



# NATIONAL BANK OF PAKISTAN

# پاکستان

Quarterly Report March 2024

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# CORPORATE INFORMATION

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## 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

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## Audit Committee

Chairman	Mr. Ahsan Ali Chughtai Mr. Farid Malik, CFA Mr. Ali Syed Mr. Amjad Mahmood Mr. Nasim Ahmad
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## Chief Financial Officer

Mr. Abdul Wahid Sethi

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## Company Secretary

Syed Muhammad Ali Zamin

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## Auditors

A.F. Ferguson & Co.  
Chartered Accountants

BDO Ebrahim & Co.  
Chartered Accountants

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## Legal Advisors

Khalid Anwar & Co.  
Advocates & Legal Consultants

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## 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

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## 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

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## Website

[www.nbp.com.pk](http://www.nbp.com.pk)

# Directors' Report to the Shareholders

## Standalone Financial Statements

### Dear Shareholders,

The Board of Directors are pleased to present the un-audited condensed interim standalone financial statements of the Bank for the three-months period ended March 31, 2024.

### Economic Environment

Global economic growth has been volatile due to inflation-fighting measures, geo-political conflicts, and restrictive trade policies. Inflation remains high, especially hurting developing countries. Global GDP growth is projected to be 3.1% percent this year with 0.2 percentage points higher than that in the 2023.

During the first half of FY24, Pakistan's GDP growth exceeded 2.1%, showing an improvement over the challenges faced in the preceding year. Notably, inflation, anticipated to range between 23% and 25%, appears to have reached its peak. Pakistan's total liquid foreign exchange reserves stood at \$13.4 billion, comprising \$8.1 billion held by the State Bank of Pakistan and \$5.3 billion by commercial banks. Despite a widening fiscal deficit by 2.3% of GDP, revenue collection surged by an impressive 46%, attributed to a remarkable 100% increase in non-tax collection and a substantial 30% rise in tax revenues. The central bank has kept the policy rate at 22% since July 2023, but is anticipated to reduce by the end of 2024, which would lower debt costs and encourage more credit-driven growth.

The Pakistan Stock Exchange experienced exceptional growth in 2023 and continues in 2024, with the KSE-100 Index surging to 71,000+ points as compared to 62,451 points at the end of 2023, making it the top-performing asset class and delivering a remarkable return in rupee terms. Looking ahead, with the anticipation of political stability, IMF deal in line, and growing trade arrangements with regional trade partners, there is a positive outlook for enhancing business confidence and improving the investment climate in the country.

The banking industry experienced strong profitability growth, driven by favourable economic conditions and a high-interest rate environment. Assets and deposits also saw significant increases. However, there's a concern about the heavy reliance on government bonds, which make up alone 40% of total banking assets. Overall credit quality is getting better, and the expected easing of monetary policy in 2024 should help reduce non-performing loans. With a brighter outlook for GDP growth, inflation, and interest rates, loan growth is expected to speed up.

### Financial Performance for the 3M period ended March 31, 2024

Amidst the continued challenging economic environment, the Bank has delivered strong financial performance for the three-months period ended March 31, 2024. These results depict the resilience of the Bank's business model, effectiveness of the management's strategies and the efforts of our staff

• Profitability

(PKR 'Bn)

No.	Key Items	Mar'24	Mar'23	Better / (Worse) Amount	%
1	NII	29.0	32.5	(3.5)	(10.9%)
2	NFI	13.5	7.5	6.0	79.9%
<b>3</b>	<b>Total Income</b>	<b>42.5</b>	<b>40.0</b>	<b>2.5</b>	<b>6.1%</b>
4	Admin Exp.	22.0	21.2	0.8	3.8%
5	Pre-Prov. Profit	20.5	18.9	1.6	8.7%
6	Credit Loss Allowance	(0.7)	0.7	(1.3)	(197.2%)
<b>7</b>	<b>Pre-tax Profit</b>	<b>21.2</b>	<b>18.2</b>	<b>3.0</b>	<b>16.4%</b>
8	Tax	10.4	7.5	2.9	39.4%
<b>9</b>	<b>After-tax Profit</b>	<b>10.72</b>	<b>10.69</b>	<b>0.03</b>	<b>0.3%</b>
10	EPS (Rs.)	5.04	5.02	0.02	0.4%

For the three-months period under review, the Bank generated a Gross Interest Income 'GII' of PKR 275.0 Bn as against PKR 192.4 Bn for the similar three months period of 2023. The PKR 82.6 Bn increase in GII is achieved through a robust volumetric growth in average interests earning assets coupled with the impact of higher average policy rate during this period that stood at 22.0% as compared to 17.7% during the same period last year.

During Q1'24, the Bank's investments portfolio averaged PKR 4,199.3 Bn (Mar'23:PKR 3,519.2 Bn) and generated mark-up/interest income of PKR 215.3 Bn being PKR 69.1 Bn or 47.2% up against PKR 146.2 Bn for the corresponding Mar'23. This translates into average yield at 20.79% (Mar'23:16.85%). In the higher policy rate environment, the maturity profile of the Bank's investment book is skewed towards the shorter duration securities under available-for-sale category. Similarly, placements, that averaged PKR 99.8 Bn (Mar'23: PKR 66.2 Bn) generated a mark-up income of PKR 3.3 Bn (Mar'23: PKR 2.7 Bn) at a yield of 13.55% as compared to 16.6% for Mar'23.

For the three-months period, the Bank's loan book averaged PKR 1,507.5 Bn and generated a mark-up income of PKR 56.4 Bn i.e., PKR 12.9 Bn or 29.7% higher than PKR 43.5 Bn for the similar period last year. This significant growth was achieved through both, a volumetric growth, as well as the favourable YoY rate variance. Pertinent to mention this high performance was achieved despite the fact that the Bank carries a significant proportion of lower yielding or non-performing public-sector loans.

Likewise, on the back of higher average policy rate, the Bank's cost of funds for Mar'24 recorded a significant YoY increase and amounted to PKR 246.0 Bn as against PKR 159.9 Bn for corresponding period of 2023. The PKR 45.7 Bn or 65.6% YoY increase is mainly recorded in cost of Deposits that amounted to PKR 115.5 Bn (Mar23: PKR 69.7 Bn).

Consequently, the Net Interest Income 'NII' for the period under review closed at PKR 29.0 Bn, depicting a 10.9% decrease against PKR 32.5 Bn of Mar'23.

- **Non-Fund Income**

Non-Fund Income 'NFI' for the Mar'24 recorded to close at PKR 13.5 Bn which is PKR 6.0 Bn or 79.9% higher than PKR 7.5 Bn of Mar'23. While fee & commission income recorded a 23.4% increase YoY to close at PKR 5.6 Bn (Mar'23: PKR 4.5Bn), the FX income closed higher by 62.4% to close at PKR 1.7 Bn as against PKR 1.1 Bn for Mar'23 as the forex market remained more stabilised during the period under review. The Bank's equity investment portfolio yielded dividend income of PKR 1.7 Bn, which is PKR 0.73 Bn or 72.6% higher YoY. Whereas, capital gains increased significantly by PKR 4.0 Bn or 1,110.0% to close at PKR 4.4 Bn (Mar'23: PKR 0.36 Bn). Going forward, the NFI is expected to rebound as the stock market is expected to show stability.

- **Operating Expenses**

Operating expenses of the Bank for the period under review amounted to PKR 22.0 Bn which is 3.8% higher YoY as compared to PKR 21.2 Bn of similar period last year. HR cost that constitutes around 65.5% of the total operating expenses are at the same level and amounted to PKR 14.4 Bn against PKR 14.3 Bn in Mar'23. While property related expenses amounted to PKR 2.8 Bn (Mar'23: PKR 2.4 Bn), IT related expenses stood at PKR 1.3 Bn (Mar'23: PKR 1.2 Bn). The Bank is currently investing significantly to improve & strengthen its core banking applications and related IT infrastructure. Other operating expenses amounted to PKR 3.4 Bn depicting 8.2% increase YoY responding to the general inflationary hike in costs. Overall, operating costs translate into a cost-to-income ratio at 51.74% which is in line with the inflationary pressures and industry norms.

- **Credit Loss Allowance**

For the three-months period under review, charge reversal amounted to PKR 0.67 Bn i.e. significantly lower by 197.2% or PKR 1.3 Bn as compared to PKR 0.68 Bn for the corresponding three months period of 2023. Key contributor towards this drop were the diminution in value of investments recorded a YoY decrease of PKR 2,002 Mn and recorded reversal amounted to PKR 1,277.7 Mn as against PKR 724.5 Mn charge in the comparative period. However, credit loss allowance against loans & advances recorded a net charge of PKR 342.9 Mn as against a reversal of PKR 68.4 Mn for the corresponding 3M period of 2023. Thus, provision coverage at March 31, 2024 stood at 91.2%.

- **Taxation & After-tax Profit**

Taxation charge for the period amounted to PKR 10.4 Bn as against PKR 7.5 Bn for Mar'23. Consequently, profit after-tax for the three months period ended March 31, 2024 stood at PKR 10.7 Bn i.e., PKR 0.03 Bn or 0.3% higher than PKR 10.68 Bn for Mar'23. This translates into Earnings per Share of Rs. 5.04 as compared to Rs. 5.02 for Mar'23.

- **Appropriation of Profit**

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

	(PKR 'Mn')
Profit after tax for the three-months period ended March 31, 2024	10,722.54
Unappropriated profit brought forward – as reported on Dec 31, 2023	218,754.40
Net Impact of adoption of IFRS - 9	(3,643.21)
Remeasurement Gain/(Loss) on defined benefit obligations	(318.52)
Transfer from surplus on revaluation of fixed assets - net of tax	43.23
	<u>214,835.90</u>
Profit available for appropriation	<u>225,558.44</u>
<b>Appropriation:</b>	
Transfer to Statutory Reserve (@ 10% of PAT)	<u>(1,072.25)</u>
<b>Unappropriated profit carried forward</b>	<u><b>224,486.17</b></u>

## Financial Position as at March 31, 2024

At March 31, 2024, total assets of the Bank amounted to PKR 6,345.7 Bn, depicting a 4.6% decrease against PKR 6652.7 Bn levels of December 31, 2023.

- Loans and Advances**

Gross loans & advances of the Bank amounted to PKR 1,476.1 Bn depicting a slight decrease of 9.5% or PKR 155.6 Bn against PKR 1,631.7 Bn at end of the year 2023. Whereas, net advances stood at PKR 1225.6 Bn decreased by 12.3% against PKR 1398.1 Bn level at the end of 2023. In the prevailing high interest rate scenario, the Bank is pursuing a prudent loan growth for better credit risk management.

- Investments**

Pursuant to an effective risk and liquidity management strategy, the Bank is maintaining a diversified investment portfolio across zero risk weighted GoP instruments, high dividend yielding equities and other interest-bearing financial instruments. As at March 31, 2024, the Bank's investments (at cost) amounted PKR 4,318.6 Bn (2023: PKR 4,393.9 Bn) with a carrying value of PKR 4,336.3 Bn (2023: PKR 4403.4 Bn). Given the limited quality loan growth demand, and a steady growth in customer deposits, excess liquidity with the Bank is mostly placed in shorter-term GoP securities to capitalize on price volatility in the currently hiking policy rate environment.

- Deposits & Funding**

A March 31, 2024, total deposits with the Bank amounted to PKR 3,424.3 Bn as compared to PKR 3,674.4 Bn of December 31, 2023. Major share of the Bank's funding comes from customer sticky deposits that contribute PKR 2,914.3 Bn or 85.1% of the total deposits. Non-remunerative current deposits decreased by 30.6% during the 3M period under review to close at PKR 566.9 Bn making 19.5% of the total customer deposits; whereas remunerative but low-cost current accounts deposits were increased by 6.1% to close at PKR 734.7 Bn, making 25.2% of the customer deposits.

With current deposits at PKR 1,756.2 Bn or 51.3% of the total deposits at March 31, 2024, the Bank maintains a strong liquidity profile. In addition, the CASA ratio stood high at 78.3%. Liquidity Coverage Ratio and Net Stable Funding Ratio remained over the regulatory requirements as the same stood at 194% (Dec'23:176%) and 275% (Dec'23:259%), respectively vis-a-vis regulatory requirement of 100% for each.

- **Capital Strength and Adequacy**

Net Assets amount to PKR 384.97 Bn i.e., 0.6% higher than PKR 382.75 Bn at the end of 2023. These translate into a break-up value of PKR 180.9 per share (YE'23: PKR 179.9). During 3M'24, the Bank's Eligible Tier 1 capital increased by PKR 17.5 Bn or 6.2% to PKR 300.8 Bn from PKR 283.3 Bn at YE'23. Likewise, Eligible Tier 2 capital also increased by PKR 4.9 Bn or 5.3% to close at PKR 98.3 Bn. Tier 2 capital mainly increased corresponding to the increase in Tier-1 capital. As the Bank is following a risk prudent asset growth strategy, total RWAs increased by PKR 142.0 Bn or 9.6% from PKR 1478.8 Bn at YE'23 to PKR 1620.8 Bn at March 31, 2024.

Consequently, the Total Capital Adequacy Ratio (CAR) stood at 24.63% with Tier-1 capital adequacy ratio at 18.56%; as compared to 25.47% and 19.16%, respectively, at YE'23. At March'31, 2024, the Bank's leverage ratio stood at 3.49% which has been relaxed up to 2.5% by the central bank till March 31, 2024. Other financial soundness ratios are well compliant with applicable regulatory requirements.

- **Adoption of IFRS-9**

Effective January 1, 2024, the Bank has adopted International Financial Reporting Standard (IFRS) 9, "Financial Instruments" (IFRS 9 / the Standard). As permitted by the transitional provisions of IFRS 9, the Bank has elected not to restate comparative figures. Adjustments to the carrying amounts of financial assets and liabilities as at the date of transition (i.e., January 1, 2024), were recognised in the opening equity of the Bank as of January 01, 2024.

The adoption of IFRS 9 has also resulted in changes in the Bank's accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 has also significantly impacted disclosures related to the unconsolidated financial instruments. The disclosures made in quarterly condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 2, dated February 09, 2023 and IAS 34.

- **Contingency Regarding the Pension Case**

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

Prior to the announcement of above judgement, the bank had estimated pension related liability amounted to PKR 98.7 billion approximately. Owing to the complexities involved, the management of the bank in consultation with professional actuary and Bank's legal counsel is working out



implementation of the judgement. Pending such an exercise the financial impact of the obligation cannot be ascertained with sufficient reliability as per the requirements of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

- **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.

- **Credit Ratings**

NBP has been rated as 'AAA' by both the recognized 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).

- **Outlook**

Going forward, the economic outlook will be shaped largely by the restoration of political stability and the continued implementation of reforms under the revived International Monetary Fund program to stabilize the economy and restore fiscal and external buffers. Despite the prevailing challenges, your Bank will continue to play its role towards supporting economic momentum in the country, while also maintaining a strong & resilient balance sheet to create long-term value for its stakeholders. Our strategic focus on investing into IT Systems & Infrastructure is aimed at creating synergies in business processes, rationalizing operating costs and achieving higher efficiency. In the near future, the Bank's business strategy will remain focused on financing and supporting underserved sectors including SME, Microfinance, Agriculture Finance as well as Islamic financing on a priority basis.

- **Acknowledgement & Appreciation**

We appreciate the continued efforts & dedication of our employees towards provision of service to the Nation and delivering strong financial results. 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: April 26, 2024

آگے بڑھتے ہوئے، اقتصادی نقطہ نظر بڑی حد تک سیاسی استحکام کی بحالی اور معیشت کو مستحکم کرنے اور مالیاتی اور بیرونی بفرز کو بحال کرنے کے لیے بین الاقوامی مالیاتی فنڈ کے پروگرام کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائے گا۔ موجودہ چیلنجوں کے باوجود بینک اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے لیے ایک مضبوط اور پگھلا رہیلتس شیڈ کو برقرار رکھنے کے ساتھ ساتھ ملک میں اقتصادی رفتار کو سہارا دینے کے لیے اپنا کردار ادا کرنا جاری رکھے گا۔ آئی ٹی سسٹمز اور انفراسٹرکچر میں سرمایہ کاری پر ہماری سٹریٹجک توجہ کا مقصد کاروباری عمل میں ہم آہنگی پیدا کرنا، آپریٹنگ لاگت کو معقول بنانا اور اعلیٰ کارکردگی کا حصول ہے۔ مستقبل قریب میں، بینک کی کاروباری حکمت عملی SME، مائیکرو فنانس، ایگریکلچر فنانس سمیت غیر محفوظ شعبوں کی مالی اعانت اور معاونت کے ساتھ ساتھ ترجیحی بنیادوں پر اسلامی فنانسنگ پر مرکوز رہے گی۔

### اعتراف اور تعریف

ہم قوم کی خدمت کی فراہمی اور مضبوط مالیاتی نتائج کی فراہمی 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: 26 اپریل 2024

## پنشن کیس سے متعلق ہنگامی صورتحال

معزز سپریم کورٹ آف پاکستان (جائزہ دائرہ اختیار میں) نے، اپنے حکم مورخہ 27 مارچ 2024 کے ذریعے، NBP (CRPs نمبر 368 سے 409 وغیرہ) کی طرف سے دائر تمام سول نظر ثانی کی درخواستوں کو خارج کر دیا ہے، جس کے نتیجے میں معزز سپریم کورٹ کا فیصلہ 25 ستمبر 2017، پنشن کی قانونی چارہ جوئی کے سلسلے میں، اب حتمی شکل اختیار کر چکی ہے۔ اس کے مطابق، بینک کو اب لاہور ہائی کورٹ کے 15 جنوری 2016 کے فیصلے میں شامل ہدایت پر عمل درآمد کرنا ہوگا، جس کی ہدایت کو عدالت عظمیٰ نے برقرار رکھا ہے۔

مذکورہ فیصلے کے اعلان سے پہلے، بینک نے تخمینہ لگایا تھا کہ پنشن سے متعلق ذمہ داری تقریباً 98.7 بلین روپے ہے۔ اس میں شامل پیچیدگیوں کی وجہ سے، بینک کی انتظامیہ پروفیشنل ایکیوری اور بینک کے قانونی مشیر کی مشاورت سے فیصلے پر عمل درآمد کے لیے کام کر رہی ہے۔ اس طرح کی مشق کے زیر التواء IAS 37 "پروویژنز، کنٹینجینٹ لیابیلیٹیز اور کنٹینجینٹ اثاثہ جات" کے تقاضوں کے مطابق ذمہ داری کے مالی اثر کا کافی اعتبار سے پتہ نہیں لگایا جا سکتا۔

## نیویارک برانچ میں اینٹی منی لائڈ رنگ سے متعلق تعمیل اور خطرے 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 آڈٹ کے ذریعے ان کی متعلقہ توثیق اس کے ریگولیٹرز کے جائزے کے تابع رہتی ہے۔

## کریڈٹ ریٹنگ

پاکستان میں دونوں تسلیم شدہ کریڈٹ ریٹنگ ایجنسیوں کے ذریعے آپ کی بینک کو 'AAA' کا درجہ دیا گیا ہے۔ جون 2023 میں، میسرز VIS کریڈٹ ریٹنگ کمپنی نے بینک کی اسٹیٹڈ لون 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 پیکرا 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 تفریض کیا ہے۔

## سرمائے کی طاقت اور قابلیت

خالص اثاثوں کی رقم 384.97 بلین روپے ہے جو 2023 کے آخر کے 382.75 بلین روپے سے 0.6% زیادہ ہے۔ یہ 180.9 فی شیئر (سال 2023: 179.9) کی بریک اپ ویلیو میں ترجمہ کرتے ہیں۔ سال 2024 کی پہلی سہ ماہی کے دوران، بینک کا اہل درجے کا سرمایہ 17.5 بلین روپے یا 6.2% بڑھ کر 300.8 بلین روپے ہو گیا جو سال 2023 کے اختتام پر 283.3 بلین روپے تھا۔ اسی طرح اہل ٹائر 2 کیسٹل بھی 4.9 بلین روپے یا 5.3% بڑھ کر 98.3 بلین روپے پر بند ہوا۔ ٹائر 2 کیسٹل بنیادی طور پر ٹائر-1 کیسٹل میں اضافے کے مطابق بڑھا۔ چونکہ بینک خطرے سے متعلق اثاثہ کی ترقی کی حکمت عملی پر عمل پیرا ہے، جس کی وجہ سے کل RWAs میں 142.0 بلین روپے یا 9.6% اضافہ ہوا جو سال 2023 کے اختتام پر 1,478.8 بلین روپے سے بڑھ کر 31 مارچ 2024 کو 1,620.8 بلین روپے ہو گیا۔

نتیجتاً، کل کیسٹل ایڈکیویسی ریٹو (CAR) سال 2023 کے اختتام کے 25.47% کے مقابلے میں سال مارچ 2024 کے اختتام پر 24.63% رہا جبکہ ٹائر-1 کیسٹل ایڈکیویسی ریٹو سال 2023 کے اختتام کے 19.16% کے مقابلے میں سال مارچ 2024 کے اختتام پر 18.56% رہا۔ 31 مارچ 2024 کو بینک کا لیوریج ریٹو 3.49% رہا جسے مرکزی بینک نے 31 مارچ 2024 تک کے لیے 2.5% تک نرم کر دیا ہے۔

## IFRS-9 کو اپنانا

1 جنوری 2024 سے، بینک نے بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ (IFRS 9)، "مالیاتی آلات" (IFRS 9) / دی سٹینڈرڈ) کو اپنایا ہے۔ جیسا کہ IFRS 9 کی عبوری دفعات کی اجازت ہے، بینک نے تقابلی اعداد و شمار کو دوبارہ بیان نہ کرنے کا انتخاب کیا ہے۔ منتقلی کی تاریخ (یعنی یکم جنوری 2024) کے مطابق مالی اثاثوں اور واجبات کی لے جانے والی رقم میں ایڈجسٹمنٹ کو 01 جنوری 2024 تک بینک کی ابتدائی ایکویٹی میں تسلیم کیا گیا تھا۔

IFRS 9 کو اپنانے کے نتیجے میں مالیاتی اثاثوں کی شناخت، درجہ بندی اور پیمائش اور مالیاتی ذمہ داریوں اور مالیاتی اثاثوں کی خرابی کے لیے بینک کی اکاؤنٹنگ پالیسیوں میں بھی تبدیلیاں آئی ہیں۔ IFRS 9 نے غیر منصفہ مالیاتی آلات سے متعلق انکشافات کو بھی نمایاں طور پر متاثر کیا ہے۔ سہ ماہی کنڈینسڈ عبوری مالیاتی گوشواروں میں کیے گئے انکشافات کو SBP کی طرف سے BPRD سرکلر لیٹر نمبر 2، مورخہ 09 فروری 2023 اور 34 IAS کے ذریعے تجویز کردہ فارمیٹ کی بنیاد پر محدود کیا گیا ہے۔

## قرضہ جات

بینک کے مجموعی قرضوں اور ایڈوانسز کی رقم 1476.1 بلین روپے تھی جو سال 2023 کے آخر میں 1,631.7 بلین روپے کے مقابلے میں 9.5% یا 155.6 بلین روپے کی معمولی کمی کو ظاہر کرتی ہے۔ جبکہ، خالص ایڈوانسز 2023 کے آخر کے 1,398.1 روپے کے مقابلے میں 12.3% کمی سے 1,225.6 بلین روپے رہے۔ موجودہ بلند شرح سود کے منظر نامے میں، بینک بہتر کریڈٹ رسک مینجمنٹ کے لیے ایک prudent قرض کی ترقی کی پیروی کر رہا ہے۔

## سرمایہ کاری

مؤثر رسک اور لیکویڈیٹی مینجمنٹ حکمت عملی کے تحت، بینک صفر خطرے والے جی او پی انسٹرومنٹس، زیادہ ڈیویڈنڈ حاصل کرنے والی ایکویٹیز اور دیگر سود والے مالیاتی آلات میں ایک متنوع سرمایہ کاری پورٹ فولیو کو برقرار رکھے ہوئے ہے۔ 31 مارچ 2024 تک، بینک کی سرمایہ کاری (قیمت پر) 4,318.6 بلین روپے (2023: 4,393.9 بلین روپے) تھی جس کی مالیت 4,336.3 بلین روپے (2023: 4,403.4 بلین روپے) تھی۔ محدود معیار کے قرض کی ترقی کی طلب، اور صارفین کے ذخائر میں مسلسل نمو کے پیش نظر، بینک کے ساتھ اضافی لیکویڈیٹی زیادہ تر قلیل مدتی GoP سیکورٹیز میں رکھی جاتی ہے تاکہ موجودہ پالیسی کی شرح میں اضافے کے ماحول میں قیمتوں کے اتار چڑھاؤ سے فائدہ اٹھایا جاسکے۔

## ذخائر اور فنڈنگ

31 مارچ 2024 کو بینک کے پاس کل ڈپازٹس 3,424.3 بلین روپے تھے جب کہ 31 دسمبر 2023 کے 3,674.4 بلین روپے تھے۔ بینک کی فنڈنگ کا بڑا حصہ صارفین کے سٹکی ڈپازٹس سے آتا ہے جو 2,914.3 بلین روپے یا کل حصہ کا 85.1% ڈالتے ہیں۔ غیر منافع بخش کرنٹ ڈپازٹس میں تین ماہ کی مدت کے دوران 30.6% سے کم ہو کر 566.9 بلین روپے ہو گیا جو کل کسٹمر ڈپازٹس کا 19.5% بنتا ہے۔ جبکہ منافع بخش لیکن کم لاگت والے کرنٹ اکاؤنٹس ڈپازٹس میں 6.1% فیصد اضافہ ہوا جو کہ 734.7 بلین روپے پر بند ہوا، جو صارفین کے ذخائر کا 25.2% فیصد بنتا ہے۔

31 مارچ 2024 کو 1,756.2 بلین روپے یا کل ڈپازٹس کا 51.3% موجودہ ڈپازٹس کے ساتھ، بینک ایک مضبوط لیکویڈیٹی پروفائل کو برقرار رکھتا ہے۔ اس کے علاوہ، CASA کا تناسب 78.3% پر بلند رہا۔ لیکویڈیٹی کوریج ریشیو اور نیٹ اسٹیبل فنڈنگ ریشیو بالترتیب 194% (دسمبر 2023: 176%) اور 275% (دسمبر 2023: 259%) رہا جو کہ کی ریگولیٹری ضروریات کے 100% کے مقابلے میں ہے۔

## ٹیکسیشن اور بعد از ٹیکس منافع

اس مدت کے لیے ٹیکسیشن چارج 10.4 بلین روپے تھا جبکہ مارچ 2023 کے لیے 7.5 بلین روپے تھا۔ نتیجتاً، 31 مارچ 2024 کو ختم ہونے والی تین ماہ کی مدت کے لیے بعد از ٹیکس منافع مارچ 2023 کے 10.68 بلین روپے کے مقابلے میں 0.03 بلین روپے یا 0.3% زیادہ سے 10.7 بلین روپے رہا۔ یہ مارچ 2023 کے 5.02 روپے کے مقابلے میں 5.04 روپے کی فی شیئر آمدنی کی ترجمانی کرتا ہے۔

## منافع کی تخصیص

2023 کے جمع شدہ منافع کو آگے بڑھانے کے بعد 31 مارچ 2024 کو ختم ہونے والے تین ماہ کے منافع کو مختص کرنے کی تجویز مندرجہ ذیل ہے:

(ملین روپے)	31 مارچ 2024 کو ختم ہونے والے تین ماہ کے لیے بعد از ٹیکس منافع
10,722.54	غیر تصرف شدہ آگے لایا جانے والا منافع
218,754.40	آئی ایف آر ایس 9 کے اپنانے کی وجہ سے اثر
(3,643.21)	متعین فوائد والی ذمہ داریوں کی دوبارہ پیمائش پر فائدہ / نقصان
(318.52)	جامد اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی - بعد از ٹیکس
43.23	
214,835.90	
225,558.44	تصرف کے لیے دستیاب منافع
	تصرف:
(1,072.25)	قانونی ذخائر میں منتقلی
224,486.17	غیر تصرف شدہ منافع آگے بڑھانے کے لیے:

## 31 مارچ 2023 تک کی مالی پوزیشن

31 مارچ 2024 کو، بینک کے کل اثاثوں کی رقم 6,345.7 بلین روپے تھی، جو کہ 31 دسمبر 2023 کی 6,652.7 بلین روپے کی سطح کے مقابلے میں 4.6 فیصد اضافہ کو ظاہر کرتی ہے۔

## غیر مارک اپ/سود کی آمدنی

مارچ 2024 کے لیے غیر فنڈڈ انکم 'NFI' 13.5 بلین روپے پر بند ہوئی جو مارچ 2023 کے 7.5 بلین روپے سے 6 بلین روپے یا 79.9% زیادہ ہے۔ جبکہ فیس اور کمیشن کی آمدنی جس میں سالانہ 23.4% اضافہ ریکارڈ کیا گیا 5.6 بلین روپے (مارچ 2023: 4.5 بلین روپے) پر بند ہوئی، غیر ملکی زرمبادلہ آمدنی مارچ 2023 کے 1.1 بلین روپے کے مقابلے میں 62.4% سے بڑھ کر 1.7 بلین روپے پر بند ہوئی جبکہ زیر جائزہ مدت کے دوران فاریکس مارکیٹ زیادہ مستحکم رہی۔ بینک کے ایکویٹی انویسٹمنٹ پورٹ فولیو نے 1.7 بلین روپے کی ڈیویڈنڈ آمدنی حاصل کی، جو 0.73 بلین روپے یا سالانہ 72.6% زیادہ ہے۔ جبکہ، کمپنٹل گین 4 بلین روپے یا 1,110.0% سے نمایاں طور پر بڑھ کر 4.4 بلین روپے (مارچ 2023: 0.36 بلین روپے) پر بند ہوا۔ آگے بڑھتے ہوئے NFI کی بحالی کی توقع ہے کیونکہ اسٹاک مارکیٹ میں استحکام کی توقع ہے۔

## انتظامی اخراجات

زیر جائزہ مدت کے لیے بینک کے آپریٹنگ اخراجات 22.0 بلین روپے تھے جو پچھلے سال اسی سہ ماہی کے 21.2 بلین روپے کے مقابلے میں 3.8% زیادہ ہے۔ انسانی وسائل کی لاگت جو کل آپریٹنگ اخراجات کا تقریباً 65.5% بنتی ہے مارچ 2023 میں 14.3 بلین روپے کے مقابلے میں 14.4 بلین روپے تھی۔ جبکہ جائیداد سے متعلق اخراجات 2.8 بلین روپے (مارچ 2023: 2.4 بلین روپے) تھے، IT سے متعلق اخراجات 1.3 بلین روپے (مارچ 2023: 1.2 بلین روپے) تھے۔ بینک فی الحال اپنی بنیادی بینکنگ ایپلی کیشنز اور متعلقہ IT انفراسٹرکچر کو بہتر اور مضبوط بنانے کے لیے نمایاں سرمایہ کاری کر رہا ہے۔ دیگر آپریٹنگ اخراجات 3.4 بلین روپے تھے جو لاگت میں عام افراط زر کے اضافے کے جواب میں سالانہ 8.2% اضافہ کو ظاہر کرتے ہیں۔ مجموعی طور پر، آپریٹنگ لاگت آمدنی کے تناسب میں 51.74% کی ترجمانی کرتی ہے جو افراط زر کے دباؤ اور صنعت کے اصولوں کے مطابق ہے۔

## قرضوں کے تصرفات

زیر جائزہ تین ماہ کی مدت کے لیے چارج ریورسل کی رقم 0.67 بلین روپے تھی جو کہ 2023 کے اسی تین ماہ کی مدت کے لیے 0.68 بلین روپے کے مقابلے میں 1.3 یا 197.2% بلین روپے نمایاں طور پر کم ہے۔ اس کمی میں کلیدی کردار سرمایہ کاری کی قدر میں کمی سے متعلق تصرف رہا جس میں 2,002 بلین روپے کی سالانہ کمی ریکارڈ کی گئی اور تقابلی مدت میں 724.5 بلین روپے چارج کے مقابلے میں 1,277.7 بلین روپے کا ریورسل ریکارڈ کیا گیا۔ تاہم NPL قرضوں اور ایڈوانسز کے خلاف کریڈٹ نقصان الاؤنس نے 342.9 بلین روپے کا خالص چارج ریکارڈ کیا جو کہ 2023 کی اسی سہ ماہی مدت کے لیے 68.4 بلین روپے کا الٹ ہے، این پی ایل کی کوریج 91.2% ہے۔

زیر جائزہ تین ماہ کی مدت میں آپ کے بینک نے 2023 کی اسی تین ماہ کی مدت کے 192.4 بلین روپے کے مقابلے میں 275.0 بلین روپے کی مجموعی سودی آمدنی پیدا کی ہے۔ مجموعی سودی آمدنی میں 82.6 بلین روپے کا اضافہ اس مدت کے دوران اعلیٰ اوسط پالیسی کی شرح کے اثرات کے ساتھ اوسط سود کمانے والے اثاثوں میں ایک مضبوط حجمی نمو کے ذریعے حاصل کیا گیا ہے جو گزشتہ سال کی اسی مدت کے 17.7% کے مقابلے میں 22.0 فیصد رہا ہے۔

پہلی سہ ماہی 2024 کے دوران بینک کے سرمایہ کاری کے پورٹ فولیو کی اوسط 4,199.3 بلین روپے (مارچ 2023: 3,519.2 بلین روپے) تھی اور مارک اپ/سودی آمدنی 215.3 بلین روپے تھی جو گزشتہ سال اسی مدت کے 146.2 بلین روپے کے مقابلے میں 69.1 بلین روپے یا 47.2% بڑھ گئی۔ یہ اوسط پیداوار کے 20.79% (مارچ 2023: 16.85%) کی ترجمانی کرتا ہے۔ اعلیٰ پالیسی کی شرح کے ماحول میں، بینک کی سرمایہ کاری کی کتاب کی مچھوڑی پروفائل دستیاب برائے فروخت کے زمرے کے تحت مختصر مدت کی سیکیورٹیز کی طرف متوجہ ہوتی ہے۔ اسی طرح، پلیسمنٹ، جس کی اوسط 99.8 بلین روپے (مارچ 2023: 66.2 بلین روپے) رہی، نے مارچ 2023 کی 16.6% کی پیداواری شرح کے مقابلے میں 13.55% کی اونچی شرح سے 3.3 بلین روپے (مارچ 2023: 2.7 بلین روپے) کی مارک اپ آمدنی حاصل کی۔

تین ماہ کی مدت کے لیے، بینک کی قرض کی کتاب کی اوسط 1,507.5 بلین روپے رہی اور اس نے گزشتہ سال اسی مدت کے 43.5 بلین روپے کے مقابلے میں 56.4 بلین روپے یا 29.7% زیادہ سے 12.9 بلین روپے کی مارک اپ آمدنی حاصل کی۔ یہ نمایاں نمو والیو میٹرک نمو اور سازگار YoY شرح تغیر دونوں کے ذریعے حاصل کی گئی۔ باوجود اس حقیقت کے کہ بینک کے پاس کم پیداواری یا غیر فعال سرکاری شعبے کے قرضوں کا نمایاں تناسب ہے، یہ اعلیٰ کارکردگی قابل ذکر ہے۔

اسی طرح، اعلیٰ اوسط پالیسی کی شرح کی وجہ سے مارچ 2024 کے لیے بینک کے فنڈز کی لاگت میں سال 2023 کی اسی مدت کے لیے 159.9 بلین روپے کے مقابلے میں 246.0 بلین روپے کا نمایاں فگر ریکارڈ کیا گیا۔ 45.7 بلین روپے یا 65.6% سالانہ اضافہ بنیادی طور پر ڈپازٹس کی لاگت جو کہ 115.5 بلین روپے (مارچ 2023: 69.7 بلین روپے) ریکارڈ کیا گیا ہے۔

نتیجتاً، زیر جائزہ مدت کے لیے خالص سودی آمدنی 'NII' 29.0 بلین روپے پر بند ہوئی، جو مارچ 2023 کے 32.5 بلین روپے کے مقابلے میں 10.9 فیصد کمی کو ظاہر کرتی ہے۔



بینکنگ انڈسٹری نے منافع میں مضبوط نمو کا تجربہ کیا، سازگار اقتصادی حالات اور شرح سود کے بلند ماحول کی وجہ سے۔ اثاثوں اور ذخائر میں بھی نمایاں اضافہ دیکھا گیا۔ تاہم، سرکاری بانڈز پر بہت زیادہ انحصار کے بارے میں تشویش پائی جاتی ہے، جو کہ کل بینکنگ اثاثوں کا 40 فیصد بنتے ہیں۔ مجموعی طور پر کریڈٹ کا معیار بہتر ہو رہا ہے، اور 2024 میں مانیٹری پالیسی میں متوقع نرمی سے غیر فعال قرضوں کو کم کرنے میں مدد ملے گی۔ جی ڈی پی کی نمو، افراط زر، اور شرح سود کے لیے روشن نقطہ نظر کے ساتھ، قرض کی ترقی میں تیزی آنے کی امید ہے۔

### 31 مارچ 2024 کو ختم ہونے والی سہ ماہی مدت کے لیے مالی کارکردگی

مستقل مشکل معاشی ماحول کے باوجود بینک نے 31 مارچ 2024 کو ختم ہونے والی تین ماہ کی مدت کے لیے مضبوط مالی کارکردگی پیش کی ہے۔ یہ نتائج بینک کے کاروباری ماڈل کی چمک، انتظامیہ کی حکمت عملیوں کی تاثیر اور ہمارے عملے کی کوششوں کو ظاہر کرتے ہیں۔

(ارب روپے)

منافع

نمبر	اہم اشارہ جات	مارچ 24	مارچ 23	بہتری / (اہتری) رقم	فیصد
1	خالص سودی آمدنی	29	32.5	(3.5)	(10.9)
2	غیر فنڈڈ آمدنی	13.5	7.5	6	79.9
3	کل آمدنی	42.5	40	2.5	6.1
4	آپریٹنگ اور دیگر اخراجات	22	21.2	0.8	3.8
5	قبل از تصرف منافع	20.5	18.9	1.6	8.7
6	تصرفات	(0.7)	0.7	(1.3)	(197.2)
7	قبل از ٹیکس منافع	21.2	18.2	3	16.4
8	ٹیکس	10.4	7.5	2.9	39.4
9	بعد از ٹیکس منافع	10.72	10.69	0.03	0.3
10	فی حصص آمدنی (روپے)	5.04	5.02	0.02	0.4

# ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ

## انفرادی مالیاتی گوشوارے

محترم حصص داران،

ہم بورڈ آف ڈائریکٹرز کی جانب سے، 31 مارچ 2024 کو ختم ہونے والی مدت کے لئے بینک غیر آڈٹ شدہ انفرادی سہ ماہی مالی گوشوارے آپ کے سامنے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

### معاشی ماحول

مہنگائی سینڈیٹے والے اقدامات، جغرافیائی سیاسی تنازعات، اور محدود تجارتی پالیسیوں کی وجہ سے عالمی اقتصادی نمو غیر مستحکم رہی ہے۔ افراط زر کی شرح بلند رہی اور خاص طور پر ترقی پذیر ممالک کو نقصان پہنچا رہی ہے۔ اس سال عالمی جی ڈی پی کی شرح نمو، 2023 کے مقابلے میں 0.2 فیصد زیادہ ہو کر 3.1 فیصد رہنے کا امکان ہے۔

مالی سال 24 کی پہلی ششماہی کے دوران، پاکستان کی جی ڈی پی کی شرح نمو 2.1 فیصد سے تجاوز کر گئی، جو پچھلے سال درپیش چیلنجوں کے مقابلے میں بہتری کو ظاہر کرتی ہے۔ خاص طور پر، افراط زر، جو 23% اور 25% کے درمیان متوقع ہے، اپنے عروج پر پہنچی دکھائی دیتی ہے۔ پاکستان کے کل مائع زرمبادلہ کے ذخائر 13.4 بلین ڈالر تھے، جن میں اسٹیٹ بینک آف پاکستان کے پاس 8.1 بلین ڈالر اور کمرشل بینکوں کے 5.3 بلین ڈالر شامل ہیں۔ جی ڈی پی کے 2.3 فیصد تک بڑھتے ہوئے مالیاتی خسارے کے باوجود، محصولات کی وصولی میں متاثر کن 46 فیصد اضافہ ہوا، جس کی وجہ نامان ٹیکس وصولی میں 100 فیصد غیر معمولی اضافہ اور ٹیکس محصولات میں 30 فیصد نمایاں اضافہ ہے۔ مرکزی بینک نے جولائی 2023 سے پالیسی کی شرح کو 22% پر رکھا ہے، لیکن 2024 کے آخر تک اس میں کمی متوقع ہے، جس سے قرضوں کے اخراجات کم ہوں گے اور مزید کریڈٹ پڑنی ترقی کی حوصلہ افزائی ہوگی۔

پاکستان اسٹاک ایکسچینج نے 2023 میں غیر معمولی ترقی کا تجربہ کیا جو 2024 میں بھی جاری ہے، کراچی اسٹاک ایکسچینج - 100 انڈیکس 2023 کے آخر کے 62,451 پوائنٹس کے مقابلے میں 71,000 پوائنٹس تک بڑھ گیا، جس سے یہ اعلیٰ کارکردگی کا مظاہرہ کرنے والی اثاثہ کلاس بن گئی اور اس میں روپے کے لحاظ سے شاندار واپسی ہوئی۔ مستقبل کو دیکھتے ہوئے سیاسی استحکام کی توقع، آئی ایم ایف کے معاہدے اور علاقائی تجارتی شراکت داروں کے ساتھ بڑھتے ہوئے تجارتی انتظامات، ملک میں کاروباری اعتماد کو بڑھانے اور سرمایہ کاری کے ماحول کو بہتر بنانے کے لیے ایک مثبت نقطہ نظر کو ظاہر کرتا ہے۔

Unconsolidated Condensed Interim Statement of Financial Position  
As at March 31, 2024

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

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

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

## For the three months period ended March 31, 2024

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

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

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the three months period ended March 31, 2024

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

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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President & CEO

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Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

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

For the three months period ended March 31, 2024

	Reserves				Surplus on revaluation of assets			Unappropriated profit	Total		
	Share capital	Exchange translation	Statutory reserve	Merger reserve	Revenue general reserve	Total	Fixed / non-banking assets			Total	
<b>Balance as at January 01, 2023</b>	21,275,131	21,289,575	41,969,531	363,606	521,338	64,144,050	(4,253,682)	47,170,584	42,916,902	172,511,676	300,847,759
Profit after taxation for the three months period ended March 31, 2023	-	-	-	-	-	-	-	-	-	10,688,779	10,688,779
Effect of translation of net investment in foreign branches	-	8,956,052	-	-	-	8,956,052	-	-	-	8,956,052	8,956,052
Movement in surplus / (loss) on revaluation of investments	-	-	-	-	-	-	(15,255,120)	-	(15,255,120)	-	(15,255,120)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(288,000)	(288,000)
<b>Total other comprehensive income - net of tax</b>	-	8,956,052	-	-	-	8,956,052	(15,255,120)	-	(15,255,120)	10,400,779	4,101,711
Transfer to statutory reserve	-	-	1,068,878	-	-	1,068,878	-	-	-	(1,068,878)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(50,726)	(50,726)	50,726	-
<b>Balance as at April 01, 2023</b>	21,275,131	30,245,627	43,038,409	363,606	521,338	74,168,980	(19,508,802)	47,119,858	27,611,056	181,894,303	304,949,470
Profit after taxation for the nine months ended December 31, 2023	-	-	-	-	-	-	-	-	-	41,151,663	41,151,663
Effect of translation of net investment in foreign branches	-	787,323	-	-	-	787,323	-	-	-	-	787,323
Movement in surplus / (deficit) on revaluation of investments	-	-	-	-	-	-	36,394,290	-	36,394,290	-	36,394,290
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(418,066)	(418,066)	(307,239)	(307,239)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	198,132	198,132	-	198,132
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-	-	-
<b>Total other comprehensive income - net of tax</b>	-	787,323	-	-	-	787,323	36,394,290	(219,934)	36,174,356	40,844,444	77,806,123
Transfer to statutory reserve	-	-	4,115,168	-	-	4,115,168	-	-	-	(4,115,168)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(130,819)	(130,819)	130,819	-
<b>Balance as at January 01, 2024</b>	21,275,131	31,032,950	47,153,577	363,606	521,338	79,071,471	16,885,488	46,765,105	63,654,593	218,754,398	382,755,593
Change in accounting policy - Note 3.1	-	-	-	-	-	-	(1,660,264)	-	(1,660,264)	(3,643,213)	(5,303,477)
<b>Balance as at January 01, 2024 - restated</b>	21,275,131	31,032,950	47,153,577	363,606	521,338	79,071,471	15,225,224	46,765,105	61,994,329	215,111,184	377,452,116
Profit after taxation for the three months period ended March 31, 2024	-	-	-	-	-	-	-	-	-	10,722,535	10,722,535
Effect of translation of net investment in foreign branches	-	(806,598)	-	-	-	(806,598)	-	-	-	-	(806,598)
Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	-	1,481,771	-	1,481,771	-	1,481,771
Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-	-	(3,565,484)	(3,565,484)	-	(3,565,484)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	(318,522)	(318,522)
<b>Total other comprehensive income - net of tax</b>	-	(806,598)	-	-	-	(806,598)	(2,083,713)	-	(2,083,713)	10,404,013	7,513,702
Transfer to statutory reserve	-	-	1,072,254	-	-	1,072,254	-	-	-	(1,072,254)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(43,230)	(43,230)	43,230	-
<b>Balance as at March 31, 2024</b>	21,275,131	30,226,352	48,225,831	363,606	521,338	79,337,127	13,141,511	46,725,875	59,867,386	224,466,173	384,965,816

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnise**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

# Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

## For the three months period ended March 31, 2024

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

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

# Notes to and forming part of the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2024

## 1. STATUS AND NATURE OF BUSINESS

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

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

## 2. BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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

## 3. MATERIAL ACCOUNTING POLICIES

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

### 3.1 IFRS 9 - 'Financial Instruments'

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

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

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics.



The following table reconciles the aggregate opening loan loss provision allowances under SBP Prudential Regulations to the ECL allowances under IFRS 9: 2024

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

**Impairment allowance against:**

	At FVOCI - with recycling (Debt)	At FVOCI - without recycling (Equity)	At Amortised Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities	IFRS 9 carrying amount as at Jan 1, 2024
	-	-	-	-	-	294,992,570
Cash and Balance with treasury banks	-	-	294,992,570	-	-	294,992,570
Balance with other banks	-	-	42,325,051	(117)	-	42,324,934
Lendings to financial institutions	-	-	192,430,437	(67)	-	192,430,370

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

Before IFRS 9 Carrying Values as at Dec 31, 2023	Movement in Balance Sheet		Revised Breakup of Balance sheet after IFRS 9 Implementation						
	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	At FVTPL	At FVOCI - with recycling (Debt)	At FVOCI - without recycling (Equity)	At Amortised Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities	IFRS 9 carrying amount as at Jan 1, 2024
294,992,570	-	-	-	-	-	294,992,570	-	-	294,992,570
42,325,051	(117)	-	-	-	-	42,325,051	(117)	-	42,324,934
192,430,437	(67)	-	-	-	-	192,430,437	(67)	-	192,430,370

**Assets**

Cash and Balance with treasury banks	94,406,396	11,583,128	105,989,524	-	-	105,989,524	-	-	105,989,524
Balance with other banks	43,089,648	-	43,089,648	-	-	43,089,648	-	-	43,089,648
Lendings to financial institutions	2,362,433	-	2,362,433	-	-	2,362,433	-	-	2,362,433
	1,614,855	-	1,614,855	-	-	1,614,855	-	-	1,614,855
<b>Total AFS</b>	<b>4,403,364,043</b>	<b>11,583,128</b>	<b>4,414,947,172</b>	<b>3,907,373,763</b>	<b>49,755,979</b>	<b>105,989,524</b>	<b>(1,040,941)</b>	<b>-</b>	<b>4,092,919,281</b>

From AFS to Amortised Cost	272,790,034	(1,040,941)	271,749,093	-	-	271,749,093	-	-	271,749,093
From AFS to FVTPL (Mandatory Reclassification) - Mutual Funds, Pref. Shares and Bank TFC's	43,089,648	-	43,089,648	-	-	43,089,648	-	-	43,089,648
From AFS to FVTPL - Ordinary Shares	2,170,920	-	2,170,920	-	-	2,170,920	-	-	2,170,920
From AFS to FVOCI - Ordinary Shares	2,362,433	-	2,362,433	-	-	2,362,433	-	-	2,362,433
From AFS to FVOCI - Debt Securities	1,614,855	-	1,614,855	-	-	1,614,855	-	-	1,614,855
<b>Total AFS</b>	<b>4,403,364,043</b>	<b>(1,040,941)</b>	<b>4,414,947,172</b>	<b>3,907,373,763</b>	<b>49,755,979</b>	<b>384,927,766</b>	<b>(1,040,941)</b>	<b>-</b>	<b>4,413,906,230</b>
From HTM to Amortised Cost	1,398,076,820	(17,720,919)	1,380,355,901	-	-	1,398,076,820	(17,720,919)	-	1,380,355,901
From HTM to FVTPL	56,974,417	-	56,974,417	-	-	56,974,417	-	-	56,974,417
Associates	1,510,061	-	1,510,061	-	-	1,510,061	-	-	1,510,061
Joint Venture	6,934,471	-	6,934,471	-	-	6,934,471	-	-	6,934,471
Subsidiaries	256,099,568	(1,376,467)	254,723,101	-	-	190,065,330	(1,376,467)	-	254,723,101
Investments	6,652,707,438	(20,138,511)	6,632,568,927	72,889,643	49,755,979	2,402,817,974	(20,138,511)	131,453,187	6,644,152,055
Advances									
Fixed assets									
Intangible assets									
Right of use assets									
Other assets									

Movement in Balance Sheet		Revised Breakup of Balance sheet after IFRS 9 Implementation								
Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	After IFRS 9 Carrying Values Jan 1, 2024	At FVTPL	AT FVOCI - with recycling (Debt)	AT FVOCI - without recycling (Equity)	At Amortised Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities	IFRS 9 carrying amount as at Jan 1, 2024
(Rupees in '000)										
<b>Liabilities</b>										
Bills payable	68,000,448	-	68,000,448	-	-	-	68,000,448	-	-	68,000,448
Borrowings	2,177,743,194	-	2,177,743,194	-	-	-	2,177,743,194	-	-	2,177,743,194
Deposits and other accounts	3,674,359,379	-	3,674,359,379	-	-	-	3,674,359,379	-	-	3,674,359,379
Liabilities against assets subject to Subordinated debt	-	-	-	-	-	-	-	-	-	-
Lease liabilities against right of use assets	8,264,782	-	8,264,782	-	-	-	-	-	8,264,782	8,264,782
Deferred tax liabilities (Deferred tax Assets)	720,183	(10,771,230)	(4,375,314)	-	-	-	-	-	(4,375,314)	(4,375,314)
Other liabilities	340,863,859	1,843,590	342,707,449	6,676,880	-	-	197,159,524	1,843,590	137,027,455	342,707,449
<b>Net Assets</b>	<b>6,269,951,845</b>	<b>(8,927,640)</b>	<b>6,266,699,938</b>	<b>6,676,880</b>	<b>3,907,373,783</b>	<b>49,755,979</b>	<b>6,117,262,545</b>	<b>1,843,590</b>	<b>140,916,923</b>	<b>6,266,699,938</b>
	<b>382,755,593</b>	<b>(11,210,871)</b>	<b>5,907,395</b>	<b>66,212,763</b>	<b>3,907,373,783</b>	<b>49,755,979</b>	<b>(3,549,025,622)</b>	<b>(21,982,101)</b>	<b>(74,882,685)</b>	<b>377,452,117</b>
<b>Represented By</b>										
Share capital	21,275,131	-	21,275,131	-	-	-	-	-	21,275,131	21,275,131
Reserves	79,071,471	-	79,071,471	-	-	-	-	-	79,071,471	79,071,471
Surplus on revaluation of assets	63,654,596	-	(1,680,264)	61,994,332	10,468,483	4,756,742	-	-	46,769,107	61,994,332
Unappropriated profit	218,754,395	(11,210,871)	7,587,659	215,111,183	-	-	-	-	215,111,183	215,111,183
	<b>382,755,593</b>	<b>(11,210,871)</b>	<b>5,907,395</b>	<b>377,452,117</b>	<b>10,468,483</b>	<b>4,756,742</b>	<b>-</b>	<b>-</b>	<b>362,226,892</b>	<b>377,452,117</b>

#### Changes to Classification and measurement

The SBP's measurement categories of financial assets Held for Trading (HFT), available for sale (AFS), held-to-maturity (HTM) have been replaced by:

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

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

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

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

### 3.1.1 Financial assets and liabilities

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

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

### 3.1.2 Financial assets

#### 3.1.2.1 Classification and subsequent measurement

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

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

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

#### Debt instruments

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

Classification and subsequent measurement of debt instruments depend on:

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

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

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

### **Business model:**

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

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

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

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

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

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

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

### **Equity instruments**

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

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

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

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

### 3.1.2.2 Impairment

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

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

### 3.1.3 Financial liabilities

### 3.1.4 Financial guarantee contracts and loan commitments

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

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

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

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

### 3.1.5 Measurement of the expected credit loss allowance

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

Step 1: Portfolio Segmentation and Staging (SICR)

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

Step 3: Estimation of Loss Given Default (LGD)

Step 4: Determination of Exposure at Default (EAD)

Step 5: ECL Scenarios

### 3.1.6 Expected credit loss measurement

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

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

### 3.1.7 Significant increase in credit risk (SICR)

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

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

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

### 3.2 Overview of the ECL principles

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

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

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

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

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

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for all the scenarios.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.

Loan commitments and letters of credit"

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

Financial guarantee contracts

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

### The calculation of ECLs

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

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

**PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

**EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

**LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

## 5. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	------(Rupees in '000)-----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		55,656,688	62,369,227
Foreign currencies		<u>8,293,844</u>	<u>9,651,086</u>
		<b>63,950,532</b>	<b>72,020,313</b>
With State Bank of Pakistan in			
Local currency current accounts	6.1	<b>202,830,330</b>	125,791,892
Foreign currency current accounts	6.2	<b>20,665,817</b>	21,661,443
Foreign currency deposit accounts	6.2	<b>41,275,159</b>	43,265,618
Foreign currency collection accounts		<b>1,242,749</b>	1,498,122
		<b>266,014,055</b>	192,217,075
With other central banks in			
Foreign currency current accounts	6.3	<b>72,501,993</b>	25,964,016
Foreign currency deposit accounts	6.3	<b>4,406,114</b>	4,163,614
		<b>76,908,107</b>	30,127,630
Prize bonds		<b>722,675</b>	627,552
		<u>407,595,369</u>	<u>294,992,570</u>
Less: Credit loss allowance held against cash and bank balances with Treasury banks		-	-
Cash and Balances with Treasury banks - net of credit loss allowance		<b>407,595,369</b>	<b>294,992,570</b>
<b>6.1</b>	This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.		
<b>6.2</b>	These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.		
<b>6.3</b>	These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5.50% per annum (December 31, 2023: 0% to 5.5% per annum).		
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	------(Rupees in '000)-----	
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In deposit accounts	7.1	<b>13,704</b>	15,285
Outside Pakistan			
In current accounts		<b>19,832,716</b>	33,625,612
In deposit accounts	7.2	<b>9,382,082</b>	8,801,187
		<b>29,214,798</b>	42,426,799
		<b>29,228,502</b>	42,442,084
Less: Credit loss allowance held against balances with other banks		<b>(117,150)</b>	(117,033)
Balances with other banks - net of credit loss allowance		<b>29,111,352</b>	<b>42,325,051</b>



- 7.1 These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.70% per annum (December 31, 2023: 6.00% to 12.70% per annum).
- 7.2 These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 3.00 % to 6.50 % per annum (December 31, 2023 :1.50% to 7.10% per annum).

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

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

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

## 9. INVESTMENTS

### 9.1 Investments by type:

March 31, 2024 (Un-audited)			
Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
<b>FVTPL</b>			
<b>Federal Government Securities</b>			
- Market Treasury Bills	-	(124,342)	28,078,441
- Pakistan Investment Bonds	-	(30,511)	22,788,768
<b>Mutual Fund units</b>	-	1,703,516	6,208,820
<b>Non-Government debt securities</b>			
- Term Finance Certificates and Sukuk Bonds	-	-	10,623,365
Preference shares - Listed	-	(9,131)	1,034,666
<b>Ordinary Shares</b>			
- Listed Companies	-	121,162	11,299,975
<b>78,373,341</b>	-	<b>1,660,694</b>	<b>80,034,035</b>
<b>FVOCI</b>			
<b>Federal Government Securities</b>			
- Pakistan Investment Bonds	-	(23,604,500)	2,812,888,288
- Market Treasury Bills	-	(132,240)	834,345,777
- GOP Ijarah Sukuks	-	(375,343)	49,161,655
- Foreign Currency Debt securities	-	(4,706,508)	36,044,116
<b>Ordinary Shares</b>			
- Listed Companies	-	10,251,759	52,370,892
- Unlisted Companies	-	-	1,658,247
<b>Non-Government debt securities</b>			
- Term Finance Certificates and Sukuk Bonds	(6,622,062)	395,350	35,451,621
<b>Foreign Securities</b>			
- Equity Securities - Listed	-	43,957,491	44,420,785
- Government debt securities	-	(18,338)	3,322,588
<b>3,850,518,360</b>	<b>(6,622,062)</b>	<b>25,767,670</b>	<b>3,869,663,969</b>
<b>Amortised Cost</b>			
<b>Federal Government Securities</b>			
- Pakistan Investment Bonds	-	-	319,839,934
- Ijarah Sukuks	-	-	14,080,289
- Foreign Currency Debt securities	-	-	4,393,435
<b>Non-Government debt securities</b>			
Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuk Bonds	(404,585)	-	-
<b>404,585</b>	<b>(404,585)</b>	<b>-</b>	<b>-</b>
<b>Foreign Securities</b>			
- Government debt securities	-	-	40,750,764
- Non-Government debt securities	-	-	1,065
<b>1,065</b>	<b>-</b>	<b>-</b>	<b>1,065</b>
<b>379,470,072</b>	<b>(404,585)</b>	<b>-</b>	<b>379,065,487</b>
<b>Associates</b>	<b>(1,334,977)</b>	<b>-</b>	<b>3,591,071</b>
<b>Joint Venture</b>	<b>-</b>	<b>-</b>	<b>2,362,433</b>
<b>Subsidiaries</b>	<b>(1,338,112)</b>	<b>-</b>	<b>1,614,855</b>
<b>Total investments</b>	<b>(9,699,734)</b>	<b>27,428,366</b>	<b>4,336,331,841</b>

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

December 31, 2023 (Audited)				
Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	
------(Rupees in '000)-----				
<b>Held-for-trading securities</b>				
<b>Federal Government Securities</b>				
- Market Treasury Bills	23,341,720	-	7,673	23,349,393
- Pakistan Investment Bonds	14,665,019	-	(37,878)	14,627,141
- GOP Ijarah Sukuk bonds	5,038,531	-	(3,521)	5,035,010
<b>Ordinary Shares</b>				
- Listed Companies	79,317	-	(1,213)	78,104
	43,124,587	-	(34,939)	43,089,648
<b>Available-for-sale securities</b>				
<b>Federal Government Securities</b>				
- Pakistan Investment Bonds	2,926,410,213	-	(25,322,781)	2,901,087,432
- Market Treasury Bills	954,585,428	-	2,228,157	956,813,585
- GOP Ijarah Sukuks	30,424,484	-	(330,520)	30,093,964
- Foreign Currency Debt securities	40,907,401	-	(10,174,093)	30,733,308
<b>Ordinary Shares</b>				
- Listed Companies	51,691,556	(11,638,688)	22,284,263	62,337,131
- Unlisted Companies	2,107,198	(448,951)	-	1,658,247
<b>Preference shares</b>				
- Listed	1,448,472	(566,446)	161,771	1,043,797
- Unlisted	558,284	(558,284)	-	-
<b>Non-Government debt securities</b>				
- Term Finance Certificates and Sukuk Bonds	53,137,456	(5,857,566)	355,100	47,634,990
<b>Mutual Fund units</b>				
	2,219,646	(41,167)	1,726,825	3,905,304
<b>Foreign Securities</b>				
- Equity Securities - Listed	463,294	-	42,171,551	42,634,845
- Government debt securities	3,385,022	-	8,528	3,393,550
	4,067,338,454	(19,111,102)	33,108,801	4,081,336,153
<b>Held-to-maturity securities</b>				
<b>Federal Government Securities</b>				
- Pakistan Investment Bonds	213,116,482	-	-	213,116,482
- Ijarah Sukuks	14,087,500	-	-	14,087,500
- Foreign Currency Debt securities	4,288,988	-	-	4,288,988
<b>Non-Government debt securities</b>				
Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuk Bonds	404,585	(404,585)	-	-
<b>Foreign Securities</b>				
- Government debt securities	41,295,981	-	-	41,295,981
- Non-Government debt securities	1,083	-	-	1,083
	273,194,619	(404,585)	-	272,790,034
<b>Associates</b>				
	4,926,048	(2,755,128)	-	2,170,920
<b>Joint Venture</b>				
	2,362,433	-	-	2,362,433
<b>Subsidiaries</b>				
	2,952,967	(1,338,112)	-	1,614,855
<b>Total investments</b>				
	4,393,899,108	(23,608,927)	33,073,862	4,403,364,043

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

Note

9.1.1 Investments given as collateral

Pakistan Investment Bonds  
Market Treasury Bills

2,063,700,155 2,047,337,847  
23,456,640 17,134,259  
2,107,156,795 2,064,472,106

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	Based on the financial statements as at	Assets	Liabilities	Revenue	Profit / (loss) after taxation	Total comprehensive income / (loss)
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9.1.2 Associates (Rupees in '000)

Listed

First Credit and Investment Bank Limited	March 31, 2024	2,532,990	1,758,500	123,596	8,788	10,019
National Fibres Limited *	N/A	-	-	-	-	-
Land Mark Spinning Mills Limited	June 30, 2023	131,498	254,116	-	(12,327)	(12,327)
SG Allied Businesses Limited	June 30, 2022	1,233,803	552,420	14,247	(10,794)	(9,407)
Nina Industries Limited	N/A	-	-	-	-	-
AgriTech Limited	March 31, 2024	86,818,899	73,912,759	9,240,650	(166,804)	(166,804)
NBP Stock Fund	March 31, 2024	16,789,601	225,813	1,025,827	835,642	835,642

Unlisted

Pakistan Emerging Venture Limited	June 30, 2022	478	404	56	(385)	(385)
National Fructose Company Limited	N/A	-	-	-	-	-
Venture Capital Fund Management *	N/A	-	-	-	-	-
Kamal Enterprises Limited *	N/A	-	-	-	-	-
Mehran Industries Limited *	N/A	-	-	-	-	-
Tharparkar Sugar Mills Limited *	N/A	-	-	-	-	-
Youth Investment Promotion Society *	N/A	-	-	-	-	-
Dadabhoj Energy Supply Company Limited	N/A	-	-	-	-	-
K-Agricole Limited *	N/A	-	-	-	-	-
New Pak Limited *	N/A	-	-	-	-	-
Pakistan Mercantile Exchange Limited	March 31, 2024	6,183,227	5,675,290	244,832	74,807	74,807
Prudential Fund Management Limited *	N/A	-	-	-	-	-

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

9.1.3 Joint Venture

United National Bank Limited

6,133,623 1,148,072 (1,110,841)

Subsidiaries

CJSC Subsidiary Bank of NBP in Kazakhstan	December 31, 2022	219,715,668	199,381,061	6,133,623	1,148,072	(1,110,841)
NBP Exchange Company Limited	March 31, 2024	3,050,502	1,706	93,866	31,694	31,694
NBP Modaraba Management Company Limited	March 31, 2024	2,327,842	199,754	111,182	(65,274)	25,654
Taurus Securities Limited	March 31, 2024	134,337	109,988	6,261	2,440	3,753
Cast-N-Link Products Limited	March 31, 2024	722,332	420,423	47,748	(506)	3,810
NBP Fund Management Limited	N/A	-	-	-	-	-
N/A - Not available	March 31, 2024	3,647,193	1,752,947	734,492	238,124	231,198

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

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

## 9.2 Credit Allowance for diminution in value of investments

9.2.1	Opening balance	23,608,927	23,150,140
	Impact of reclassification on adoption of IFRS 9	(13,672,429)	-
	Impact of ECL recognised on adoption of IFRS 9	1,040,941	-
		<b>10,977,439</b>	23,150,140
	Charge for the period	142,992	2,157,756
	Reversals for the period	(1,420,696)	(1,319,964)
	Reversal on disposals	-	(379,005)
		<b>(1,277,704)</b>	458,787
	Derecognition of ECL on disposal	-	-
	Transfers - net	-	-
	Others movement	-	-
	Amounts written off	-	-
	Closing balance	<b>9,699,734</b>	<b>23,608,927</b>

### 9.2.2 Particulars of credit loss allowance against debt securities

Category of classification		March 31, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
----- (Rupees in '000) -----					
<b>Domestic</b>					
Performing	Stage 1	6,410,031	290	-	-
Underperforming	Stage 2	2,855,286	1,098,643	-	-
Non-Performing	Stage 3				
Substandard		340,000	85,000	-	-
Doubtful		-	-	-	-
Loss		5,842,714	5,842,714	6,262,151	6,262,151
		<b>15,448,031</b>	<b>7,026,647</b>	<b>6,262,151</b>	<b>6,262,151</b>
<b>Overseas</b>					
Performing	Stage 1	-	-	-	-
Underperforming	Stage 2	-	-	-	-
Non-Performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
<b>Total</b>		<b>15,448,031</b>	<b>7,026,647</b>	<b>6,262,151</b>	<b>6,262,151</b>

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

## 10. ADVANCES

	Performing		Non performing		Total	
	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	------(Rupees in '000)-----					
Loans, cash credits, running finances, etc.	1,172,169,756	1,325,183,535	208,326,697	205,630,719	1,380,496,453	1,530,814,254
Islamic financing and related assets	61,096,090	73,125,444	1,065,455	1,550,351	62,161,545	74,675,795
Net Investment in finance lease	15,232	16,207	-	-	15,232	16,207
Bills discounted and purchased	19,834,487	12,534,791	13,610,558	13,644,646	33,445,045	26,179,437
Advances - gross	1,253,115,565	1,410,859,977	223,002,710	220,825,716	1,476,118,275	1,631,685,693
Credit loss allowance against advances						
-Stage 1	19,141,408	-	-	-	19,141,408	-
-Stage 2	27,974,357	-	-	-	27,974,357	-
-Stage 3	-	-	203,368,462	-	203,368,462	-
- Specific	-	-	-	203,570,752	-	203,570,752
- General	56,493	30,038,121	-	-	56,493	30,038,121
	47,172,258	30,038,121	203,368,462	203,570,752	250,540,720	233,608,873
Advances - net of provision	1,205,943,308	1,380,821,856	19,634,248	17,254,964	1,225,577,555	1,398,076,820

### 10.1 Net investment in finance lease

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

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

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

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

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

**10.4 Particulars of credit loss allowance against advances**

	March 31, 2024 (Un-audited)						December 31, 2023 (Audited)		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
Note ------(Rupees in '000)-----									
Opening balance	-	-	-	203,570,752	30,038,121	233,608,873	190,710,861	17,348,539	208,059,400
Impact of adoption of IFRS-9	22,478,907	25,009,935	203,570,752	(203,570,752)	(29,767,923)	17,720,919	-	-	-
<b>Opening balance - restated</b>	22,478,907	25,009,935	203,570,752	-	270,198	251,329,792	190,710,861	17,348,539	208,059,400
Exchange adjustments	-	-	(998,505)	-	(3,783)	(1,002,288)	12,156,348	153,606	12,309,954
Charge for the period / year	-	3,726,581	1,138,188	-	-	4,864,769	8,127,265	14,854,298	22,981,563
Reversals	(3,462,384)	-	(974,416)	-	(85,037)	(4,521,837)	(8,063,994)	(1,530,934)	(9,594,928)
	(3,462,384)	3,726,581	163,772	-	(85,037)	342,932	63,271	13,323,364	13,386,635
Amounts written off	-	-	(58,887)	-	-	(58,887)	(102,509)	-	(102,509)
Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(70,832)	(44,607)	-	(44,607)
Transfer in / (out)	124,885	(762,159)	762,159	-	(124,885)	-	787,388	(787,388)	-
<b>Closing balance</b>	<b>19,141,408</b>	<b>27,974,357</b>	<b>203,368,462</b>	-	<b>56,493</b>	<b>250,540,720</b>	203,570,752	30,038,121	233,608,873

## 10.5 Advances - Particulars of credit loss allowance

		March 31, 2024 (Un-audited)					December 31, 2023 (Audited)			
		Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
------(Rupees in '000)-----										
10.5.1	Opening balance	-	-	-	203,570,752	30,038,121	233,608,873	190,710,861	17,348,539	208,059,400
	IFRS 9 implementation	22,478,907	25,009,935	203,570,752	(203,570,752)	(29,767,923)	17,720,919	-	-	-
		22,478,907	25,009,935	203,570,752	-	270,198	251,329,792	190,710,861	17,348,539	208,059,400
	Exchange Adjustment	-	-	(998,505)	-	(3,783)	(1,002,288)	12,156,348	153,606	12,309,954
	Charge for the period	-	3,726,581	1,138,188	-	-	4,864,769	8,127,265	14,854,298	22,981,563
	Advances derecognised or repaid	(3,462,384)	-	(974,416)	-	(85,037)	(4,521,837)	(8,063,994)	(1,530,934)	(9,594,928)
	Transfer to stage 1	124,885	-	-	-	(124,885)	-	-	-	-
	Transfer to stage 2	-	-	-	-	-	-	-	-	-
	Transfer to stage 3	-	(762,159)	762,159	-	-	-	-	-	-
	Transfer from general to specific	-	-	-	-	-	-	787,388	(787,388)	-
		(3,337,499)	2,964,422	(72,574)	-	(213,705)	(659,356)	13,007,007	12,689,582	25,696,589
	Amounts written off	-	-	(58,887)	-	-	(58,887)	(102,509)	-	(102,509)
	Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(70,832)	(44,607)	-	(44,607)
	Changes in risk parameters	-	-	-	-	-	-	-	-	-
	Closing balance	19,141,408	27,974,357	203,368,462	-	56,493	250,540,720	203,570,752	30,038,121	233,608,873

## 10.5.2 Advances - Category of classification

### Domestic

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



<b>Overseas</b>		<b>Outstanding amount</b>	<b>Credit loss allowance Held</b>	<b>Net of Advances</b>
------(Rupees in '000)-----				
Performing	Stage 1	24,550,050	124,885	24,550,050
Underperforming	Stage 2	40,197,849	1,198,430	38,999,419
IFRS 9 not applicable		1,212,919	56,493	1,031,541
Non-Performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		392,575	196,288	196,288
Loss		63,373,525	61,398,290	1,975,235
		<b>63,766,100</b>	<b>61,594,578</b>	<b>2,171,523</b>
Sub Total		<b>129,726,918</b>	<b>62,974,385</b>	<b>66,752,533</b>
Total		<b>1,476,118,275</b>	<b>250,540,720</b>	<b>1,225,577,555</b>

**10.5.3** General provision includes provision amounting to Rs.56 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates where IFRS 9 has not been implemented.

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

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

<b>11. FIXED ASSETS</b>	<b>Note</b>	<b>(Un-audited) March 31, 2024</b>	<b>(Audited) December 31, 2023</b>
------(Rupees in '000)-----			
Capital work-in-progress	11.1	1,496,458	1,623,424
Property and equipment		55,447,613	55,350,993
		<b>56,944,071</b>	<b>56,974,417</b>
<b>11.1 Capital work-in-progress</b>			
Civil works		1,426,998	1,553,964
Equipment		10,727	10,727
Advances to suppliers and contractors		58,733	58,733
		<b>1,496,458</b>	<b>1,623,424</b>
<b>11.2 Additions to fixed assets</b>		<b>(Un-audited) March 31, 2024</b>	<b>(Un-audited) March 31, 2023</b>
------(Rupees in '000)-----			
The following additions have been made to fixed assets during the period:			
<b>Capital work-in-progress</b>		<b>162,211</b>	<b>132,951</b>
<b>Property and equipment</b>			
Building on freehold land		217,481	11,113
Building on leasehold land		11,674	16,050
Furniture and fixtures		228,476	86,810
Computer and peripheral equipment		53,277	51,010
Electrical, office equipment		108,832	122,407
Vehicles		93,794	174,126
		<b>713,534</b>	<b>461,516</b>
		<b>875,745</b>	<b>594,467</b>

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
------(Rupees in '000)-----		
<b>11.3 Disposal of fixed assets</b>		
The net book value of fixed assets disposed off during the period is as follows:		
Furniture and fixture	-	-
Computer and peripheral equipment	-	-
Electrical, office equipment	-	-
Vehicles	673	2,944
	<u>673</u>	<u>2,944</u>

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

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

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

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

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

**14. DEFERRED TAX ASSETS / (DEFERRED TAX LIABILITIES)**

**Deductible temporary differences on**

- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,168,041	6,862,010
- Credit loss allowance for diminution in the value of investments	236,751	236,751
- Credit loss allowance against loans and advances	10,157,544	10,143,512
- Credit loss allowance against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,678,093	1,661,181
- Other Credit loss allowance	105,416	105,416
- Right of use assets	694,842	651,852
- Impact of adoption of IFRS 9	3,500,342	-
	<b>23,666,956</b>	<b>19,786,649</b>

**Taxable temporary differences on**

- Surplus on revaluation of fixed assets	(3,281,294)	(3,322,829)
- Exchange translation reserve	(853,843)	(853,843)
- Surplus on revaluation of investments	(12,626,159)	(16,223,312)
- Surplus on revaluation of non-banking assets	(106,848)	(106,848)
	<b>(16,868,144)</b>	<b>(20,506,832)</b>
	<b>6,798,814</b>	<b>(720,183)</b>

**15. OTHER ASSETS**

Income / return / mark-up accrued in local currency	168,284,380	185,622,776
Income / return / mark-up accrued in foreign currency	5,095,630	4,442,554
Advances, deposits, advance rent and other prepayments	3,378,016	2,848,659
Income tax refunds receivable & Advance taxation (payments less provisions)	-	920,050
Compensation for delayed tax refunds	22,129,925	22,129,925
Non-banking assets acquired in satisfaction of claims	1,165,419	1,169,898
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Commission receivable on Government treasury transactions	7,240,671	5,182,665
Stationery and stamps on hand	503,832	472,575
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Receivable against sale of shares	771,139	31,276
Acceptances	10,631,696	8,100,364
Receivable from SBP	-	24,698,013
Others	8,196,139	9,027,170
	<b>228,542,675</b>	<b>265,791,753</b>
Less: Provision allowance held against other assets	15.1 12,658,334	12,495,413
Less: Credit loss allowance held against markup receivable	15.2 1,511,051	-
Other assets (net of provision)	<b>214,373,289</b>	<b>253,296,340</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,803,228	2,803,228
<b>Other assets - total</b>	<b>217,176,517</b>	<b>256,099,568</b>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	------(Rupees in '000)-----	
<b>15.1 Provision held against other assets</b>		
Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,559,888	4,377,337
Ex-MBL / NDFC - other assets	760,941	760,941
Assets acquired from Corporate and Industrial Restructuring Corporation asset (CIRC)	208,423	208,423
Others	5,142,528	5,162,158
	<u>12,658,334</u>	<u>12,495,413</u>
<b>15.1.1 Movement in Provision held against other assets</b>		
Opening balance	12,495,413	12,244,043
Charge for the period / year	(15,015)	239,045
Adjustment against provision	-	57,519
Other Movement	177,936	(45,194)
Closing balance	<u>12,658,334</u>	<u>12,495,413</u>
<b>15.2 Credit loss allowance held against makrup receivable</b>		
Opening balance	-	-
Impact of ECL recongition on adoption of IFRS-9	1,376,467	-
Charge for the period	134,584	-
Closing balance	<u>1,511,051</u>	<u>-</u>
<b>16. BILLS PAYABLE</b>		
In Pakistan	11,647,901	67,822,126
Outside Pakistan	234,036	178,322
	<u>11,881,937</u>	<u>68,000,448</u>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	30,014,932	29,815,400
Financing Scheme for Renewable Energy	1,390,807	1,289,488
Refinance Facility for Modernization of SMEs	91,162	95,111
Financing Facility for Storage of Agriculture Produce (FFSAP)	544,046	599,548
Under Long-Term Financing Facility (LTFF)	16,259,471	17,197,820
Temporary Economic Refinance Facility	22,053,152	22,827,889
Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	60,249	29,220
Export Refinance scheme for Bill Discounting	1,896,850	2,606,143
Refinance Facility for Combating Covid-19	40,150	45,352
	<u>72,350,819</u>	<u>74,505,971</u>
Repurchase agreement borrowings	2,107,156,795	2,064,472,106
Bai Muajjal	-	-
	<u>2,179,507,614</u>	<u>2,138,978,077</u>
<b>Unsecured</b>		
Call borrowings	19,861,821	19,434,142
Overdrawn nostro accounts	571,868	19,330,975
Bai Muajjal	-	-
	<u>20,433,689</u>	<u>38,765,117</u>
	<u>2,199,941,303</u>	<u>2,177,743,194</u>

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

**17.1 Particulars of borrowings with respect to currencies**

In local currency	<b>2,180,359,482</b>	2,140,248,077
In foreign currencies	<b>19,581,821</b>	37,495,117
	<b><u>2,199,941,303</u></b>	<b><u>2,177,743,194</u></b>

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

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

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

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

**18. DEPOSITS AND OTHER ACCOUNTS**

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

**Customers**

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

**Financial Institutions**

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

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

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

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

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

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

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

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

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
<b>22.2.3 Commitments in respect of forward lending</b>	------(Rupees in '000)-----	
Undrawn formal standby facilities, credit lines and other commitment to lending	<b>50,702,983</b>	44,432,555

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

#### 22.2.4 Other commitments

Professional services to be received	<b>20,597</b>	20,596
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#### 22.3 Other contingent liabilities

<b>22.3.1</b> Claims against the Bank not acknowledged as debt	<b>26,070,987</b>	26,628,229
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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, 2023: Rs. 1,597 million).

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

#### 22.3.2 Taxation

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



### 22.3.3 Contingencies in respect of employees benefits and related matters

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

#### 22.3.3.1 Pensionary benefits to retired employees

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

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

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

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

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

### 23. MARK-UP / RETURN / INTEREST EARNED

On:

Loans and advances	<b>56,375,559</b>	43,477,490
Investments	<b>215,272,819</b>	146,206,491
Lendings to financial institutions	<b>2,478,244</b>	2,492,382
Balances with banks	<b>856,140</b>	215,404
	<b>274,982,762</b>	192,391,767

### 24. MARK-UP / RETURN / INTEREST EXPENSED

On:

Deposits	<b>115,483,222</b>	69,738,609
Borrowings	<b>1,891,891</b>	1,153,608
Cost of foreign currency swaps against foreign currency deposits	<b>3,667,439</b>	1,218,975
Finance Charges lease liability against right of use assets	<b>225,190</b>	311,622
Securities sold under repurchase agreements	<b>124,734,681</b>	87,445,959
	<b>246,002,423</b>	159,868,773

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

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

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		------(Rupees in '000)-----	
<b>30.</b>	<b>CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>	<b>Note</b>	
	Credit loss allowance for diminution in value of investments	9.2	(1,277,705)
	Credit loss allowance against loans and advances	10.4	342,932
	Credit loss allowance against other assets	15.1.1	(15,015)
	Credit loss allowance against contingencies	20.1	19,351
	Credit loss allowance against markup receivable		134,584
	Credit loss allowance against off balance Sheet		130,722
			<u>665,131</u>
			<u>724,459</u>
			<u>(68,431)</u>
			<u>9,895</u>
			<u>18,436</u>
			<u>-</u>
			<u>-</u>
			<u>684,359</u>

<b>31.</b>	<b>TAXATION</b>		
	Current		
	For the year	<u>10,551,803</u>	<u>7,934,271</u>
	Prior years	<u>-</u>	<u>-</u>
		<u>10,551,803</u>	<u>7,934,271</u>
	Deferred		
	For the year	<u>(115,469)</u>	<u>(446,280)</u>
	Prior years	<u>-</u>	<u>-</u>
		<u>(115,469)</u>	<u>(446,280)</u>
		<u>10,436,334</u>	<u>7,487,991</u>

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

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

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

**34. FAIR VALUE MEASUREMENTS**

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

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

### 34.1 Fair value of financial assets

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

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

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

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

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

	March 31, 2024 (Un-audited)				Total
	Carrying value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	862,424,218	-	862,424,218	-	862,424,218
- Pakistan Investment Bonds	2,835,677,056	-	2,835,677,056	-	2,835,677,056
- GOP Ijarah Sukuks	49,161,655	-	49,161,655	-	49,161,655
- Foreign Currency Debt securities	36,044,116	-	36,044,116	-	36,044,116
<b>Ordinary Shares</b>					
- Listed Companies	63,670,878	63,670,878	-	-	63,670,878
<b>Preference shares</b>					
- Listed	1,034,666	1,034,666	-	-	1,034,666
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	46,074,986	14,144,159	31,930,827	-	46,074,986
<b>Mutual Fund units</b>					
	6,208,820	-	6,208,820	-	6,208,820
<b>Foreign Securities</b>					
- Government debt securities	3,322,588	-	3,322,588	-	3,322,588
- Equity Securities - Listed	44,420,784	44,420,784	-	-	44,420,784
	3,949,698,004	123,270,487	3,824,769,270	-	3,948,039,757
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Pakistan Investment Bonds	319,839,934	-	187,288,650	-	187,288,650
- GOP Ijarah Sukuks	14,080,289	-	11,805,827	-	11,805,827
- Foreign Currency Debt securities	4,393,435	-	4,393,434	-	4,393,434
<b>Foreign Securities</b>					
- Government debt securities	40,750,764	-	43,559,260	-	43,559,260
- Non-Government debt securities	1,065	-	1,065	-	1,065
	379,065,487	-	247,048,236	-	247,048,236
	4,328,763,491	123,270,487	4,071,817,506	-	4,195,087,993
<b>Off-balance sheet financial instruments - measured at fair value</b>					
<b>Commitments</b>					
Foreign exchange contracts purchase and sale	851,887,859	-	2,481,578	-	2,481,578
Forward government securities transactions	27,118,665	-	(215,199)	-	(215,199)

December 31, 2023 (Audited)					
Carrying value	Level 1	Level 2	Level 3	Total	
------(Rupees in '000)-----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- GOP Ijarah Sukuks	35,128,974	-	35,128,974	-	35,128,974
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
<b>Ordinary Shares</b>					
- Listed Companies	62,415,235	62,415,235	-	-	62,415,235
<b>Preference shares</b>					
- Listed	1,043,797	1,043,797	-	-	1,043,797
<b>Mutual Fund units</b>					
	3,905,304	-	3,905,304	-	3,905,304
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	47,634,990	14,437,490	33,197,500	-	47,634,990
<b>Foreign Securities</b>					
- Government debt securities	3,393,550	-	3,393,550	-	3,393,550
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	4,122,767,553	120,531,367	4,002,236,187	-	4,122,767,553
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	-	-	-	-	-
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- GOP Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611
<b>Foreign Securities</b>					
- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,790,034	-	251,841,767	-	251,841,767
	4,395,557,587	120,531,367	4,254,077,954	-	4,374,609,321
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Foreign exchange contracts purchase	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

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

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

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

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

## SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Three months ended March 31, 2024 (Un-audited)						
	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	Head Office / Others	Total
<b>Profit and loss account</b>						
Net mark-up / return / interest income / (expense)	(90,200,934)	9,243,938	251,229	105,644,993	984,336	28,980,340
Inter segment revenue - net	123,260,264	(10,704,447)	1,576,071	(120,246,452)	6,114,565	-
Non mark-up / return / interest income	4,183,351	126,492	1,558,709	7,249,888	155,168	13,488,062
Total income	37,242,681	(1,334,018)	3,386,009	(7,351,571)	3,271,231	42,468,402
Segment direct expenses	9,921,106	103,111	309,598	90,929	2,322,734	13,656,978
Inter segment expense allocation	-	-	-	-	-	-
Total expenses	9,921,106	103,111	309,598	90,929	2,322,734	13,656,978
Credit loss allowance	51,861	579,507	550,665	-	(121,579)	(1,725,586)
Profit / (loss) before taxation	27,269,715	(2,016,636)	2,525,746	(7,442,500)	(247,531)	21,158,869

(Rupees in '000)

As at March 31, 2024 (Un-audited)						
	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	Head Office / Others	Total
<b>Statement of financial position</b>						
Cash and balances with treasury and other banks	95,877,840	5,990,189	260,724	231,419,359	93,388,984	436,706,721
Investments	0	-	29,536,237	4,154,994,743	84,512,188	4,336,331,841
Net inter segment lending	2,484,375,335	-	-	-	339,660,350	2,824,035,685
Lendings to financial institutions	-	-	-	58,022,466	-	58,022,466
Advances - performing	231,113,791	158,401,636	687,658,261	-	65,960,818	1,253,115,565
Advances - non-performing	5,135,970	27,205,583	24,344,915	-	63,766,100	102,550,142
Credit allowance against Advances	(12,386,909)	(30,731,848)	(41,882,813)	-	(62,726,043)	(102,813,107)
Advances - Net	223,862,851	154,875,371	670,120,363	-	67,000,875	1,225,577,555
Others	44,647,739	2,803,745	37,735,073	104,209,891	91,344,426	289,086,689
<b>Total assets</b>	2,848,763,765	163,669,305	737,652,397	4,548,646,459	253,247,863	9,169,760,957
Borrowings	-	4,359,614	67,991,206	2,108,008,662	19,581,821	2,199,941,303
Deposits and other accounts	2,734,541,736	-	461,746,902	-	116,245,522	3,424,269,357
Net inter segment borrowing	-	152,166,650	178,726,600	2,348,684,206	22,065,976	2,824,035,685
Others	114,218,085	7,143,041	29,136,456	40,922,927	4,263,437	336,548,794
<b>Total liabilities</b>	2,848,759,821	163,669,305	737,601,163	4,497,615,795	257,972,708	9,169,759,454
Equity	3,944	-	51,234	51,030,663	(4,724,846)	384,965,818
<b>Total equity and liabilities</b>	2,848,763,765	163,669,305	737,652,397	4,548,646,459	253,247,862	9,169,760,957
<b>Contingencies and commitments</b>	-	78,678,795	2,006,166,719	929,709,507	21,064,750	3,063,310,099

(Rupees in '000)



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

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

(Rupees in '000)

**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  
 Provision and writeoff - net  
 Profit / (loss) before taxation

As at December 31, 2023 (Audited)

	Retail Banking Group	Inclusive Development Group	Corporate & Investment Banking	Treasury	International, Financial Institution and Remittance	Head Office / Others	Sub total	Eliminations	Total
25,780,334	2,327,011	309,620	253,026,662	45,582,613	10,291,381	337,317,621	-	337,317,621	
2,848,709,058	-	29,881,757	4,238,437,789	79,712,923	55,331,574	4,403,364,043	-	4,403,364,043	
-	-	-	-	-	305,771,087	3,154,480,145	-	(3,154,480,145)	
236,148,640	263,088,116	719,724,952	192,430,437	69,139,462	122,758,807	1,410,859,977	-	1,410,859,977	
4,151,922	24,855,686	25,215,003	-	84,791,844	101,811,261	220,825,716	-	220,825,716	
(8,543,697)	(21,077,228)	(34,670,159)	-	(62,606,767)	(106,711,022)	(233,608,873)	-	(233,608,873)	
231,756,865	266,866,574	710,269,796	-	71,324,539	117,859,046	1,388,076,820	-	1,388,076,820	
45,196,987	4,100,249	37,794,142	117,135,121	8,304,683	108,987,335	321,518,517	-	321,518,517	
3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	598,240,423	9,807,187,563	(3,154,480,145)	6,652,707,438	
-	5,171,334	69,334,637	2,085,073,081	18,164,142	-	2,177,743,194	-	2,177,743,194	
2,949,740,794	-	510,139,226	-	99,315,779	115,163,580	3,674,359,379	-	3,674,359,379	
-	249,921,195	169,394,086	2,620,973,252	90,971,376	23,220,236	3,154,480,145	(3,154,480,145)	-	
201,702,450	18,201,305	29,358,657	51,337,805	6,639,026	110,610,029	417,849,272	-	417,849,272	
3,151,443,244	273,293,834	778,226,606	4,757,384,138	215,030,323	248,993,845	9,424,431,990	(3,154,480,145)	6,269,951,845	
-	-	28,709	43,645,871	(10,165,565)	349,246,578	382,755,593	-	382,755,593	
3,151,443,244	273,293,834	778,255,315	4,801,030,009	204,924,758	598,240,423	9,807,187,563	(3,154,480,145)	6,652,707,438	

(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  
 Provisions  
 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**

**RELATED PARTY TRANSACTIONS**

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

The 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 March 31, 2024 (In Rupees)										As at December 31, 2023 (Audited)									
	Directors	Key management personnel	Subsidiaries	Associates	Joint ventures	Pension Fund (Current)	Pension Fund (N.I.D.A. Ac)	Provident Fund	Other related parties	Directors	Key management personnel	Subsidiaries	Associates	Joint ventures	Pension Fund (Current)	Pension Fund (N.I.D.A. Ac)	Provident Fund	Other related parties		
<b>Balances with other banks</b>																				
In current accounts	-	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-		
	-	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-		
<b>Investments</b>																				
Opening balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	6,512,694		
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,382,353		
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,021)		
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,150,538)		
Closing balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	7,283,610		
<b>Credit loss allowance for diminution in value of investments</b>																				
	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	164,975		
<b>Advances</b>																				
Opening balance	-	265,788	317,063	2,540,453	-	-	-	-	-	-	339,734	227,063	2,665,220	-	-	-	-	2,087,795		
Addition during the period / year	-	(13,062)	(85,000)	(19,883)	-	-	-	-	-	-	24,777	764,000	(124,767)	-	-	-	-	(520,640)		
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	(40,506)	(1,150,538)	-	-	-	-	-	(1,565,148)		
Closing balance	-	252,726	232,063	2,520,570	-	-	-	-	-	-	263,788	917,063	2,540,453	-	-	-	-	(1,565,148)		
Credit loss allowance held against advances	-	-	-	-	-	-	-	-	-	-	217,063	2,540,453	-	-	-	-	-	-		
<b>Other Assets</b>																				
Interest / mark-up accrued	-	-	145,248	1,313,344	-	-	-	-	-	-	135,050	1,313,344	-	-	-	-	-	-		
Commission paid in Advance	-	-	-	-	27,206	-	-	-	-	-	-	-	-	35,846	-	-	-	-		
Rent receivable	-	-	73,280	-	-	-	-	-	73,280	-	-	-	-	-	-	-	-	-		
	-	-	218,528	1,313,344	27,206	-	-	-	73,280	-	-	208,330	1,313,344	35,846	-	-	-	-		
	-	-	73,280	-	-	-	-	-	-	-	73,280	-	-	-	-	-	-	-		
<b>Credit loss allowance against other assets</b>																				
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Borrowings</b>																				
Opening balance	-	-	-	-	546,209	-	-	-	-	-	-	-	-	52,245	-	-	-	-		
Borrowings during the period / year	-	-	-	-	55,044	-	-	-	-	-	-	-	-	483,994	-	-	-	-		
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Closing balance	-	-	-	-	601,253	-	-	-	-	-	-	-	-	546,209	-	-	-	-		
<b>Deposits and other accounts</b>																				
Opening balance	3,630	72,801	1,249,465	145,790	371	100	378,978	13,653,087	9,245,132	11,739	98,488	911,103	8,000	62,272	257,252	13,263,170	5,515,959			
Addition during the period / year	1,206	2,408	1,191,785	33,821	371	98,415	266,986	13,425,992	7,694,925	(8,103)	696,124	(177,231)	(3,000)	(62,778,472)	(3,791,343)	(5,068,628)	(13,818,327)			
Withdrawal during the period / year	(5,839)	(198,524)	(92,327)	(111,969)	-	(13,573,282)	(1,587,054)	(1,865,106)	(372,857,094)	(8,103)	(20,678)	(1,172,311)	(3,000)	(1,150)	(8,665,343)	(5,068,628)	(13,818,327)			
Transfer in / (out) - net	-	2,408	-	-	-	-	-	-	(64,494)	-	(20,678)	(1,172,311)	(3,000)	(1,150)	(8,665,343)	(5,068,628)	(13,818,327)	(13,818,327)		
Closing balance	1,206	80,232	1,191,785	33,821	371	98,415	266,986	13,425,992	7,694,925	3,630	72,801	1,249,465	145,790	371	100	378,978	13,563,087	9,245,132		
<b>Other Liabilities</b>																				
Interest / mark-up payable	-	-	63,680	955	-	-	-	-	-	-	86,088	5,892	-	-	-	-	-	-		
Other liabilities	-	-	1,603	-	-	-	-	-	-	-	5,067	-	-	-	-	-	-	-		
Other payables to subsidiaries	-	-	65,283	955	-	-	-	-	-	-	91,155	5,892	-	-	-	-	-	-		
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Contingencies and commitments</b>																				
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

\* Transfer in / (out) - net due to retirement / changes in key management executives.

	For the three months ended March 31, 2024 (Un-audited)					For the three months ended March 31, 2023 (Un-audited)										
	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Pension Fund	Provident Fund	Others
<b>Income</b>																
Mark-up / return / interest earned	-	-	697	-	-	-	-	99,426	-	-	12	-	2,637	-	-	107,209
Dividend income	-	-	-	-	-	-	-	29,700	-	-	-	-	-	-	-	-
Rent income / lighting and power and bank charges	-	-	4,641	1,816	-	-	-	5,257	-	-	4,305	1,361	-	-	-	-
<b>Expense</b>																
Mark-up / return / interest paid	407	3,723	64,098	50,307	7,564	38,382	506,887	271,220	-	4,572	12,110	98	7,739	13,883	-	14,116
Expenses paid to company in which Directors of the bank is interested as CEO and director	-	-	-	-	-	-	-	484,697	-	-	-	-	-	-	-	8,061
Remuneration to key management executives including charge for defined benefit plan	-	165,131	-	-	-	-	-	-	-	264,049	-	-	-	-	-	-
Donation paid to company in which Directors of the bank is interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid to subsidiaries	-	-	4,040	-	-	-	-	-	-	-	1,748	-	-	-	-	-
Directors fee & other allowances	25,064	-	-	-	-	-	-	-	11,023	-	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum Ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transactions with Government-related entities</b>																
The entities which are owned and/ or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Bank.																
The Bank in the ordinary course of business enters into transaction with Government-related entities. Such transactions include lending to, deposits from and provision of other banking services to Government-related entities.																
The Bank also earned commission on handling treasury transactions on behalf of the Government of Pakistan amounting to Rs. 2,031 million (March 31, 2023: Rs. 2,053 million) for the three months ended March 31, 2024. As at the Statement of Financial Position date the loans and advances, deposits and contingencies relating to Government-related entities amounted to Rs.486,001 million (December 31, 2023: Rs. 602,707 million), Rs.1,473,240 million (December 31, 2023: Rs. 1,622,331 million) and Rs. 1,811,459 million (December 31, 2023: Rs.1,780,517 million) respectively and income earned on advances and profit paid on deposits amounted to Rs. 19,429 million (March 31, 2023: Rs. 40,225 million) and Rs.46,010 million (March 31, 2023: Rs. 35,433 million) respectively.																

(Rupees in '000)

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

### 37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

#### Minimum Capital Requirement

Paid-up capital (net of losses)	<b>21,275,131</b>	21,275,131
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#### Capital Adequacy Ratio

Eligible Common Equity Tier 1 (CET 1) Capital	<b>300,826,857</b>	283,307,166
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<b>300,826,857</b>	283,307,166
Eligible Tier 2 Capital	<b>98,331,119</b>	93,397,166
Total Eligible Capital (Tier 1 + Tier 2)	<b>399,157,975</b>	376,704,332

#### Risk Weighted Assets (RWAs):

Credit Risk	<b>1,158,943,479</b>	1,053,109,530
Market Risk	<b>157,410,032</b>	121,288,939
Operational Risk	<b>304,450,738</b>	304,450,738
Total	<b>1,620,804,249</b>	1,478,849,206

Common Equity Tier 1 Capital Adequacy ratio	<b>18.56%</b>	19.16%
Tier 1 Capital Adequacy Ratio	<b>18.56%</b>	19.16%
Total Capital Adequacy Ratio	<b>24.63%</b>	25.47%

#### Leverage Ratio (LR):

Eligible Tier-1 Capital	<b>300,826,857</b>	283,307,166
Total Exposures	<b>8,607,987,236</b>	9,074,435,344
Leverage Ratio	<b>3.49%</b>	3.12%

#### Liquidity Coverage Ratio (LCR):

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

#### Net Stable Funding Ratio (NSFR):

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

### 38. ISLAMIC BANKING BUSINESS

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

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

	<b>(Un-audited)</b> <b>March 31,</b> <b>2024</b>	<b>(Audited)</b> <b>December 31,</b> <b>2023</b>
<b>Note</b>	------(Rupees in '000)-----	
<b>ASSETS</b>		
Cash and balances with treasury banks	<b>9,728,516</b>	10,248,305
Balances with other banks	<b>41,109</b>	43,076
Investments	<b>38.1 62,081,670</b>	51,544,718
Islamic financing and related assets - net	<b>38.2 60,253,366</b>	73,125,189
Fixed assets	<b>71,851</b>	70,902
Right of use assets	<b>671,678</b>	640,166
Other assets	<b>6,219,070</b>	4,488,184
<b>Total Assets</b>	<b>139,067,260</b>	140,160,540
<b>LIABILITIES</b>		
Bills payable	<b>268,534</b>	477,959
Deposits and other accounts	<b>38.4 112,934,865</b>	113,801,806
Due to head office	<b>13,975,497</b>	12,960,028
Lease liability against right of use assets	<b>852,014</b>	811,291
Other liabilities	<b>2,199,748</b>	2,249,195
	<b>130,230,658</b>	130,300,279
<b>NET ASSETS</b>	<b>8,836,602</b>	9,860,261
<b>REPRESENTED BY</b>		
Islamic Banking Fund	<b>8,531,000</b>	6,731,000
Surplus on revaluation of assets	<b>(429,533)</b>	(400,216)
Unappropriated / unremitted profit	<b>38.5 735,135</b>	3,529,477
	<b>8,836,602</b>	9,860,261
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>38.6</b>	

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

	Note	(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
------(Rupees in '000)-----			
Profit / return earned	38.7	5,665,996	3,813,044
Profit / return expensed	38.8	3,750,712	2,580,916
Net profit / return		1,915,284	1,232,128
<b>Other income</b>			
Fee and commission income		84,991	56,861
Foreign exchange income		45,613	9,144
Other income		1,545	5
Total other income		132,149	66,010
Total income		2,047,433	1,298,138
<b>Other expenses</b>			
Operating expenses		820,438	787,924
Other charges		-	120
		820,438	788,044
Profit before credit loss allowance		1,226,995	510,094
Credit loss allowance and write offs - net		87,338	(14,428)
Profit before taxation		1,139,657	524,522
Taxation		-	-
Profit after taxation		1,139,657	524,522

38.1 Investments by segments:

**Debt Instruments**

**Classified / Measured at Amortised cost**

Federal Government securities

- GOP Ijarah Sukuks

Non Government debt securities

- Sukuks

March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
14,080,289	-	-	14,080,289	14,087,500	-	-	14,087,500
130,807	(130,807)	-	-	130,807	(130,807)	-	-
14,211,096	(130,807)	-	14,080,289	14,218,307	(130,807)	-	14,087,500

**Classified / Measured at FVOCI**

Federal Government securities

- GOP Ijarah Sukuks

Non Government debt securities

- Sukuks

31,307,762	-	(773,649)	30,534,113	20,513,568	-	(726,606)	19,786,962
15,273,949	(85,000)	344,116	15,533,065	17,343,866	-	326,390	17,670,256
46,581,711	(85,000)	(429,533)	46,067,178	37,857,434	-	(400,216)	37,457,218

**Classified / Measured at FVPL**

Non Government debt securities

- Sukuks

1,934,203	-	-	1,934,203	-	-	-	-
1,934,203	-	-	1,934,203	-	-	-	-
62,727,010	(215,807)	(429,533)	62,081,670	52,075,741	(130,807)	(400,216)	51,544,718

**Total Investments**

38.1.1 Particlurs of credit loss allowance

Non Government debt securities

March 31, 2024 (Un-audited)				December 31, 2023 (Audited)	
Stage 1	Stage 2	Stage 3	Total	Provision for diminution	Total
------(Rupees in '000)-----					
		215,807	215,807	130,807	130,807

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

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
------(Rupees in '000)-----		
Ijarah	13,674	13,749
Murabaha	907,299	3,291,932
Running Musharaka	18,400,000	30,500,000
Diminishing Musharaka	17,883,384	19,357,928
Istisna	199,760	705,500
Other Islamic Modes (Wakala tul Istismar)	8,500,000	8,500,000
Advance for Murabaha	29,000	-
Advance for Diminishing Musharaka	385,437	113,086
Advance for Istisna	14,191,508	8,850,972
Inventories against Istisna	1,651,483	3,342,628
Gross Islamic financing and related assets	<b>62,161,545</b>	<b>74,675,795</b>
Less: Credit loss allowance against Islamic financings		
Stage 1	(621,470)	-
Stage 2	(221,253)	-
Stage 3	(1,065,456)	-
- Specific	-	(913,875)
- General	-	(636,731)
	<b>(1,908,179)</b>	<b>(1,550,606)</b>
Islamic financing and related assets - net of provision	<b>60,253,366</b>	<b>73,125,189</b>

**38.3 Ijarah**

March 31, 2024 (Un-audited)						
Cost			Depreciation			Book Value as at Mar 31, 2024
As at Jan 01, 2024	Additions / (deletions/ adjustment)	As at Mar 31, 2024	As at Jan 01, 2024	Charge/ Adjustment for the year	As at Mar 31, 2024	
------(Rupees in '000)-----						
Plant & Machinery	59,828	-	59,753	47,449	-	12,304
		(75)			-	
Vehicles	6,000	-	6,000	4,630	-	1,370
		-			-	
Total	<b>65,828</b>	<b>-</b>	<b>65,753</b>	<b>52,079</b>	<b>-</b>	<b>13,674</b>
		(75)			-	
December 31, 2023 (Audited)						
Cost			Accumulated Depreciation			Book Value as at Dec 31, 2023
As at Jan 01, 2023	Additions / (deletions/ adjustment)	As at Dec 31, 2023	As at Jan 01, 2023	Charge/ Adjustment for the year	As at Dec 31, 2023	
------(Rupees in '000)-----						
Plant & Machinery	63,474	-	59,828	50,820	-	12,379
		(3,646)			(3,371)	
Vehicles	168,680	-	6,000	143,126	1,065	1,370
		(162,680)			(139,561)	
Total	<b>232,154</b>	<b>-</b>	<b>65,828</b>	<b>193,946</b>	<b>1,065</b>	<b>13,749</b>
		(166,326)			(142,932)	

Future Ijarah payments receivable

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

Ijarah rental receivables

### 38.4 Deposits

March 31, 2024 (Un-audited)			December 31, 2023 (Audited)			
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total	
------(Rupees in '000)-----						
<b>Customers</b>						
Current deposits	20,778,221	181,066	20,959,287	22,342,688	185,921	22,528,609
Savings deposits	51,676,000	-	51,676,000	56,721,533	-	56,721,533
Term deposits	16,338,324	-	16,338,324	16,261,024	-	16,261,024
Others	1,439,024	-	1,439,024	810,992	-	810,992
<b>Financial Institutions</b>	<b>90,231,569</b>	<b>181,066</b>	<b>90,412,635</b>	<b>96,136,237</b>	<b>185,921</b>	<b>96,322,158</b>
<b>Current deposits</b>						
Savings deposits	1,219,055	-	1,219,055	1,879,123	-	1,879,123
Term deposits	20,745,062	-	20,745,062	15,071,912	-	15,071,912
	558,113	-	558,113	528,613	-	528,613
	<b>22,522,230</b>	<b>-</b>	<b>22,522,230</b>	<b>17,479,648</b>	<b>-</b>	<b>17,479,648</b>
	<b>112,753,799</b>	<b>181,066</b>	<b>112,934,865</b>	<b>113,615,885</b>	<b>185,921</b>	<b>113,801,806</b>

(Un-audited) (Audited)  
March 31, December 31,  
2024 2023

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

### 38.5 Unappropriated / unremitted profit

Opening balance	3,529,477	2,297,141
Less: Impact of adoption of IFRS 9	(404,522)	-
Add: Islamic banking profit for the period	1,139,657	3,529,477
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / remitted to head office	(3,529,477)	(2,297,141)
Closing balance	<b>735,135</b>	<b>3,529,477</b>

### 38.6 CONTINGENCIES AND COMMITMENTS

-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	<b>-</b>	<b>-</b>



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

### 38.7 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:

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

### 38.8 Profit on Deposits and other Dues Expensed

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

### 38.9 Pool Management

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

#### a) General depositor pool

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

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

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

#### c) Equity pool

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

#### Key features and risk & reward characteristics

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

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

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

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

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

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

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

**39 GENERAL**

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

**40. DATE OF AUTHORIZATION FOR ISSUE**

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
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 three months period ended March 31, 2024.

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

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

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

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

For and on behalf of the Board of Directors

**Rehmat Ali Hasnie**  
President & CEO

**Ali Syed**  
Director

**Karachi**

**Date:** April 26, 2024

# ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ مجموعی مالیاتی گوشوارے

محترم حصص داران

ہم بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2024 کو ختم ہونے والی تین ماہ کی مدت کے لیے نیشنل بینک آف پاکستان "دی بینک" اور اس کے ذیلی اداروں کے لیے ڈائریکٹرز کا جائزہ اور مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

31 مارچ 2024 کو ختم ہونے والی تین ماہ کی مدت کے لیے مجموعی بعد از ٹیکس منافع 9.82 بلین روپے رہا، جو پچھلے سال کی اسی مدت کے 11.29 بلین روپے سے 13% کم ہے۔ ختم ہونے والی سہ ماہی کے دوران، ذیلی کمپنیوں نے گروپ منافع میں 0.295 بلین روپے (31 مارچ 2023: 0.377 بلین روپے) کا حصہ ڈالا، جب کہ شریک اداروں کی جانب سے خالص منافع میں حصہ 0.038 بلین روپے (31 مارچ 2023: نقصان: 0.009 بلین روپے) تھا۔ برطانیہ میں واقع مشترکہ منصوبے UNBL، جس میں بینک کا 45% حصص ہے، کی وجہ سے 0.158 بلین روپے (31 مارچ 2023: 0.286 بلین روپے) کے منافع کا حصہ ریکارڈ کیا گیا اس طرح 31 مارچ 2024 کو ختم ہونے والی تین ماہ کی مدت کے لیے مجموعی فی حصص آمدنی (EPS) 31 مارچ 2023 کو ختم ہونے والی تین ماہ کی مدت کے 5.29 روپے کے مقابلے میں کم ہو کر 4.56 روپے ہو گئی۔

31 مارچ 2024 کو بینک کے مجموعی اثاثوں کی مالیت 6,360.8 بلین روپے ہے جو کہ 31 دسمبر 2023 کے بینک کے مجموعی اثاثوں کی مالیت 6,668.9 بلین روپے سے 4.6% یعنی 308.1 بلین روپے کم ہے۔

31 مارچ 2024 کو ختم ہونے والے تین ماہ کا منافع 2023 کے جمع شدہ منافع کو آگے بڑھانے کے بعد تخصیص کے لیے تجویز مندرجہ ذیل ہے:

(بلین روپے)
9,818.3
225,693.4
(3,643.2)
(318.5)
(109.9)
43.2
221,665.0
231,483.3
(970.8)
<b>230,512.4</b>

31 مارچ 2024 کو ختم ہونے والے تین ماہ کے لیے بعد از ٹیکس منافع غیر تصرف شدہ آگے لایا جانے والا منافع IFRS-9 کو اپنانے کی وجہ سے اثر، بعد از ٹیکس دیگر جامع آمدنی۔ بعد از ٹیکس نان کنٹرولنگ انٹرسٹ جامدا اثاثوں کی نظر ثانی شدہ قدر کی وجہ سے ذخائر سے منتقلی۔ بعد از ٹیکس

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

علی سید  
ڈائریکٹر

رحمت علی حسنی  
صدر اور سی ای او

کراچی

بتاریخ: 26 اپریل 2024

# Consolidated Condensed Interim Statement of Financial Position

## As at March 31, 2024

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	------(Rupees in '000)-----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	407,851,774	295,455,482
Balances with other banks	7	30,001,453	43,004,568
Lendings to financial institutions	8	58,022,466	192,430,437
Investments	9	4,346,498,622	4,414,174,305
Advances	10	1,225,620,197	1,398,072,669
Fixed assets	11	57,415,179	57,477,067
Intangible assets	12	2,159,419	2,186,294
Right of use assets	13	7,058,841	7,335,901
Deferred tax asset	14	6,694,859	-
Other assets	15	219,458,436	258,737,303
		<b>6,360,781,246</b>	<b>6,668,874,025</b>
<b>LIABILITIES</b>			
Bills payable	16	11,881,937	68,000,448
Borrowings	17	2,199,941,303	2,177,743,194
Deposits and other accounts	18	3,423,077,572	3,673,109,914
Liabilities against assets subject to finance lease	19	195,542	208,268
Lease liability against right of use assets	20	8,485,915	8,682,731
Subordinated debt		-	-
Deferred tax liabilities		-	842,568
Other liabilities	21	318,358,361	342,872,862
		<b>5,961,940,630</b>	<b>6,271,459,985</b>
<b>NET ASSETS</b>		<b>398,840,615</b>	<b>397,414,040</b>
<b>REPRESENTED BY</b>			
Share capital		21,275,131	21,275,131
Reserves		84,979,977	85,078,819
Surplus on revaluation of assets	22	60,828,882	64,232,416
Unappropriated profit		230,512,441	225,693,440
Total Equity attributable to the equity holders of the Bank		<b>397,596,431</b>	<b>396,279,806</b>
Non-controlling interest		1,244,185	1,134,234
		<b>398,840,615</b>	<b>397,414,040</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	23		

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

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

Consolidated Condensed Interim Profit and Loss Account (Un-audited)  
For the three months period ended March 31, 2024

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

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the three months period ended March 31, 2024

	Quarter ended	
	March 31, 2024	March 31, 2023
------(Rupees in '000)-----		
Profit after taxation for the period	9,818,291	11,293,312
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Exchange (loss) / gain on translation of net assets of foreign branches, subsidiaries and joint venture	(1,069,676)	11,488,374
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	1,500,110	(15,305,949)
	430,434	(3,817,575)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement (loss) on defined benefit obligations - net of tax	(318,522)	(288,000)
Movement in (deficit) on revaluation of equity investments - net of tax	(3,200,148)	-
	(3,518,670)	(288,000)
<b>Total comprehensive income</b>	<b>6,730,055</b>	<b>7,187,737</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	6,620,104	7,143,691
Non-controlling interest	109,951	44,046
	<b>6,730,055</b>	<b>7,187,737</b>

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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Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director



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

For the three months period ended March 31, 2024

	Share capital	Exchange translation	Reserves		Total	Surplus / (Deficit) on revaluation of assets			Unappropriated profit	Sub Total	Non-Controlling Interest	Total
			Statutory reserve	Revenue general reserve		Investments	Fixed / Non-banking assets	Total				
<b>Balance as at January 01, 2023</b>	21,275,131	24,900,933	42,066,576	521,338	67,488,847	(5,753,835)	48,027,372	42,273,537	178,189,579	309,227,084	1,073,138	310,300,232
Profit after taxation for three months period ended March 31, 2023	-	-	-	-	-	-	-	-	11,249,266	11,249,266	44,046	11,293,312
Effect of transaction of net investment in foreign branches, subsidiaries and joint venture	-	11,488,374	-	-	11,488,374	-	-	-	-	11,488,374	-	11,488,374
Movement in surplus / (deficit) on revaluation of investments	-	-	-	-	-	(15,305,949)	-	(15,305,949)	-	(15,305,949)	-	(15,305,949)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(288,000)	-	(288,000)	-	(288,000)
<b>Other comprehensive income - net of tax</b>	-	11,488,374	-	-	11,488,374	(15,305,949)	-	(15,305,949)	10,961,266	7,143,691	44,046	7,187,737
Transfer to statutory reserve	-	-	1,068,878	-	1,068,878	-	-	(1,068,878)	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(50,726)	(50,726)	50,726	-	-	-
<b>Balance as at April 01, 2023</b>	21,275,131	36,389,307	43,135,454	521,338	80,046,099	(21,059,785)	47,976,646	26,916,822	188,132,893	316,370,785	1,117,164	317,487,968
Profit after taxation for the nine months period ended December 31, 2023	-	-	-	-	-	-	-	-	41,545,096	41,545,096	175,750	41,720,846
Effect of transaction of net investment in foreign branches, subsidiaries and joint venture	-	917,552	-	-	917,552	-	-	-	-	917,552	-	917,552
Movement in surplus on revaluation of investments	-	-	-	-	-	37,618,519	-	37,618,519	-	37,618,519	-	37,618,519
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(307,239)	-	(307,239)	-	(307,239)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	198,132	-	198,132	-	198,132	-	198,132
<b>Other comprehensive income - net of tax</b>	-	917,552	-	-	917,552	37,618,519	(172,146)	37,446,373	41,545,096	80,216,260	175,750	80,392,010
Transfer to statutory reserve	-	-	4,115,168	-	4,115,168	-	-	(4,115,168)	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(130,819)	(130,819)	130,819	-	-	-
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid / profit distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	(158,700)	(158,700)
<b>Balance as at January 01, 2024</b>	21,275,131	37,306,859	47,250,622	521,338	85,078,819	16,558,734	47,673,681	64,232,416	225,693,440	316,370,785	1,134,234	387,414,039
Change in accounting policy - Note 3.1	-	-	-	-	-	(1,660,264)	-	(1,660,264)	(5,303,477)	(5,303,477)	-	(5,303,477)
<b>Balance as at January 01, 2024 - restated</b>	21,275,131	37,306,859	47,250,622	521,338	85,078,819	14,898,470	47,673,681	62,572,152	220,050,227	311,067,308	1,134,234	392,110,562
Profit after taxation for the three months period ended March 31, 2024	-	(1,069,676)	-	-	(1,069,676)	-	-	-	9,708,340	9,708,340	109,951	9,818,291
Effect of transaction of net investment in foreign branches, subsidiaries and joint venture	-	-	-	-	-	-	-	-	-	(1,069,676)	-	(1,069,676)
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	-	-	1,500,110	-	1,500,110	-	1,500,110	-	1,500,110
Movement in (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	(3,200,448)	-	(3,200,448)	-	(3,200,448)	-	(3,200,448)
Remeasurement (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	(318,522)	-	(318,522)	-	(318,522)
<b>Other comprehensive income / (loss) - net of tax</b>	-	(1,069,676)	-	-	(1,069,676)	(1,700,038)	-	(1,700,038)	9,389,818	6,620,104	109,951	6,730,055
Transfer to statutory reserve	-	-	970,834	-	970,834	-	-	-	(970,834)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(43,230)	(43,230)	43,230	-	-	-
<b>Balance as at March 31, 2024</b>	21,275,131	36,237,183	48,221,456	521,338	84,979,977	13,198,430	47,630,451	60,828,822	230,512,441	317,697,411	1,244,185	398,940,615

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnise**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

## For the three months period ended March 31, 2024

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

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director

# Notes to and forming part of the Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2024

## 1. THE GROUP AND ITS OPERATIONS

### 1.1 The "Group" consists of:

#### Holding Company

- National Bank of Pakistan (the Bank)

#### Subsidiary Companies

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

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

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

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

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

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

### 1.2 BASIS OF CONSOLIDATION

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

## **2. BASIS OF PRESENTATION**

### **2.1 STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

### **3. MATERIAL ACCOUNTING POLICIES**

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

#### **3.1 IFRS 9 - 'Financial Instruments'**

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

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

The Bank performed a detailed analysis of its business models for managing financial assets and analysis of their contractual cash flows characteristics.

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

	2024		
	Provision as per current	Remeasurement (ECL)	Reclassification
			Reclassification
			ECLs under IFRS 9
	-	-	-
	117,033	117	-
	174,150	67	-
	233,832,651	17,720,919	-
	20,050,374	1,040,941	(13,672,429)
	-	1,376,467	-
	627,494	1,843,590	-
	<b>254,801,702</b>	<b>21,982,101</b>	<b>(13,672,429)</b>
			<b>263,111,374</b>

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

	Movement in Balance Sheet			Revised Breakup of Balance sheet after IFRS 9 Implementation								
	Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	After IFRS 9 Carrying Values Jan 1' 2024	At FVTPL	At FVOCI - with recycling (Debt)	At FVOCI - without recycling (Equity)	At Amortised Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities	IFRS 9 carrying amount as at Jan 1, 2024	
												(Rupees in '000)
<b>Assets</b>												
Cash and balances with treasury banks	295,455,482	-	-	295,455,482	-	-	-	295,455,482	-	-	-	295,455,482
Balances with other banks	43,004,568	(117)	-	43,004,451	-	-	-	43,004,568	(117)	-	-	43,004,451
Lendings to financial institutions	192,430,437	(67)	-	192,430,370	-	-	-	192,430,437	(67)	-	-	192,430,370
From AFS to Amortised Cost	94,406,366	-	11,363,128	105,989,524	-	-	-	105,989,524	-	-	-	105,989,524
From AFS to FVTPL (Margin/ Realization)	15,560,596	-	-	15,560,596	15,560,596	-	-	-	-	-	-	15,560,596
Mutual funds, Pref. Shares and Bank TFCs	14,239,399	-	-	14,239,399	14,239,399	-	-	-	-	-	-	14,239,399
From AFS to FVTPL - Ordinary Shares	49,771,602	-	-	49,771,602	-	-	-	-	-	-	-	49,771,602
From AFS to FVOCI - Ordinary Shares	3,907,388,644	-	-	3,907,388,644	-	3,907,388,644	-	-	-	-	-	3,907,388,644
From AFS to FVOCI - Debt Securities	<b>4,081,366,837</b>	<b>-</b>	<b>11,363,128</b>	<b>4,092,949,765</b>	<b>29,799,995</b>	<b>3,907,388,644</b>	<b>49,771,602</b>	<b>105,989,524</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,092,949,765</b>
<b>Total AFS</b>	<b>272,951,142</b>	<b>(1,040,941)</b>	<b>-</b>	<b>271,910,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272,951,142</b>	<b>(1,040,941)</b>	<b>-</b>	<b>-</b>	<b>271,910,201</b>
From HTM to Amortised Cost	46,766,365	-	-	46,766,365	46,766,365	-	-	-	-	-	-	46,766,365
From HFT to FVTPL	830,620	-	-	830,620	-	-	-	830,620	-	-	-	830,620
Associates	12,259,541	-	-	12,259,541	-	-	-	12,259,541	-	-	-	12,259,541
Joint Venture	<b>4,414,174,305</b>	<b>(1,040,941)</b>	<b>11,363,128</b>	<b>4,424,716,492</b>	<b>76,566,360</b>	<b>3,907,388,644</b>	<b>49,771,602</b>	<b>392,030,827</b>	<b>(1,040,941)</b>	<b>-</b>	<b>-</b>	<b>4,424,716,492</b>
Investments	1,398,072,669	(17,720,919)	-	1,380,351,750	-	-	-	1,398,072,669	(17,720,919)	-	-	1,380,351,750
Advances	57,477,067	-	-	57,477,067	-	-	-	-	-	-	-	57,477,067
Fixed assets	2,186,294	-	-	2,186,294	-	-	-	-	-	-	-	2,186,294
Intangible assets	7,335,901	-	-	7,335,901	-	-	-	-	-	-	-	7,335,901
Right of use assets	258,737,303	(1,376,467)	-	257,360,836	-	-	-	190,156,179	(1,376,467)	-	-	257,360,836
Other assets	<b>6,668,874,026</b>	<b>(20,138,511)</b>	<b>11,363,128</b>	<b>6,660,318,643</b>	<b>76,566,360</b>	<b>3,907,388,644</b>	<b>49,771,602</b>	<b>2,511,150,162</b>	<b>(20,138,511)</b>	<b>-</b>	<b>-</b>	<b>6,660,318,643</b>

	Movement in Balance Sheet		Revised Breakup of Balance sheet after IFRS 9 Implementation					IFRS 9 carrying amount as at Jan 1, 2024			
	Before IFRS 9 Carrying Values as at Dec 31, 2023	Increase / (Decrease) Due to ECL	Increase / (Decrease) due to Reclassification of Investments	After IFRS 9 Carrying Values Jan 1' 2024	At FVTPL	AT FVOCI - recycling (Debt)	AT FVOCI - without recycling (Equity)		At Amortised Cost	Remeasurement under IFRS 9 (ECL Impact)	Other than Financial Assets or Financial Liabilities
<b>Liabilities</b>											
Bills payable	68,000,448	-	-	68,000,448	-	-	68,000,448	-	-	-	68,000,448
Borrowings	2,177,743,194	-	-	2,177,743,194	-	-	2,177,743,194	-	-	-	2,177,743,194
Deposits and other accounts	3,673,109,914	-	-	3,673,109,914	-	-	3,673,109,914	-	-	-	3,673,109,914
Liabilities against assets subject to finance lease	208,268	-	-	208,268	-	-	-	-	-	208,268	208,268
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities against right of use assets	8,682,731	-	-	8,682,731	-	-	-	-	-	8,682,731	8,682,731
Deferred tax liabilities (Deferred tax asset)	642,568	(10,771,230)	5,675,733	(4,252,929)	-	-	-	-	-	(4,252,929)	(4,252,929)
Other liabilities	342,872,862	1,843,590	-	344,716,452	6,676,880	-	197,291,885	-	1,843,590	138,904,097	344,716,452
<b>NET ASSETS</b>	<b>6,271,439,985</b>	<b>(8,927,640)</b>	<b>5,675,733</b>	<b>6,268,208,078</b>	<b>6,676,880</b>	<b>-</b>	<b>6,116,145,441</b>	<b>1,843,590</b>	<b>1,843,590</b>	<b>143,542,167</b>	<b>6,268,208,078</b>
	<b>397,414,041</b>	<b>(11,210,871)</b>	<b>5,907,395</b>	<b>392,110,565</b>	<b>69,889,480</b>	<b>3,907,388,644</b>	<b>(3,604,995,279)</b>	<b>(21,982,101)</b>	<b>(21,982,101)</b>	<b>(7,961,781)</b>	<b>392,110,565</b>

(Rupees in '000)

**REPRESENTED BY**

Share capital	21,275,131	-	-	21,275,131	-	-	-	-	-	21,275,131	21,275,131
Reserves	85,078,819	-	-	85,078,819	-	-	-	-	-	85,078,819	85,078,819
Surplus on revaluation of assets	64,232,416	-	(1,660,264)	62,572,152	-	-	4,756,742	-	-	47,346,927	62,572,152
Unappropriated profit	225,663,440	(11,210,871)	7,567,659	222,050,228	-	-	-	-	-	222,050,228	222,050,228
Non-controlling interest	396,279,807	(11,210,871)	5,907,395	390,976,331	-	10,468,483	4,756,742	-	-	375,751,165	390,976,331
	1,134,234	-	-	1,134,234	-	-	-	-	-	1,134,234	1,134,234
	<b>397,414,041</b>	<b>(11,210,871)</b>	<b>5,907,395</b>	<b>392,110,565</b>	<b>-</b>	<b>10,468,483</b>	<b>4,756,742</b>	<b>-</b>	<b>-</b>	<b>376,885,340</b>	<b>392,110,565</b>

**Changes to Classification and measurement**

The SBP's measurement categories of financial assets Held for Trading (HFT), available for sale (AFS), held-to-maturity (HTM) have been replaced by:

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

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

Under IFRS 9, the classification of the financial assets is based on two criteria: the Bank's business model for managing the assets; and whether the instruments' contractual

cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

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

### 3.1.1 Financial assets and liabilities

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

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

### 3.1.2 Financial assets

#### 3.1.2.1 Classification and subsequent measurement

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

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

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

#### Debt instruments

Classification and subsequent measurement of debt instruments depend on:

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

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

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

**Business model:**

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

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

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

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

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

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

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

**Equity instruments**

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

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

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

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



### 3.1.2.2 Impairment

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

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

### 3.1.3 Financial liabilities

#### 3.1.4 Financial guarantee contracts and loan commitments

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

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

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

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

#### 3.1.5 Measurement of the expected credit loss allowance

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

Step 1: Portfolio Segmentation and Staging (SICR)

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

Step 3: Estimation of Loss Given Default (LGD)

Step 4: Determination of Exposure at Default (EAD)

Step 5: ECL Scenarios

#### 3.1.6 Expected credit loss measurement

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

- Financial instruments in Stage 1 have their ECL measured for 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

### 3.1.7 Significant increase in credit risk (SICR)

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

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

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

### 3.2 Overview of the ECL principles

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

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

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

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

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

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

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

Stage 3:	For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.
Loan commitments and letters of credit	When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.
Financial guarantee contracts	The Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

### The calculation of ECLs

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

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

**PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

**EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

**LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

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

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

## 5. FINANCIAL RISK MANAGEMENT

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

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

- 6.1** This includes statutory liquidity reserves maintained with the SBP under Section 22 of the Banking Companies Ordinance, 1962.
- 6.2** These represent mandatory reserves maintained in respect of foreign currency deposits under FE-25 scheme, as prescribed by the SBP.
- 6.3** These balances pertain to the foreign branches and are held with central banks of respective countries. These include balances to meet the statutory and regulatory requirements in respect of liquidity and capital requirements of respective countries. The deposit accounts carry interest at the rate of 0% to 5.50% per annum (December 31, 2023: 0% to 5.5% per annum).

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

- 7.1** These include various deposits with banks and carry interest at the rates ranging from 6.00% to 12.70% per annum (December 31, 2023: 6.00% to 12.70% per annum).
- 7.2** These include various deposits with correspondent banks outside Pakistan and carry interest at rates ranging from 3.00% to 6.50% per annum (December 31, 2023: 1.50% to 7.10% per annum).

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

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

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

## 9. INVESTMENTS

### 9.1 Investments by type:

March 31, 2024 (Un-audited)			
Cost / amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value

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

#### FVTPL

##### Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds

28,517,853	-	(124,342)	28,393,511
22,819,279	-	(30,511)	22,788,768

##### Mutual Fund units

5,685,012	-	1,707,998	7,393,010
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##### Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

10,623,365	-	-	10,623,365
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##### Preference shares - Listed

1,043,797	-	(9,131)	1,034,666
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##### Ordinary Shares

- Listed Companies

11,178,813	-	121,162	11,299,975
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##### Foreign Securities

- Government debt securities

2,778,673	-	-	2,778,673
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82,646,792	-	1,665,176	84,311,968
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#### FVOCI

##### Federal Government Securities

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

2,836,492,788	-	(23,604,500)	2,812,888,288
834,478,017	-	(132,240)	834,345,777
49,552,141	-	(375,343)	49,176,798
40,750,624	-	(4,706,508)	36,044,116

##### Ordinary Shares

- Listed Companies
- Unlisted Companies

42,124,012	-	10,260,381	52,384,393
1,658,512	-	-	1,658,512

##### Non-Government debt securities

- Term Finance Certificates and Sukuk Bonds

41,678,333	(6,622,062)	395,350	35,451,621
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##### Foreign Securities

- Equity Securities - Listed
- Government debt securities

463,294	-	43,957,491	44,420,785
3,340,925	-	(18,338)	3,322,588

3,850,538,645	(6,622,062)	25,776,293	3,869,692,877
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#### Amortised Cost

##### Federal Government Securities

- Pakistan Investment Bonds
- Ijarah Sukuks
- Foreign Currency Debt securities

319,839,934	-	-	319,839,934
14,080,289	-	-	14,080,289
4,393,435	-	-	4,393,435

##### Non-Government debt securities

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

404,585	(404,585)	-	-
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##### Foreign Securities

- Government debt securities
- Non-Government debt securities

40,750,764	-	-	40,750,764
1,065	-	-	1,065

379,470,072	(404,585)	-	379,065,487
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##### Associates

1,394,342	(508,442)	-	885,900
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##### Joint Venture

9.1.5	12,542,390	-	-	12,542,390
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##### Subsidiaries

1,245	(1,245)	-	-
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##### Total Investments

4,326,593,486	(7,536,335)	27,441,469	4,346,498,622
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December 31, 2023 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
------(Rupees in '000)-----			
<b>Held-for-trading securities</b>			
<b>Federal Government Securities</b>			
- Market Treasury Bills	-	7,673	23,349,393
- Pakistan Investment Bonds	-	(37,878)	14,627,141
<b>Mutual Fund units</b>	-	6,914	979,830
<b>Non-Government debt securities</b>			
- Term Finance Certificates and Sukuk Bonds	-	(3,521)	5,035,010
<b>Ordinary Shares</b>			
- Listed Companies	-	(1,213)	78,104
<b>Foreign Securities</b>			
- Government debt securities	-	-	2,696,887
	-	(28,025)	46,766,365
<b>Available-for-sale securities</b>			
<b>Federal Government Securities</b>			
- Market Treasury Bills	-	2,228,157	956,813,585
- Pakistan Investment Bonds	-	(25,322,781)	2,901,087,432
- Ijarah Sukuks	-	(330,520)	30,093,964
- Foreign Currency Debt securities	-	(10,174,093)	30,733,308
<b>Ordinary Shares</b>			
- Listed Companies	(11,638,688)	22,294,743	62,352,489
- Unlisted Companies	(448,951)	-	1,658,512
<b>Preference shares</b>			
- Listed	(566,446)	161,771	1,043,797
- Unlisted	(558,284)	-	-
<b>Non-Government debt securities</b>			
- Term Finance Certificates and Sukuk Bonds	(5,857,566)	355,100	47,649,851
<b>Mutual Fund units</b>	(41,167)	1,726,825	3,905,304
<b>Foreign Securities</b>			
- Government debt securities	-	8,528	3,393,550
- Equity Securities - Listed	-	42,171,551	42,634,845
	(19,111,102)	33,119,281	4,081,366,637
<b>Held-to-maturity securities</b>			
<b>Federal Government Securities</b>			
- Market Treasury Bills	-	-	161,108
- Pakistan Investment Bonds	-	-	213,116,482
- Ijarah Sukuks	-	-	14,087,500
- Foreign Currency Debt securities	-	-	4,288,988
<b>Non-Government debt securities</b>			
Term Finance Certificates, Participation Term Certificates, Bonds, Debentures and Sukuk Bonds	(404,585)	-	-
<b>Foreign Securities</b>			
- Government debt securities	-	-	41,295,981
- Non-Government debt securities	-	-	1,083
	(404,585)	-	272,951,142
<b>Associates</b>	(533,442)	-	830,620
<b>Joint Venture</b>	-	-	12,259,541
<b>Subsidiaries</b>	(1,245)	-	-
<b>Total investments</b>	(20,050,374)	33,091,256	4,414,174,305

9.1.1

Investments given as collateral

The book value of investments given as collateral against borrowings is as follows:

Pakistan Investment Bonds  
Market Treasury Bills

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

Note  
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9.1.2

Associates

Listed

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

Unlisted

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

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

9.1.3

Joint Venture

United National Bank Limited	20,250,000	45	United Kingdom	March 31, 2024	343,018,069	309,739,245	1,878,413	351,580	1,224,365
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9.1.4

Subsidiaries

Cast-N-Link Products Limited	1,245,000	76.51	Pakistan	N/A	-	-	-	-	-
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9.1.5 The Board of Directors of the Bank in their 356th meeting held on December 27, 2023 have in principle given their approval for disposal of NBP's 45% shareholding in UNBL to Bestway Group. The approval of the Board of Directors is subject to the approval / clearance by the SBP and all other regulatory compliances required in this regard in both Pakistan and UK. The Bank is currently in the process of completing the regulatory and legal requirements to implement the transaction.

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

## 9.2 Credit Allowance for diminution in value of investments

9.2.1	Opening balance	20,050,374	18,613,073
	Impact of reclassification on adoption of IFRS 9	(13,672,429)	-
	Impact of ECL recognised on adoption of IFRS 9	1,040,940	-
		<b>7,418,886</b>	18,613,073
	Charge for the period / year	1,538,144	3,136,270
	Reversals for the period / year	(1,420,696)	(1,319,964)
	Reversals on disposals	-	(379,005)
		<b>117,448</b>	1,437,301
	Derecognition of ECL on disposal	-	-
	Transfers - net	-	-
	Others movement	-	-
	Amounts written off	-	-
	Closing Balance	<b>7,536,335</b>	<b>20,050,374</b>

## 9.2.2 Particulars of credit loss allowance against debt securities

### Category of classification

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

### Domestic

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

Performing	Stage 1	6,410,031	290	-	-
Underperforming	Stage 2	2,855,286	1,098,643	-	-
Non-Performing	Stage 3	340,000	85,000	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		5,842,714	5,842,714	6,262,151	6,262,151
		<b>15,448,031</b>	<b>7,026,647</b>	<b>6,262,151</b>	<b>6,262,151</b>

### Overseas

Performing	Stage 1	-	-	-	-
Underperforming	Stage 2	-	-	-	-
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		<b>15,448,031</b>	<b>7,026,647</b>	<b>6,262,151</b>	<b>6,262,151</b>

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

## 10. ADVANCES

	Performing		Non performing		Total	
	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023	(Un-audited) March 31, 2024	(Audited) December 31, 2023

Note

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

Loans, cash credits, running finances, etc.	1,172,179,730	1,325,108,441	208,531,530	205,901,344	1,380,711,260	1,531,009,785
Islamic financing and related assets	61,096,090	73,125,444	1,065,455	1,550,351	62,161,545	74,675,795
Net Investment in finance lease	15,232	16,207	24,096	24,096	39,328	40,303
Bills discounted and purchased	19,834,487	12,534,791	13,610,558	13,644,646	33,445,045	26,179,437
Advances - gross	1,253,125,539	1,410,784,883	223,231,639	221,120,437	1,476,357,178	1,631,905,320

Credit loss allowance against advances

-Stage 1	19,141,408	-	-	-	19,141,408	-
-Stage 2	27,974,357	-	-	-	27,974,357	-
-Stage 3	-	-	203,564,723	-	203,564,723	-
- Specific	-	-	-	203,794,530	-	203,794,530
- General	56,493	30,038,121	-	-	56,493	30,038,121
	47,172,258	30,038,121	203,564,723	203,794,530	250,736,981	233,832,651
Advances - net of provision	1,205,953,281	1,380,746,762	19,666,916	17,325,907	1,225,620,197	1,398,072,669

### 10.1 Net Investment in Finance Lease

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

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

(Un-audited) (Audited)  
March 31, December 31,  
2024 2023

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

### 10.2 Particulars of advances (Gross)

In local currency	1,193,029,309	1,334,193,060
In foreign currencies	283,327,870	297,712,259
	1,476,357,178	1,631,905,319

**10.3** Advances include Rs. 223,232 million (2023: Rs. 221,120 million) which have been placed under non-performing status as detailed below:

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

**10.4 Particulars of credit loss allowance against advances**

Note	March 31, 2024 (Un-audited)						December 31, 2023 (Audited)		
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
------(Rupees in '000)-----									
Opening balance	-	-	-	203,794,530	30,038,121	233,832,651	191,014,747	17,348,539	208,363,286
Impact due to adoption of IFRS-9	22,478,907	25,009,935	203,794,530	(203,794,530)	(29,767,923)	17,720,919	-	-	-
<b>Opening balance - restated</b>	<b>22,478,907</b>	<b>25,009,935</b>	<b>203,794,530</b>	<b>-</b>	<b>270,198</b>	<b>251,553,570</b>	<b>191,014,747</b>	<b>17,348,539</b>	<b>208,363,286</b>
Exchange adjustments	-	-	(998,882)	-	(3,783)	(1,002,665)	12,178,389	153,606	12,331,995
Charge for the period / year	-	3,726,581	1,138,314	-	-	4,864,895	8,127,428	14,854,298	22,981,726
Reversals	(3,462,384)	-	(977,073)	-	(85,037)	(4,524,494)	(8,129,837)	(1,530,934)	(9,660,771)
	(3,462,384)	3,726,581	161,241	-	(85,037)	340,401	(2,409)	13,323,364	13,320,955
Amounts written off	-	-	(83,493)	-	-	(83,493)	(155,872)	-	(155,872)
Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(70,832)	(44,607)	-	(44,607)
Other movement	-	-	-	-	-	-	16,894	-	16,894
Transfer in / (out)	124,885	(762,159)	762,159	-	(124,885)	-	787,388	(787,388)	-
<b>Closing balance</b>	<b>19,141,408</b>	<b>27,974,357</b>	<b>203,564,723</b>	<b>-</b>	<b>56,493</b>	<b>250,736,981</b>	<b>203,794,530</b>	<b>30,038,121</b>	<b>233,832,651</b>

## 10.5 Advances - Particulars of credit loss allowance

		March 31, 2024 (Un-audited)						December 31, 2023 (Audited)		
		Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Specific Provision	General Provision	Total
------(Rupees in '000)-----										
10.5.1	Opening balance	-	-	-	203,794,530	30,038,121	233,832,651	191,014,747	17,348,539	208,363,286
	Impact due to adoption of IFRS-9	22,478,907	25,009,935	203,794,530	(203,794,530)	(29,767,923)	17,720,919	-	-	-
	<b>Opening balance - restated</b>	<b>22,478,907</b>	<b>25,009,935</b>	<b>203,794,530</b>	<b>-</b>	<b>270,198</b>	<b>251,553,570</b>	<b>191,014,747</b>	<b>17,348,539</b>	<b>208,363,286</b>
	Exchange Adjustment	-	-	(998,882)	-	(3,783)	(1,002,665)	12,178,389	153,606	12,331,995
	Charge for the period	-	3,726,581	1,138,314	-	-	4,864,895	8,127,428	14,854,298	22,981,726
	Advances derecognised or repaid	(3,462,384)	-	(977,073)	-	(85,037)	(4,524,494)	(8,129,837)	(1,530,934)	(9,660,771)
	Transfer to stage 1	124,885	-	-	-	(124,885)	-	-	-	-
	Transfer to stage 2	-	-	-	-	-	-	-	-	-
	Transfer to stage 3	-	(762,159)	762,159	-	-	-	-	-	-
	Transfer from general to specific provision	-	-	-	-	-	-	787,388	(787,388)	-
		(3,337,499)	2,964,422	(75,482)	-	(213,705)	(662,264)	12,175,980	13,476,970	25,652,950
										-
	Amounts written off	-	-	(83,493)	-	-	(83,493)	(155,872)	-	(155,872)
	Amounts charged off - agriculture financing	-	-	(70,832)	-	-	(70,832)	(44,607)	-	(44,607)
	Other Movement	-	-	-	-	-	-	16,894	-	16,894
	<b>Closing balance</b>	<b>19,141,408</b>	<b>27,974,357</b>	<b>203,564,723</b>	<b>-</b>	<b>56,493</b>	<b>250,736,981</b>	<b>203,794,530</b>	<b>30,038,121</b>	<b>233,832,651</b>

## 10.5.2 Advances - Category of classification

		March 31, 2024 (Un-audited)		
		Outstanding amount	Credit loss allowance Held	Net of Advances
------(Rupees in '000)-----				
<b>Domestic</b>				
Performing	Stage 1	949,733,772	19,016,523	930,717,249
Underperforming	Stage 2	237,430,949	26,775,927	210,655,022
Non-Performing	Stage 3			
<b>Domestic</b>				
Other Assets Especially Mentioned		4,088,485	106,481	3,982,004
Substandard		6,409,410	1,486,762	4,922,648
Doubtful		12,350,397	6,434,126	5,916,271
Loss		136,421,339	133,956,023	2,465,316
		<b>159,269,631</b>	<b>141,983,393</b>	<b>17,286,238</b>
<b>Sub-Total</b>		<b>1,346,434,352</b>	<b>187,775,843</b>	<b>1,158,658,509</b>

			March 31, 2024 (Un-audited)		
			Outstanding amount	Credit loss allowance Held	Net of Advances
<b>Overseas</b>			------(Rupees in '000)-----		
Performing	Stage 1		24,550,050	124,885	24,425,165
Underperforming	Stage 2		40,197,849	1,198,430	38,999,419
IFRS 9 not applicable			1,212,919	56,493	1,156,426
Non-Performing	Stage 3				
Substandard			-	-	-
Doubtful			392,575	196,288	196,288
Loss			63,569,434	61,385,043	2,184,391
			<b>63,962,009</b>	<b>61,581,330</b>	<b>2,380,678</b>
			<b>129,922,826</b>	<b>62,961,138</b>	<b>66,961,688</b>
		<b>Sub-Total</b>			
		<b>Total</b>	<b>1,476,357,178</b>	<b>250,736,981</b>	<b>1,225,620,197</b>

**10.5.3** General provision includes provision amounting to Rs. 56 million (December 31, 2023: Rs. 270 million) pertaining to overseas advances to meet the requirements of regulatory authorities of the respective countries in which the Bank operates where IFRS 9 has not been implemented.

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

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

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
------(Rupees in '000)-----			
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	1,496,458	1,639,234
Property and equipment		55,918,721	55,837,833
		<b>57,415,179</b>	<b>57,477,067</b>

**11.1 Capital work-in-progress**

Civil works	1,426,998	1,569,774
Equipment	10,727	10,727
Advances to suppliers and contractors	58,733	58,733
	<b>1,496,458</b>	<b>1,639,234</b>

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
------(Rupees in '000)-----		
<b>11.2 Additions to fixed assets</b>		

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

<b>Capital work-in-progress</b>	162,211	132,951
<b>Property and equipment</b>		
Building on freehold land	217,481	11,113
Building on leasehold land	11,674	16,050
Furniture and fixtures	228,476	87,227
Computer and peripheral equipment	53,277	54,991
Electrical and office equipment	108,832	123,673
Vehicles	93,794	174,126
	<b>713,534</b>	<b>467,180</b>
Total	<b>875,745</b>	<b>600,131</b>

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

**11.3 Disposal of fixed assets**

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

Building on leasehold land	-	-
Furniture and fixture	-	-
Computer and peripheral equipment	-	1
Electrical and office equipment	-	-
Vehicles	<b>673</b>	3,127
Assets held under finance lease - Vehicle	-	9,340
<b>Total</b>	<b>673</b>	<b>12,468</b>

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

**12. INTANGIBLE ASSETS**

Capital work-in-progress - Software Implementation	<b>569,208</b>	470,540
Computer Software	<b>1,027,657</b>	1,153,201
Goodwill on NBP Fund Acquisition	<b>562,553</b>	562,553
<b>Total</b>	<b>2,159,419</b>	<b>2,186,294</b>

**12.1 Additions to intangible assets**

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

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

**13. RIGHT-OF-USE ASSETS**

	March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
Buildings	Vehicles	Total	Buildings	Vehicles	Total	

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

At January 1,

Cost	<b>17,822,167</b>	<b>29,290</b>	<b>17,851,457</b>	15,503,248	29,290	15,532,538
Accumulated Depreciation	<b>(10,497,424)</b>	<b>(18,131)</b>	<b>(10,515,555)</b>	(8,314,601)	(7,430)	(8,322,031)
<b>Net Carrying amount at January 1</b>	<b>7,324,743</b>	<b>11,159</b>	<b>7,335,902</b>	7,188,647	21,860	7,210,507

Additions during the year	<b>264,752</b>	<b>4,843</b>	<b>269,595</b>	2,350,439	-	2,350,439
Deletions during the year	<b>28,003</b>	-	<b>28,003</b>	59,820	-	59,820
Depreciation Charge for the year	<b>517,193</b>	<b>1,460</b>	<b>518,653</b>	2,159,369	5,858	2,165,227
<b>Net Carrying amount</b>	<b>7,044,299</b>	<b>14,542</b>	<b>7,058,841</b>	7,319,899	16,002	7,335,901

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	------(Rupees in '000)-----	
<b>14. DEFERRED TAX ASSET/ (DEFERRED TAX LIABILITIES)</b>		
<b>Deductible temporary differences on</b>		
- Tax losses carried forward	10,705	10,705
- Post retirement employee benefits	7,331,267	7,002,470
- Credit loss allowance for diminution in the value of investments	236,751	236,751
- Credit loss allowance against loans and advances	10,157,544	10,143,512
- Credit loss allowance against off-balance sheet obligations	115,222	115,222
- Accelerated tax depreciation	1,686,518	1,550,617
- Right of use assets	694,842	651,852
- Other Credit loss allowance	100,651	98,789
- Impact of adoption of IFRS 9	3,500,344	-
	<b>23,833,844</b>	<b>19,809,918</b>
<b>Taxable temporary differences on</b>		
- Surplus on revaluation of fixed assets	(3,281,294)	(3,221,529)
- Excess of accounting book value of leased assets over lease liabilities	(3,009)	16,038
- Surplus/Deficit on revaluation of investments	(12,626,159)	(16,223,311)
- Surplus on revaluation of non-banking assets	(106,848)	(106,848)
- Exchange translation reserve	(1,121,675)	(1,116,836)
	<b>(17,138,985)</b>	<b>(20,652,486)</b>
	<b>6,694,859</b>	<b>(842,568)</b>
<b>15. OTHER ASSETS</b>		
Income / return / mark-up accrued in local currency	168,286,760	185,624,656
Income / return / mark-up accrued in foreign currency	5,095,630	4,531,523
Advances, deposits, advance rent and other prepayments	3,573,393	3,045,383
Income tax refunds receivable & advance taxation (payments less provisions)	76,549	1,133,524
Compensation for delayed tax refunds	22,129,925	22,129,925
Non-banking assets acquired in satisfaction of claims	1,165,419	1,169,898
Assets acquired from Corporate and Industrial Restructuring Corporation (CIRC)	208,423	208,423
Acceptances	10,631,696	8,100,364
Commission receivable on Government treasury transactions	7,240,671	5,182,665
Stationery and stamps on hand	503,832	472,575
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Receivable against sale / purchase of shares	771,139	234,079
Receivable from SBP	-	24,698,013
Receivable from Pakistan Stock Exchange	206,283	292,822
Receivable from mutual funds	1,221,172	1,238,517
Receivable from Customers	445,907	377,044
Others	8,330,390	9,052,672
	<b>230,824,594</b>	<b>268,429,488</b>
Less: Provision allowance held against other assets	15.1	12,658,334
Less: Credit loss allowance held against markup receivable	15.2	1,511,051
Other Assets (Net of credit loss allowance)	<b>216,655,208</b>	<b>255,934,075</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<b>2,803,228</b>	<b>2,803,228</b>
<b>Other assets - total</b>	<b>219,458,436</b>	<b>258,737,303</b>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
Note	------(Rupees in '000)-----	
<b>15.1 Credit loss allowance held against other assets</b>		
Income / mark-up accrued in local currency	152,607	152,607
Advances, deposits, advance rent and other prepayments	800,000	800,000
Stationery and stamps on hand	96,542	96,542
Barter trade balances	195,399	195,399
Receivable on account of Government transactions	323,172	323,172
Receivable from Government under VHS scheme	418,834	418,834
Protested bills	4,559,888	4,377,337
Ex-MBL / NDFC - other assets	760,941	760,941
Assets Acquired from corporate and industrial restructuring corporation asset (CIRC)	208,423	208,423
Others	5,142,528	5,162,158
	<u>12,658,334</u>	<u>12,495,413</u>
<b>15.1.1 Movement in Credit loss allowance held against other assets</b>		
Opening balance	12,495,413	12,244,043
Charge for the period / year	(15,015)	239,045
Adjustment against provision	-	(45,194)
Other movement	177,936	57,519
Closing balance	<u>12,658,334</u>	<u>12,495,413</u>
<b>15.2 Credit loss allowance held against markup receivable</b>		
Opening balance	-	-
Impact of ECL recongition on adoption of IFRS-9	1,376,467	-
Charge for the period	134,584	-
Closing balance	<u>1,511,051</u>	<u>-</u>
<b>16. BILLS PAYABLE</b>		
In Pakistan	11,647,901	67,822,126
Outside Pakistan	234,036	178,322
	<u>11,881,937</u>	<u>68,000,448</u>
<b>17. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under Export Refinance Scheme	30,014,932	29,815,400
Financing Scheme for Renewable Energy	1,390,807	1,289,488
Refinance Facility for Modernization of SMEs	91,162	95,111
Financing Facility for storage of Agriculture Produce (FFSAP)	544,046	599,548
Under Long-Term Financing Facility (LTFF)	16,259,471	17,197,820
Temporary Economic Refinance Facility	22,053,152	22,827,889
Refinance and Credit Guarantee Scheme for Women Entrepreneurs (RCWE)	60,249	29,220
Export Refinance scheme for Bill Discounting	1,896,850	2,606,143
Refinance Facility for Combating Covid-19	40,150	45,352
	<u>72,350,819</u>	<u>74,505,971</u>
Repurchase agreement borrowings	2,107,156,795	2,064,472,106
	<u>2,179,507,614</u>	<u>2,138,978,077</u>
<b>Unsecured</b>		
Call borrowings	19,861,821	19,434,142
Overdrawn nostro accounts	571,868	19,330,975
	<u>20,433,689</u>	<u>38,765,117</u>
	<u>2,199,941,303</u>	<u>2,177,743,194</u>



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

**17.1 Particulars of borrowings with respect to currencies**

In local currency	<b>2,180,359,482</b>	2,140,248,077
In foreign currencies	<b>19,581,821</b>	37,495,117
	<b><u>2,199,941,303</u></b>	<b><u>2,177,743,194</u></b>

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

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

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

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

**18. DEPOSITS AND OTHER ACCOUNTS**

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

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

**Customers**

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

**Financial Institutions**

Current deposits	<b>452,612,372</b>	<b>1,659,392</b>	<b>454,271,764</b>	458,765,517	1,400,531	460,166,048
Savings deposits	<b>29,844,791</b>	-	<b>29,844,791</b>	18,946,277	4,644,674	23,590,951
Term deposits	<b>10,254,966</b>	<b>9,815,542</b>	<b>20,070,508</b>	12,824,721	3,636,495	16,461,216
Others	<b>4,627,375</b>	<b>252</b>	<b>4,627,627</b>	6,310,317	-	6,310,317
	<b><u>497,339,504</u></b>	<b><u>11,475,186</u></b>	<b><u>508,814,690</u></b>	496,846,832	9,681,700	506,528,532

<b>2,895,329,056</b>	<b>527,748,516</b>	<b>3,423,077,572</b>	3,134,960,740	538,149,174	3,673,109,914
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**18.1** Foreign currencies deposits includes deposit of foreign branches amounting to Rs.111,735 million (December 31, 2023: Rs. 99,316 million).

**19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

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

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

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

**20. LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS**

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

**Maturity analysis - contractual undiscounted cash flows**

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

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	------(Rupees in '000)-----	
<b>21. OTHER LIABILITIES</b>			
Mark-up / Return / Interest payable in local currency		144,668,121	194,680,604
Mark-up / Return / Interest payable in foreign currencies		925,158	2,611,281
Unearned commission and income on bills discounted		153,551	124,131
Accrued expenses		14,465,979	13,907,160
Advance payments		398,550	387,084
Acceptances		10,631,696	8,100,364
Unclaimed dividends		174,182	174,709
Mark to market loss on forward foreign exchange contracts		2,481,578	6,676,880
Current taxation (payments less provisions)		21,673,116	-
Branch adjustment account		999,932	1,659,214
Payable to defined benefit plan:			
Pension fund		24,672,994	22,944,893
Post retirement medical benefits		36,009,451	34,833,112
Benevolent fund		1,609,538	1,613,699
Gratuity scheme		4,595,547	4,975,497
Compensated absences		9,511,042	9,632,176
Credit loss allowance against off-balance sheet obligations	21.2	2,601,806	627,494
Credit loss allowance against contingencies	21.1	4,639,533	4,698,118
Staff welfare fund		371,257	371,257
Liabilities relating to Barter trade agreements		4,272,620	4,321,484
Payable to brokers		252,197	735,663
Payable to customers		348,565	516,017
PIBs short selling		14,011,372	10,241,337
Others		18,890,576	19,040,688
		<u>318,358,361</u>	<u>342,872,862</u>
<b>21.1 Credit loss allowance against contingencies</b>			
Opening balance		4,698,118	4,170,799
Charge for the period / year		19,351	384,838
Other movement		(77,936)	142,481
Closing balance		<u>4,639,533</u>	<u>4,698,118</u>
<b>21.2 Credit loss allowance against off-balance sheet obligations</b>			
Opening balance		627,494	627,494
impact of adoption of IFRS-9		1,843,590	-
Charge for the period / year		130,722	-
Closing balance		<u>2,601,806</u>	<u>627,494</u>
<b>22. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI-Debt	9.1	(28,423,241)	(31,347,013)
- Securities measured at FVOCI-Equity		54,199,534	64,466,294
- Fixed Assets		48,215,367	48,300,131
- Non-banking assets		2,803,229	2,803,228
- On securities of associates and joint venture		48,296	(337,236)
		<u>76,843,185</u>	<u>83,885,404</u>
Deferred tax on (surplus) / deficit on revaluation of:			
- Securities measured at FVOCI-Debt		13,936,374	15,360,036
- Securities measured at FVOCI-Equity		(26,562,532)	(31,583,349)
- Fixed Assets		(3,281,294)	(3,322,829)
- Non-banking assets		(106,848)	(106,848)
		<u>(16,014,300)</u>	<u>(19,652,989)</u>
		<u>60,828,884</u>	<u>64,232,415</u>

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
	Note	------(Rupees in '000)-----	
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	23.1	528,404,420	346,487,980
Commitments	23.2	2,508,834,693	2,362,684,359
Other contingent liabilities	23.3	26,070,987	26,628,229
		<u>3,063,310,099</u>	<u>2,735,800,568</u>
<b>23.1 Guarantees:</b>			
Financial guarantees		406,321,553	227,063,459
Performance guarantees		122,082,867	119,424,521
		<u>528,404,420</u>	<u>346,487,980</u>
<b>23.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,577,908,048	1,633,847,479
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	851,887,859	655,935,358
- forward government securities transactions	23.2.2	27,118,665	27,318,929
- forward lending	23.2.3	50,702,983	44,432,555
Commitments for acquisition of:			
- operating fixed assets		1,196,541	1,129,442
Other commitments	23.2.4	20,597	20,596
		<u>2,508,834,693</u>	<u>2,362,684,359</u>
<b>23.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		489,737,816	412,870,783
Sale		362,150,043	243,064,575
		<u>851,887,859</u>	<u>655,935,358</u>
Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated condensed interim financial statements at contracted rates. Commitments denominated in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing at the statement of financial position date.			
<b>23.2.2 Commitments in respect of forward government securities transactions</b>		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		------(Rupees in '000)-----	
Purchase		20,268,814	11,493,136
Sale		6,849,852	15,825,793
		<u>27,118,665</u>	<u>27,318,929</u>
Commitments for outstanding forward government securities transactions are disclosed in these consolidated condensed interim financial statements at contracted rates.			
<b>23.2.3 Commitments in respect of forward lending</b>		(Un-audited) March 31, 2024	(Audited) December 31, 2023
		------(Rupees in '000)-----	
Undrawn formal standby facilities, credit lines and other commitment to lending		<u>50,702,983</u>	<u>44,432,555</u>
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	------(Rupees in '000)-----	
<b>23.2.4 Other commitments</b>		
Professional services to be received	<u>20,597</u>	<u>20,596</u>
<b>23.3 Other contingent liabilities</b>		
<b>23.3.1</b> Claims against the Bank not acknowledged as debt	<u>26,070,987</u>	<u>26,628,229</u>

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

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

#### 23.3.2 Taxation

As at March 31, 2024, the status of tax contingencies is same as disclosed in the annual audited consolidated financial statements for the year ended December 31, 2023.

#### 23.3.3 Contingencies in respect of employees benefits and related matters

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

##### 23.3.3.1 Pensionary benefits to retired employees

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

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

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

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

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		------(Rupees in '000)-----	
<b>24.</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>	<b>Note</b>	
	Loans and advances	56,366,101	43,469,581
	Investments	215,275,819	146,218,758
	Lendings to financial institutions	2,570,230	2,573,879
	Balances with banks	869,921	236,360
		<u>275,082,071</u>	<u>192,498,578</u>
<b>25.</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	115,419,124	69,726,499
	Borrowings	1,891,891	1,153,608
	Cost of foreign currency swaps against foreign currency deposits	3,667,439	1,218,975
	Lease liability against right of use assets	241,414	328,939
	Securities sold under repurchase agreements	124,734,681	87,445,959
		<u>245,954,549</u>	<u>159,873,980</u>
<b>26.</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	478,760	464,670
	Consumer finance related fees	169,078	135,309
	Card related fees	1,254,346	579,688
	Credit related fees	73,036	55,281
	Investment banking fees	39,084	85,646
	Commission on trade	741,581	406,448
	Commission on guarantees	349,988	277,157
	Commission on cash management	12,573	9,551
	Commission on remittances including home remittances	384,091	372,768
	Commission on bancassurance	34,648	75,044
	Commission on government transactions	2,021,195	2,052,698
	Management fee and sale load	664,063	384,955
	Brokerage income	25,681	17,328
	Others	31,911	39,403
		<u>6,280,035</u>	<u>4,955,946</u>
<b>27.</b>	<b>GAIN ON SECURITIES - NET</b>		
	Realised	2,749,911	756,394
	Unrealised - Measured at FVTPL	1,665,176	-
	Unrealised - Held-for-trading	-	(226,190)
	Unrealised - Short selling	9,131	(160,904)
		<u>4,424,218</u>	<u>369,299</u>
<b>27.1</b>	<b>Realized gain on</b>		
	Federal Government Securities	1,882,955	738,747
	Shares and mutual funds	866,956	17,647
		<u>2,749,911</u>	<u>756,394</u>
<b>27.2</b>	<b>Net gain / loss on financial assets / liabilities measured at FVTPL:</b>		
	Designated upon initial recognition	(33,691)	-
	Mandatorily measured at FVTPL	1,698,867	-
		<u>1,665,176</u>	<u>-</u>

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		------(Rupees in '000)-----	
<b>28.</b>	<b>OTHER INCOME</b>	<b>Note</b>	
	Rent on property		6,502
	Gain on sale of fixed assets - net		1,819
	Compensation for delayed tax refunds	28.1	471,354
	Amortization of deferred income		2,096
	Reversal of provisions		79,431
	Sale of mortgage property		39,336
	Others		4,859
			<b>57,904</b>
			<b>70,632</b>
			<b>605,397</b>
<b>28.1</b>	This represents compensation on delayed refunds determined under Section 171 of Income Tax Ordinance 2001.		
<b>29.</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expenses</b>		<b>14,631,931</b>
			14,457,298
	<b>Property expense</b>		
	Rent and taxes	<b>348,258</b>	274,301
	Insurance	<b>9,877</b>	10,654
	Utilities cost	<b>580,241</b>	426,288
	Security (including guards)	<b>978,149</b>	817,676
	Repair and maintenance (including janitorial charges)	<b>357,343</b>	305,378
	Depreciation	<b>119,733</b>	130,454
	Depreciation on non banking assets	<b>4,479</b>	2,511
	Depreciation on Ijarah assets	<b>-</b>	15,861
	Depreciation on right of use assets	<b>518,653</b>	556,890
		<b>2,916,732</b>	2,540,013
	<b>Information technology expenses</b>		
	Software maintenance	<b>716,087</b>	694,694
	Hardware maintenance	<b>40,457</b>	63,303
	Depreciation	<b>127,017</b>	99,462
	Amortisation	<b>122,762</b>	118,595
	Network charges	<b>214,988</b>	155,853
	IT Manage Services	<b>117,998</b>	134,328
		<b>1,339,309</b>	1,266,235
	<b>Other operating expenses</b>		
	Directors' fees and allowances	<b>25,064</b>	11,023
	Directors' fees and allowances - subsidiaries	<b>5,940</b>	4,840
	Fees and allowances to Shariah Board	<b>4,266</b>	4,577
	Legal and professional charges	<b>436,738</b>	415,575
	Outsourced services costs	<b>214,313</b>	147,241
	Travelling and conveyance	<b>339,943</b>	305,235
	NIFT clearing charges	<b>50,818</b>	53,977
	Depreciation	<b>382,708</b>	400,152
	Training and development	<b>15,112</b>	22,144
	Postage and courier charges	<b>38,689</b>	30,189
	Communication	<b>203,582</b>	156,333
	Stationery and printing	<b>303,928</b>	273,048
	Marketing, advertisement and publicity	<b>132,342</b>	104,096
	Donations	<b>5,509</b>	-
	Auditors' Remuneration	<b>69,638</b>	64,027
	Financial charges on leased assets	<b>31,707</b>	29,309
	Insurance	<b>189,960</b>	129,210
	Entertainment	<b>96,313</b>	70,135
	Clearing, verification and license fee charges	<b>69,273</b>	117,026
	Vehicle Expenses	<b>63,817</b>	61,970
	Repairs and maintenance	<b>310,958</b>	260,390
	Brokerage	<b>30,795</b>	5,126
	Loss on Sale of Fixed Asset	<b>33,935</b>	-
	Deposit premium expense	<b>348,216</b>	452,894
	Others	<b>178,323</b>	158,150
		<b>3,581,888</b>	3,276,667
		<b>22,469,860</b>	<b>21,540,213</b>

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		------(Rupees in '000)-----	
<b>30.</b>	<b>OTHER CHARGES</b>	<b>Note</b>	
	Penalties imposed by State Bank of Pakistan	10,891	14,614
	Penalties imposed by other regulatory bodies(Central bank of international branches)	-	1,085
		<u>10,891</u>	<u>15,699</u>
<b>31.</b>	<b>CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>		
	Credit loss allowance for diminution in value of investments	9.2 117,448	774,286
	Credit loss allowance against loans and advances	10.4 340,401	(68,430)
	Credit loss allowance against against other assets	15.1.1 (15,015)	9,895
	Credit loss allowance against against markup receivable	134,584	-
	Credit loss allowance against against contingencies	21.1 19,351	18,436
	Credit loss allowance against against off balance Sheet	130,722	-
		<u>727,490</u>	<u>734,186</u>
<b>32.</b>	<b>TAXATION</b>		
	Current		
	For the year	10,723,750	8,076,025
	Prior years	-	-
		10,723,750	8,076,025
	Deferred		
	For the year	(115,469)	(454,280)
	Prior years	-	-
		(115,469)	(454,280)
		<u>10,608,281</u>	<u>7,621,745</u>
<b>33.</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit for the period (Rupees in 000's)	9,708,340	11,249,266
	Weighted average number of ordinary shares (000's)	2,127,513	2,127,513
	Earnings per share - basic and diluted (Rupees)	4.56	5.29

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

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

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

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



### 35.1 Fair value of financial assets

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

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

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

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

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

	March 31, 2024 (Un-audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	862,739,288	-	862,739,288	-	862,739,288
- Pakistan Investment Bonds	2,835,677,056	-	2,835,677,056	-	2,835,677,056
- GOP Ijarah Sukuks	49,176,798	-	49,176,798	-	49,176,798
- Foreign Currency Debt securities	36,044,116	-	36,044,116	-	36,044,116
<b>Ordinary Shares</b>					
- Listed Companies	63,684,379	63,684,379	-	-	63,684,379
<b>Preference shares</b>					
- Listed	1,034,666	1,034,666	-	-	1,034,666
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	46,074,986	14,144,159	31,930,827	-	46,074,986
<b>Mutual Fund units</b>					
	7,393,010	-	7,393,010	-	7,393,010
<b>Foreign Securities</b>					
- Government debt securities	6,101,261	-	6,101,261	-	6,101,261
- Equity Securities - Listed	44,420,784	44,420,784	-	-	44,420,784
	<u>3,952,346,333</u>	<u>123,283,988</u>	<u>3,829,062,345</u>	<u>-</u>	<u>3,952,346,333</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Pakistan Investment Bonds	319,839,934	-	187,288,650	-	187,288,650
- GOP Ijarah Sukuks	14,080,289	-	11,805,827	-	11,805,827
- Foreign Currency Debt securities	4,393,435	-	4,224,299	-	4,224,299
<b>Foreign Securities</b>					
- Government debt securities	40,750,764	-	43,559,260	-	43,559,260
- Non-Government debt securities	1,065	-	1,103	-	1,103
	<u>379,065,487</u>	<u>-</u>	<u>246,879,139</u>	<u>-</u>	<u>246,879,139</u>
	<u>4,331,411,820</u>	<u>123,283,988</u>	<u>4,075,941,484</u>	<u>-</u>	<u>4,199,225,472</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
<b>Commitments</b>					
Foreign exchange contracts purchase and sale	851,887,859	-	(11,944,713)	-	(11,944,713)
Forward government securities transactions	27,118,665	-	167,530	-	167,530

December 31, 2023 (Audited)					
Carrying Value	Level 1	Level 2	Level 3	Total	
------(Rupees in '000)-----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	980,162,978	-	980,162,978	-	980,162,978
- Pakistan Investment Bonds	2,915,714,573	-	2,915,714,573	-	2,915,714,573
- GOP Ijarah Sukuks	30,093,964	-	30,093,964	-	30,093,964
- Foreign Currency Debt securities	30,733,308	-	30,733,308	-	30,733,308
<b>Ordinary Shares</b>					
- Listed Companies	62,430,593	62,430,593	-	-	62,430,593
<b>Preference shares</b>					
- Listed	1,043,797	1,043,797	-	-	1,043,797
<b>Non-Government debt securities</b>					
- Term Finance Certificates and Sukuk Bonds	47,649,851	13,790,776	33,859,075	-	47,649,851
<b>Mutual Fund units</b>					
	4,885,134	-	4,885,134	-	4,885,134
<b>Foreign Securities</b>					
- Government debt securities	6,090,437	-	6,090,437	-	6,090,437
- Equity Securities - Listed	42,634,845	42,634,845	-	-	42,634,845
	4,121,439,480	119,900,011	4,001,539,469	-	4,121,439,480
<b>Financial assets - disclosed but not measured at fair value</b>					
<b>Investments</b>					
<b>Federal Government Securities</b>					
- Market Treasury Bills	161,108	-	161,108	-	161,108
- Pakistan Investment Bonds	213,116,482	-	193,881,462	-	193,881,462
- GOP Ijarah Sukuks	14,087,500	-	12,419,631	-	12,419,631
- Foreign Currency Debt securities	4,288,988	-	4,243,611	-	4,243,611
<b>Foreign Securities</b>					
- Government debt securities	41,295,981	-	41,295,981	-	41,295,981
- Non-Government debt securities	1,083	-	1,083	-	1,083
	272,951,142	-	252,002,875	-	252,002,875
	4,394,390,622	119,900,011	4,253,542,344	-	4,373,442,355
<b>Off-balance sheet financial instruments - measured at fair value</b>					
<b>Commitments</b>					
Foreign exchange contracts purchase and sale	655,935,358	-	(6,676,880)	-	(6,676,880)
Forward government securities transactions	27,318,929	-	3,357	-	3,357

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

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

### 35.2 Fair value of non-financial assets

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

March 31, 2024 (Un-audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Land and building	52,065,972	-	-	52,065,972
Non-banking assets acquired in satisfaction of claims	3,968,647	-	-	3,968,647
	<b>56,034,619</b>	-	-	<b>56,034,619</b>
December 31, 2023 (Audited)				
Carrying Value	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
Land and building	51,992,069	-	-	51,992,069
Non-banking assets acquired in satisfaction of claims	3,973,126	-	-	3,973,126
	<b>55,965,195</b>	-	-	<b>55,965,195</b>

## SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

## Profit and loss account

Net mark-up / return / interest income / (expense)	9,243,938	251,229	105,644,993	3,056,778	1,131,520	29,127,523	-	29,127,522
Inter segment revenue - net	123,260,264	1,576,071	(120,246,452)	-	6,114,565	-	-	-
Non mark-up / return / interest income	4,183,351	1,26,492	7,249,888	214,454	1,174,398	14,507,291	-	14,507,291
Total Income	37,242,681	(1,334,018)	3,386,009	3,271,231	8,420,482	43,634,814	-	43,634,813
Segment direct expenses	9,921,106	103,111	309,598	90,929	1,415,588	14,163,066	-	14,163,066
Inter segment expense allocation	-	-	-	-	8,317,685	8,317,685	-	8,317,685
Total expenses	9,921,106	103,111	309,598	90,929	9,733,273	22,480,751	-	22,480,751
Credit loss allowance	51,861	579,507	550,665	(121,579)	(332,965)	727,491	-	727,490
Profit / (loss) before taxation	27,269,715	(2,016,637)	2,525,745	(7,442,499)	1,070,076	(979,826)	-	20,426,572

(Rupees in '000)

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

## Statement of financial position

Cash and balances with treasury and other banks	94,686,055	260,724	231,419,359	83,388,984	12,107,916	437,853,227	-	437,853,227
Investments	0	29,536,237	4,154,994,743	84,572,188	77,455,445	4,346,498,625	-	4,346,498,622
Net inter segment lending	2,484,375,335	-	-	-	339,660,350	2,824,035,685	(2,824,035,685)	-
Lendings to financial institutions	-	-	-	-	-	58,022,466	-	58,022,466
Advances - performing	231,113,791	158,401,636	687,658,281	65,960,818	109,991,034	1,253,125,539	-	1,253,125,539
Advances - non-performing	(12,386,909)	(30,731,848)	(41,882,813)	(62,726,043)	(103,009,368)	(250,736,981)	-	(250,736,981)
Credit allowance against advances	223,862,851	154,875,371	670,120,363	67,000,875	109,760,737	1,225,620,197	-	1,225,620,197
Advances - Net	44,647,739	2,803,745	37,735,073	8,345,816	95,044,472	292,786,713	-	292,786,734
Others	2,847,571,980	163,669,305	737,652,397	253,247,862	634,028,920	9,184,816,914	(2,824,035,685)	6,360,781,246
<b>Total Assets</b>	-	4,359,614	67,991,206	19,581,821	-	2,199,941,304	-	2,199,941,303
Borrowings	2,733,349,952	-	461,746,902	111,735,197	116,245,522	3,423,077,572	-	3,423,077,572
Deposits and other accounts	-	152,166,650	178,726,600	2,348,684,206	22,065,976	2,824,035,685	(2,824,035,685)	-
Net inter segment borrowing	114,218,085	7,143,041	29,136,456	4,263,437	140,864,848	336,548,794	-	338,921,755
Others	2,847,568,036	163,669,305	737,601,163	4,97,615,795	279,176,346	8,783,603,354	(2,824,035,685)	5,961,940,630
<b>Total liabilities</b>	3,944	-	51,234	(4,724,846)	352,479,625	398,840,613	-	398,840,615
Equity	2,847,571,980	163,669,305	737,652,397	253,247,862	631,655,971	9,182,443,966	(2,824,035,685)	6,360,781,246
<b>Total equity and liabilities</b>	-	78,678,795	2,006,166,719	21,064,750	27,690,328	3,063,310,099	-	3,063,310,099

(Rupees in '000)

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

**Profit and loss account**

Net mark-up / return / interest income / (expense)	8,033,052	7,608,880	67,668,646	633,285	2,350,473	32,624,598	-	32,624,598
Inter segment revenue - net	(9,351,581)	(6,273,468)	(69,125,293)	-	5,399,033	-	-	-
Non mark-up / return / interest income	3,526,389	88,983	2,691,183	339,218	1,057,308	8,560,557	-	8,560,557
Total Income	29,208,240	(1,229,807)	2,212,868	972,503	8,806,814	41,205,155	-	41,205,155
Segment direct expenses	8,887,705	906,289	349,136	62,208	2,178,426	13,671,656	-	13,671,655
Inter segment expense allocation	-	-	-	-	-	7,884,256	-	7,884,256
Total expenses	8,887,705	906,289	349,136	62,208	9,172,149	21,555,912	-	21,555,911
Provision and writeoff - net	(57,529)	489,453	234,381	(185,860)	(598,884)	734,186	-	734,186
Profit / (loss) before taxation	20,378,063	(2,625,549)	1,629,351	319,704	233,550	18,915,057	-	18,915,057

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

**Statement of financial position**

Cash and balances with treasury and other banks	24,530,869	309,620	253,026,662	45,582,613	12,683,274	338,460,049	-	338,460,049
Investments	-	29,881,757	4,238,437,789	79,712,923	66,141,836	4,414,174,305	-	4,414,174,305
Net inter segment lending	2,848,709,056	-	-	-	305,771,087	3,154,480,145	(3,154,480,145)	-
Lendings to financial institutions	-	-	192,430,437	-	-	192,430,437	-	192,430,437
Advances - performing	236,148,640	263,088,116	719,624,952	69,139,462	122,783,713	1,410,784,883	-	1,410,784,883
Advances - non-performing	4,151,922	24,855,686	24,997,940	64,791,844	102,323,045	221,120,437	-	221,120,437
Provision against advances	(8,543,697)	(21,077,228)	(34,670,159)	(62,606,767)	(106,934,800)	(233,832,651)	-	(233,832,651)
Advances - net	231,756,865	266,866,574	709,952,733	71,324,539	118,171,958	1,398,072,669	-	1,398,072,669
Others	45,196,987	4,100,249	37,94,142	8,304,683	113,205,384	325,736,567	-	325,736,565
<b>Total Assets</b>	3,150,193,779	273,293,834	777,938,252	204,924,758	615,973,539	9,823,354,173	(3,154,480,145)	6,668,874,025
Borrowings	-	5,171,334	69,017,574	18,164,142	317,063	2,177,743,194	-	2,177,743,194
Deposits and other accounts	2,948,491,330	-	510,139,226	99,315,779	115,163,579	3,673,109,914	-	3,673,109,914
Net inter segment borrowing	201,702,449	18,201,305	2,620,973,252	90,971,376	23,220,235	3,154,480,145	(3,154,480,145)	-
Others	3,150,193,779	273,293,834	777,938,252	215,090,323	113,367,637	420,606,878	-	420,606,877
<b>Total liabilities</b>	3,150,193,779	273,293,834	777,938,252	215,090,323	252,068,514	9,425,940,131	(3,154,480,145)	6,271,459,985
Equity	-	-	28,709	(10,165,565)	363,905,025	397,414,040	-	397,414,040
<b>Total equity and liabilities</b>	3,150,193,779	273,293,834	777,938,252	204,924,758	615,973,539	9,823,354,173	(3,154,480,145)	6,668,874,025
Contingencies and commitments	-	90,350,773	1,864,892,509	25,102,178	27,778,266	2,735,800,568	-	2,735,800,568

**RELATED PARTY TRANSACTIONS**

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

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

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

	As at March 31, 2024 (Un-audited)						As at December 31, 2023 (Audited)												
	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A.A.c)	Provident Fund	Other related parties	Directors	Key management personnel	Associates	Joint venture	Pension Fund (Current)	Pension Fund (Fixed Deposit)	Pension Fund (N.I.D.A.A.c)	Provident Fund	Other related parties	
<b>Balances with other banks</b>																			
In current accounts	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-	-	-
	-	-	-	281,021	-	-	-	-	-	-	-	-	425,938	-	-	-	-	-	-
<b>Investments</b>																			
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment made during the period / year	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	-	6,612,634
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,892,533
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(441,027)
Closing balance	-	-	-	-	-	-	-	-	7,283,610	-	-	-	-	-	-	-	-	-	7,192,639
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	164,975	-	-	-	-	-	-	-	-	-	164,975
<b>Advances</b>																			
Opening balance	-	285,788	2,540,453	-	-	-	-	-	-	-	339,734	2,865,220	-	-	-	-	-	-	2,865,795
Addition during the period / year	-	(13,062)	(19,883)	-	-	-	-	-	-	-	24,777	(124,767)	-	-	-	-	-	-	(600,649)
Reduction during the period / year	-	-	-	-	-	-	-	-	-	-	(40,536)	-	-	-	-	-	-	-	(1,565,146)
Transfer in / (out) - net	-	252,727	2,520,570	-	-	-	-	-	-	-	295,788	2,540,453	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit loss allowance held against advances	-	-	2,520,570	-	-	-	-	-	164,975	-	-	2,540,453	-	-	-	-	-	-	-
<b>Other Assets</b>																			
Opening balance	-	-	1,313,344	-	-	-	-	-	-	-	-	1,313,344	-	-	-	-	-	-	-
Commission paid in Advance	-	-	-	27,206	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	1,313,344	27,206	-	-	-	-	-	-	-	1,313,344	35,846	-	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowings</b>																			
Opening balance	-	-	-	546,209	-	-	-	-	-	-	-	-	62,245	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	55,004	-	-	-	-	-	-	-	493,964	-	-	-	-	-	-	-
Settled during the period / year	-	-	-	607,263	-	-	-	-	-	-	-	-	546,209	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>																			
Opening balance	3,520	79,801	145,790	371	100	-	-	378,878	13,553,087	8,245,122	-	3,000	-	27,222	-	257,252	13,293,170	515,559	
Repayment during the period / year	3,114	203,547	-	-	13,672,597	-	-	1,455,080	928,016	35,789,381	11,733	981,165	145,790	62,751,550	-	3,883,089	5,399,545	123,290,442	
Withdrawal during the period / year	(5,289)	(188,524)	(111,969)	-	(13,573,282)	-	-	(1,587,032)	(1,065,109)	(37,295,094)	(8,103)	(996,174)	(3,000)	(1,450)	(62,778,472)	(3,761,343)	(6,069,628)	(118,318,327)	
Transfer in / (out) - net*	-	2,408	-	-	-	-	-	-	-	(64,494)	-	(20,679)	1,821	-	-	-	-	-	3,518,458
Closing balance	1,206	80,231	33,821	371	99,415	-	-	2,66,986	13,428,993	7,604,295	3,630	72,801	145,790	371	100	-	378,978	13,563,087	9,245,132
<b>Other Liabilities</b>																			
Interest / mark-up payable	-	-	955	-	-	-	-	-	-	-	-	5,892	-	-	-	-	-	-	-
Other liabilities	-	-	955	-	-	-	-	-	-	-	-	5,892	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Contingencies and commitments</b>																			
Interest / mark-up payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\* Transfer in / (out) - net due to retirement / changes in key management executives.

	For the three months period ended March 31, 2024 (Uh-audited)					For the three months period ended March 31, 2023 (Uh-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
<b>Income</b>														
Mark-up / return / interest earned	-	-	-	-	-	99,426	-	-	-	2,637	-	-	-	107,209
Dividend income	-	-	-	-	29,700	-	-	-	-	-	-	-	-	-
Rent income / lighting and power and bank charges	-	-	1,816	-	-	5,257	-	-	1,361	-	-	-	-	-
<b>Expense</b>														
Mark-up / return / interest paid	407	3,723	50,307	7,564	38,382	506,887	271,220	4,572	98	7,739	13,863	-	-	14,116
Expenses paid to company in which Director of the bank was interested as CEO and director	-	-	-	-	-	484,687	-	-	-	-	-	-	-	8,061
Remuneration to key management executives including charge for defined benefit plan	-	165,131	-	-	-	-	-	264,049	-	-	-	-	-	-
Donation paid to company in which Director of the bank was interested as director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Directors' fee & other allowances	25,064	-	-	-	-	-	11,023	-	-	-	-	-	-	-
Post Retirement Benefit paid to Director cum ex-employee	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(Rupees in '000)

**37.1 Transactions with Government-related entities**

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

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

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

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	------(Rupees in '000)-----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>21,275,131</u>	<u>21,275,131</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>306,607,031</u>	290,194,013
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>306,607,031</u>	290,194,013
Eligible Tier 2 Capital	<u>100,455,596</u>	95,972,355
Total Eligible Capital (Tier 1 + Tier 2)	<u>407,062,627</u>	<u>386,166,368</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>1,169,934,443</u>	1,064,724,576
Market Risk	<u>157,410,032</u>	121,288,938
Operational Risk	<u>310,495,520</u>	310,495,520
Total	<u>1,637,839,996</u>	<u>1,496,509,034</u>
Common Equity Tier 1 Capital Adequacy Ratio	<u>18.72%</u>	19.39%
Tier 1 Capital Adequacy Ratio	<u>18.72%</u>	19.39%
Total Capital Adequacy Ratio	<u>24.85%</u>	<u>25.80%</u>
<b>Leverage Ratio (LR):</b>		
Tier-1 Capital	<u>306,607,031</u>	290,194,013
Total Exposure	<u>8,477,051,194</u>	8,988,394,792
Leverage Ratio	<u>3.62%</u>	<u>3.23%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>2,120,407,969</u>	1,618,093,446
Total Net Cash Outflow	<u>1,094,385,970</u>	918,191,522
Liquidity Coverage Ratio	<u>194%</u>	<u>176%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>3,188,101,628</u>	3,357,537,770
Total Required Stable Funding	<u>1,158,762,631</u>	1,298,306,326
Net Stable Funding Ratio	<u>275%</u>	<u>259%</u>



### 39 ISLAMIC BANKING BUSINESS

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

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

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

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

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

		March 31, 2024 (Un-audited)				December 31, 2023 (Audited)			
		Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
39.1	<b>Investments by segments:</b>	----- (Rupees in '000) -----							
	<b>Debt Instruments</b>								
	<b>Classified / Measured at Amortised cost</b>								
	Federal Government securities								
	- GOP Ijarah Sukuks	14,080,289	-	-	14,080,289	14,087,500	-	-	14,087,500
	Non Government debt securities								
	- Sukuks	130,807	(130,807)	-	-	130,807	(130,807)	-	-
		14,211,096	(130,807)	-	14,080,289	14,218,307	(130,807)	-	14,087,500
	<b>Classified / Measured at FVOCI</b>								
	Federal Government securities								
	- GOP Ijarah Sukuks	31,307,762	-	(773,649)	30,534,113	20,513,568	-	(726,606)	19,786,962
	Non Government debt securities								
	- Sukuks	15,273,949	(85,000)	344,116	15,533,065	17,343,866	-	326,390	17,670,256
		46,581,711	(85,000)	(429,533)	46,067,178	37,857,434	-	(400,216)	37,457,218
	<b>Classified / Measured at FVPL</b>								
	Non Government debt securities								
	- Sukuks	1,934,203	-	-	1,934,203	-	-	-	-
		1,934,203	-	-	1,934,203	-	-	-	-
	<b>Total Investments</b>	62,727,010	(215,807)	(429,533)	62,081,670	52,075,741	(130,807)	(400,216)	51,544,718

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

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

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

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

**39.3 Ijarah**

March 31, 2024 (Un-audited)						
Cost			Depreciation			Book Value as at Mar 31, 2024
As at Jan 01, 2024	Additions / (deletions/ adjustment)	As at Mar 31, 2024	As at Jan 01, 2024	Charge/ Adjustment for the year	As at Mar 31, 2024	
------(Rupees in '000)-----						
Plant & Machinery	59,828	-	59,753	47,449	-	47,449
		(75)			-	
Vehicles	6,000	-	6,000	4,630	-	4,630
		-			-	
Total	65,828	-	65,753	52,079	-	52,079
		(75)			-	13,674
------(Rupees in '000)-----						
December 31, 2023 (Audited)						
Cost			Accumulated Depreciation			Book Value as at Dec 31, 2023
As at Jan 01, 2023	Additions / (deletions/ adjustment)	As at Dec 31, 2023	As at Jan 01, 2023	Charge/ Adjustment for the year	As at Dec 31, 2023	
------(Rupees in '000)-----						
Plant & Machinery	63,474	-	59,828	50,820	-	47,449
		(3,646)			(3,371)	
Vehicles	168,680	-	6,000	143,126	1,065	4,630
		(162,680)			(139,561)	
Total	232,154	-	65,828	193,946	1,065	52,079
		(166,326)			(142,932)	13,749

Future Ijarah payments receivable

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

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

Ijarah rental receivables 1,460      -      1,460      1,460      -      -      1,460

### 39.4 Deposits

March 31, 2024 (Un-audited)			December 31, 2023 (Audited)		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total

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

#### Customers

Current deposits	20,778,221	181,066	20,959,287	22,342,688	185,921	22,528,609
Savings deposits	51,676,000	-	51,676,000	56,721,533	-	56,721,533
Term deposits	16,338,324	-	16,338,324	16,261,024	-	16,261,024
Others	1,439,024	-	1,439,024	810,992	-	810,992

#### Financial Institutions

Current deposits	90,231,569	181,066	90,412,635	96,136,237	185,921	96,322,158
Savings deposits	1,219,055	-	1,219,055	1,879,123	-	1,879,123
Term deposits	20,745,062	-	20,745,062	15,071,912	-	15,071,912
	558,113	-	558,113	528,613	-	528,613
	22,522,230	-	22,522,230	17,479,648	-	17,479,648
	112,753,799	181,066	112,934,865	113,615,885	185,921	113,801,806

(Un-audited)  
March 31,  
2024

(Audited)  
December 31,  
2023

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

### 39.5 Unappropriated / unremitted profit

Opening balance	3,529,477	2,297,141
Less: Impact of adoption of IFRS 9	(404,522)	-
Add: Islamic banking profit for the period	1,139,657	3,529,477
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / remitted to head office	(3,529,477)	(2,297,141)
Closing balance	735,135	3,529,477

### 39.6 CONTINGENCIES AND COMMITMENTS

-Guarantees	-	-
-Commitments	-	-
-Other contingent liabilities	-	-
	-	-

		(Un-audited)	
		Quarter ended	
		March 31, 2024	March 31, 2023
		------(Rupees in '000)-----	
<b>39.7</b>	<b>Profit / Return Earned of Financing, Investments and Placement</b>		
	Profit earned on:		
	Financing	3,202,371	1,833,712
	Investments	2,463,206	1,979,056
	Placements	419	276
	Others (Bai Muajjal)	-	-
		<u>5,665,996</u>	<u>3,813,044</u>
<b>39.8</b>	<b>Profit on Deposits and other Dues Expensed</b>		
	Deposits and other accounts	3,032,058	1,735,736
	Amortisation of lease liability against - ROUA	30,383	16,845
	Others (General Account)	688,271	828,335
		<u>3,750,712</u>	<u>2,580,916</u>
<b>39.9</b>	<b>Pool Management</b>		

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

**a) General depositor pool**

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

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

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

**c) Equity pool**

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

**Key features and risk & reward characteristics**

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

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

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

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

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

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

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

**40. GENERAL**

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

**41. DATE OF AUTHORIZATION FOR ISSUE**

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

**Ashraf Mahmood Wathra**  
Chairman

**Rehmat Ali Hasnie**  
President & CEO

**Abdul Wahid Sethi**  
Chief Financial Officer

**Ahsan Ali Chughtai**  
Director

**Ali Syed**  
Director





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