,238,322	(86,540,059)
Dividends received		3,381,113	3,421,458
Investments in fixed assets		(2,184,294)	(1,566,678)
Proceeds from sale of fixed assets		256,607	39,487
Effect of translation of net investment in foreign branches		10,657,584	8,484,520
Net investment in subsidiaries		-	953,783
Net cash flows used in investing activities		<u>(586,733,730)</u>	<u>(1,432,545,724)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations		(2,385,765)	(2,105,230)
Dividend paid		(7,339)	-
Net cash flows used in financing activities		<u>(2,393,104)</u>	<u>(2,105,230)</u>
Increase / (Decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		73,069,585	(61,366,478)
Effects of exchange rate changes on cash and cash equivalents		218,989,166	267,755,522
		<u>3,715,161</u>	<u>3,630,838</u>
		<u>222,704,327</u>	<u>271,386,360</u>
Cash and cash equivalents at end of the period	33	<u>295,773,912</u>	<u>210,019,882</u>

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director

Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the nine months period ended September 30, 2023

1. STATUS AND NATURE OF BUSINESS

National Bank of Pakistan (the Bank) was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1509 (December 31, 2022: 1,512) branches in Pakistan including 188 (December 31, 2022: 188) Islamic Banking branches and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

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

2.1.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5, dated March 22, 2019 and IAS 34. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Bank for the year ended December 31, 2022.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

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, 2023. These are either considered not to be relevant or do not have any significant impact on these unconsolidated condensed interim financial statements.

3.1.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, interpretation or amendment	Effective from accounting period beginning on or after
- IFRS 9 - 'Financial instruments' (note 3.1.3)	January 1, 2024
- IAS 1 - Non current liabilities with covenants (amendments)	January 1, 2024
- IFRS 16 - Sale and leaseback (amendments)	January 1, 2024

The management is in the process of assessing the impact of these amendments on the unconsolidated condensed interim financial statements of the Bank.

3.1.3 As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.

As disclosed in note 3.4.6 to the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2022, the Bank had performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
In hand			
Local currency		58,564,505	52,704,335
Foreign currencies		8,884,179	7,192,805
		67,448,684	59,897,140
With State Bank of Pakistan in			
Local currency current accounts	6.1	124,317,981	106,909,308
Foreign currency current accounts	6.2	21,753,480	15,661,453
Foreign currency deposit accounts	6.2	43,304,629	15,623,732
Foreign currency collection accounts		3,913,171	1,135,059
		193,289,261	139,329,552
With other central banks in			
Foreign currency current accounts	6.3	31,051,829	26,631,693
Foreign currency deposit accounts	6.3	8,941,402	3,725,602
		39,993,231	30,357,295
Prize bonds		470,644	326,962
		301,201,820	229,910,949

- 6.1 This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2 These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3 These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 7.10% per annum (December 31, 2022: 0% to 4.50% per annum).

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In deposit accounts	7.1	14,801	13,766
Outside Pakistan			
In current accounts		7,049,488	12,391,006
In deposit accounts	7.2	5,330,312	6,189,028
		12,379,800	18,580,034
		<u>12,394,601</u>	<u>18,593,800</u>

- 7.1 These include various deposits with banks and carry interest at the rates ranging from 6% to 12% per annum (December 31, 2022: 3.50% to 9.50% per annum).
- 7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 2% to 4.88% per annum (December 31, 2022: 0% to 4.00% per annum).

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	6,009,723	9,723
Repurchase agreement lendings (reverse repo)	8.2	561,574,339	31,262,744
Letters of placement	8.3	174,150	174,150
	8.4	567,758,212	31,446,617
Less: provision held against lendings to financial institutions	8.5	(174,150)	(174,150)
Lendings to financial institutions - net of provision		<u>567,584,062</u>	<u>31,272,467</u>

- 8.1 These carry mark-up at the rate ranging from 22.4% to 22.5% per annum (December 31, 2022: Nil) with maturity upto October 02, 2023 (December 31, 2022: Nil). These also include zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.
- 8.2 These carry mark-up at rates ranging from 21% to 22.8 % per annum (December 31, 2022: 16.05% to 16.50% per annum) with maturities ranging from October 02, 2023 to October 05, 2023.
- 8.3 These are overdue placements and full provision has been made against these placements as at September 30, 2023.

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
8.4 Particulars of lending		
In local currency	567,758,212	31,446,617
In foreign currencies	-	-
	<u>567,758,212</u>	<u>31,446,617</u>
8.5 Movement in provision held against lendings is as follows:		
Opening balance	174,150	174,150
Charge / (reversal) for the period	-	-
Closing balance	<u>174,150</u>	<u>174,150</u>

8.6 Securities held as collateral against lendings to financial institutions

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	122,737,486	-	122,737,486	18,699,589	-	18,699,589
Pakistan Investment Bonds	438,836,853	-	438,836,853	12,563,155	-	12,563,155
Total	<u>561,574,339</u>	<u>-</u>	<u>561,574,339</u>	<u>31,262,744</u>	<u>-</u>	<u>31,262,744</u>

8.6.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 561,989 million (December 31, 2022: Rs. 31,027 million).

	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	------(Rupees in '000)-----			
8.7 Category of classification				
Domestic				
Loss	<u>174,150</u>	<u>174,150</u>	<u>174,150</u>	<u>174,150</u>

9. INVESTMENTS

9.1 Investments by type:

	September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
Held-for-trading securities								
Federal Government Securities								
- Market Treasury Bills	41,929,676	-	36,120	41,965,796	22,269,343	-	(2,665)	22,266,678
- Pakistan Investment Bonds	126,429,865	-	285,375	126,715,240	61,942,656	-	(1,031,197)	60,911,459
Ordinary Shares								
- Listed Companies	280,716	-	1,131	281,847	424,708	-	(20,939)	403,769
	168,640,257	-	322,626	168,962,883	84,636,707	-	(1,054,801)	83,581,906
Available-for-sale securities								
Federal Government Securities								
- Pakistan Investment Bonds	2,587,401,910	-	(48,470,421)	2,538,931,489	1,972,276,787	-	(27,509,276)	1,944,767,511
- Market Treasury Bills	977,663,181	-	1,283,373	978,946,554	828,851,708	-	(2,354,400)	826,497,308
- Ijarah Sukuks	20,514,733	-	(712,383)	19,802,350	20,518,238	-	(339,589)	20,178,649
- Foreign Currency Debt securities	40,576,385	-	(16,671,125)	23,905,260	33,045,353	-	(18,622,514)	14,422,839
Ordinary Shares								
- Listed Companies	47,872,672	(11,994,509)	7,623,122	43,501,285	41,601,347	(10,159,936)	4,813,864	36,255,275
- Unlisted Companies	1,882,198	(427,951)	-	1,454,247	1,882,198	(427,951)	-	1,454,247
Preference shares								
- Listed	1,448,472	(566,446)	(146,912)	735,114	1,448,472	(566,446)	209,451	1,091,477
- Unlisted	558,284	(279,284)	-	279,000	558,284	(279,284)	-	279,000
Non-Government debt securities								
- Term Finance Certificates and Sukuk Bonds	55,982,510	(5,857,566)	278,339	50,403,283	52,125,171	(5,990,161)	1,047,326	47,182,336
Mutual Fund units	2,219,646	(41,167)	1,049,272	3,227,751	2,219,646	(41,167)	941,952	3,120,431
Foreign Securities								
- Equity Securities - Listed	463,294	-	38,628,019	39,091,313	463,294	-	34,380,951	34,844,245
- Government debt securities	3,404,586	-	61,277	3,465,863	1,914,312	-	(30,359)	1,883,953
	3,739,987,871	(19,166,923)	(17,077,440)	3,703,743,509	2,956,904,810	(17,464,945)	(7,462,594)	2,931,977,271
Held-to-maturity securities								
Federal Government Securities								
- Pakistan Investment Bonds	212,387,644	-	-	212,387,644	375,236,903	-	-	375,236,903
- Market Treasury Bills	-	-	-	-	29,376,461	-	-	29,376,461
- Ijarah Sukuks	13,105,553	-	-	13,105,553	13,130,709	-	-	13,130,709
- Foreign Currency Debt securities	4,224,300	-	-	4,224,300	2,992,408	-	-	2,992,408
Non-Government debt securities								
- Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuk Bonds	404,585	(404,585)	-	-	404,585	(404,585)	-	-
Foreign Securities								
- Government debt securities	42,876,938	-	-	42,876,938	36,096,507	-	-	36,096,507
- Non-Government debt securities	1,103	-	-	1,103	871	-	-	871
	273,000,123	(404,585)	-	272,595,538	457,238,444	(404,585)	-	456,833,859
Associates	4,926,048	(3,446,141)	-	1,479,907	4,926,048	(3,942,498)	-	983,550
Joint Venture	2,362,433	-	-	2,362,433	2,362,433	-	-	2,362,433
Subsidiaries	2,952,967	(1,338,112)	-	1,614,855	2,952,967	(1,338,112)	-	1,614,855
Total investments	<u>4,191,869,685</u>	<u>(24,355,758)</u>	<u>(16,754,814)</u>	<u>4,150,759,113</u>	<u>3,509,021,409</u>	<u>(23,150,140)</u>	<u>(8,517,397)</u>	<u>3,477,353,874</u>

	Note	(Un-audited) September 30, 2023 ------(Rupees in '000)-----	(Audited) December 31, 2022
9.1.1 Investments given as collateral			
The book value of investments given as collateral against borrowings is as follows:			
Pakistan Investment Bonds		2,124,201,489	1,136,497,472
Market Treasury Bills		386,037,162	689,709,291
	17	<u>2,510,238,651</u>	<u>1,826,206,763</u>

9.2 Provision for diminution in value of investments

9.2.1	Opening balance	23,150,140	18,486,879
	Charge / reversals		
	Charge for the period / year	1,872,755	4,662,589
	Reversals for the period / year	(667,136)	(850,070)
		1,205,619	3,812,519
	Transfers - net	-	850,742
	Closing balance	<u>24,355,758</u>	<u>23,150,140</u>

9.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Investment	Provision	Non Performing Investment	Provision
------(Rupees in '000)-----				
Domestic				
Loss	6,262,151	6,262,151	6,525,731	6,394,746
	<u>6,262,151</u>	<u>6,262,151</u>	<u>6,525,731</u>	<u>6,394,746</u>

9.3 The market value of securities classified as held-to-maturity as at September 30, 2023 amounted to Rs. 246,879 million (December 31, 2022: Rs. 435,745 million).

10. ADVANCES

	Performing		Non performing		Total	
	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note ------(Rupees in '000)-----						
Loans, cash credits, running finances, etc.	1,222,260,110	1,168,258,464	206,461,621	190,545,941	1,428,721,731	1,358,804,405
Islamic financing and related assets	51,183,675	46,381,315	925,817	654,980	52,109,492	47,036,295
Net Investment in finance lease	16,207	35,384	-	-	16,207	35,384
Bills discounted and purchased	29,890,983	18,598,616	13,640,209	14,106,504	43,531,192	32,705,120
Advances - gross	<u>1,303,350,975</u>	<u>1,233,273,779</u>	<u>221,027,647</u>	<u>205,307,425</u>	<u>1,524,378,622</u>	<u>1,438,581,204</u>
Provision against advances						
- Specific	-	-	204,749,378	190,710,861	204,749,378	190,710,861
- General	24,288,827	17,348,539	-	-	24,288,827	17,348,539
	<u>24,288,827</u>	<u>17,348,539</u>	<u>204,749,378</u>	<u>190,710,861</u>	<u>229,038,205</u>	<u>208,059,400</u>
Advances - net of provision	<u>1,279,062,148</u>	<u>1,215,925,240</u>	<u>16,278,269</u>	<u>14,596,564</u>	<u>1,295,340,417</u>	<u>1,230,521,804</u>

10.1 Net investment in finance lease

	September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
----- (Rupees in '000) -----								
Lease rentals receivable	2,304	-	-	2,304	1,312	-	-	1,312
Residual value	14,064	-	-	14,064	34,237	-	-	34,237
Minimum lease payments	16,368	-	-	16,368	35,549	-	-	35,549
Less: financial charges for future periods	161	-	-	161	165	-	-	165
Present value of minimum lease payments	16,207	-	-	16,207	35,384	-	-	35,384

- 10.1.1 The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time disbursement. The Bank requires the lessees to insure the leased assets in favour of the Bank. Additional surcharge is charged on delayed rentals. The average return implicit in the leases ranges from 10.19% to 14.85% per annum (December 31, 2022: 10.19% to 14.85% per annum) .

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
10.2 Particulars of advances (Gross)		
In local currency	1,386,754,634	1,315,938,249
In foreign currencies	137,623,988	122,642,955
	<u>1,524,378,622</u>	<u>1,438,581,204</u>

- 10.3 Advances include Rs. 221,028 million (December 31, 2022: Rs. 205,307 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non performing loans	Provision	Non performing loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	3,618,470	114,683	1,780,995	73,114
Substandard	4,783,841	1,143,152	5,888,114	1,439,916
Doubtful	8,755,861	4,635,521	8,834,066	4,645,364
Loss	137,942,915	135,435,701	135,077,580	132,802,811
	155,101,087	141,329,057	151,580,755	138,961,205
Overseas				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	409,280	204,640	331,133	165,566
> 365 days	65,517,280	63,215,679	53,395,537	51,584,090
	65,926,560	63,420,319	53,726,670	51,749,656
Total	<u>221,027,647</u>	<u>204,749,376</u>	<u>205,307,425</u>	<u>190,710,861</u>

10.4 Particulars of provision against advances

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Note -----(Rupees in '000)-----						
Opening balance	190,710,861	17,348,539	208,059,400	179,311,722	12,472,591	191,784,313
Exchange adjustments	13,348,976	166,032	13,515,008	8,339,198	107,952	8,447,150
Charge for the period / year	4,473,727	8,782,803	13,256,530	5,227,343	9,553,101	14,780,444
Reversals	(4,503,085)	(1,221,159)	(5,724,244)	(4,963,631)	(1,757,105)	(6,720,736)
	(29,358)	7,561,644	7,532,287	263,712	7,795,996	8,059,708
Amounts written off	(20,738)	-	(20,738)	(175,513)	-	(175,513)
Amounts charged off - agriculture financing	10.4.4 (47,754)	-	(47,754)	(56,258)	-	(56,258)
Transfer from general to specific provision	787,388	(787,388)	-	3,028,000	(3,028,000)	-
Closing balance	204,749,376	24,288,827	229,038,203	190,710,861	17,348,539	208,059,400

10.4.1 Particulars of provision against advances

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	141,329,057	23,814,192	165,143,249	138,961,205	16,741,242	155,702,447
In foreign currencies	63,420,319	474,635	63,894,954	51,749,656	607,297	52,356,953
	204,749,376	24,288,827	229,038,203	190,710,861	17,348,539	208,059,400

- 10.4.2** General provision includes provision amounting to Rs. 4,843 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 475 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates.

The bank has also maintained general provision of Rs. 18,972 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

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

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

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,423,646	1,080,087
Property and equipment		55,425,258	56,025,755
		<u>56,848,904</u>	<u>57,105,842</u>

11.1 Capital work-in-progress

Civil works	1,354,186	1,010,529
Equipment	10,727	10,825
Advances to suppliers and contractors	58,733	58,733
	<u>1,423,646</u>	<u>1,080,087</u>

(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
------(Rupees in '000)-----	

11.2 Additions to fixed assets

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

Capital work-in-progress	571,988	306,514
Property and equipment		
Building on freehold land	63,189	69,577
Building on leasehold land	45,241	9,240
Furniture and fixtures	513,411	310,158
Computer and peripheral equipment	407,447	109,476
Electrical and office equipment	374,279	257,855
Vehicles	253,475	110,259
	<u>1,657,042</u>	<u>866,565</u>
	<u>2,229,029</u>	<u>1,173,079</u>

11.3 Disposal of fixed assets

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

Building on leasehold land	175,107	-
Furniture and fixture	1,247	-
Electrical, office equipment	573	-
Vehicles	10,170	32,993
	<u>187,097</u>	<u>32,993</u>

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
12. INTANGIBLE ASSETS		
Capital work-in-progress - Software Implementation	653,998	841,289
Computer Software	906,845	547,658
	1,560,843	1,388,947
	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	------(Rupees in '000)-----	
12.1 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Capital work-in-progress - net additions	156,664	387,505
Directly purchased	370,985	126,549
	527,648	514,054
	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
13. RIGHT OF USE ASSETS		
Balance as at January 01	6,708,404	6,605,400
Additions during the period / year	1,898,378	2,244,669
Derecognition during the period / year	-	(6,618)
Depreciation charged for the period / year	(1,503,608)	(2,135,047)
Balance as at	7,103,174	6,708,404
14. DEFERRED TAX ASSET		
Deductible temporary differences on		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,125,508	7,352,695
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	7,673,056	12,925,197
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,922,726	1,506,288
- Other provisions	105,416	105,416
- Right of use assets	613,417	670,604
	17,802,801	22,922,878
Taxable temporary differences on		
- Surplus on revaluation of fixed assets	(3,366,436)	(3,061,347)
- Exchange translation reserve	(853,843)	(749,289)
- Surplus on revaluation of investments	8,367,946	3,208,913
- Surplus on revaluation of non-banking assets	(24,787)	(21,752)
	4,122,880	(623,475)
	21,925,682	22,299,403

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
15. OTHER ASSETS			
Income / return / mark-up accrued in local currency		167,541,492	99,433,212
Income / return / mark-up accrued in foreign currency		5,056,705	3,866,901
Advances, deposits, advance rent and other prepayments		5,179,035	2,987,346
Income tax refunds receivable & advance taxation (payments less provisions)		2,803,464	10,952,064
Compensation for delayed tax refunds		22,080,865	20,809,580
Non-banking assets acquired in satisfaction of claims		1,172,409	1,179,943
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
Acceptances		8,045,343	20,644,122
Commission receivable on Government treasury transactions		12,113,043	5,253,389
Stationery and stamps on hand		491,170	437,900
Barter trade balances		195,399	195,399
Receivable on account of Government transactions		323,172	323,172
Receivable from Government under VHS scheme		418,834	418,834
Receivable against sale of shares		50,972	156,755
Others		8,644,466	8,126,059
		234,324,792	174,993,099
Less: Provision held against other assets	15.1	12,424,043	12,244,043
Other assets (net of provision)		221,900,749	162,749,056
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,520,000	2,520,000
Other assets - total		224,420,749	165,269,056
15.1 Provision held against other assets			
Income / mark-up accrued in local currency		152,607	152,607
Advances, deposits, advance rent and other prepayments		837,949	837,949
Stationery and stamps on hand		96,542	96,542
Barter trade balances		195,399	195,399
Receivable on account of Government transactions		323,172	323,172
Receivable from Government under VHS scheme		418,834	418,834
Protested bills		4,358,233	4,297,516
Ex-MBL / NDFC - other assets		770,398	770,398
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)		208,423	208,423
Others		5,062,486	4,943,203
		12,424,043	12,244,043
15.1.1 Movement in provision held against other assets			
Opening balance		12,244,043	11,700,956
Charge for the period / year		122,482	562,955
Adjustment against provision		-	(19,868)
Other movement		57,518	-
Closing balance		12,424,043	12,244,043

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
16. BILLS PAYABLE			
In Pakistan		11,101,549	54,969,587
Outside Pakistan		125,373	298,432
		<u>11,226,922</u>	<u>55,268,019</u>
17. BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		32,656,529	38,217,784
Financing Scheme for Renewable Energy		1,280,962	1,019,611
Refinance Facility for Modernization of SMEs		98,019	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)		553,630	667,327
Under Long-Term Financing Facility (LTFF)		18,046,417	20,254,808
Refinance Scheme for Payment of Wages and Salaries		-	35,950
Temporary Economic Refinance Facility		23,629,962	24,126,421
Refinance Facility for Combating Covid-19		50,553	66,159
		<u>76,316,072</u>	<u>84,431,884</u>
Repurchase agreement borrowings	9.1.1	<u>2,510,238,651</u>	<u>1,826,206,763</u>
		<u>2,586,554,723</u>	<u>1,910,638,647</u>
Unsecured			
Call borrowings		17,094,803	25,810,145
Overdrawn nostro accounts		6,737,429	-
Bai Muajjal		-	4,036,995
		<u>23,832,232</u>	<u>29,847,140</u>
		<u>2,610,386,955</u>	<u>1,940,485,787</u>
17.1 Particulars of borrowings with respect to currencies			
In local currency		2,593,292,152	1,923,848,931
In foreign currencies		<u>17,094,803</u>	<u>16,636,856</u>
		<u>2,610,386,955</u>	<u>1,940,485,787</u>
17.2 Mark-up / interest rates and other terms are as follows:			
-	The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up at rate ranging from 1% to 18% per annum (December 31, 2022: from 0% to 12.00% per annum).		
-	Repurchase agreement borrowings carry mark-up ranging from 22.0% to 22.2% per annum (December 31, 2022: 15.22% to 17.00% per annum) having maturities ranging from October 02, 2023 to November 24, 2023.		
-	Call borrowings carry interest at the rate ranging from 5.5% to 22.5% per annum (December 31, 2022: 3.00% to 16.50% per annum).		
17.3	Borrowings from the SBP under export oriented projects and other refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.		
17.4	Pakistan Investment Bonds and Market Treasury Bills having maturities of 2 - 10 years and 3 - 12 months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,510,239 million (December 31, 2022: Rs.1,826,207 million).		

18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits - remunerative	632,098,807	-	632,098,807	733,037,562	-	733,037,562
Current deposits - non-remunerative	583,768,316	169,663,339	753,431,655	408,169,670	159,575,493	567,745,163
Savings deposits	750,953,506	145,198,968	896,152,474	681,287,543	108,029,851	789,317,394
Term deposits	469,928,639	203,224,648	673,153,287	400,618,865	116,541,863	517,160,728
Others	8,851,397	6,763	8,858,160	9,563,715	7,855	9,571,570
	<u>2,445,600,665</u>	<u>518,093,718</u>	<u>2,963,694,383</u>	<u>2,232,677,355</u>	<u>384,155,062</u>	<u>2,616,832,417</u>
Financial Institutions						
Current deposits	324,711,735	2,185,365	326,897,100	5,964,408	3,479,121	9,443,529
Savings deposits	32,146,001	-	32,146,001	15,190,328	2,924,782	18,115,110
Term deposits	9,192,318	9,891,503	19,083,821	10,472,787	6,442,283	16,915,070
Others	3,154,210	264	3,154,474	4,878,234	-	4,878,234
	<u>369,204,264</u>	<u>12,077,132</u>	<u>381,281,396</u>	<u>36,505,757</u>	<u>12,846,186</u>	<u>49,351,943</u>
	<u>2,814,804,929</u>	<u>530,170,850</u>	<u>3,344,975,779</u>	<u>2,269,183,112</u>	<u>397,001,248</u>	<u>2,666,184,360</u>

- 18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 105,003 million (December 31, 2022: Rs. 75,917 million).

(Un-audited) (Audited)
September 30, December 31,
2023 2022
------(Rupees in '000)-----

19. LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Lease liabilities included in the statement of financial position	<u>8,355,046</u>	<u>8,267,949</u>
Of which are:		
Current lease liability	<u>1,693,428</u>	<u>1,590,849</u>
Non-current lease liability	<u>6,661,617</u>	<u>6,677,100</u>
	<u>8,355,046</u>	<u>8,267,949</u>

Maturity analysis - contractual undiscounted cash flows

Less than one year	<u>2,408,118</u>	<u>2,356,198</u>
One to five years	<u>6,655,150</u>	<u>6,557,449</u>
More than five years	<u>3,121,639</u>	<u>7,967,022</u>
Total undiscounted lease liabilities	<u>12,184,907</u>	<u>16,880,669</u>

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
20. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		169,014,630	126,228,969
Mark-up / return / interest payable in foreign currencies		1,921,542	655,802
Unearned commission and income on bills discounted		123,411	252,539
Accrued expenses		14,653,785	13,865,133
Advance payments		337,225	350,895
Acceptances		8,045,343	20,644,122
Unclaimed dividends		174,512	181,851
Mark to market loss on forward foreign exchange contracts		11,944,713	125,371
Branch adjustment account		1,802,271	1,916,850
Payable to defined benefit plan:			
Pension fund		21,358,024	23,063,894
Post retirement medical benefits		32,847,312	29,176,898
Benevolent fund		1,466,234	1,697,838
Gratuity scheme		4,125,846	3,767,858
Compensated absences		9,375,030	8,734,235
Provision against off-balance sheet obligations		627,494	627,494
Provision against contingencies	20.1	4,627,628	4,170,799
Staff welfare fund		371,257	371,257
Liabilities relating to Barter trade agreements		4,394,872	3,629,389
Payable to brokers		33,052	350,446
PIBs short selling		13,876,410	11,043,029
Others		18,240,484	18,516,003
		<u>319,361,075</u>	<u>269,370,672</u>
20.1 Provision against contingencies			
Opening balance		4,170,799	3,805,376
Charge for the period / year		364,347	165,423
Other movement		92,482	200,000
Closing balance		<u>4,627,628</u>	<u>4,170,799</u>
21. SURPLUS ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Available-for-sale securities	9.1	(17,077,440)	(7,462,594)
- Fixed assets		47,484,546	47,733,682
- Non-banking assets		2,520,000	2,520,000
		<u>32,927,106</u>	<u>42,791,088</u>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		8,367,946	3,208,913
- Fixed assets		(3,366,436)	(3,061,347)
- Non-banking assets		(24,786)	(21,752)
		<u>4,976,724</u>	<u>125,814</u>
		<u>37,903,830</u>	<u>42,916,902</u>
22. CONTINGENCIES AND COMMITMENTS			
Guarantees	22.1	367,638,009	377,561,372
Commitments	22.2	2,700,868,146	2,373,285,184
Other contingent liabilities	22.3	26,778,009	26,619,691
		<u>3,095,284,165</u>	<u>2,777,466,247</u>

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
22.1 Guarantees			
Financial guarantees		269,027,452	287,741,990
Performance guarantees		98,610,557	89,819,382
		<u>367,638,009</u>	<u>377,561,372</u>
22.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,950,310,646	1,696,635,726
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	659,683,323	570,881,591
- forward government securities transactions	22.2.2	44,521,770	54,568,834
- forward lending	22.2.3	45,095,936	50,363,949
Commitments for acquisition of:			
- operating fixed assets		1,219,621	798,234
Other commitments	22.2.4	36,850	36,850
		<u>2,700,868,146</u>	<u>2,373,285,184</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		430,421,581	368,380,755
Sale		229,261,742	202,500,836
		<u>659,683,323</u>	<u>570,881,591</u>
Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.			
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		------(Rupees in '000)-----	
22.2.2 Commitments in respect of forward government securities transactions			
Purchase		1,046,375	10,988,627
Sale		43,475,395	43,580,207
		<u>44,521,770</u>	<u>54,568,834</u>
Commitments for outstanding forward government securities transactions are disclosed in these unconsolidated condensed interim financial statements at contracted rates.			
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		------(Rupees in '000)-----	
22.2.3 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitment to lend		45,095,936	50,363,949

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
22.2.4 Other commitments		
Professional services to be received	<u>36,850</u>	<u>36,850</u>
22.3 Other contingent liabilities		
22.3.1 Claims against the Bank not acknowledged as debt	<u>26,778,009</u>	<u>26,619,691</u>

Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs.1,597 million (December 31, 2022: Rs. 1,597 million).

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

22.3.2 Taxation

As at September 30, 2023, the status of tax contingencies disclosed in the annual unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation Officer, following the instructions / directions of the learned CIR(Appeals), has passed the appeal effect orders for tax years 2019 and 2020 wherein the tax liability / (refund) has been assessed at Rs. 1,852 million and Rs.1,997 million, respectively.
- Assessment proceedings for tax year 2022 were initiated under section 122(5A) of the Income Tax Ordinance, 2001, reducing tax refund to Rs. 3,853 million which was subsequently increased to Rs. 7,159 million vide the rectified order dated June 08, 2023. The Bank has filed appeal before CIR(Appeals) who has decided the appeal partially in favor of the Bank. The Bank has filed further appeal before ATIR. The Bank has also applied for issuance of appeal effect order which is pending.
- Honorable ATIR has passed appellate orders for tax year 2006, 2007 and 2016 against monitoring orders and remanded back the issues to the assessing officer for re-verification following the instructions of ATIR.
- The aggregate effect of contingencies as on September 30, 2023, including amount of Rs. 1,912 million (December 31, 2022: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 29,262 million (December 31, 2022: Rs. 27,159 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expects favourable outcome upon decisions of pending appeals.

22.3.3 Contingencies in respect of employees benefits and related matters

As at September 30, 2023, the status of contingencies disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2022 is same, other than the following:

22.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 25.3.4.1 to the unconsolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended September 30, 2023 amounted to Rs. 98.5 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for September 2023 onward will also increase by Rs. 14.7 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these unconsolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favourable outcome on the matter.

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

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

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
23. MARK-UP / RETURN / INTEREST EARNED	Note		
On:			
Loans and advances		164,546,037	95,902,404
Investments		541,591,774	225,528,875
Lendings to financial institutions		21,019,930	9,833,748
Balances with banks		1,527,322	930,188
		<u>728,685,063</u>	<u>332,195,215</u>
24. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		261,544,717	141,948,491
Borrowings		5,024,341	4,025,915
Cost of foreign currency swaps against foreign currency deposits		9,729,086	7,501,433
Lease liability against right of use assets		589,836	618,709
Securities sold under repurchase agreements		331,246,742	97,512,512
		<u>608,134,722</u>	<u>251,607,060</u>
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		1,321,580	1,187,826
Consumer finance related fees		384,908	360,679
Card related fees		1,922,833	1,531,454
Credit related fees		299,740	300,113
Investment banking fees		288,142	714,714
Commission on trade		1,320,765	1,626,904
Commission on guarantees		1,069,179	456,333
Commission on cash management		37,254	36,058
Commission on remittances including home remittances		1,204,597	1,096,252
Commission on bancassurance		144,190	221,152
Commission on government transactions		6,889,113	6,843,065
Others		67,355	81,846
		<u>14,949,656</u>	<u>14,456,396</u>
26. GAIN / (LOSS) ON SECURITIES - NET			
Realized	26.1	2,460,014	1,180,406
Unrealized - held-for-trading	9.1	322,626	(62,959)
Unrealized - Short selling		(369,772)	-
		<u>2,412,868</u>	<u>1,117,447</u>
26.1 Realized gain / (loss) on			
Federal Government Securities		1,525,779	(33,478)
Shares		934,235	1,213,808
Foreign Securities		-	76
		<u>2,460,014</u>	<u>1,180,406</u>
27. OTHER INCOME			
Rent on property		54,549	24,927
Gain on sale of fixed assets - net		251,129	6,494
Postal, SWIFT and other charges recovered		98,199	-
Compensation for delayed tax refunds	27.1	1,271,285	1,143,364
Reversal of provisions		-	68,986
Others		22,262	29,925
		<u>1,697,424</u>	<u>1,273,696</u>

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

28. OPERATING EXPENSES

Total compensation expenses

42,035,996 35,395,701

Property expenses

Rent and taxes
Insurance
Utilities cost
Security (including guards)
Repair and maintenance (including janitorial charges)
Depreciation
Depreciation on non banking assets
Depreciation on Ijarah assets
Depreciation on right of use assets

748,396	844,283
30,664	29,240
1,943,776	1,470,699
2,642,373	2,295,037
954,695	694,506
380,893	344,006
7,534	11,788
924	47,653
1,503,608	1,491,580
8,212,863	7,228,792

Information technology expenses

Software maintenance
Hardware maintenance
Depreciation
Amortisation
Network charges
IT Manage Services

2,233,406	1,567,783
101,501	99,621
373,357	320,995
239,079	184,906
602,003	533,699
601,607	315,225
4,150,953	3,022,229

Other operating expenses

Directors' fees and allowances
Fees and allowances to Shariah Board
Legal and professional charges
Outsourced services costs
Travelling and conveyance
NIFT clearing charges
Depreciation
Training and development
Postage and courier charges
Communication
Stationery and printing
Marketing, advertisement and publicity
Donations
Auditors' remuneration
Entertainment
Clearing, verification and license fee charges
Brokerage
Financial charges on leased assets
Insurance
Vehicle expenses
Repairs and maintenance
Deposit premium expense
Others

64,000	21,767
12,529	12,092
1,220,089	716,122
585,104	460,365
994,135	709,255
185,050	153,824
1,068,926	1,132,971
60,071	33,481
220,349	240,195
847,312	316,404
1,395,558	1,316,952
665,758	298,635
16,911	92,002
205,768	166,392
206,035	187,067
267,627	266,966
59,035	55,808
53,552	129,821
362,095	346,879
157,606	143,258
804,345	574,314
1,044,646	1,358,683
335,759	332,290
10,832,260	9,065,544
65,232,072	54,712,266

29. OTHER CHARGES

Penalties imposed by State Bank of Pakistan
Penalties imposed by other regulatory bodies of overseas branches

193,113	61,474
12,851	275
205,964	61,749

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
30. Provisions and write offs - net	Note		
Provision for diminution in value of investments	9.2	1,205,618	1,949,598
Provision against loans and advances	10.4	7,532,287	494,300
Provision against other assets	15.1.1	122,482	220,080
Provision against contingencies	20.1	364,347	135,221
		<u>9,224,733</u>	<u>2,799,199</u>
31. TAXATION			
Current			
For the year		35,755,389	26,162,438
Prior years		(8,073,227)	3,828,030
		<u>27,682,162</u>	<u>29,990,468</u>
Deferred			
For the year		(3,311,157)	(811,242)
Prior years		8,073,227	-
		<u>4,762,070</u>	<u>(811,242)</u>
		<u>32,444,232</u>	<u>29,179,226</u>
32. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the period (Rupees in 000's)		38,150,341	19,163,603
Weighted average number of ordinary shares (in 000's)		2,127,513	2,127,513
Earnings per share - basic and diluted (Rupees)		<u>17.93</u>	<u>9.01</u>

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

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
33. CASH AND CASH EQUIVALENTS	Note		
Cash and balances with treasury banks	6	301,201,820	220,821,843
Balances with other banks	7	12,394,601	21,052,559
Call / clean money lendings	8	6,009,723	9,723
Call borrowings	17	(17,094,803)	(31,845,754)
Overdrawn nostro accounts	17	(6,737,429)	(18,489)
		<u>295,773,912</u>	<u>210,019,882</u>

34. FAIR VALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

September 30, 2023 (Un-audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,020,912,350	-	1,020,912,350	-	1,020,912,350
- Pakistan Investment Bonds	2,665,646,729	-	2,665,646,729	-	2,665,646,729
- Ijarah Sukuks	19,802,350	-	19,802,350	-	19,802,350
- Foreign Currency Debt securities	23,905,260	-	23,905,260	-	23,905,260
Ordinary Shares					
- Listed Companies	43,783,132	43,783,132	-	-	43,783,132
Preference shares					
- Listed	735,114	735,114	-	-	735,114
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	50,403,283	14,144,159	36,259,124	-	50,403,283
Mutual Fund units					
	3,227,751	-	3,227,751	-	3,227,751
Foreign Securities					
- Government debt securities	3,465,863	-	3,465,863	-	3,465,863
- Equity Securities - Listed	39,091,313	39,091,313	-	-	39,091,313
	3,870,973,145	97,753,718	3,773,219,427	-	3,870,973,145
Financial assets - disclosed but not measured at fair value					
Federal Government Securities					
- Pakistan Investment Bonds	212,387,644	-	187,288,650	-	187,288,650
- Ijarah Sukuks	13,105,553	-	11,805,827	-	11,805,827
- Foreign Currency Debt securities	4,224,300	-	4,224,299	-	4,224,299
Foreign Securities					
- Government debt securities	42,876,938	-	43,559,260	-	43,559,260
- Non-Government debt securities	1,103	-	1,103	-	1,103
	272,595,538	-	246,879,139	-	246,879,139
	4,143,568,683	97,753,718	4,020,098,566	-	4,117,852,284

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

Commitments

Foreign exchange contracts purchase and sale

September 30, 2023 (Un-audited)				
Carrying value	Level 1	Level 2	Level 3	Total

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

659,683,323	-	(11,944,713)	-	(11,944,713)
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Forward government securities transactions

44,521,770	-	167,530	-	167,530
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On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government Securities

- Market Treasury Bills	848,763,986	-	848,763,986	-	848,763,986
- Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
- Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
- Foreign Currency Debt securities	14,422,839	-	14,422,839	-	14,422,839

Ordinary Shares

- Listed Companies	36,659,044	36,659,044	-	-	36,659,044
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Preference shares

- Listed	1,091,477	1,091,477	-	-	1,091,477
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Mutual Fund units

3,120,431	-	3,120,431	-	3,120,431
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Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds	47,182,336	15,145,954	32,036,382	-	47,182,336
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Foreign Securities

- Government debt securities	1,883,953	-	1,883,953	-	1,883,953
- Equity Securities - Listed	34,844,245	34,844,245	-	-	34,844,245
	3,013,825,929	87,740,720	2,926,085,210	-	3,013,825,929

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

Investments

Federal Government Securities

- Market Treasury Bills	29,376,461	-	29,137,260	-	29,137,260
- Pakistan Investment Bonds	375,236,903	-	355,231,276	-	355,231,276
- Ijarah Sukuks	13,130,709	-	12,383,300	-	12,383,300
- Foreign Currency Debt securities	2,992,408	-	1,665,559	-	1,665,559

Foreign Securities

- Government debt securities	36,096,507	-	37,327,167	-	37,327,167
- Non-Government debt securities	871	-	871	-	871
	456,833,859	-	435,745,433	-	435,745,433
	3,470,659,788	87,740,720	3,361,830,643	-	3,449,571,363

December 31, 2022 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total

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

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

Foreign exchange contracts purchase and sale	570,881,591	-	(125,371)	-	(125,371)
Forward government securities transactions	54,568,834	-	(14,626)	-	(14,626)

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated condensed interim financial statements.

34.2 Fair value of non-financial assets

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

September 30, 2023 (Un-audited)				
Carrying value	Level 1	Level 2	Level 3	Total

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

Land and building	55,425,259	-	-	55,425,259	55,425,259
Non-banking assets acquired in satisfaction of claims	3,692,409	-	-	3,692,409	3,692,409
	59,117,668	-	-	59,117,668	59,117,668

December 31, 2022 (Audited)				
Carrying value	Level 1	Level 2	Level 3	Total

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

Land and building	52,417,088	-	-	52,417,088	52,417,088
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943	3,699,943
	56,117,031	-	-	56,117,031	56,117,031

35.

SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Nine months ended September 30, 2023 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total

Profit and loss account

Net mark-up / return / interest
 Inter segment revenue - net
 Non mark-up / return / interest income
 Total income
 Segment direct expenses
 Inter segment expense allocation
 Total expenses
 Provisions and write offs - net
 Profit / (loss) before taxation

(205,484,551)	29,741,898	30,807,899	260,295,332	522,194	4,667,568	120,550,341
302,767,248	(31,453,982)	(14,317,240)	(275,335,756)	-	18,339,730	-
11,355,060	351,978	4,074,755	6,336,629	982,106	1,606,473	24,707,001
108,637,757	(1,360,107)	20,565,415	(8,703,795)	1,504,300	24,613,772	145,257,342
27,649,360	2,611,148	979,124	267,507	7,066,465	24,037,604	41,400,432
-	-	-	-	-	24,037,604	24,037,604
27,649,360	2,611,148	979,124	267,507	7,066,465	26,864,432	65,438,036
(474,898)	732,019	6,428,424	1,834,571	(462,548)	1,167,164	9,224,733
81,463,295	(4,703,273)	13,157,867	(10,805,873)	(5,099,618)	(3,417,825)	70,594,573

As at September 30, 2023 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total

Statement of financial position

Cash and balances with treasury
 Investments
 Net inter segment lending
 Lendings to financial institutions
 Advances - performing
 Advances - non-performing
 Provision against Advances
 Advances - Net
 Others
Total assets
 Borrowings
 Deposits and other accounts
 Net inter segment borrowing
 Others
Total liabilities
 Equity
Total equity and liabilities
 Contingencies and commitments

124,370,112	10,270,888	721,699	119,987,599	51,014,005	7,232,117	313,596,421
-	-	25,588,455	3,989,872,513	74,473,477	60,824,688	4,150,759,113
2,363,617,419	-	-	-	-	194,941,996	2,558,559,415
226,185,636	214,856,591	691,145,843	-	70,397,920	100,764,985	1,303,350,975
4,721,918	24,454,314	22,120,710	-	65,926,560	103,804,145	221,027,647
(8,508,055)	(20,354,656)	(28,626,536)	-	(63,894,954)	(107,654,005)	(229,038,205)
222,399,500	218,956,248	684,640,017	-	72,429,526	96,915,126	1,295,340,417
49,569,512	4,114,261	35,303,489	421,241	9,277,072	213,173,776	311,859,352
2,759,956,542	233,341,398	746,253,661	4,677,865,416	207,194,081	573,087,682	9,197,698,780
-	4,219,132	72,096,941	2,516,976,079	17,094,803	-	2,610,386,955
2,666,904,258	-	459,900,097	-	105,002,642	113,168,782	3,344,975,779
-	221,482,247	189,820,706	2,038,991,614	96,140,164	12,124,684	2,558,559,415
92,658,878	7,640,019	24,438,882	101,845,754	5,497,825	106,861,685	338,943,043
2,759,563,136	233,341,398	746,256,625	4,657,813,448	223,735,434	232,155,151	8,852,865,192
393,407	-	(2,965)	20,051,968	(16,541,353)	340,932,531	344,833,588
2,759,956,542	233,341,398	746,253,661	4,677,865,416	207,194,081	573,087,682	9,197,698,780
-	92,457,100	2,207,075,035	749,301,029	18,416,521	28,034,480	3,095,284,165

Nine months ended September 30, 2022 (Un-audited)							
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
Profit and loss account							
Net mark-up / return / interest	(114,695,424)	19,647,936	27,129,939	140,472,148	3,698,184	4,335,371	80,588,155
Inter segment revenue - net	171,081,296	(19,923,757)	(25,127,040)	(144,913,656)	-	18,883,156	-
Non mark-up / return / interest income	10,706,916	401,467	3,722,826	8,135,440	1,128,314	1,232,925	25,327,888
Total income	67,092,788	125,646	5,725,726	3,693,932	4,826,498	24,451,452	105,916,043
Segment direct expenses	25,140,893	2,385,298	907,561	224,066	5,407,230	2,514,375	36,579,422
Inter segment expense allocation	-	-	-	-	-	18,194,593	-
Total expenses	25,140,893	2,385,298	907,561	224,066	5,407,230	18,194,593	18,194,593
Provisions and write offs - net	(110,216)	1,671,092	2,145,158	2,586,741	(192,041)	(3,301,536)	54,774,015
Profit / (loss) before taxation	42,062,111	(3,930,744)	2,673,007	883,125	(388,691)	7,044,019	48,342,829
As at December 31, 2022 (Audited)							
	Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
Statement of financial position							
Cash and balances with treasury	76,022,158	8,471,928	272,335	116,207,653	41,420,355	6,110,320	248,504,749
Investments	-	-	26,566,790	3,338,860,011	55,396,579	56,530,494	3,477,353,874
Net inter segment lending	1,913,764,601	-	-	-	-	161,978,230	2,075,742,831
Lendings to financial institutions	-	-	-	31,272,467	-	-	31,272,467
Advances - performing	221,901,091	236,174,990	608,422,187	-	68,916,285	97,859,226	1,233,273,779
Advances - non-performing	4,107,960	21,853,219	24,119,377	-	53,726,670	101,500,199	205,307,425
Provision against advances	(8,972,018)	(19,791,641)	(23,100,384)	-	(62,356,953)	(103,838,404)	(208,059,400)
Advances - net	217,037,033	238,236,568	609,441,180	-	70,286,002	95,521,021	1,230,521,804
Others	31,988,215	3,619,415	41,795,925	381,562	6,402,399	168,584,135	252,771,652
Total assets	2,238,812,007	250,327,911	678,076,230	3,486,721,693	173,505,335	488,724,200	5,240,424,546
Borrowings	-	6,032,537	78,399,346	1,839,417,048	16,636,856	1,940,485,787	1,940,485,787
Deposits and other accounts	2,089,383,447	-	406,454,898	-	75,916,594	94,429,421	2,666,184,360
Net inter segment borrowing	-	227,691,242	157,769,526	1,581,730,692	96,687,516	11,863,855	2,075,742,831
Others	149,428,560	16,604,132	35,169,167	44,395,276	2,896,990	84,412,515	332,906,640
Total liabilities	2,238,812,007	250,327,911	677,792,937	3,465,543,016	192,137,956	190,705,790	4,939,576,787
Equity	-	-	283,933	21,178,677	(18,632,621)	298,018,409	300,847,759
Total equity and liabilities	2,238,812,007	250,327,911	678,076,230	3,486,721,693	173,505,335	488,724,200	5,240,424,546
Contingencies and commitments	-	183,082,386	1,907,266,393	625,450,425	28,425,095	33,241,948	2,777,466,247

36.

RELATED PARTY TRANSACTIONS

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

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

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

	As at September 30, 2023 (Re-audited)										As at December 31, 2022 (Audited)									
Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (M.J.D.A. A/c)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (M.J.D.A. A/c)	Provident Fund	Other related parties	
(Rupees in '000)																				
-	-	-	-	208,617	-	-	-	-	-	-	-	-	-	385,137	-	-	-	-	-	
-	-	-	-	208,617	-	-	-	-	-	-	-	-	-	385,137	-	-	-	-	-	
Investments																				
Opening balance	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	-	-	4,465,809	
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,625	
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	(110,259)	-	-	-	-	-	-	-	-	-	-	
Transfer in / (out) - net	-	-	-	-	-	-	-	-	1,211,986	-	-	-	-	-	-	-	-	-	-	
Closing balance	-	-	-	-	-	-	-	-	7,614,375	-	-	-	-	-	-	-	-	-	6,512,634	
Provision for diminution in value of investments																				
-	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	-	461,354	
Advances																				
Opening balance	-	339,724	227,063	2,665,220	-	-	-	-	2,085,795	-	347,592	426,565	2,934,162	-	-	-	-	-	84,482	
Addition during the period / year	-	45,255	-	-	-	-	-	-	8,539	-	86,147	-	-	-	-	-	-	-	2,291,175	
Repaid during the period / year	-	(53,327)	(10,000)	-	-	-	-	-	(609,216)	-	(52,240)	(199,502)	(268,942)	-	-	-	-	-	(1,435,378)	
Transfer in / (out) - net	-	(8,256)	-	-	-	-	-	-	(1,367,495)	-	(41,765)	-	-	-	-	-	-	-	650,516	
Closing balance	-	323,406	217,063	2,665,220	-	-	-	-	117,723	-	339,734	227,063	2,665,220	-	-	-	-	-	2,085,795	
Provisions against loans	-	-	217,063	2,665,220	-	-	-	-	-	-	-	217,063	2,665,220	-	-	-	-	-	-	

36.



	As at September 30, 2023 (Un-audited)							As at December 31, 2022 (Audited)										
Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (NDA A/c)	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (NDA A/c)	Provident Fund	Other related parties
(Rupees in '000)																		
<hr/>																		
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Other Assets																		
-	-	120,131	1,313,344	-	-	-	-	-	-	-	82,502	1,717,167	-	-	-	-	-	-
-	-	73,280	-	43,472	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-
-	-	193,411	1,313,344	43,472	-	-	-	-	-	-	155,782	1,717,167	-	-	-	-	-	-
<hr/>																		
-	-	73,280	-	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-
<hr/>																		
Borrowings																		
-	-	-	-	52,245	-	-	-	-	-	-	-	-	33,741	-	-	-	-	-
-	-	-	-	498,163	-	-	-	-	-	-	-	-	16,504	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	550,407	-	-	-	-	-	-	-	-	52,245	-	-	-	-	-
<hr/>																		
<hr/>																		
Deposits and other accounts																		
-	98,488	911,103	3,000	-	27,222	-	257,252	13,263,170	515,559	1,780	131,454	1,007,337	-	86,284	10,100,000	46,789	12,854,755	43,336,142
8,533	876,716	122,027	3,000	-	56,000,153	-	2,809,509	4,439,830	14,718,083	-	885,538	14,307	3,000	41,951,279	-	8,370,003	5,025,151	5,947,309
(5,923)	(871,119)	(490,574)	(3,000)	-	(56,062,891)	-	(2,788,651)	(4,666,414)	(14,718,081)	(14)	(894,421)	(110,741)	-	(42,010,321)	(10,100,000)	(8,198,520)	(4,616,736)	(5,669,604)
-	(17,909)	-	-	-	-	-	-	-	73,552	(1,746)	(23,303)	-	-	-	-	-	-	(42,789,288)
2,610	86,176	542,556	3,000	-	44,884	-	278,110	13,036,585	1,128,513	-	98,488	911,103	3,000	27,222	-	257,252	13,263,170	515,559
<hr/>																		
<hr/>																		
Other Liabilities																		
-	-	59,597	78	-	-	-	-	-	-	-	-	30,676	-	-	-	-	-	-
-	-	59,597	78	-	-	-	-	-	-	-	-	30,676	-	-	-	-	-	-
<hr/>																		
<hr/>																		
Contingencies and commitments																		

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

	For the nine months ended September 30, 2023 (Un-audited)						For the nine months ended September 30, 2022 (Un-audited)									
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Others	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Others				
(Rupees in '000)																
Income																
Mark-up / return / interest earned	-	-	38,296	-	-	329,801	-	-	1,739	3,384	1	-	445,062			
Dividend income	-	-	186,300	-	-	144,720	-	-	-	-	114,405	-	27,408			
Rent income / lighting and power and bank charges	-	-	16,000	4,557	-	15,770	-	-	10,113	4,171	-	-	-			
Expense																
Mark-up / return / interest paid	292	8,435	99,033	276	23,691	156,117	-	68,147	3,906	15,307	14,292	329,150	1,262,352	1,666,754		
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	43,419	-	-	-	-	-	-	55,054			
Remuneration to key management executives including charge for defined benefit plan	-	561,854	-	-	-	-	-	-	551,808	-	-	-	-			
Donation paid to company in which Directors of the bank is interested as director	-	-	-	-	-	-	-	-	-	-	-	-	5,000			
Commission paid to subsidiaries	-	-	5,531	-	-	-	-	-	4,248	-	-	-	-			
Directors fee & other allowances	64,000	-	-	-	-	-	21,767	-	-	-	-	-	-			
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	522			

36.1 Transactions with Government-related entities

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

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

The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 6,889 million (September 30, 2022: Rs. 6,843 million) for the nine months ended September 30, 2023. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 558,275 million (December 31, 2022: Rs. 593,486 million), Rs.1,436,988 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,043,574 million (December 31, 2022: Rs.1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 64,311 million (September 30 2022: Rs. 27,425 million) and Rs.123,263 million (September 30, 2022: Rs. 109,655 million) respectively.

(Un-audited) (Audited)
September 30, December 31,
2023 2022
------(Rupees in '000)-----

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

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

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	273,110,364	231,190,928
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	273,110,364	231,190,928
Eligible Tier 2 Capital	80,623,028	75,036,139
Total Eligible Capital (Tier 1 + Tier 2)	353,733,391	306,227,067

Risk Weighted Assets (RWAs):

Credit Risk	1,129,687,656	1,066,232,569
Market Risk	139,086,554	93,557,759
Operational Risk	258,686,736	258,686,736
Total	1,527,460,945	1,418,477,064

Common Equity Tier 1 Capital Adequacy Ratio

Common Equity Tier 1 Capital Adequacy Ratio	17.88%	16.30%
Tier 1 Capital Adequacy Ratio	17.88%	16.30%
Total Capital Adequacy Ratio	23.16%	21.59%

Leverage Ratio (LR):

Eligible Tier-1 Capital	273,110,364	231,190,928
Total Exposure	9,005,849,069	7,502,352,873
Leverage Ratio	3.03%	3.08%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	1,547,385,563	1,418,328,644
Total Net Cash Outflow	775,420,167	963,197,902
Liquidity Coverage Ratio	200%	147%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	3,071,876,912	2,684,457,394
Total Required Stable Funding	1,204,355,963	1,069,401,835
Net Stable Funding Ratio	255%	251%

38. ISLAMIC BANKING BUSINESS

The Bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 136 (December 31, 2022: 50) Islamic banking windows as at September 30, 2023.

The statement of financial position of the Bank's Islamic banking branches as at September 30, 2023 is as follows:

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
ASSETS			
	Cash and balances with treasury banks	7,188,945	6,096,555
	Balances with other banks	43,172	13,766
38.1	Investments	57,728,827	53,920,119
38.2	Islamic financing and related assets - net	51,243,097	46,380,996
	Fixed assets	74,037	87,489
	Right of use assets	583,464	508,977
	Other assets	6,808,086	2,294,054
	Total Assets	123,669,628	109,301,956
LIABILITIES			
	Bills payable	300,362	1,210,608
38.3	Deposits and other accounts	109,586,480	93,591,714
	Due to head office	1,840,580	4,005,715
	Lease liability against right of use assets	763,827	721,152
	Other liabilities	1,790,862	1,490,182
		114,282,111	101,019,371
	NET ASSETS	9,387,517	8,282,585
REPRESENTED BY			
	Islamic Banking Fund	6,731,000	5,561,000
	(Deficit) / Surplus on revaluation of assets	(431,079)	424,444
38.4	Unremitted Profit	3,087,596	2,297,141
		9,387,517	8,282,585

The profit and loss account of the Bank's Islamic banking operations for the nine months period ended September 30, 2023 is as follows:

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
Note		------(Rupees in '000)-----	
Profit / return earned	38.5	15,381,711	8,813,043
Profit / return expensed	38.6	9,607,464	5,414,251
Net profit / return		5,774,247	3,398,792
Other income			
Fee and commission income		205,571	204,568
Foreign exchange income		65,432	151,204
Other income		48	2,007
Total other income		271,051	357,779
Total income		6,045,298	3,756,571
Other expenses			
Operating expenses		2,468,093	2,171,763
Other charges		220	-
Total other expenses		2,468,313	2,171,763
Profit before provisions		3,576,985	1,584,808
Provisions charge / (reversal) and write offs - net		489,389	184,567
Profit before taxation		3,087,596	1,400,241
Taxation		-	-
Profit after taxation		3,087,596	1,400,241

38.1 Investments by segments:

September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
------(Rupees in '000)-----							

Federal Government Securities:

- Ijarah Sukuks	33,620,309	-	(712,383)	32,907,926	33,648,948	-	(339,589)	33,309,359
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Non Government Debt Securities:

- Listed	7,900,000	-	308,400	8,208,400	8,200,000	-	303,132	8,503,132
- Unlisted	16,770,404	(130,807)	(27,096)	16,612,501	11,777,533	(130,807)	460,901	12,107,628
	24,670,404	(130,807)	281,304	24,820,901	19,977,533	(130,807)	764,033	20,610,760
Total Investments	58,290,713	(130,807)	(431,079)	57,728,827	53,626,481	(130,807)	424,444	53,920,119

(Un-audited) (Audited)
September 30, December 31,
2023 2022
------(Rupees in '000)-----

38.2 Islamic financing and related assets - net

Ijarah	13,965	38,208
Murabaha	1,023,136	1,713,901
Running Musharaka	10,563,553	-
Diminishing Musharaka	20,443,018	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	2,029,000	2,127,000
Advance for Diminishing Musharaka	121,278	100,894
Advance for Istisna	6,154,917	9,396,236
Inventories against Istisna	3,260,625	3,097,800
Gross Islamic financing and related assets	52,109,492	47,036,295
Less: provision against Islamic financings		
- Specific	(766,162)	(654,980)
- General	(100,233)	(319)
	(866,395)	(655,299)
Islamic financing and related assets - net of provision	51,243,097	46,380,996

38.3 Deposits and other accounts**Customers**

Current deposits	22,138,195	20,659,185
Savings deposits	47,673,519	41,254,385
Term deposits	15,001,895	15,137,438
	84,813,609	77,051,008

Financial Institutions

Current deposits	1,220,403	354,951
Savings deposits	23,141,198	14,114,989
Term deposits	411,270	2,070,766
	24,772,871	16,540,706
	109,586,480	93,591,714

38.4 Islamic Banking Business Unremitted Profit

Opening balance	2,297,141	1,502,668
Add: Islamic banking profit for the period / year	3,087,596	2,297,141
Less: Transferred / remitted to Head office	(2,297,141)	(1,502,668)
Closing balance	3,087,596	2,297,141

(Un-audited)	
For the nine months ended	
September 30, 2023	September 30, 2022
------(Rupees in '000)-----	

38.5 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:

Financing	8,764,898	3,857,620
Investments	6,615,778	4,737,470
Placements	1,035	672
Others (Bai Muajjal)	-	217,281
	15,381,711	8,813,043

38.6 Profit on Deposits and other Dues Expensed

Deposits and other accounts	6,684,942	3,767,960
Amortisation of lease liability against ROUA	52,116	55,020
Others (General Account)	2,870,406	1,591,271
	9,607,464	5,414,251

39. GENERAL

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

40. DATE OF AUTHORIZATION FOR ISSUE

The unconsolidated condensed interim financial statements were authorized for issue on October 24, 2023 by the Board of Directors of the Bank.

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director

Consolidated Financial Statements of NBP and its Subsidiary Companies

Directors' Report to the Shareholders

Consolidated Financial Statements

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Directors' Review together with consolidated financial statement of National Bank of Pakistan "the Bank" and its group companies for the nine months period ended September 30, 2023.

Consolidated after-tax profit for the nine months' period ended September 30, 2023 amounted to PKR 39.5 Bn, being 105.0% higher than PKR 19.3 Bn of the same period last year (SPLY). During the period ended, the subsidiary companies contributed PKR 0.989 Bn (September 30, 2022: PKR 0.618 Bn) in Group profitability, whereas the associates contributed a net profit of PKR 0.078 Bn (September 30, 2022: Share of loss PKR 0.069 Bn). A share of profit of PKR 0.930 Bn (September 30, 2022: PKR 0.316 Bn) was however recorded on account of UNBL, a UK based Joint Venture in which NBP has 45% shareholding. Accordingly, consolidated EPS improved to PKR 18.49 for nine months' period ended September 30, 2023 as compared to PKR 9.03 of SPLY.

As of September 30, 2023, consolidated assets of the Group amounted to PKR 6,654.7 Bn being PKR 1,402.9 Bn or 26.7% higher than PKR 5,251.8 Bn of December 31, 2022.

Profit for the nine months period ended September 30, 2023 after carry forward of accumulated profit of 2022 is proposed to be appropriated as follows:

	(PKR 'Mn)
After-tax consolidated profit for the nine months period ended September 30, 2023	39,519.0
Unappropriated profit brought forward	178,189.6
Other comprehensive income - net of tax	908.7
Non-controlling interest	(190.3)
Transfer from surplus on revaluation of fixed assets – net of tax	136.2
	<u>179,044.0</u>
Profit available for appropriations	218,563.0
Appropriation:	
Transfer to statutory reserve	(3,815.0)
Unappropriated profit carried forward	<u>214,748.0</u>

For and on behalf of the Board of Directors

Rehmat Ali Hasnie
President & CEO

Ali Syed
Director

Karachi

Dated: October 24, 2023

ڈائریکٹرز کی حصص داران کو رپورٹ مجموعی مالیاتی گوشوارے

محترم شیئر ہولڈرز،

ہم بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے لیے نیشنل بینک آف پاکستان "دی بینک" اور اس کے ذیلی اداروں کے لیے ڈائریکٹرز کا جائزہ اور عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

30 ستمبر 2023 کو ختم ہونے والی نو ماہ کی مدت کے لیے مجموعی بعد از ٹیکس منافع کی رقم 39.5 بلین روپے ہو گئی، جو پچھلے سال کی اسی نو ماہ کی مدت کے 19.3 بلین روپے سے 105.0% زیادہ ہے۔ ختم ہونے والی نو ماہ کی مدت کے دوران بینک کے ذیلی اداروں نے گروپ کے منافع میں 0.989 بلین روپے (30 ستمبر 2022: 0.618 بلین روپے) کا حصہ ڈالا، جبکہ شریک اداروں کی جانب سے خالص منافع میں حصہ 0.078 بلین روپے (30 ستمبر 2022: نقصان کا حصہ: 0.069 بلین روپے) رہا۔ تاہم برطانیہ میں واقع مشترکہ منصوبے UNBL، جس میں بینک کی 45% حصہ داری ہے، کی وجہ سے 0.930 بلین روپے (30 ستمبر 2022: 0.316 بلین روپے) کا منافع ریکارڈ کیا گیا۔ اس طرح 30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے مجموعی فی حصص آمدنی (EPS) گزشتہ سال کے انہی نو ماہ کے 9.03 روپے فی حصص سے بڑھ کر 18.49 روپے فی حصص ہو گئی۔

30 ستمبر 2023 کو بینک کے مجموعی اثاثوں کی مالیت 6,654.7 بلین روپے تھی جو کہ 31 دسمبر 2022 کے بینک کے مجموعی اثاثوں کی مالیت 5,251.8 بلین روپے سے 1,402.9 بلین روپے یا 26.7% زیادہ ہے۔

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کا منافع 2022 کے جمع شدہ منافع کو آگے بڑھانے کے بعد تخصیص کے لیے تجویز کیا گیا ہے:

(بلین روپے)

39,519.0

178,189.6

908.7

(190.3)

136.2

179,044.0

218,563.0

30 ستمبر 2023 کو ختم ہونے والے نو ماہ کے لیے بعد از ٹیکس منافع

غیر تصرف شدہ آگے لایا جانے والا منافع

دیگر جامع آمدنی - بعد از ٹیکس

نان کنٹرولنگ انٹر سٹ

جامدا اثاثوں کی نظر ثانی شدہ اضافی قدر کی وجہ سے ذخائر سے منتقلی

تصرف کے لیے دستیاب منافع

تصرف:

قانونی ذخائر میں منتقلی

غیر تصرف شدہ منافع - آگے بڑھانے کے لیے:

بورڈ آف ڈائریکٹرز کے لیے اور انکی جانب سے

(3,815.0)

214,748.0

علی سید
ڈائریکٹر

رحمت علی حسنی
صدر اور سی ای او

کراچی

تاریخ: 24 اکتوبر 2023۔

Consolidated Condensed Interim Statement of Financial Position As at September 30, 2023

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks	6	301,391,660	230,226,311
Balances with other banks	7	13,091,908	19,623,124
Lendings to financial institutions	8	567,584,062	31,272,467
Investments	9	4,161,091,526	3,482,935,847
Advances	10	1,295,429,632	1,230,669,118
Fixed assets	11	57,392,940	57,604,343
Intangible assets	12	2,244,473	2,101,322
Right of use assets	13	7,512,023	7,186,067
Deferred tax asset	14	21,878,539	22,406,230
Other assets	15	227,044,252	167,741,065
		6,654,661,015	5,251,765,894
LIABILITIES			
Bills payable	16	11,226,922	55,268,019
Borrowings	17	2,610,386,955	1,940,485,787
Deposits and other accounts	18	3,344,433,223	2,665,273,257
Liabilities against assets subject to finance lease	19	231,354	121,453
Lease liability against right of use assets	20	8,770,000	8,761,015
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	21	321,166,688	271,556,131
		6,296,215,142	4,941,465,662
NET ASSETS		358,445,874	310,300,232
REPRESENTED BY			
Share capital		21,275,131	21,275,131
Reserves		83,503,096	67,488,847
Surplus on revaluation of assets	22	37,814,886	42,273,537
Unappropriated profit		214,747,989	178,189,579
Total Equity attributable to the equity holders of the Bank		357,341,102	309,227,094
Non-controlling interest		1,104,772	1,073,138
		358,445,874	310,300,232

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director

Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and nine months period ended September 30, 2023

		Quarter ended		Nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note		----- (Rupees in '000) -----			
Mark-up / return / interest earned	24	296,473,613	152,875,816	729,019,613	332,371,383
Mark-up / return / interest expensed	25	248,919,353	125,325,322	608,092,820	251,635,918
Net mark-up / return / interest income		47,554,260	27,550,494	120,926,793	80,735,465
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	4,990,748	4,593,726	16,409,443	15,451,101
Dividend income		1,041,994	1,488,796	3,281,330	3,330,710
Foreign exchange income		(1,695,417)	1,073,975	2,792,394	5,764,734
Income / (loss) from derivatives		-	-	-	-
Gain on securities - net	27	1,506,798	35,070	2,439,978	1,090,441
Share of profit from joint venture - net of tax		306,638	68,990	930,033	315,653
Share of profit / (loss) from associates - net of tax		60,507	(7,505)	78,293	(68,749)
Other income	28	555,776	663,982	1,763,313	1,479,374
Total non-mark-up / interest income		6,767,044	7,917,034	27,694,784	27,363,264
Total income		54,321,304	35,467,528	148,621,577	108,098,729
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	21,744,613	19,286,082	66,405,753	55,746,293
Other charges	30	9,051	31,701	205,964	61,964
Total non-markup / interest expenses		21,753,664	19,317,783	66,611,717	55,808,257
Profit before provisions		32,567,640	16,149,745	82,009,860	52,290,472
Provisions and write offs - net	31	9,237,614	1,553,595	9,642,945	3,578,373
PROFIT BEFORE TAXATION		23,330,026	14,596,150	72,366,915	48,712,099
Taxation	32	10,950,997	7,561,197	32,847,956	29,435,018
PROFIT AFTER TAXATION		12,379,029	7,034,953	39,518,959	19,277,081
Attributable to:					
Equity holders of the Bank		12,293,702	6,997,247	39,328,625	19,202,735
Non-controlling interest		85,327	37,706	190,334	74,346
		12,379,029	7,034,953	39,518,959	19,277,081
----- (Rupees) -----					
Earnings per share - basic and diluted	33	5.78	3.29	18.49	9.03

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director



Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the quarter and nine months period ended September 30, 2023

	Quarter ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----			
Profit after taxation for the period	12,379,029	7,034,953	39,518,959	19,277,081
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Exchange gain / (loss) on translation of net assets of foreign branches, subsidiaries and joint venture	(672,166)	3,747,371	12,199,215	9,079,179
Movement in surplus on revaluation of investments - net of tax	8,300,349	(2,552,558)	(3,910,156)	(11,967,568)
	7,628,183	1,194,813	8,289,059	(2,888,389)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit obligations - net of tax	1,028,834	(9,568)	908,660	(1,618,779)
Movement in surplus on revaluation of fixed assets - net of tax	5,731	-	(409,300)	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(3,034)	-
	1,034,565	(9,568)	496,325	(1,618,779)
Total comprehensive income	21,041,777	8,220,198	48,304,343	14,769,913
Total comprehensive income attributable to:				
Equity holders of the Bank	20,956,450	8,182,492	48,114,009	14,695,567
Non-controlling interest	85,327	37,706	190,334	74,346
	21,041,777	8,220,198	48,304,343	14,769,913

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

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Chairman

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Chief Financial Officer

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Director

Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)

For the nine months period ended September 30, 2023

Share capital	Reserves				Surplus / (Deficit) on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling Interest	Total	
	Exchange translation	Statutory reserve	General loan loss reserve	Revenue general reserve	Total	Investments	Fixed / Non-banking assets					Total
Balance as at January 01, 2022												
21,275,131	14,880,385	39,025,546	8,000,000	521,338	62,427,269	19,552,731	45,442,249	64,994,980	146,312,547	294,009,927	1,013,464	295,023,391
Profit after taxation for nine months period ended September 30, 2022												
-	-	-	-	-	-	-	-	-	19,202,735	19,202,735	74,346	19,277,081
-	9,079,179	-	-	-	9,079,179	(11,967,568)	-	(11,967,568)	(1,618,779)	(4,507,168)	-	(4,507,168)
-	9,079,179	-	-	-	9,079,179	(11,967,568)	-	(11,967,568)	17,583,956	14,695,567	74,346	14,769,913
Transfer to statutory reserve												
-	-	1,916,360	-	-	1,916,360	-	-	-	(1,916,360)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax												
-	-	-	-	-	-	-	(148,263)	(148,263)	148,263	-	-	-
-	-	-	(8,000,000)	-	(8,000,000)	-	-	-	8,000,000	-	-	-
Transfer to unappropriated profit												
-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at October 01, 2022												
21,275,131	23,959,564	40,941,306	-	521,338	65,422,808	7,585,162	45,293,966	52,879,148	169,128,406	308,705,493	1,087,800	309,793,293
Profit after taxation for the three months period ended December 31, 2022												
-	-	-	-	-	-	-	-	-	11,631,852	11,631,852	40,078	11,671,930
-	941,369	-	-	-	941,369	(13,338,997)	2,782,807	(10,556,190)	(1,485,430)	(11,110,251)	-	(11,110,251)
-	941,369	-	-	-	941,369	(13,338,997)	2,782,807	(10,556,190)	10,136,422	521,601	40,078	561,679
Transfer to statutory reserve												
-	-	1,124,670	-	-	1,124,670	-	-	-	(1,124,670)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax												
-	-	-	-	-	-	-	(49,421)	(49,421)	49,421	-	-	-
Transactions with owners, recorded directly in equity												
-	-	-	-	-	-	-	-	-	-	-	(54,740)	(54,740)
Cash dividend paid / profit distribution by subsidiaries												
Balance as at January 01, 2023												
21,275,131	24,900,933	42,066,576	-	521,338	67,468,847	(5,753,835)	48,027,372	42,273,537	173,189,579	309,227,094	1,073,138	310,300,232
Profit after taxation for the nine months period ended September 30, 2023												
-	-	-	-	-	-	-	-	-	39,328,625	39,328,625	190,334	39,518,959
-	12,199,215	-	-	-	12,199,215	(3,910,156)	(412,335)	(4,322,491)	908,660	8,765,384	-	8,765,384
-	12,199,215	-	-	-	12,199,215	(3,910,156)	(412,335)	(4,322,491)	40,237,285	48,114,009	190,334	48,304,343
Transfer to statutory reserve												
-	-	3,815,034	-	-	3,815,034	-	-	-	(3,815,034)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax												
-	-	-	-	-	-	-	(136,159)	(136,159)	136,159	-	-	-
Transactions with owners, recorded directly in equity												
-	-	-	-	-	-	-	-	-	-	-	(158,700)	(158,700)
Cash dividend paid / profit distribution by subsidiaries												
Balance as at September 30, 2023												
21,275,131	37,100,148	45,881,510	-	521,338	83,503,096	(9,663,993)	47,478,679	37,814,886	214,747,989	357,341,102	1,104,772	358,446,874

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

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnile
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the nine months period ended September 30, 2023

		September 30, 2023	September 30, 2022
Note		------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		72,366,915	48,712,099
Less: dividend income		(3,281,330)	(3,330,710)
		<u>69,085,585</u>	<u>45,381,389</u>
Adjustments:			
Depreciation		1,935,705	1,965,861
Depreciation on right of use assets		1,626,214	1,619,115
Amortisation		277,656	216,709
Provision and write-offs - net	31	9,642,945	3,578,373
Gain on sale of fixed assets - net		(256,701)	(198,750)
Financial charges on leased assets		81,538	140,459
Finance charges on lease liability against right of use assets		646,967	662,874
Unrealized gain on revaluation of investments classified as held-for-trading		(330,735)	74,583
Charge for defined benefit plans - net		9,288,292	6,339,258
Share of (profit) from joint venture - net of tax		(930,033)	(315,653)
Share of (profit) / loss from associates - net of tax		(78,293)	68,749
		<u>21,903,555</u>	<u>14,151,578</u>
		<u>90,989,140</u>	<u>59,532,967</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		(530,311,595)	212,215,705
Held-for-trading securities		(83,739,914)	6,511,407
Advances		(85,802,110)	(110,636,175)
Other assets (excluding advance taxation)		(59,957,728)	(95,704,254)
		<u>(759,811,347)</u>	<u>12,386,683</u>
Increase/ (decrease) in operating liabilities			
Bills payable		(44,041,097)	(7,522,913)
Borrowings from financial institutions		671,879,081	1,279,742,949
Deposits		679,159,966	(8,106,238)
Other liabilities (excluding current taxation)		52,713,366	50,446,262
		<u>1,359,711,316</u>	<u>1,314,560,060</u>
Financial charges paid		(728,505)	(803,333)
Income tax paid		(26,256,588)	(10,025,645)
Benefits paid		(2,758,819)	(2,355,895)
Net cash flows generated from operating activities		<u>661,145,197</u>	<u>1,373,294,837</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(782,972,568)	(1,357,323,957)
Net investments in held-to-maturity securities		183,728,364	(86,555,574)
Dividends received		3,281,330	3,421,458
Investments in fixed assets		(2,399,474)	(1,654,069)
Proceeds from sale of fixed assets		281,141	248,841
Effect of translation of net investment in foreign branches		12,199,215	9,079,179
Net cash flows (used in) / generated from investing activities		<u>(585,881,992)</u>	<u>(1,432,784,122)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations		(2,643,819)	(2,317,650)
Dividend paid		(7,339)	-
Net cash flows used in financing activities		<u>(2,651,158)</u>	<u>(2,317,650)</u>
Increase / (Decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		72,612,046	(61,806,934)
Effects of exchange rate changes on cash and cash equivalents		220,333,852	269,421,369
		3,715,161	3,630,838
		<u>224,049,013</u>	<u>273,052,207</u>
Cash and cash equivalents at end of the period	34	<u>296,661,059</u>	<u>211,245,273</u>

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

Ashraf Mahmood Wathra
Chairman

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President & CEO

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Director

Ahsan Ali Chughtai
Director

Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited) For the nine months period ended September 30, 2023

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- National Bank of Pakistan (the Bank)

Subsidiary Companies

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

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

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

The holding company was incorporated in Pakistan under the National Bank of Pakistan Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). The registered and head office of the Bank is situated at I.I. Chundrigar Road, Karachi. The Bank is engaged in providing commercial banking and related services in Pakistan and overseas. The Bank also handles treasury transactions for the Government of Pakistan (GoP) as an agent to the State Bank of Pakistan (SBP). The Bank operates 1,509 (December 31, 2022: 1,512) branches in Pakistan including 188 (December 31, 2022: 188) Islamic Banking branches and 18 (December 31, 2022: 18) overseas branches (including the Export Processing Zone branch, Karachi). The Bank also provides services in respect of Endowment Fund for students loan scheme and IPS accounts.

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

1.2 BASIS OF CONSOLIDATION

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP vide BSD Circular letter No.10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments (IAS 39): Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD circular No.4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards IFAS 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I) /2008 dated April 28, 2008, International Financial Reporting Standard IFRS 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

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

2.1.4 The disclosures made in these consolidated condensed interim 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 consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements and should be read in conjunction with the annual audited financial statements of the Bank for the year ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

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, 2023. These are either considered to be not relevant or do not have any significant impact on these consolidated condensed interim financial statements.

3.1.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, interpretation or amendment**Effective from accounting period
beginning on or after**

- IFRS 9 - Financial instruments (note 3.1.3)
- IAS 1 - Non current liabilities with covenants (amendments)
- IFRS 16 - Sale and leaseback (amendments)

January 1, 2024
January 1, 2024
January 1, 2024

The management is in the process of assessing the impact of these amendments on the consolidated condensed interim financial statements of the Group.

3.1.3 As per the SBP's BPRD Circular Letter No. 07 dated April 13, 2023, the implementation date of IFRS 9 to banks having asset size of Rs. 500 billion or above as of December 31, 2022 and for all the Development Finance Institution (DFIs) has been extended from January 01, 2023 to January 01, 2024.

3.1.4 As disclosed in note 3.4.6 to the annual audited consolidated financial statements of the Bank for the year ended 31 December 2022, the Bank had performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS

(Un-audited) (Audited)
September 30, December 31,
2023 2022
------(Rupees in '000)-----

In hand

Local currency
Foreign currencies

58,653,037	52,750,990
8,985,220	7,436,911
67,638,257	60,187,901

With State Bank of Pakistan in

Local currency current accounts
Foreign currency current accounts
Foreign currency deposit accounts
Foreign currency collection accounts

6.1	124,318,248	106,933,909
6.2	21,753,480	15,661,453
6.2	43,304,629	15,623,732
	3,913,171	1,135,059
	193,289,528	139,354,153

With other central banks in

Foreign currency current accounts
Foreign currency deposit accounts

6.3	31,051,829	26,631,693
6.3	8,941,402	3,725,602
	39,993,231	30,357,295

Prize bonds

470,644	326,962
301,391,660	230,226,311

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

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

- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 7.10% per annum (December 31, 2022: 0% to 4.50% per annum).

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		299,292	537,182
In deposit accounts	7.1	405,321	501,303
		704,613	1,038,485
Outside Pakistan			
In current accounts		7,056,983	12,395,611
In deposit accounts	7.2	5,330,312	6,189,028
		12,387,295	18,584,639
		13,091,908	19,623,124

- 7.1** These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.00% per annum (December 31, 2022: 3.50% to 9.50% per annum).

- 7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 2.00% to 4.88% per annum (December 31, 2022: 0% to 4.00% per annum).

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings	8.1	6,009,723	9,723
Repurchase agreement lendings (Reverse Repo)	8.2	561,574,339	31,262,744
Letters of placement	8.3	174,150	174,150
	8.4	567,758,212	31,446,617
Less: provision held against lendings to financial institutions	8.5	(174,150)	(174,150)
Lendings to financial institutions - net of provision		567,584,062	31,272,467

- 8.1** These carry mark-up at the rate of 22.4% to 22.5% per annum (December 31, 2022: Nil) with maturity upto October 2, 2023 (December 31, 2022: Nil). These also include zero rate lending to a financial institution amounting to Rs. 9.7 million (December 31, 2022: Rs. 9.7 million) which is guaranteed by the SBP.

- 8.2** These carry mark-up at rates ranging from 21.0% to 22.8 % per annum (December 31, 2022: 16.05% to 16.50% per annum) with maturities ranging from October 02, 2023 to October 05, 2023.

- 8.3** These are overdue placements and full provision has been made against these placements as at September 30, 2023.

8.4 Particulars of lending

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
In local currency	567,758,212	31,446,617
In foreign currencies	-	-
	567,758,212	31,446,617

8.5 Movement in provision held against lendings is as follows:

Opening balance	174,150	174,150
Charge / (reversal) for the period	-	-
Closing balance	174,150	174,150

8.6 Securities held as collateral against lendings to financial institutions

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	------(Rupees in '000)-----					
Market Treasury Bills	122,737,486	-	122,737,486	18,699,589	-	18,699,589
Pakistan Investment Bonds	438,836,853	-	438,836,853	12,563,155	-	12,563,155
Total	561,574,339	-	561,574,339	31,262,744	-	31,262,744

8.7.1 Market value of the securities under repurchase agreement lendings amounts to Rs. 561,989 million (December 31, 2022: Rs. 31,027 million).

8.7 Category of classification

	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Classified Lending	Provision held	Classified Lending	Provision held
	------(Rupees in '000)-----			
Domestic				
Loss	174,150	174,150	174,150	174,150

9. INVESTMENTS

9.1 Investments by type:

	September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
------(Rupees in '000)-----								
Held-for-trading securities								
Federal Government Securities								
- Market Treasury Bills	41,929,676	-	36,120	41,965,796	22,269,343	-	(2,665)	22,266,678
- Pakistan Investment Bonds	126,429,865	-	285,375	126,715,240	61,942,656	-	(1,031,197)	60,911,459
Ordinary Shares								
- Listed Companies	280,716	-	1,131	281,847	424,708	-	(20,939)	403,769
Mutual Fund units	988,348	-	8,109	996,457	623,941	-	(10,996)	612,945
Foreign Securities								
- Government debt securities	2,540,302	-	-	2,540,302	1,771,813	-	-	1,771,813
	172,168,907	-	330,735	172,499,642	87,032,461	-	(1,065,797)	85,966,664
Available-for-sale securities								
Federal Government Securities								
- Market Treasury Bills	977,663,181	-	1,283,373	978,946,554	828,957,708	-	(2,354,400)	826,603,308
- Pakistan Investment Bonds	2,587,401,910	-	(48,470,421)	2,538,931,489	1,972,276,787	-	(27,509,276)	1,944,767,511
- Ijarah Sukuks	20,532,058	-	(712,383)	19,819,675	20,518,238	-	(339,589)	20,178,649
- Foreign Currency Debt securities	40,576,385	-	(16,671,125)	23,905,260	33,045,353	-	(18,622,514)	14,422,839
Ordinary Shares								
- Listed Companies	47,877,550	(11,994,509)	7,630,268	43,513,309	41,606,225	(10,159,936)	4,821,267	36,267,556
- Unlisted Companies	1,882,463	(427,951)	-	1,454,512	1,882,463	(427,951)	-	1,454,512
Preference shares								
- Listed	1,448,472	(566,446)	(146,912)	735,114	1,448,472	(566,446)	209,451	1,091,477
- Unlisted	558,284	(279,284)	-	279,000	558,284	(279,284)	-	279,000
Non-Government debt securities								
- Term Finance Certificates and Sukuks Bonds	55,982,510	(5,857,566)	278,339	50,403,283	52,146,989	(5,990,161)	1,047,326	47,204,154
Mutual Fund units	2,219,646	(41,167)	1,049,272	3,227,751	2,219,646	(41,167)	941,952	3,120,431
Foreign Securities								
- Equity Securities - Listed	463,294	-	38,628,019	39,091,314	463,294	-	34,380,951	34,844,245
- Government debt securities	3,404,586	-	61,277	3,465,863	1,914,312	-	(30,359)	1,883,953
	3,740,010,339	(19,166,923)	(17,070,293)	3,703,773,124	2,957,037,771	(17,464,945)	(7,455,191)	2,932,117,635
Held-to-maturity securities								
Federal Government Securities								
- Market Treasury Bills	701,027	-	-	701,027	29,519,190	-	-	29,519,190
- Pakistan Investment Bonds	212,387,644	-	-	212,387,644	375,285,244	-	-	375,285,244
- Ijarah Sukuks	13,105,553	-	-	13,105,553	13,130,709	-	-	13,130,709
- Foreign Currency Debt securities	4,224,300	-	-	4,224,300	2,992,408	-	-	2,992,408
Non-Government debt securities								
- Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuks Bonds	404,585	(404,585)	-	-	404,585	(404,585)	-	-
Foreign Securities								
- Government debt securities	42,876,938	-	-	42,876,938	36,096,507	-	-	36,096,507
- Non-Government debt securities	1,103	-	-	1,103	871	-	-	871
	273,701,150	(404,585)	-	273,296,565	457,429,514	(404,585)	-	457,024,929
Associates	1,206,167	(688,020)	-	518,147	1,127,609	(742,298)	-	385,311
Joint Venture	11,004,048	-	-	11,004,048	7,441,308	-	-	7,441,308
Subsidiaries	1,245	(1,245)	-	-	1,245	(1,245)	-	-
Total Investments	4,198,091,856	(20,260,774)	(16,739,558)	4,161,091,526	3,510,069,908	(18,613,073)	(8,520,988)	3,482,935,847

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
	Note	------(Rupees in '000)-----	
9.1.1 Investments given as collateral			
The book value of investments given as collateral against borrowings is as follows:			
Pakistan Investment Bonds		2,124,201,489	1,136,497,472
Market Treasury Bills		386,037,162	689,709,291
	17	<u>2,510,238,651</u>	<u>1,826,206,763</u>

9.2 Provision for diminution in value of investments

9.2.1	Opening balance	18,613,073	13,386,051
	Charge / reversals		
	Charge for the period / year	2,314,836	5,226,348
	Reversals for the period / year	(667,136)	(850,070)
		1,647,700	4,376,278
	Transfers - net	-	850,744
	Closing Balance	<u>20,260,773</u>	<u>18,613,073</u>

9.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Investment	Provision	Non Performing Investment	Provision
------(Rupees in '000)-----				
Domestic				
Loss	6,262,151	6,262,151	6,525,731	6,394,746
	<u>6,262,151</u>	<u>6,262,151</u>	<u>6,525,731</u>	<u>6,394,746</u>

9.3 The market value of securities classified as held-to-maturity as at September 30, 2023 amounted to Rs. 247,580 million (December 31, 2022: Rs. 435,937 million).

10. ADVANCES

		Performing		Non Performing		Total	
		(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----					
		1,222,292,674	1,168,292,452	206,787,516	190,934,209	1,429,080,190	1,359,226,661
		51,183,675	46,381,315	925,817	654,980	52,109,492	47,036,295
	10.1	16,207	35,384	28,944	28,944	45,151	64,328
		29,890,983	18,598,616	13,640,209	14,106,504	43,531,192	32,705,120
	10.2	1,303,383,539	1,233,307,767	221,382,486	205,724,637	1,524,766,025	1,439,032,404
Provision against advances							
- Specific		-	-	205,047,567	191,014,747	205,047,567	191,014,747
- General		24,288,827	17,348,539	-	-	24,288,827	17,348,539
	10.4	24,288,827	17,348,539	205,047,567	191,014,747	229,336,394	208,363,286
Advances - net of provision		1,279,094,712	1,215,959,228	16,334,920	14,709,890	1,295,429,632	1,230,669,118

10.1 Net Investment in Finance Lease

	September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Not later than one year	Later than one and up to five years	Over five years	Total	Not later than one year	Later than one and up to five years	Over five years	Total
----- (Rupees in '000) -----								
Lease rentals receivable	53,144	-	-	53,144	52,152	-	-	52,152
Residual value	16,332	-	-	16,332	36,505	-	-	36,505
Minimum lease payments	69,476	-	-	69,476	88,657	-	-	88,657
Less: financial charges for future periods	24,325	-	-	24,325	24,329	-	-	24,329
Present value of minimum lease payments	45,151	-	-	45,151	64,328	-	-	64,328

- 10.1.1 The leases executed are for a term of 1 to 5 years. Security deposit is generally obtained upto 10% of the cost of leased assets at the time of disbursement. The Group requires the lessee to insure the leased assets in favour of the Group. Additional surcharge is charged on delayed rentals. The average return implicit ranges from 10.19% to 14.85% per annum (December 31, 2022: 10.19% to 14.85% per annum) .

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		

10.2 Particulars of advances (Gross)

In local currency	1,386,866,319	1,316,066,358
In foreign currencies	137,899,706	122,966,046
	1,524,766,025	1,439,032,404

- 10.3 Advances include Rs. 221,382 million (December 31, 2022: Rs. 205,725 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	3,627,432	114,683	1,789,957	73,114
Substandard	4,783,841	1,143,152	5,888,114	1,439,917
Doubtful	8,805,149	4,638,462	8,883,354	4,648,305
Loss	137,963,787	135,447,751	135,113,451	132,837,538
	155,180,209	141,344,048	151,674,876	138,998,874
Overseas				
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	409,280	204,640	331,133	165,567
> 365 days	65,792,997	63,498,879	53,718,628	51,850,306
	66,202,277	63,703,519	54,049,761	52,015,873
Total	221,382,486	205,047,567	205,724,637	191,014,747

10.4 Particulars of provision against advances

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Note ----- (Rupees in '000) -----						
Opening balance	191,014,747	17,348,539	208,363,286	179,654,610	12,472,591	192,127,201
Exchange adjustments	13,367,149	166,032	13,533,181	8,349,754	107,952	8,457,706
Charge for the period / year	4,479,481	8,782,803	13,262,284	5,227,345	9,553,101	14,780,446
Reversals	(4,532,709)	(1,221,159)	(5,753,868)	(5,011,542)	(1,757,105)	(6,768,647)
	(53,228)	7,561,644	7,508,416	215,803	7,795,996	8,011,799
Amounts written off	(20,738)	-	(20,738)	(177,162)	-	(177,162)
Amounts charged off - agriculture financing	(47,754)	-	(47,754)	(56,258)	-	(56,258)
Transfer from general to specific provision	787,388	(787,388)	-	3,028,000	(3,028,000)	-
Closing balance	205,047,567	24,288,827	229,336,394	191,014,747	17,348,539	208,363,286

10.4.1 Particulars of provision against advances

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	141,344,048	23,814,192	165,158,240	138,998,874	16,741,242	155,740,116
In foreign currencies	63,703,519	474,635	64,178,154	52,015,873	607,297	52,623,170
	205,047,567	24,288,827	229,336,394	191,014,747	17,348,539	208,363,286

- 10.4.2** General provision includes provision amounting to Rs. 4,843 million (December 31, 2022: Rs. 5,211 million) against consumer and SME finance portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes Rs. 475 million (December 31, 2022: Rs. 607 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates.

The bank has also maintained general provision of Rs. 18,972 million (December 31, 2022: Rs. 11,530 million) in respect of its underperforming portfolio on prudent basis.

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

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

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	1,444,101	1,086,001
Property and equipment		55,948,839	56,518,342
		<u>57,392,940</u>	<u>57,604,343</u>

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
11.1 Capital work-in-progress		
Civil works	1,354,186	1,010,529
Equipment	10,727	10,825
Advances to suppliers and contractors	79,188	64,647
	<u>1,444,101</u>	<u>1,086,001</u>

	(Un-audited) September 30, 2023	(Un-audited) September 30, 2022
	------(Rupees in '000)-----	
11.2 Additions to fixed assets		

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

Capital work-in-progress	571,988	306,514
Property and equipment		
Building on freehold land	63,189	69,577
Building on leasehold land	45,241	12,630
Furniture and fixtures	512,064	319,385
Computer and peripheral equipment	421,408	144,167
Electrical and office equipment	378,123	263,563
Vehicles	253,597	110,334
Assets held under finance lease - Vehicles	158,769	53,538
	<u>1,832,391</u>	<u>973,194</u>
Total	<u>2,404,378</u>	<u>1,279,708</u>

11.3 Disposal of fixed assets		
The net book value of fixed assets disposed off during the period is as follows:		
Building on leasehold land	175,107	-
Furniture and fixture	1,247	125
Computer and peripheral equipment	150	333
Electrical and office equipment	617	142
Vehicles	10,413	34,305
Assets held under finance lease - Vehicle	18,525	15,186
Total	<u>206,059</u>	<u>50,091</u>

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	

12. INTANGIBLE ASSETS		
Capital work-in-progress - Software Implementation	682,617	869,907
Computer Software	999,303	668,862
Goodwill on NBP Fund Acquisition	562,553	562,553
	<u>2,244,473</u>	<u>2,101,322</u>

(Un-audited) (Un-audited)
September 30, September 30,
2023 2022
------(Rupees in '000)-----

12.1 Additions to intangible assets

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

Capital work-in-progress - net additions	186,664	410,105
Directly purchased	380,816	126,803
Total	567,479	536,908

(Un-audited) (Audited)
September 30, December 31,
2023 2022
------(Rupees in '000)-----

13. RIGHT-OF-USE ASSETS

Balance as at January 01	7,186,067	7,090,980
Additions during the period / year	1,983,130	2,421,546
Derecognition during the period / year	(30,960)	(19,860)
Depreciation charged for the period / year	(1,626,214)	(2,306,599)
Balance as at	7,512,023	7,186,067

14. DEFERRED TAX ASSET

Deductible temporary differences on

- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,265,969	7,467,549
- Provision for diminution in the value of investments	236,751	236,751
- Provision against loans and advances	7,673,056	12,925,197
- Provision against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,931,152	1,395,724
- Right of use assets	613,417	670,604
- Other provisions	98,321	107,841
	17,944,593	22,929,593

Taxable temporary differences on

- Surplus on revaluation of fixed assets	(3,366,436)	(2,968,387)
- Excess of accounting book value of leased assets over lease liabilities	(1,185)	(7,890)
- Deficit on revaluation of investments	8,367,946	3,208,916
- Surplus on revaluation of non-banking assets	(24,787)	(21,752)
- Exchange translation reserve	(1,041,592)	(734,250)
	3,933,946	(523,363)
	21,878,539	22,406,230

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
15. OTHER ASSETS			
		167,550,310	99,446,324
		5,168,975	4,012,820
		5,383,857	3,176,299
		2,868,111	11,063,715
		22,080,865	20,809,580
		1,172,409	1,179,943
		208,423	208,423
		8,045,343	20,644,122
		12,113,043	5,253,389
		491,170	437,900
		195,399	195,399
		323,172	323,172
		418,834	418,834
		127,364	823,140
		156,221	173,941
		1,212,151	985,894
		9,432,647	8,312,213
		236,948,294	177,465,108
	15.1	12,424,043	12,244,043
		224,524,251	165,221,065
		2,520,000	2,520,000
		227,044,252	167,741,065

15.1 Provision held against other assets

	152,607	152,607
	837,949	837,949
	96,542	96,542
	195,399	195,399
	323,172	323,172
	418,834	418,834
	4,358,233	4,297,516
	770,398	770,398
	208,423	208,423
	5,062,486	4,943,203
	12,424,043	12,244,043

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----			
15.1.1 Movement in provision held against other assets			
Opening balance		12,244,043	11,709,318
Charge for the period / year		122,482	562,955
Adjustment against provision		-	(28,230)
Other movement		57,518	-
Closing balance		<u>12,424,043</u>	<u>12,244,043</u>
16. BILLS PAYABLE			
In Pakistan		11,101,549	54,969,587
Outside Pakistan		125,373	298,432
		<u>11,226,922</u>	<u>55,268,019</u>
17. BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Under Export Refinance Scheme		32,656,529	38,217,784
Financing Scheme for Renewable Energy		1,280,962	1,019,611
Refinance Facility for Modernization of SMEs		98,019	43,824
Financing Facility for storage of Agriculture Produce (FFSAP)		553,630	667,327
Under Long-Term Financing Facility (LTFF)		18,046,417	20,254,808
Refinance Scheme for Payment of Wages and Salaries		-	35,950
Temporary Economic Refinance Facility		23,629,962	24,126,421
Refinance Facility for Combating Covid-19		50,553	66,159
		<u>76,316,072</u>	<u>84,431,884</u>
Repurchase agreement borrowings	9.1.1	<u>2,510,238,651</u>	<u>1,826,206,763</u>
		<u>2,586,554,723</u>	<u>1,910,638,647</u>
Unsecured			
Call borrowings		17,094,803	25,810,145
Overdrawn nostro accounts		6,737,429	-
Bai Muajjal		-	4,036,995
		<u>23,832,232</u>	<u>29,847,140</u>
		<u>2,610,386,955</u>	<u>1,940,485,787</u>
17.1 Particulars of borrowings with respect to currencies			
In local currency		2,593,292,152	1,923,848,931
In foreign currencies		17,094,803	16,636,856
		<u>2,610,386,955</u>	<u>1,940,485,787</u>

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

- The Bank has entered into agreements with the SBP for extending export refinance to customers. As per the terms of the agreement, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with the SBP. These borrowings carry mark-up at rate ranging from 1.00% to 18.00% per annum (December 31, 2022: from 0% to 12.00% per annum).
- Repurchase agreement borrowings carry mark-up ranging from 22.0% to 22.2% per annum (December 31, 2022: 15.22% to 17.00% per annum) having maturities ranging from October 02, 2023 to November 24, 2023.
- Call borrowings carry interest at the rate ranging from 5.50% to 20.5% per annum (December 31, 2022: 3.00% to 16.50% per annum).

- 17.3 Borrowings from the SBP under export oriented projects refinance schemes of the SBP are secured by the Bank's cash and security balances held by the SBP.
- 17.4 Pakistan Investment Bonds and Market Treasury Bills having maturities of 2 - 10 years and 3 - 12 months respectively, are pledged as security under borrowing having carrying amount of Rs. 2,510,239 million (December 31, 2022: Rs.1,826,207 million).

18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits - remunerative	632,098,807	-	632,098,807	733,037,562	-	733,037,562
Current deposits - non-remunerative	583,768,316	169,663,339	753,431,655	408,169,670	159,575,493	567,745,163
Savings deposits	750,953,506	145,198,968	896,152,474	681,287,543	108,029,851	789,317,394
Term deposits	469,928,639	203,224,648	673,153,287	400,618,865	116,541,863	517,160,728
Others	8,851,397	6,763	8,858,160	9,563,715	7,855	9,571,570
	2,445,600,665	518,093,718	2,963,694,383	2,232,677,355	384,155,062	2,616,832,417
Financial Institutions						
Current deposits	324,462,072	2,185,365	326,647,437	5,795,356	3,492,893	9,288,249
Savings deposits	31,853,108	-	31,853,108	15,190,328	2,924,782	18,115,110
Term deposits	9,192,318	9,891,503	19,083,821	9,716,964	6,442,283	16,159,247
Others	3,154,210	264	3,154,474	4,878,234	-	4,878,234
	368,661,708	12,077,132	380,738,840	35,580,882	12,859,958	48,440,840
	<u>2,814,262,373</u>	<u>530,170,850</u>	<u>3,344,433,223</u>	<u>2,268,258,237</u>	<u>397,015,020</u>	<u>2,665,273,257</u>

- 18.1 Foreign currencies deposits includes deposit of foreign branches amounting to Rs. 105,003 million (December 31, 2022: Rs. 75,917 million).

19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
------(Rupees in '000)-----						
Not later than one year	104,946	32,068	72,878	55,683	10,935	44,748
Later than one year and upto five years	188,735	30,259	158,476	85,093	8,388	76,705
Over five years	-	-	-	-	-	-
	<u>293,681</u>	<u>62,327</u>	<u>231,354</u>	<u>140,776</u>	<u>19,323</u>	<u>121,453</u>

- 19.1 The Group has entered into lease agreements with various financial institutions for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate of 6M KIBOR + 1.50% per annum (December 31, 2022: 6M KIBOR + 1.50% per annum). At the end of lease term, the Group has option to acquire the assets, subject to adjustment of security deposits.

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----			
20. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS			
Lease liabilities included in the statement of financial position		8,770,000	8,761,015
Of which are:			
Current lease liability		1,840,687	1,734,848
Non-current lease liability		6,929,313	7,026,167
		8,770,000	8,761,015
Maturity analysis - contractual undiscounted cash flows			
Less than one year		2,608,926	2,557,743
One to five years		6,966,077	6,963,768
More than five years		3,123,116	7,969,041
Total undiscounted lease liabilities		12,698,119	17,490,552
21. OTHER LIABILITIES			
Mark-up / Return / Interest payable in local currency		169,014,630	126,228,969
Mark-up / Return / Interest payable in foreign currencies		1,921,542	655,802
Unearned commission and income on bills discounted		145,199	271,126
Accrued expenses		14,831,289	13,955,633
Advance payments		364,300	372,406
Acceptances		8,045,343	20,644,122
Unclaimed dividends		174,512	181,851
Mark to market loss on forward foreign exchange contracts		11,944,713	125,371
Branch adjustment account		1,802,271	1,916,850
Payable to defined benefit plan:			
Pension fund		21,358,024	23,063,894
Post retirement medical benefits		32,847,312	29,176,898
Benevolent fund		1,466,234	1,697,838
Gratuity scheme		4,511,224	4,100,617
Compensated absences		9,375,030	8,734,235
Provision against off-balance sheet obligations		627,494	627,494
Provision against contingencies	21.1	4,627,628	4,170,799
Staff welfare fund		371,257	371,257
Liabilities relating to Barter trade agreements		4,394,872	3,629,389
Payable to brokers		33,052	350,446
Payable to customers		212,722	940,854
PIBs short selling		13,876,410	11,043,029
Others		19,221,630	19,297,251
		321,166,688	271,556,131
21.1 Provision against contingencies			
Opening balance		4,170,799	3,805,376
Charge for the period / year		364,347	165,423
Other movement		92,482	200,000
Closing balance		4,627,628	4,170,799

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		------(Rupees in '000)-----	
22.	SURPLUS ON REVALUATION OF ASSETS		
	Surplus / (deficit) on revaluation of		
	- Available for sale securities	9.1 (17,070,293)	(7,455,191)
	- Fixed Assets	48,350,101	48,590,472
	- Non-banking assets	2,520,000	2,520,000
	- On securities of associates and joint venture	(961,646)	(1,507,560)
		<u>32,838,162</u>	<u>42,147,721</u>
	Deferred tax on (surplus) / deficit on revaluation of:		
	- Available for sale securities	8,367,946	3,208,915
	- Fixed Assets	(3,366,436)	(3,061,347)
	- Non-banking assets	(24,786)	(21,752)
		<u>4,976,724</u>	<u>125,816</u>
		<u>37,814,886</u>	<u>42,273,537</u>
23.	CONTINGENCIES AND COMMITMENTS		
	Guarantees	23.1 367,638,009	377,561,372
	Commitments	23.2 2,700,868,146	2,373,285,184
	Other contingent liabilities	23.3 26,778,009	26,619,691
		<u>3,095,284,165</u>	<u>2,777,466,247</u>
23.1	Guarantees:		
	Financial guarantees	269,027,452	287,741,990
	Performance guarantees	98,610,557	89,819,382
		<u>367,638,009</u>	<u>377,561,372</u>
23.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	1,950,310,646	1,696,635,726
	Commitments in respect of:		
	- forward foreign exchange contracts	23.2.1 659,683,323	570,881,591
	- forward government securities transactions	23.2.2 44,521,770	54,568,834
	- forward lending	23.2.3 45,095,936	50,363,949
	Commitments for acquisition of:		
	- operating fixed assets	1,219,621	798,234
	Other commitments	23.2.4 36,850	36,850
		<u>2,700,868,146</u>	<u>2,373,285,184</u>

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	430,421,581	368,380,755
Sale	229,261,742	202,500,836
	659,683,323	570,881,591

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	1,046,375	10,988,627
Sale	43,475,395	43,580,207
	44,521,770	54,568,834

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.3 Commitments in respect of forward lending		
Undrawn formal standby facilities, credit lines and other commitment to lend	45,095,936	50,363,949

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

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
23.2.4 Other commitments		
Professional services to be received	36,850	36,850

23.3 Other contingent liabilities

23.3.1 Claims against the Bank not acknowledged as debt	26,778,009	26,619,691
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Claims against the Bank not acknowledged as debts includes claims relating to former Mehran Bank Limited amounting to Rs. 1,597 million (December 31, 2022: Rs. 1,597 million).

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

23.3.2 Taxation

As at September 30, 2023, the status of tax contingencies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

- Taxation Officer, following the instructions / directions of the learned CIR(Appeals), has passed the appeal effect orders for tax years 2019 and 2020 wherein the tax liability / (refund) has been assessed at Rs. 1,852 million and Rs.1,997 million, respectively.
- Assessment proceedings for tax year 2022 were initiated under section 122(5A) of the Income Tax Ordinance, 2001, reducing tax refund to Rs. 3,853 million which was subsequently increased to Rs. 7,159 million vide the rectified order dated June 08, 2023. The Bank has filed appeal before CIR(Appeals) who has decided the appeal partially in favor of the Bank. The Bank has filed further appeal before ATIR. The Bank has also applied for issuance of appeal effect order which is pending.
- Honorable ATIR has passed appellate orders for tax year 2006, 2007 and 2016 against monitoring orders and remanded back the issues to the assessing officer for re-verification following the instructions of ATIR.
- The aggregate effect of contingencies as on September 30, 2023, including amount of Rs. 1,912 million (December 31, 2022: Rs. 1,912 million) in respect of indirect tax issues, amounts to Rs. 29,262 million (December 31, 2022: Rs. 27,159 million). No provision has been made against these contingencies, based on the opinion of tax consultant of the Bank, who expects favourable outcome upon decisions of pending appeals.

23.3.3 Contingencies in respect of employees benefits and related matters

As at September 30, 2023, the status of contingencies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022 is same, other than the following:

23.3.3.1 Pensionary benefits to retired employees

This matter has been explained in note 26.3.4.1 to the consolidated financial statements for the year ended December 31, 2022. The management's estimate of overall increase in pension liability, based on the independent actuarial firm report for the period ended September 30, 2023 amounted to Rs. 98.5 billion, excluding any penal interest / profit payment (if any) due to delayed payment. Further, the pension expense for September 2023 onward will also increase by Rs. 14.7 billion due to this decision. Based on the opinion of legal counsel, no provision for any additional pension liability has been made in these consolidated condensed interim financial statements for the above mentioned amount as the Bank is confident about a favourable outcome on the matter.

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

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

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
24. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances	164,514,348	95,885,103	
Investments	541,643,418	225,554,506	
Lendings to financial institutions	21,284,018	9,960,807	
Balances with banks	1,577,829	970,967	
	729,019,613	332,371,383	
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits	261,445,684	141,933,184	
Borrowings	5,024,341	4,025,915	
Cost of foreign currency swaps against foreign currency deposits	9,729,086	7,501,433	
Lease liability against right of use assets	646,967	662,874	
Securities sold under repurchase agreements	331,246,742	97,512,512	
	608,092,820	251,635,918	

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
Note		------(Rupees in '000)-----	
26.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	1,321,580	1,187,826
	Consumer finance related fees	384,908	360,679
	Card related fees	1,922,833	1,531,454
	Credit related fees	299,740	300,113
	Investment banking fees	288,142	714,714
	Commission on trade	1,320,765	1,626,904
	Commission on guarantees	1,069,179	456,333
	Commission on cash management	37,254	36,058
	Commission on remittances including home remittances	1,236,891	1,117,058
	Commission on bancassurance	144,190	221,152
	Commission on government transactions	6,889,113	6,843,065
	Management fee and sale load	1,381,181	923,718
	Brokerage income	51,802	52,426
	Others	61,865	79,601
		16,409,443	15,451,101
27.	GAIN ON SECURITIES - NET		
	Realised	2,479,015	1,165,024
	Unrealized - held-for-trading	330,735	(74,583)
	Unrealized - Short selling	(369,772)	-
		2,439,978	1,090,441
27.1	Realized gain / (loss) on		
	Federal Government Securities	1,525,779	(33,478)
	Shares and mutual funds	953,236	1,198,426
	Foreign Securities	-	76
		2,479,015	1,165,024
28.	OTHER INCOME		
	Rent on property	53,051	23,808
	Gain on sale of fixed assets - net	256,701	198,750
	Postal, SWIFT and other charges recovered	98,199	-
	Compensation for delayed tax refunds	1,271,285	1,143,364
	Amortization of deferred income	7,367	-
	Reversal of provisions	-	68,986
	Sale of mortgage property	48,381	-
	Others	28,329	44,466
		1,763,313	1,479,374

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

29. OPERATING EXPENSES

Total compensation expenses

42,631,837

35,882,277

Property expense

Rent and taxes	754,323	858,119
Insurance	34,188	30,710
Utilities cost	1,966,017	1,490,806
Security (including guards)	2,716,737	2,373,689
Repair and maintenance (including janitorial charges)	961,426	701,226
Depreciation	381,622	344,753
Depreciation on non banking assets	7,534	11,788
Depreciation on Ijarah assets	924	47,653
Depreciation on right of use assets	1,626,214	1,619,115
	8,448,985	7,477,858

Information technology expenses

Software maintenance	2,239,144	1,571,502
Hardware maintenance	101,825	99,830
Depreciation	397,973	348,774
Amortisation	277,656	216,709
Network charges	602,003	533,699
IT Manage Services	601,607	315,225
	4,220,208	3,085,739

Other operating expenses

Directors' fees and allowances	64,000	21,767
Directors' fees and allowances - subsidiaries	20,580	9,585
Fees and allowances to Shariah Board	12,729	12,292
Legal and professional charges	1,246,558	742,275
Outsourced services costs	585,104	460,365
Travelling and conveyance	1,004,342	720,256
NIFT clearing charges	185,050	153,824
Depreciation	1,147,652	1,212,893
Training and development	62,121	35,200
Postage and courier charges	229,430	249,564
Communication	864,267	332,665
Stationery and printing	1,414,737	1,337,026
Marketing, advertisement and publicity	669,475	302,631
Donations	16,911	94,002
Auditors' Remuneration	209,023	169,245
Financial charges on leased assets	81,538	140,459
Insurance	366,092	353,544
Entertainment	213,176	193,595
Clearing, verification and license fee charges	273,477	272,760
Vehicle Expenses	157,606	143,258
Repairs and maintenance	811,146	580,649
Brokerage	57,588	51,560
Deposit premium expense	1,044,646	1,358,683
Others	367,476	352,321
	11,104,724	9,300,419

66,405,753

55,746,293

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	193,113	61,474
Penalties imposed by other regulatory bodies of overseas branches	12,851	275
Penalties imposed by other regulatory bodies (Regulators of subsidiaries)	-	215
	205,964	61,964

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
31. PROVISIONS & WRITE OFFS - NET	Note		
Provision for diminution in value of investments	9.2	1,647,700	2,772,032
Provision against loans and advances	10.4	7,508,416	451,039
Provision against other assets	15.1.1	122,482	220,080
Provision against contingencies	21.1	364,347	135,221
		9,642,945	3,578,373
32. TAXATION			
Current			
For the year		36,208,981	26,438,083
Prior years		(8,073,227)	3,828,030
		28,135,754	30,266,113
Deferred			
For the year		(3,361,025)	(831,095)
Prior years		8,073,227	-
		4,712,202	(831,095)
		32,847,956	29,435,018
33. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the period (Rupees in 000's)		39,328,625	19,202,735
Weighted average number of ordinary shares (000's)		2,127,513	2,127,513
Earnings per share - basic and diluted (Rupees)		18.49	9.03

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

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
34. CASH AND CASH EQUIVALENT	Note		
Cash and balances with treasury banks	6	301,391,660	221,414,779
Balances with other banks	7	13,091,908	21,685,014
Call / clean money lendings	8	6,009,723	9,723
Call borrowings	17	(17,094,803)	(31,845,754)
Overdrawn nostro accounts	17	(6,737,429)	(18,489)
		296,661,059	211,245,273
35. FAIR VALUE MEASUREMENTS			

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

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

35.1 Fair value of financial assets

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

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

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

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

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

September 30, 2023 (Un-audited)					
Carrying Value	Level 1	Level 2	Level 3	Total	
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	1,020,912,350	-	1,020,912,350	-	1,020,912,350
- Pakistan Investment Bonds	2,665,646,729	-	2,665,646,729	-	2,665,646,729
- Ijarah Sukuks	19,819,675	-	19,819,675	-	19,819,675
- Foreign Currency Debt securities	23,905,260	-	23,905,260	-	23,905,260
Ordinary Shares					
- Listed Companies	43,795,156	43,795,156	-	-	43,795,156
Preference shares					
- Listed	735,114	735,114	-	-	735,114
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	50,403,283	14,144,159	36,259,124	-	50,403,283
Mutual Fund units	4,224,208	-	4,224,208	-	4,224,208
Foreign Securities					
- Government debt securities	6,006,165	-	6,006,165	-	6,006,165
- Equity Securities - Listed	39,091,314	39,091,314	-	-	39,091,314
	3,874,539,254	97,765,743	3,776,773,511	-	3,874,539,254
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	701,027	-	701,027	-	701,027
- Pakistan Investment Bonds	212,387,644	-	187,288,650	-	187,288,650
- Ijarah Sukuks	13,105,553	-	11,805,827	-	11,805,827
- Foreign Currency Debt securities	4,224,300	-	4,224,299	-	4,224,299
Foreign Securities					
- Government debt securities	42,876,938	-	43,559,260	-	43,559,260
- Non-Government debt securities	1,103	-	1,103	-	1,103
	273,296,565	-	247,580,166	-	247,580,166
	4,147,835,819	97,765,743	4,024,353,677	-	4,122,119,420
Off-balance sheet financial instruments - measured at fair value					
Commitments					
Foreign exchange contracts purchase and sale	659,683,323	-	(11,944,713)	-	(11,944,713)
Forward government securities transactions	44,521,770	-	167,530	-	167,530

December 31, 2022 (Audited)					
Carrying Value	Level 1	Level 2	Level 3	Total	
------(Rupees in '000)-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities					
- Market Treasury Bills	848,869,986	-	848,869,986	-	848,869,986
- Pakistan Investment Bonds	2,005,678,970	-	2,005,678,970	-	2,005,678,970
- Ijarah Sukuks	20,178,649	-	20,178,649	-	20,178,649
- Foreign Currency Debt securities	14,422,839	-	14,422,839	-	14,422,839
Ordinary Shares					
- Listed Companies	36,671,325	36,671,325	-	-	36,671,325
Preference shares					
- Listed	1,091,477	1,091,477	-	-	1,091,477
Non-Government debt securities					
- Term Finance Certificates and Sukuk Bonds	47,204,154	15,167,771	32,036,383	-	47,204,154
Mutual Fund units					
	3,733,376	-	3,733,376	-	3,733,376
Foreign Securities					
- Government debt securities	3,655,766	-	3,655,766	-	3,655,766
- Equity Securities - Listed	34,844,245	34,844,245	-	-	34,844,245
	3,016,350,787	87,774,818	2,928,575,969	-	3,016,350,787

Financial assets - disclosed but not measured at fair value

Investments					
Federal Government Securities					
- Market Treasury Bills	29,519,190	-	29,279,989	-	29,279,989
- Pakistan Investment Bonds	375,285,244	-	355,279,617	-	355,279,617
- Ijarah Sukuks	13,130,709	-	12,383,300	-	12,383,300
- Foreign Currency Debt securities	2,992,408	-	1,665,559	-	1,665,559
Foreign Securities					
- Government debt securities	36,096,507	-	37,327,167	-	37,327,167
- Non-Government debt securities	871	-	871	-	871
	457,024,929	-	435,936,503	-	435,936,503
	3,473,375,716	87,774,818	3,364,512,472	-	3,452,287,290

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

Foreign exchange contracts purchase and sale	570,881,591	-	(125,371)	-	(125,371)
Forward government securities transactions	54,568,834	-	(14,626)	-	(14,626)

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

Item	Valuation approach and input used
Federal Government securities	The fair value of Federal Government securities is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuter page.
Non-Government debt securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP / Pakistan Stock Exchange.
Mutual Fund units	The fair values of investments in mutual fund units are determined based on their net asset values as published on MUFAP.
Ordinary Shares	The fair value of Ordinary shares is determined using the prices from Pakistan Stock Exchange.
Foreign Securities	The fair value of foreign securities is determined using the prices from Reuter page.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

35.2 Fair value of non-financial assets

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

September 30, 2023 (Un-audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Land and building	55,432,832	-	-	55,432,832
Non-banking assets acquired in satisfaction of claims	3,692,409	-	-	3,692,409
	59,125,241	-	-	59,125,241

December 31, 2022 (Audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Land and building	52,425,375	-	-	52,425,375
Non-banking assets acquired in satisfaction of claims	3,699,943	-	-	3,699,943
	56,125,318	-	-	56,125,318

36. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

For the nine months period ended September 30, 2023 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
(205,484,551)	29,741,898	30,807,889	260,295,332	522,194	5,044,021	120,926,793
302,767,248	(31,453,982)	(14,317,240)	(275,335,796)	-	18,339,730	0
11,355,060	351,978	3,888,455	6,336,629	982,106	4,780,556	27,694,784
108,637,757	(1,360,107)	20,379,115	(8,703,795)	1,504,300	28,164,307	148,621,577
27,649,360	2,611,148	979,124	267,507	7,066,465	24,037,604	42,574,113
-	-	-	-	-	-	-
27,649,360	2,611,148	979,124	267,507	7,066,465	28,038,114	66,611,717
(474,898)	732,019	6,428,424	1,834,571	(462,548)	1,585,375	9,642,945
81,463,294	(4,703,273)	12,971,567	(10,805,873)	(5,099,617)	(1,459,182)	72,366,915
As at September 30, 2023 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
123,827,556	10,270,888	721,699	119,987,599	51,014,005	8,661,820	314,483,568
-	-	25,588,455	3,989,872,513	74,473,477	71,157,068	4,161,091,526
2,363,617,419	-	-	-	-	194,941,996	2,558,559,415
-	-	-	567,584,062	-	-	567,584,062
226,185,636	214,856,591	691,145,843	-	70,397,920	100,797,549	1,303,383,539
4,721,918	24,454,314	22,120,710	-	65,926,560	104,158,985	221,382,486
(8,508,055)	(20,354,656)	(28,626,536)	-	(63,894,954)	(107,952,193)	(229,336,394)
222,399,500	218,956,248	684,640,017	-	72,429,526	97,004,340	1,295,429,632
49,569,512	4,114,261	35,303,489	421,241	9,277,072	217,386,673	316,072,227
2,759,413,986	233,341,398	746,253,661	4,677,865,416	207,194,081	589,151,896	9,213,220,429
-	4,219,132	72,096,941	2,516,976,079	17,094,803	-	2,610,386,955
2,666,361,702	-	459,900,097	-	105,002,642	113,168,782	3,344,433,223
-	221,482,247	189,820,706	2,038,991,614	96,140,164	12,124,684	2,558,559,415
92,658,878	7,640,019	24,438,882	10,184,575	5,497,825	109,313,606	341,394,964
2,759,020,590	233,341,398	746,256,625	4,657,813,448	223,735,434	234,807,072	8,854,774,557
383,407	-	(2,965)	20,051,968	(16,541,353)	354,544,824	358,445,874
2,759,413,986	233,341,398	746,253,661	4,677,865,416	207,194,081	589,151,896	9,213,220,429
-	92,457,100	2,207,075,035	749,301,029	18,416,521	-	3,095,284,165

Profit and loss account

Net mark-up / return / interest income / (expense)
 Inter segment revenue - net
 Non mark-up / return / interest income
 Total income
 Segment direct expenses
 Inter segment expense allocation
 Total expenses
 Provisions and write offs - net
 Profit / (loss) before taxation

Statement of financial position

Cash and balances with treasury and other banks
 Investments
 Net inter segment lending
 Lending to financial institutions
 Advances - performing
 Advances - non-performing
 Provision against advances
 Advances - Net
 Others
Total Assets
 Borrowings
 Deposits and other accounts
 Net inter segment borrowing
 Others
Total liabilities
 Equity
Total equity and liabilities
 Contingencies and commitments

Profit and loss account

Net mark-up / return / interest income (expense)
 Inter segment revenue - net
 Non mark-up / return / interest income
 Total Income
 Segment direct expenses
 Inter segment expense allocation
 Total expenses
 Provisions and write offs - net
 Profit / (loss) before taxation

For the nine months period ended September 30, 2022 (Un-audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
(114,695,424)	19,647,936	27,129,939	140,472,148	3,698,184	4,482,683	80,735,465
171,081,296	(19,923,757)	(25,127,040)	(144,913,656)	-	18,883,156	-
10,706,916	401,467	3,608,420	8,135,440	1,128,314	3,382,705	27,363,264
67,092,788	125,646	5,611,319	3,693,932	4,826,498	26,748,544	108,098,729
25,140,893	2,385,298	907,561	224,066	5,407,230	3,548,617	37,613,664
	-	-	-	-	18,194,593	18,194,593
25,140,893	2,385,298	907,561	224,066	5,407,230	21,743,210	55,808,257
(110,216)	1,671,092	2,145,158	2,586,741	(192,041)	(2,522,362)	3,578,373
42,062,111	(3,930,744)	2,558,600	883,125	(388,691)	7,527,696	48,712,099

(Rupees in '000)

Statement of financial position

Cash and balances with treasury and other banks
 Investments
 Net inter segment lending
 Lendings to financial institutions
 Advances - performing
 Advances - non-performing
 Provision against advances
 Advances - net
 Others
Total Assets
 Borrowings
 Deposits and other accounts
 Net inter segment borrowing
 Others
Total liabilities
 Equity
Total equity and liabilities

As at December 31, 2022 (Audited)						
Retail Banking Group	Inclusive Development Group	Corporate and Investment Banking Group	Treasury	International, Financial Institution and Remittance	Head Office / Others	Total
75,111,055	8,471,928	272,335	116,207,653	41,420,355	8,386,109	249,849,435
-	-	26,566,790	3,338,660,011	55,396,579	62,112,467	3,482,935,847
1,913,764,601	-	-	-	-	161,978,230	2,075,742,831
-	-	-	31,272,467	-	-	31,272,467
221,901,091	236,174,990	608,412,187	-	68,916,285	97,903,214	1,233,307,767
4,107,960	21,853,219	23,902,314	-	53,726,670	102,134,474	205,724,637
(8,972,018)	(19,791,641)	(23,100,384)	-	(52,356,953)	(104,142,290)	(208,363,286)
217,037,033	238,236,568	609,214,117	-	70,286,002	95,895,398	1,230,669,118
31,988,215	3,619,414	41,795,925	381,562	6,402,399	172,851,511	257,039,027
2,237,900,904	250,327,910	677,849,167	3,486,721,693	173,505,335	501,203,715	7,327,508,725
-	6,032,537	78,172,283	1,839,417,048	16,636,856	227,063	1,940,485,787
2,089,472,344	-	406,454,898	-	75,916,594	94,429,421	2,665,273,257
-	227,691,242	157,769,526	1,581,730,692	96,687,516	11,863,855	2,075,742,831
149,428,560	16,604,131	35,169,167	44,395,276	2,896,990	87,212,494	335,706,618
2,237,900,904	250,327,910	677,565,874	3,465,543,016	192,137,956	193,732,833	7,017,208,493
2,237,900,904	-	283,293	21,178,677	(18,632,621)	307,470,882	310,300,232
-	183,082,366	1,907,266,393	625,450,425	28,425,093	33,241,950	2,777,466,247

(Rupees in '000)

Contingencies and commitments

RELATED PARTY TRANSACTIONS

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

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

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

	As at September 30, 2023 (Unaudited)						As at December 31, 2022 (Audited)										
	Directors	Key manage- ment personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A.C)	President Fund	Other related parties	Directors	Key manage- ment personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	President Fund	Other related parties
(Rupees in '000)																	
Balances with other banks																	
In current accounts	-	-	-	208,617	-	-	-	-	-	-	-	-	395,137	-	-	-	-
	-	-	-	208,617	-	-	-	-	-	-	-	-	395,137	-	-	-	-
Investments																	
Opening balance	-	-	-	-	-	-	-	-	6,512,634	-	-	-	-	-	-	-	4,465,809
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,046,825
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	(110,255)	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	1,211,996	-	-	-	-	-	-	-	6,512,634
	-	-	-	-	-	-	-	-	7,614,375	-	-	-	-	-	-	-	6,512,634
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	461,354
	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	461,354
Advances																	
Opening balance	-	339,734	2,665,220	-	-	-	-	-	2,085,795	-	347,592	2,934,162	-	-	-	-	641,482
Addition during the period / year	-	45,255	-	-	-	-	-	-	8,639	-	86,147	-	-	-	-	-	2,229,175
Repaid during the period / year	-	(53,327)	-	-	-	-	-	-	(609,216)	-	(52,240)	(268,942)	-	-	-	-	(1,435,378)
Transfer in / (out) - net*	-	(8,256)	-	-	-	-	-	-	(1,367,485)	-	(41,765)	-	-	-	-	-	650,516
Closing balance	-	323,406	2,665,220	-	-	-	-	-	11,773	-	339,734	2,665,220	-	-	-	-	2,085,795
	-	-	2,665,220	-	-	-	-	-	11,773	-	-	2,665,220	-	-	-	-	-
Provisions against loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets																	
Interest / mark-up accrued	-	-	1,313,344	-	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-
Other receivable	-	-	1,313,344	43,472	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-
	-	-	1,313,344	43,472	-	-	-	-	-	-	-	1,717,167	-	-	-	-	-
Borrowings																	
Opening balance	-	-	-	52,245	-	-	-	-	-	-	-	-	35,741	-	-	-	-
Borrowings during the period / year	-	-	-	498,163	-	-	-	-	-	-	-	-	16,504	-	-	-	-
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	550,408	-	-	-	-	-	-	-	-	52,245	-	-	-	-
	-	-	-	550,408	-	-	-	-	-	-	-	-	52,245	-	-	-	-
Deposits and other accounts																	
Opening balance	-	98,488	3,000	-	27,222	-	257,232	13,263,170	515,559	1,760	131,454	-	-	86,264	10,100,000	46,769	12,854,755
Received during the period / year	8,533	876,716	3,000	-	56,060,153	-	2,899,509	4,438,830	14,718,083	-	885,658	3,000	-	41,551,279	-	8,370,003	5,025,151
Withdrawn during the period / year	(5,923)	(871,119)	(3,000)	-	(56,062,691)	-	(2,188,651)	(4,666,414)	(14,178,681)	(14)	(894,821)	-	-	(42,010,321)	(10,100,000)	(8,159,520)	(4,616,736)
Transfer in / (out) - net*	-	(17,909)	-	-	-	-	-	-	73,552	(1,746)	(23,803)	-	-	-	-	-	(5,669,604)
Closing balance	2,610	86,176	3,000	-	44,684	-	278,110	13,036,595	1,128,513	-	98,488	3,000	-	27,222	-	257,232	13,263,170
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	515,559
Contingencies and commitments																	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

For the nine months period ended September 30, 2023 (Un-audited)						For the nine months period ended September 30, 2022 (Un-audited)							
Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Associates	Joint venture	Pension Fund	Provident Fund	Others

(Rupees in '000)

Income

Mark-up / return / interest earned

•	•	•	•	•	•	•	329,801	-	-	3,384	1	-	-	445,062
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Dividend income

•	•	•	•	•	•	•	144,720	-	-	-	114,405	-	-	27,408
---	---	---	---	---	---	---	---------	---	---	---	---------	---	---	--------

Rent income / lighting and power and bank charges

•	•	4,557	•	•	•	•	15,770	-	-	4,171	-	-	-	-
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Expense

Mark-up / return / interest paid

292	8,435	276	23,691	156,117	•	•	68,147	-	3,906	-	14,292	329,150	1,262,352	1,666,754
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Expenses paid to company in which Director of the bank was interested as CEO and director

•	•	•	•	•	•	•	43,419	-	-	-	-	-	-	55,064
---	---	---	---	---	---	---	--------	---	---	---	---	---	---	--------

Remuneration to key management executives including charge for defined benefit plan

•	561,854	•	•	•	•	•	•	-	551,808	-	-	-	-	-
---	---------	---	---	---	---	---	---	---	---------	---	---	---	---	---

Donation paid to company in which Director of the bank was interested as director

•	•	•	•	•	•	•	•	-	-	-	-	-	-	5,000
---	---	---	---	---	---	---	---	---	---	---	---	---	---	-------

Directors' fee & other allowances

64,000	•	•	•	•	•	•	•	21,767	-	-	-	-	-	-
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Post Retirement Benefit paid to Director cum ex-employee

•	•	•	•	•	•	•	•	-	-	-	-	-	-	522
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37.1 Transactions with Government-related entities

The Federal Government through State Bank of Pakistan holds controlling interest (75.60% shareholding) in the Bank and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.

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

The Group also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 6,889 million (September 30, 2022 Rs. 6,843 million) for the nine months period ended September 30, 2023. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs. 558,275 million (December 31, 2022: Rs. 593,486 million), Rs. 1,436,988 million (December 31, 2022: Rs. 1,403,331 million) and Rs. 2,043,574 million (December 31, 2022: Rs. 1,714,807 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 64,311 million (September 30, 2022: Rs. 27,425 million) and Rs. 123,263 million (September 30, 2022: Rs. 109,655 million) respectively.

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
------(Rupees in '000)-----		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	21,275,131	21,275,131
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	279,977,658	236,742,118
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	279,977,658	236,742,118
Eligible Tier 2 Capital	86,677,027	78,089,129
Total Eligible Capital (Tier 1 + Tier 2)	366,654,685	314,831,247
Risk Weighted Assets (RWAs):		
Credit Risk	1,142,034,686	1,073,032,570
Market Risk	139,086,554	94,062,413
Operational Risk	262,697,854	262,697,854
Total	1,543,819,094	1,429,792,837
Common Equity Tier 1 Capital Adequacy Ratio	18.14%	16.56%
Tier 1 Capital Adequacy Ratio	18.14%	16.56%
Total Capital Adequacy Ratio	23.75%	22.02%
Leverage Ratio (LR):		
Tier-1 Capital	279,977,658	236,742,118
Total Exposure	9,151,285,749	7,511,889,497
Leverage Ratio	3.06%	3.15%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,547,385,563	1,418,328,644
Total Net Cash Outflow	775,420,167	963,197,902
Liquidity Coverage Ratio	200%	147%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	3,071,876,912	2,684,457,394
Total Required Stable Funding	1,204,355,963	1,069,401,835
Net Stable Funding Ratio	255%	251%

39. ISLAMIC BANKING BUSINESS

The Bank is operating 188 (December 31, 2022: 188) Islamic banking branches and 136 (December 31, 2022: 50) Islamic banking windows as at September 30, 2023.

The statement of financial position of the Bank's Islamic banking branches as at September 30, 2023 is as follows:

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note		----- (Rupees in '000) -----	
ASSETS			
		7,188,945	6,096,555
		43,172	13,766
	39.1	57,728,827	53,920,119
	39.2	51,243,097	46,380,996
		74,037	87,489
		583,464	508,977
		6,808,086	2,294,054
Total Assets		123,669,628	109,301,956
LIABILITIES			
		300,362	1,210,608
	39.3	109,586,480	93,591,714
		1,840,580	4,005,715
		763,827	721,152
		1,790,862	1,490,182
		114,282,111	101,019,371
NET ASSETS		9,387,517	8,282,585
REPRESENTED BY			
		6,731,000	5,561,000
		(431,079)	424,444
	39.4	3,087,596	2,297,141
		9,387,517	8,282,585

The profit and loss account of the Bank's Islamic banking operations for the nine months period ended September 30, 2023 is as follows:

	Note	(Un-audited) September 30, 2023 ------(Rupees in '000)-----	(Audited) December 31, 2022
Profit / return earned	39.5	15,381,711	8,813,043
Profit / return expensed	39.6	9,607,464	5,414,251
Net Profit / return		5,774,247	3,398,792
Other income			
Fee and commission income		205,571	204,568
Foreign exchange income		65,432	151,204
Other income		48	2,007
Total other income		271,051	357,779
Total Income		6,045,298	3,756,571
Other expenses			
Operating expenses		2,468,093	2,171,763
Other charges		220	-
Total other expenses		2,468,313	2,171,763
Profit before provisions		3,576,985	1,584,808
Provisions charge / (reversal) and write offs - net		489,389	184,567
Profit before taxation		3,087,596	1,400,241
Taxation		-	-
Profit after taxation		3,087,596	1,400,241

September 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value

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

39.1 Investments by segments:

Federal Government Securities:

-Ijarah Sukuks	33,620,309	-	(712,383)	32,907,926	33,648,948	-	(339,589)	33,309,359
	33,620,309	-	(712,383)	32,907,926	33,648,948	-	(339,589)	33,309,359

Non Government Debt Securities

-Listed	7,900,000	-	308,400	8,208,400	8,200,000	-	303,132	8,503,132
-Unlisted	16,770,404	(130,807)	(27,096)	16,612,501	11,777,533	(130,807)	460,901	12,107,628
	24,670,404	(130,807)	281,304	24,820,901	19,977,533	(130,807)	764,033	20,610,760
Total Investments	58,290,713	(130,807)	(431,079)	57,728,827	53,626,481	(130,807)	424,444	53,920,119

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
	------(Rupees in '000)-----	
39.2 Islamic financing and related assets - net		
Ijarah	13,965	38,208
Murabaha	1,023,136	1,713,901
Running Musharaka	10,563,553	-
Diminishing Musharaka	20,443,018	22,062,256
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	2,029,000	2,127,000
Advance for Diminishing Musharaka	121,278	100,894
Advance for Istisna	6,154,917	9,396,236
Inventories against Istisna	3,260,625	3,097,800
Gross Islamic financing and related assets	52,109,492	47,036,295
Less: provision against Islamic financings		
- Specific	(766,162)	(654,980)
- General	(100,233)	(319)
	(866,395)	(655,299)
Islamic financing and related assets - net of provision	51,243,097	46,380,996
39.3 Deposits		
Customers		
Current deposits	22,138,195	20,659,185
Savings deposits	47,673,519	41,254,385
Term deposits	15,001,895	15,137,438
	84,813,609	77,051,008
Financial Institutions		
Current deposits	1,220,403	354,951
Savings deposits	23,141,198	14,114,989
Term deposits	411,270	2,070,766
	24,772,871	16,540,706
	109,586,480	93,591,714
39.4 Unappropriated / unremitted profit		
Opening Balance	2,297,141	1,502,668
Add: Islamic banking profit for the period / year	3,087,596	2,297,141
Less: Transferred / remitted to Head office	(2,297,141)	(1,502,668)
Closing balance	3,087,596	2,297,141

		(Un-audited)	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		------(Rupees in '000)-----	
39.5	Profit / Return Earned of Financing, Investments and Placement		
	Profit earned on:		
	Financing	8,764,898	3,857,620
	Investments	6,615,778	4,737,470
	Placements	1,035	672
	Others (Bai Muajjal)	-	217,281
		15,381,711	8,813,043
39.6	Profit on Deposits and other Dues Expensed		
	Deposits and other accounts	6,684,942	3,767,960
	Amortisation of lease liability against ROUA	52,116	55,020
	Others (General Account)	2,870,406	1,591,271
		9,607,464	5,414,251

40. GENERAL

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

41. DATE OF AUTHORIZATION FOR ISSUE

The consolidated condensed interim financial statements were authorized for issue on October 24, 2023 by the Board of Directors of the Bank.

Ashraf Mahmood Wathra
Chairman

Rehmat Ali Hasnie
President & CEO

Abdul Wahid Sethi
Chief Financial Officer

Ali Syed
Director

Ahsan Ali Chughtai
Director



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