

HABIBMETRO

THIRD QUARTER REPORT

SEPTEMBER

2022

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هَذَا فَضْلُكَ

# OUR VISION

To be the most respected financial institution  
based on trust, service and commitment



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# OUR VALUES

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## **RESPECT**

We respect our heritage, our team's dedication, and our customers' faith in us.

## **INTEGRITY**

We set high professional and ethical standards for ourselves and each other.

## **TEAMWORK**

We play to our strengths and build teams that deliver at the local and global levels.

## **RESPONSIBILITY**

We take responsibility for ourselves, our actions, and always give our best.

## **COMMITMENT**

We are committed to responding to the needs of our customers.

## **TRUST**

We safeguard the trust that our customers place in us, and foster the same with passion.



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

Mohamedali R. Habib

#### PRESIDENT & CHIEF EXECUTIVE OFFICER

Mohsin A. Nathani

#### DIRECTORS

Anjum Z. Iqbal

Firasat Ali

Hamza Habib

Mohomed Bashir

Muhammad H. Habib

Rashid Ahmed Jafer

Tahira Raza

### BOARD COMMITTEES

#### AUDIT

Anjum Z. Iqbal

Hamza Habib

Rashid Ahmed Jafer

#### CREDIT

Anjum Z. Iqbal

Mohamedali R. Habib

Mohsin A. Nathani

Muhammad H. Habib

#### HUMAN RESOURCE & REMUNERATION

Firasat Ali

Mohamedali R. Habib

Tahira Raza

#### SHARIAH BOARD

Tan Sri Dr. Mohd. Daud Bakar - Chairman

Mufti Abdul Sattar Laghari - Member

Mufti Khawaja Noor ul Hassan - Resident Member

#### COMPANY SECRETARY

Ather Ali Khan

#### REGISTERED OFFICE

Ground Floor, HabibMetro Head Office

I I Chundrigar Road,

Karachi – 74200, Pakistan

#### INFORMATION TECHNOLOGY

Anjum Z. Iqbal

Firasat Ali

Mohsin A. Nathani

#### RISK & COMPLIANCE

Anjum Z. Iqbal

Firasat Ali

Mohsin A. Nathani

Tahira Raza

#### SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B, S.M.C.H.S.,

Main Shahr-e-Faisal, Karachi - 74400

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## DIRECTORS' REVIEW

On behalf of the Board of Directors of Habib Metropolitan Bank, I am pleased to present the condensed interim un-audited financial statements for the nine months ended 30 September 2022.

With recent floods affecting the macroeconomic outlook of the Country, continued deceleration was witnessed in the economic activity along with reduction in inflationary pressures and current account deficit.

The combined seventh and eighth review under the on-going IMF program was successfully completed on 29 August 2022, resulting in release of a tranche of USD 1.2 billion that provided support to the Country's FX reserves.

Headline monthly inflation reduced to 23.2 percent in September, after peaking 27.3 percent in August. This adjustment during the month of September was due to a reduction in electricity prices because of global reduction in fuel prices. As per current projections, headline inflation is expected to gradually decline through the rest of the fiscal year.

Current account narrowed to USD 0.7 billion in August, after reducing for two consecutive months, and stood at almost half the level in July. In September, trade deficit contracted sharply by 30.6 percent year-on-year to reach USD 2.9 billion, reflecting a decline in both energy and non-energy imports amid stable exports. During the first quarter of FY23, imports declined by 12.7 percent year-on-year to USD 16.3 billion while exports grew by 1.8 percent year-on-year to USD 7 billion. Meanwhile, remittances decreased by 6.3 percent year-on-year and stood at USD 7.7 billion at the end of Q1 FY23.

The SBP raised interest rates by a cumulative 525 bps since 31 December 2021 taking the policy rate to 15.0 percent. This rate was maintained in the monetary policy decision in October 2022.

In the nine months ended September 2022, the Pak Rupee depreciated by 29.4 percent against US Dollar, from Rs. 176.5 to Rs. 228.4.

By the Grace of Allah, HABIBMETRO has posted a profit before tax of Rs. 19,441 million for January - September 2022, an increase of 24.1 percent year-on-year, compared to Rs. 15,669 million in the corresponding period in the previous year. However, profit after tax amounted to Rs. 10,259 million after absorbing the recent increase in effective tax rates on banking sector from 39% to 49%. The earnings per share (after tax) therefore amounts to Rs. 9.79 per share.

The Bank's net mark-up income amounted to Rs. 27,475 million, with a growth of 25.5 percent year-on-year, while non-markup income increased by 32.1 percent year-on-year, amounting to Rs. 10,555 million as compared to Rs. 7,989 million during the corresponding period in the previous year.

Investments stood at Rs. 737,602 million and demonstrated a growth of 10.4 percent compared to 31 December 2021 while Net Advances increased by 15.1 percent to Rs. 458,663 million during the period under review. Meanwhile, deposits increased to Rs. 897,065 million from Rs. 772,286 million in 31 December 2021 - posting a growth of 16.2 percent.

The Bank continues to focus on low-cost deposit mobilization - as a result of which, current deposits increased by 11.9 percent year-on-year during the period under review to Rs. 300,170 million.

The Bank's Net Equity increased by 20.3 percent year-on-year to Rs. 72,854 million. Moreover, capital adequacy stood at 14.7 percent at the end of the period under review.

The Bank maintained AA+ rating for Long Term, and A1+ rating for Short Term. These ratings by the Pakistan Credit Rating Agency Limited (PACRA) denote a high credit quality, with a low expectation of credit risk, and a strong capacity for timely payment of financial commitments.

During the period under review, the Bank opened 39 new branches in 27 cities in the country. HABIBMETRO now operates with a network of 498 branches in 193 cities across Pakistan, including 56 Islamic banking branches, and 232 Islamic banking windows. The Bank offers a comprehensive spectrum of banking services and products including specialized trade finance products and digital banking solutions. The Bank is committed to continuously improving and further developing its digital banking offering.

Being a conscientious corporate citizen, the Bank acknowledges its corporate social responsibilities and continues to make regular contributions to a host of non-profit / social organizations with primary focus on healthcare, education and national causes. In the aftermath of devastating floods, the Bank made relief efforts across the flood hit areas and contributed over Rs. 23 million to relief and rescue efforts. The Bank's staff also raised an additional Rs. 6.7 million for the relief of those affected by the devastating floods. Volunteer staff participated in various medical camps, food and ration distribution drives supported by the Bank, in Baluchistan and Sindh.

In conclusion, I would like to extend sincere gratitude to the Ministry of Finance, the State Bank of Pakistan, and the Securities and Exchange Commission of Pakistan for their continued support and guidance to the Bank. I would also like to thank our valued customers for the trust and patronage that they continue to extend to us. Lastly, I would like to acknowledge the unwavering dedication of the staff of HABIBMETRO Bank, who continue to work tirelessly to provide our customers with uninterrupted financial services. Their efforts enable the Bank to grow from strength to strength.

On behalf of the Board

**MOHSIN A. NATHANI**

President & Chief Executive Officer

Karachi: 21 October 2022

بینک کی نیٹ ایکویٹی سال بہ سال 20.3 فیصد اضافے کے بعد 72,854 ملین روپے ہو گئی۔ مزید برآں کیپٹل ایڈویکسی زیر جائزہ مدت کے اختتام پر 14.7 فیصد رہی۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ نے بینک کی کریڈٹ ریٹنگ طویل مدت کے لئے AA+ (ڈبل اے پلس) اور قلیل مدت کے لئے A1+ (اے ون پلس) برقرار رکھی ہے۔ یہ ریٹنگز کریڈٹ کے اعلیٰ معیار، کریڈٹ رسک کے بہت کم امکان اور مالیاتی وعدوں کی بروقت ادائیگی کی مستحکم صلاحیت ظاہر کرتی ہے۔

زیر جائزہ مدت کے دوران بینک نے ملک کے 27 شہروں میں 39 نئی شاخوں کا اضافہ کیا۔ حبیب میٹرواب پاکستان بھر کے 193 شہروں میں 498 شاخوں بشمول 56 اسلامک بینکنگ کی شاخوں اور 232 اسلامک بینکنگ ونڈوز کے نیٹ ورک کے ساتھ مصروف عمل ہے، بینک خصوصی تجارتی مالیاتی پروڈکٹس اور ڈیجیٹل بینکنگ سولوشنز کے ساتھ بینکاری کی خدمات اور پروڈکٹس کا جامع مجموعہ پیش کرتا ہے۔ بینک مستقل طور پر ڈیجیٹل بینکاری کی خدمات کو وسعت دینے اور مزید بہتر بنانے کیلئے پُر عزم ہے۔

بحیثیت ایک ذمہ دار اور فعال کارپوریٹ شہری بینک اپنی کارپوریٹ سماجی ذمہ داریوں کو بخوبی سمجھتا اور سماجی اداروں بالخصوص صحت عامہ، تعلیم اور قومی مقاصد کے شعبوں میں معاونت کرتا ہے۔ سیلاب کی تباہ کاری کے نتیجے میں بینک نے تمام متاثرہ علاقوں کے لئے امدادی کوششوں میں حصہ لیا۔ بینک نے امدادی کاموں کے لئے 23 ملین روپے سے زائد امداد فراہم کی۔ بینک کے اسٹاف نے بھی سیلاب کی تباہ کاری سے متاثرہ لوگوں کے لئے اضافی 6.7 ملین روپے فراہم کئے۔ بینک کے رضا کار اسٹاف نے بینک کے تعاون سے سندھ اور بلوچستان میں متعدد میڈیکل کیمپس، غذا اور راشن کی تقسیم میں حصہ لیا۔

آخر میں اس موقع پر وزارت مالیات، اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے بینک کیلئے تعاون اور ہدایات کیلئے شکر گزار ہیں۔ ہم اپنے محترم اور قابل قدر کسٹمرز کا بھی ان کے اعتماد اور سرپرستی پر مشکور ہیں جو ان کے بینک پر مستقل بھروسے کا مظہر ہے۔ آخر میں حبیب میٹرو بینک کے اسٹاف کی انتھک کاموں اور جدوجہد کا اعتراف کرتے ہوئے انہیں خراج تحسین پیش کرتے ہیں جو بینک کے صارفین کو بلا رکاوٹ مالیاتی خدمات فراہم کر رہے ہیں۔ ان ہی کاوشوں کی بدولت بینک مضبوط سے مضبوط تر ہوتا جا رہا ہے۔

منجانب بورڈ

**حسن اے۔ ناتھانی**  
صدر و چیف ایگزیکٹو آفیسر

کراچی: 21 اکتوبر 2022

## ڈائریکٹرز رپو

میں نہایت مسرت کے ساتھ حبیب میٹرو پولیٹن بینک کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2022 کو ختم ہونے والی تیسری سہ ماہی کیلئے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کر رہا ہوں۔

حالیہ سیلابوں سے ملک کی میٹرو اکٹنا ملک صورتحال کے باعث معاشی سرگرمیوں میں سست روی جاری رہی، اس کے ساتھ مہنگائی کے دباؤ اور کرنٹ اکاؤنٹ خسارے میں کمی آئی۔

آئی ایم ایف کے جاری پروگرام کے تحت ساتواں اور آٹھواں مشنیز کا جائزہ کامیابی کے ساتھ 29 اگست 2022 کو مکمل کیا گیا تھا جس کے نتیجے میں 1.2 بلین امریکی ڈالر کا قرض جاری کیا گیا جس نے ملک کے غیر ملکی زرمبادلہ کے ذخائر کو معاونت فراہم کی۔

مجموعی افراط زر اگست کے مہینے کی بلند تر سطح 27.3 سے کم ہو کر ستمبر میں 23.2 فیصد پر آ گیا۔ ستمبر کے مہینے میں یہ کمی عالمی سطح پر تیل کے نرخ میں کمی کے باعث بجلی کی قیمتوں میں کمی کی وجہ سے ہوئی۔ حالیہ مہینے کے مطابق مجموعی افراط زر مالی سال کے بقیہ حصے میں بتدریج کم ہونے کی توقع ہے۔

کرنٹ اکاؤنٹ خسارہ اگست کے مہینے میں مسلسل 2 ماہ سے کمی کے بعد اور جولائی کی سطح سے نصف ہونے کے بعد 0.7 بلین امریکی ڈالر رہا۔ ستمبر میں تجارتی خسارہ تیزی کے ساتھ سال بہ سال 30.6 فیصد تک کم ہو کر 2.9 بلین امریکی ڈالر پر پہنچ گیا جو مستحکم برآمدات کے ساتھ توانائی اور غیر-انرجی برآمدات دونوں میں کمی کو ظاہر کرتا ہے۔ مالیاتی سال 23 کی پہلی سہ ماہی کے دوران درآمدات سال بہ سال 12.7 فیصد تک کم ہو کر 16.3 بلین امریکی ڈالر رہ گئیں جبکہ برآمدات سال بہ سال 1.8 فیصد تک بڑھ کر 7 بلین امریکی ڈالر ہو گئیں۔ اس دوران ترسیلات زر میں سال بہ سال کی بنیاد پر 6.3 فیصد تک کمی آئی اور یہ مالیاتی سال 2023 کی پہلی سہ ماہی کے اختتام پر 7.7 بلین امریکی ڈالر رہی۔

ایس بی پی نے 31 دسمبر 2021 کے بعد شرح سود میں 525 بی پی ایس کے مجموعی اضافے کے ساتھ پالیسی ریٹ کو 15.0 فیصد پر پہنچا دیا۔ اس شرح کو اکتوبر 2022 میں کیے گئے مانیٹری پالیسی فیصلوں میں برقرار رکھا گیا۔

ستمبر 2022 میں ختم ہونے والے 9 ماہ کے دوران پاک روپے کی قدر امریکی ڈالر کے مقابلے میں 29.4 فیصد تک کم ہو کر 176.5 روپے سے 228.4 روپے پر آ گئی۔

اللہ تعالیٰ کے فضل و کرم سے حبیب میٹرو نے جنوری-ستمبر 2022 کے لئے 19,441 ملین روپے کا منافع قبل از ٹیکس ظاہر کیا جو سال بہ سال 24.1 فیصد اضافہ ظاہر کرتا ہے، اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران یہ حجم 15,669 ملین روپے تھا۔ تاہم، بعد از ٹیکس منافع، بینکنگ کے شعبے میں ٹیکس کی شرح میں 39 فیصد سے 49 فیصد کے حالیہ اضافے کے بعد، 10,259 ملین روپے رہا جس کے نتیجے میں آمدنی فی شیئر (بعد از ٹیکس) کی رقم 9.79 روپے فی شیئر رہی۔

بینک کے خالص مارک اپ کی آمدنی کا حجم سال بہ سال 25.5 فیصد اضافے کے ساتھ 27,475 ملین روپے رہا جبکہ نان-مارک اپ آمدنی سال بہ سال 32.1 فیصد تک بڑھ کر 10,555 ملین روپے ہو گئی، جو اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران 7,989 ملین روپے تھی۔

سرمایہ کاریاں 737,602 ملین روپے پر موجود تھیں جس میں 31 دسمبر 2021 کے مقابلے میں 10.4 فیصد اضافہ ہوا جبکہ نیٹ ایڈوانسز 15.1 فیصد تک بڑھ کر زیر جائزہ مدت کے دوران 458,663 ملین روپے ہو گئے۔ اسی دوران ڈپازٹس 31 دسمبر 2021 کی سطح 772,286 ملین روپے کے مقابلے میں 16.2 فیصد بڑھ کر 897,065 ملین روپے ہو گئے۔

بینک نے اپنی توجہ کم لاگت کے ڈپازٹ بڑھانے پر مرکوز رکھی۔ اور اس کے نتیجے میں زیر جائزہ مدت کے دوران کرنٹ ڈپازٹس سال بہ سال 11.9 فیصد اضافے کے بعد 300,170 ملین روپے ہو گئے۔

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	6	61,531,107	83,385,865
Balances with other banks	7	6,629,825	2,995,850
Lendings to financial institutions	8	7,990,039	3,941,284
Investments	9	737,601,676	667,995,813
Advances	10	458,662,773	398,381,922
Fixed assets	11	20,637,474	12,014,494
Intangible assets	12	100,327	120,689
Deferred tax assets	13	3,883,101	3,216,521
Other assets	14	59,289,248	52,364,002
		1,356,325,570	1,224,416,440
LIABILITIES			
Bills payable	15	22,218,121	17,944,644
Borrowings	16	292,193,119	316,166,512
Deposits and other accounts	17	897,064,986	772,286,057
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities		-	-
Other liabilities	18	71,995,100	55,044,575
		1,283,471,326	1,161,441,788
NET ASSETS			
		72,854,244	62,974,652
REPRESENTED BY			
Share capital		10,478,315	10,478,315
Reserves		24,742,512	22,679,604
Surplus / (deficit) on revaluation of assets - net of tax	19	4,429,457	(381,836)
Unappropriated profit		33,203,960	30,198,569
		72,854,244	62,974,652
CONTINGENCIES AND COMMITMENTS			
	20		

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS  
Chief Financial Officer

MOHSIN A. NATHANI  
President &  
Chief Executive Officer

MOHOMED BASHIR  
Director

RASHID AHMED JAFER  
Director

MOHAMEDALI R. HABIB  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Note	30 September 2022		30 September 2021	
		Quarter ended	Nine months ended	Quarter ended	Nine months ended
		Rupees in '000			
Mark-up / return / interest earned	22	38,520,840	91,670,360	18,675,427	53,779,786
Mark-up / return / interest expensed	23	(27,154,760)	(64,194,988)	(11,180,083)	(31,881,279)
Net mark-up / interest income		11,366,080	27,475,372	7,495,344	21,898,507
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	24	2,001,550	5,982,058	1,774,579	5,092,352
Dividend income		82,399	214,825	22,825	82,124
Foreign exchange income		1,343,080	4,191,469	1,126,085	2,389,731
Income / (loss) from derivatives		—	—	—	—
Gain / (loss) on securities	25	19,420	105,602	122,853	167,987
Other income	26	10,266	60,925	79,752	256,758
Total non mark-up / interest income		3,456,715	10,554,879	3,126,094	7,988,952
Total Income		14,822,795	38,030,251	10,621,438	29,887,459
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	27	5,967,941	15,779,347	4,266,205	11,846,742
Workers' welfare fund		168,000	429,000	105,000	317,000
Other charges	28	440	40,092	122	14,678
Total non-mark-up / interest expenses		(6,136,381)	(16,248,439)	(4,371,327)	(12,178,420)
Profit before provisions		8,686,414	21,781,812	6,250,111	17,709,039
Provisions and write offs - net	29	(1,278,528)	(2,340,466)	(265,869)	(2,039,804)
Extra ordinary / unusual items		—	—	—	—
<b>PROFIT BEFORE TAXATION</b>		7,407,886	19,441,346	5,984,242	15,669,235
Taxation	30	(3,698,717)	(9,182,537)	(2,308,968)	(5,765,879)
<b>PROFIT AFTER TAXATION</b>		3,709,169	10,258,809	3,675,274	9,903,356
<b>Rupees</b>					
<b>Basic and diluted earnings per share</b>	31	3.54	9.79	3.51	9.45

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

**FUZAIL ABBAS**  
Chief Financial Officer

**MOHSIN A. NATHANI**  
President &  
Chief Executive Officer

**MOHOMED BASHIR**  
Director

**RASHID AHMED JAFER**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022

	Note	30 September 2022		30 September 2021	
		Quarter ended	Nine months ended	Quarter ended	Nine months ended
		Rupees in '000			
Profit after taxation		3,709,169	10,258,809	3,675,274	9,903,356
Other comprehensive income / (loss)					
Items that may be reclassified to profit and loss account in subsequent periods:					
Effect of translation of net investment in an offshore branch		8,942	11,146	957	1,014
Movement in surplus / (deficit) on revaluation of investments - net of tax	19	985,829	(682,429)	(1,322,854)	(2,263,378)
Items that will not be reclassified to profit and loss account in subsequent periods:					
Remeasurement gain / (loss) on defined benefit obligations - net of tax		68,380	(8,259)	41,218	42
Surplus on revaluation of fixed assets - net of tax	19 & 11.3	–	5,338,110	–	–
Movement in surplus on non-banking assets	19.1	–	201,372	–	(13,661)
<b>Total comprehensive income</b>		<b>4,772,320</b>	<b>15,118,749</b>	<b>2,394,595</b>	<b>7,627,373</b>

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS  
Chief Financial Officer

MOHSIN A. NATHANI  
President &  
Chief Executive Officer

MOHOMED BASHIR  
Director

RASHID AHMED JAFER  
Director

MOHAMEDALI R. HABIB  
Chairman



# **UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**

**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Reserves						Surplus / (deficit) on revaluation			
	Share capital	Share premium	Special reserve	Revenue reserve	Statutory reserve	Exchange translation reserve	Investments	Fixed / Non-banking assets	Un-appropriated profit	Total
	Rupees in '000									
Balance as at 1 January 2021	10,478,315	2,550,985	240,361	1,500,000	15,694,782	113	2,942,837	221,970	24,018,848	57,648,211
Profit after taxation	-	-	-	-	-	-	-	-	9,903,356	9,903,356
Other comprehensive income/(loss) - net of tax	-	-	-	-	-	1,014	(2,263,378)	(13,661)	42	(2,275,983)
Total comprehensive income for the period	-	-	-	-	-	1,014	(2,263,378)	(13,661)	9,903,398	7,627,373
Transfer to statutory reserve	-	-	-	-	1,980,671	-	-	-	(1,980,671)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(150,354)	150,354	-
Transactions with owners, recorded directly in equity										
Cash dividend (Rs 2.50 per share) for the year ended 31 December 2020	-	-	-	-	-	-	-	-	(2,619,579)	(2,619,579)
Interim dividend (Rs 2.00 per share) for the year 31 December 2021	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)
Balance as at 30 September 2021	10,478,315	2,550,985	240,361	1,500,000	17,675,453	1,127	679,459	57,955	27,376,887	60,560,342
Profit after taxation	-	-	-	-	-	-	-	-	3,555,217	3,555,217
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	634	(2,433,384)	1,314,275	(22,432)	(1,140,907)
Total comprehensive income for the period	-	-	-	-	-	634	(2,433,384)	1,314,275	3,532,785	2,414,310
Transfer to statutory reserve	-	-	-	-	711,044	-	-	-	(711,044)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(141)	141	-
Balance as at 31 December 2021	10,478,315	2,550,985	240,361	1,500,000	18,386,497	1,761	(1,753,925)	1,372,089	30,198,569	62,974,652
Profit after taxation	-	-	-	-	-	-	-	-	10,258,809	10,258,809
Other comprehensive income / (loss) - net of tax	-	-	-	-	-	11,146	(682,429)	5,539,482	(8,259)	4,859,940
Total comprehensive income for the period	-	-	-	-	-	11,146	(682,429)	5,539,482	10,250,550	15,118,749
Transfer to statutory reserve	-	-	-	-	2,051,762	-	-	-	(2,051,762)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(45,760)	45,760	-
Transactions with owners, recorded directly in equity										
Cash dividend (Rs 3.00 per share) for the year ended 31 December 2021	-	-	-	-	-	-	-	-	(3,143,494)	(3,143,494)
Interim dividend (Rs 2.00 per share) for the year ended 31 December 2022	-	-	-	-	-	-	-	-	(2,095,663)	(2,095,663)
Balance as at 30 September 2022	10,478,315	2,550,985	240,361	1,500,000	20,438,259	12,907	(2,436,354)	6,865,811	33,203,960	72,854,244

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

**FUZAIL ABBAS**  
Chief Financial Officer

**MOHSIN A. NATHANI**  
President &  
Chief Executive Officer

**MOHOMED BASHIR**  
Director

**RASHID AHMED JAFER**  
Director

**MOHAMEDALI R. HABIB**  
Chairman

## UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	30 September 2022	30 September 2021
	(Un-Audited)	
	Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	19,441,346	15,669,235
Less: Dividend income	(214,825)	(82,124)
	<u>19,226,521</u>	<u>15,587,111</u>
<b>Adjustments:</b>		
Depreciation on fixed assets	1,101,242	887,293
Depreciation on right-of-use assets	862,814	716,208
Depreciation on non-banking assets	277	26,041
Amortization	61,244	51,773
Mark-up / return / interest expensed on lease liability against right-of-use assets	610,192	470,870
Provisions and write offs excluding recovery of written off bad debts	2,397,188	2,041,804
Gain on sale of fixed assets - net	(34,976)	(9,144)
Gain on sale of non-banking assets - net	-	(227,988)
Provision against workers' welfare fund	429,000	317,000
Provision against compensated absences	75,617	45,505
Provision against defined benefit plan	262,308	135,357
	<u>5,764,906</u>	<u>4,454,719</u>
	<u>24,991,427</u>	<u>20,041,830</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(4,048,755)	(2,125,401)
Advances	(62,480,851)	(63,364,765)
Other assets (excluding dividend and non-banking asset)	(10,632,508)	(5,142,021)
	<u>(77,162,114)</u>	<u>(70,632,187)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	4,273,477	4,816,420
Borrowings from financial institutions	(36,190,064)	77,486,132
Deposits and other accounts	124,778,929	69,516,654
Other liabilities (excluding current taxation)	15,572,412	(849,988)
	<u>108,434,754</u>	<u>150,969,218</u>
	<u>56,264,067</u>	<u>100,378,861</u>
Payment against compensated absences	(62,117)	(30,412)
Contribution to the defined benefit plan	(50,000)	(50,000)
Income tax paid	(8,011,238)	(5,596,614)
	<u>48,140,712</u>	<u>94,701,835</u>
<b>Net cash flows generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	115,369,644	(87,236,172)
Net investments in held-to-maturity securities	(186,571,714)	8,258,384
Dividend received	157,169	84,730
Investments in fixed assets	(2,203,760)	(2,444,054)
Proceeds from sale of non-banking assets	-	784,403
Investments in intangible assets	(40,882)	(80,010)
Proceeds from sale of fixed assets	73,415	10,328
Effect of translation of net investment in Karachi EPZ branch	13,281	1,014
	<u>(73,202,847)</u>	<u>(80,621,377)</u>
<b>Net cash flows generated from investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(4,232,476)	(3,328,293)
Payment of lease against right-of-use assets	(1,142,843)	(990,577)
	<u>(5,375,319)</u>	<u>(4,318,870)</u>
<b>Net cash flows generated from financing activities</b>		
<b>Increase / (decrease) in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the period	<u>(30,437,454)</u>	<u>9,761,588</u>
Cash and cash equivalents at the end of the period	<u>86,351,966</u>	<u>52,367,519</u>
	<u>55,914,512</u>	<u>62,129,107</u>

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

FUZAIL ABBAS	MOHSIN A. NATHANI	MOHOMED BASHIR	RASHID AHMED JAFER	MOHAMEDALI R. HABIB
Chief Financial Officer	President & Chief Executive Officer	Director	Director	Chairman

## **NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**

**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

### **1. STATUS AND NATURE OF BUSINESS**

Habib Metropolitan Bank Limited (the Bank) was incorporated in Pakistan on 3 August 1992, as a public limited company, under the Companies Ordinance, 1984 (now Companies Act, 2017) and is engaged in commercial banking and related services. The Bank's shares are listed on the Pakistan Stock Exchange. The Bank operates 498 (31 December 2021: 459) branches, including 56 (31 December 2021: 49) Islamic banking branches, an offshore branch (Karachi Export Processing Zone branch) (31 December 2021: 1) and 1 (31 December 2021: 30) sub branches in Pakistan. The Bank is a subsidiary of Habib Bank AG Zurich - Switzerland (the Holding Company with 51% shares in the Bank) which is incorporated in Switzerland.

The registered office of the Bank is situated at HabibMetro Head Office, II Chundrigar Road, Karachi.

### **2. BASIS OF PRESENTATION**

**2.1** These unconsolidated condensed interim financial statements represent separate financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary companies are being separately issued.

#### **2.2 Statement of Compliance**

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

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

The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" and IAS 40 "Investment Property" for banking companies till further instructions. Further, according to a notification of the Securities

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and Exchange Commission of Pakistan (SECP) through S.R.O. No. 411 (1) / 2008 dated 28 April 2008, IFRS 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning on or after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard will result in certain new disclosures in the financial statements of the Bank. Furthermore, the SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BPRD Circular 2 of 2018, as amended from time to time.

The disclosures and presentations made in these unconsolidated condensed interim financial statements are based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended 31 December 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and method of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited unconsolidated financial statements of the Bank for the year ended 31 December 2021 except for the change explained in note 3.1. to these unconsolidated condensed interim financial statements.

#### 3.1 Change in accounting policy of land and building from cost to revaluation model

With effect from 30 June 2022, the Bank has voluntarily changed its accounting policy for land and buildings (freehold and leasehold) from the cost model to the revaluation model, as permitted under IAS 16 'Property, Plant and Equipment' (IAS16). On adoption, these are carried at a revalued amount less accumulated depreciation and accumulated impairment losses (if any), which previously were carried at cost less accumulated depreciation and accumulated impairment losses (if any). The impact of the change in accounting policy has been disclosed in note 11.3.

The management believes that the new accounting policy will result in the financial statements providing more relevant information and more realistic reflection of the values of these assets.

The change has been dealt in accordance with the requirements of IAS 16, and accordingly, the Bank has applied the accounting policy prospectively.

Fixed assets other than land and buildings are carried in accordance with the accounting policy consistent to those applied in the preparation of unconsolidated condensed interim financial statements for the year ended 31 December 2021.

In view of the above, the revised accounting policy of the Bank for Properties and Equipment is as follows:

Fixed assets are stated at cost, except for land and buildings which are carried at revalued amounts, less any applicable accumulated depreciation and accumulated impairment losses (if any). Land and capital work-in

progress are not depreciated. Other items included in fixed assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions is charged from the day on which the assets are available for use and up to the day in which the assets are disposed off. The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Land and buildings are revalued by independent professionally qualified valuers with sufficient regularity to ensure that their net carrying amount does not differ materially from their fair value. If an asset's carrying value increases as a result of revaluation, such increase or surplus arising on revaluation is credited to the surplus on revaluation of land and building account. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, if the increase reverses a deficit on the same asset previously recognized in the profit and loss account, such an increase is also recognized in the profit and loss account to the extent of the previous deficit and thereafter in the surplus on the revaluation of land and building account.

In the case of revalued assets, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the net asset and the net amount restated at the revalued amount of the asset.

Surplus on revaluation of land and building (net of any associated deferred tax) to the extent of the incremental depreciation charged on the related assets is transferred to unappropriated profit.

Surplus on revaluation (net of any deferred tax) realized on disposal of land and building is transferred directly to unappropriated profit.

### 3.2 Amendments to existing accounting and reporting standards that have become effective in the current period

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

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

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

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

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited unconsolidated financial statements for the year ended 31 December 2021.

## 5. RISK MANAGEMENT

The risk management policies adopted by the bank are consistent with those disclosed in the audited unconsolidated financial statements for the year ended 31 December 2021.

	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
Rupees in '000			
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
Local currency		10,032,835	6,711,218
Foreign currencies		1,720,944	580,139
		11,753,779	7,291,357
<b>With State Bank of Pakistan in</b>			
Local currency current accounts		37,928,665	54,589,341
Foreign currencies			
– current accounts		2,020,166	1,347,685
– cash reserve account		5,596,519	5,475,902
– deposit account - special cash reserve	6.1	467,142	10,110,791
		46,012,492	71,523,719
<b>With National Bank of Pakistan in</b>			
Local currency current accounts		3,750,028	4,446,115
<b>Prize Bonds</b>		14,808	124,674
		61,531,107	83,385,865
6.1 The SBP has relaxed maintenance of FCY Special Cash Reserve required to be maintained by the Bank under DMMD Circular No. 8 of 2020 dated 17 April 2020 till 03 November 2022.			
<b>7. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current accounts		264,321	212,662
In deposit accounts		61,248	967
		325,569	213,629
<b>Outside Pakistan</b>			
In current accounts		6,304,256	2,782,221
		6,629,825	2,995,850
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call money lendings		–	441,284
Repurchase agreement lendings (Reverse Repo)	8.1	7,990,039	–
Modaraba placement		–	3,500,000
		7,990,039	3,941,284

8.1 These carry profit / return of 15.75% (31 December 2021: Nil) per annum with maturity upto 03 October 2022.

## 9. INVESTMENTS

### 9.1 Investments by types

	30 September 2022 (Un-Audited)				31 December 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
<b>Available-for-sale securities</b>								
Federal government securities	511,084,360	–	(4,159,564)	506,924,796	629,433,212	–	(2,848,310)	626,584,902
Shares	2,450,698	(554,994)	(32,114)	1,863,590	1,453,396	(380,494)	224,696	1,297,598
Non-government debt securities	12,184,522	(111,634)	(261,183)	11,811,705	11,388,952	(115,554)	(323,605)	10,949,793
Mutual funds	532,336	(11,935)	8,318	528,719	30,140	(10,426)	3,963	23,677
Real estate investment trust	1,331,780	–	170,237	1,502,017	672,739	–	67,969	740,708
	527,583,696	(678,563)	(4,274,306)	522,630,827	642,978,439	(506,474)	(2,875,287)	639,596,678
<b>Held-to-maturity securities</b>								
Federal government securities	209,340,849	–	–	209,340,849	22,469,135	–	–	22,469,135
Non-government debt securities (certificates of investment)	4,800,000	–	–	4,800,000	5,100,000	–	–	5,100,000
	214,140,849	–	–	214,140,849	27,569,135	–	–	27,569,135
<b>Subsidiaries - ordinary shares and modaraba certificates</b>	830,000	–	–	830,000	830,000	–	–	830,000
<b>Total investments</b>	<u>742,554,545</u>	<u>(678,563)</u>	<u>(4,274,306)</u>	<u>737,601,676</u>	<u>671,377,574</u>	<u>(506,474)</u>	<u>(2,875,287)</u>	<u>667,995,813</u>

**30 September 2022**      **31 December 2021**  
 (Un-Audited)      (Audited)  
 ————— Rupees in '000 —————

#### 9.1.1 Investments given as collateral against repo borrowing

The market value of investments given as collateral against repo borrowing is as follows:

##### Federal government securities

Market treasury bills	44,567,010	99,178,412
Pakistan investment bonds	90,320,224	83,891,118
	<u>134,887,234</u>	<u>183,069,530</u>

### 9.2 Provision for diminution in value of investments

Opening balance	506,474	507,587
Charge for the period / year	201,108	3,884
Reversal for the period / year	(3,920)	(4,997)
Net charge / (reversal) for the period / year	197,188	(1,113)
Reversal on disposals for the period / year	(25,099)	–
Closing balance	<u>678,563</u>	<u>506,474</u>

### 9.3 Particulars of provision against debt securities

Category of classification	30 September 2022 (Un-Audited)		31 December 2021 (Audited)	
	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees in '000			
Domestic				
Loss	111,634	111,634	115,554	115,554

9.4 The market value of federal government securities classified as held-to-maturity is Rs. 206,831,933 thousand (31 December 2021: Rs. 20,751,532 thousand).

## 10. ADVANCES

	Performing		Non-Performing		Total	
	30 September 2022 (Un-Audited)	31 December 2021 (Audited)	30 September 2022 (Un-Audited)	31 December 2021 (Audited)	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	296,861,177	269,326,315	10,708,451	11,128,658	307,569,628	280,454,973
Islamic financing and related assets	108,362,682	78,645,639	658,106	722,390	109,020,788	79,368,029
Bills discounted and purchased	60,315,276	54,518,912	4,762,892	5,036,656	65,078,168	59,555,568
Advances - gross	465,539,135	402,490,866	16,129,449	16,887,704	481,668,584	419,378,570
Provision against advances						
- Specific	-	-	(15,329,587)	(15,900,830)	(15,329,587)	(15,900,830)
- General	(7,676,224)	(5,095,818)	-	-	(7,676,224)	(5,095,818)
	(7,676,224)	(5,095,818)	(15,329,587)	(15,900,830)	(23,005,811)	(20,996,648)
Advances - net of provision	457,862,911	397,395,048	799,862	986,874	458,662,773	398,381,922

### 10.1 Particulars of advances - gross

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
In local currency	416,594,728	369,167,849
In foreign currencies	65,073,856	50,210,721
	481,668,584	419,378,570



- 10.2 Advances include Rs. 16,129,449 thousand (31 December 2021: Rs. 16,887,704 thousand) which have been placed under non-performing status as detailed below:

Category of classification	30 September 2022 (Un-Audited)		31 December 2021 (Audited)	
	Non-performing loans	Provision	Non-performing loans	Provision
Rupees in '000				
Domestic				
Other assets especially mentioned	12,641	–	–	–
Substandard	300,144	6,424	28,740	1,098
Doubtful	364,108	19,402	1,462,928	529,294
Loss	15,452,556	15,303,761	15,396,036	15,370,438
	<u>16,129,449</u>	<u>15,329,587</u>	<u>16,887,704</u>	<u>15,900,830</u>

- 10.3 Particulars of provision against advances

	30 September 2022 (Un-Audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
Opening balance	15,900,830	5,095,818	20,996,648	16,417,607	2,898,168	19,315,775
Charge for the period / year	731,236	2,580,406	3,311,642	2,358,300	2,197,650	4,555,950
Reversals for the period / year	(1,111,642)	–	(1,111,642)	(2,348,278)	–	(2,348,278)
Net charge for the period / year	(380,406)	2,580,406	2,200,000	10,022	2,197,650	2,207,672
Amounts written off	(190,837)	–	(190,837)	(526,799)	–	(526,799)
Closing balance	<u>15,329,587</u>	<u>7,676,224</u>	<u>23,005,811</u>	<u>15,900,830</u>	<u>5,095,818</u>	<u>20,996,648</u>

- 10.3.1 The Bank maintains general provision, as a matter of prudence, on account of the management's assessment of credit risk and general banking risk particularly in the current stressed economic condition amounting to Rs. 7,622,575 thousand (31 December 2021: Rs. 5,070,565 thousand). General provision also includes provision of Rs. 53,643 thousand (31 December 2021: Rs. 25,248 thousand) made against consumer portfolio and Rs. 6 thousand (31 December 2021: Rs. 5 thousand) made against small enterprises (SEs) portfolio as required by the Prudential Regulations issued by the SBP.

- 10.3.2 Particulars of provision against advances

	30 September 2022 (Un-Audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
In local currency	14,717,348	7,676,224	22,393,572	15,406,254	5,095,818	20,502,072
In foreign currencies	612,239	–	612,239	494,576	–	494,576
	<u>15,329,587</u>	<u>7,676,224</u>	<u>23,005,811</u>	<u>15,900,830</u>	<u>5,095,818</u>	<u>20,996,648</u>

### 10.3.3 Consideration of forced sales value (FSV) for the purposes of provisioning against non-performing loans

In accordance with BSD Circular No. 1 of 21 October 2011 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing loans and advances. Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 351,846 thousand (31 December 2021: Rs. 208,257 thousand) and profit after tax would have been lower by Rs. 179,440 thousand (31 December 2021: Rs. 127,036 thousand). This amount of Rs. 179,440 thousand (31 December 2021: Rs. 127,036 thousand) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	583,738	180,791
Property and equipment		20,053,736	11,833,703
		<u>20,637,474</u>	<u>12,014,494</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		431,546	90,388
Advance to suppliers		152,192	90,403
		<u>583,738</u>	<u>180,791</u>
		Nine months ended	
		30 September 2022	30 September 2021
		(Un-Audited)	
		Rupees in '000	
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress additions / (transfer to fixed assets) - net		402,947	(565,200)
<b>Property and equipment</b>			
Freehold land		498,278	1,154,437
Leasehold land		88,667	-
Furniture and fixtures		179,295	186,802
Electrical, office and computer equipment		799,804	621,542
Vehicles		69,966	63,581
Lease hold improvement		158,883	982,892
Right-of-use assets		1,625,750	1,359,679
		<u>3,420,643</u>	<u>4,368,933</u>
		<u>3,823,590</u>	<u>3,803,733</u>

- 11.3 As mentioned in note 3.1 to these condensed interim financial statements the Bank's land and buildings were revalued by an independent professional valuer, M/s. Iqbal A. Nanjee & Co. (Private) Limited as at 30 June 2022. The valuation was performed by the valuer on the basis of assessment of present market values. The revaluation has resulted in a gross surplus of Rs. 6,715,697 thousand over the book value. Deferred tax liability of Rs. 1,423,338 thousand has also been recorded on the above balance.

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	———— Rupees in '000 ————	———— Rupees in '000 ————

## 11.3.1 Surplus on revaluation of fixed assets are as follows:

Freehold land	1,070,460	—
Leasehold land	2,335,148	—
Buildings on freehold land	394,100	—
Buildings on leasehold land	2,915,989	—
	<u>6,715,697</u>	<u>—</u>

## 11.3.2 Had there been no revaluation the carrying amounts of revalued assets would have been as follows:

Freehold land	1,975,330	—
Leasehold land	1,265,242	—
Buildings on freehold land	41,789	—
Buildings on leasehold land	399,516	—

	Nine months ended	
	30 September 2022 (Un-Audited)	30 September 2021
	———— Rupees in '000 ————	———— Rupees in '000 ————

## 11.4 Disposal of fixed assets

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

Furniture and fixtures	678	913
Electrical, office and computer equipment	88	217
Vehicles	37,673	54
	<u>38,439</u>	<u>1,184</u>

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	———— Rupees in '000 ————	———— Rupees in '000 ————

## 12. INTANGIBLE ASSETS

Computer Software	<u>100,327</u>	<u>120,689</u>
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	Nine months ended	
	30 September 2022 (Un-Audited)	30 September 2021
	———— Rupees in '000 ————	———— Rupees in '000 ————

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

Directly purchased	<u>40,882</u>	<u>80,010</u>
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	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
13. DEFERRED TAX ASSETS			
Deductible temporary differences on			
Provision for diminution in value of investments		291,782	197,524
Provision for non-performing loans and off - balance sheet obligations		3,532,163	2,561,945
Accelerated tax depreciation		312,718	193,885
Deferred liability on defined benefit plan		10,870	20,096
Deficit on revaluation of investments		1,837,952	1,121,362
		<u>5,985,485</u>	<u>4,094,812</u>
Taxable temporary differences on			
Surplus on revaluation of non-banking assets		(675,858)	(877,238)
Surplus on revaluation of fixed assets		(1,423,338)	-
Exchange translation reserve		(3,188)	(1,053)
		<u>(2,102,384)</u>	<u>(878,291)</u>
Deferred tax asset - net		<u>3,883,101</u>	<u>3,216,521</u>
14. OTHER ASSETS			
Income / mark-up / profit accrued in local currency - net of provision		20,084,966	11,292,467
Income / mark-up / profit accrued in foreign currencies - net of provision		67,652	92,100
Advances, deposits and other prepayments		515,940	274,871
Non-banking assets acquired in satisfaction of claims		2,297,308	2,297,568
Mark-to-market gain on forward foreign exchange contracts		7,934,183	6,217,789
Acceptances		25,460,460	29,225,097
Receivable from the SBP against encashment of government securities		136,675	20,657
Stationery and stamps on hand		140,239	110,208
Dividend receivable		66,152	8,496
Others		711,363	950,422
		<u>57,414,938</u>	<u>50,489,675</u>
Provision held against other assets	14.1	<u>(375,000)</u>	<u>(375,000)</u>
Other assets (net of provision)		57,039,938	50,114,675
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	<u>2,249,310</u>	<u>2,249,327</u>
		<u>59,289,248</u>	<u>52,364,002</u>
14.1 Movement in provision held against other assets			
Opening balance		375,000	459,000
Charge for the period / year		-	165,000
Reversal for the period / year		-	(249,000)
		<u>-</u>	<u>(84,000)</u>
Closing balance		<u>375,000</u>	<u>375,000</u>
15. BILLS PAYABLE			
In Pakistan		22,126,494	17,856,030
Outside Pakistan		91,627	88,614
		<u>22,218,121</u>	<u>17,944,644</u>

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
<b>16. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	82,046,825	68,897,225
Long term financing facility - renewable energy scheme	2,247,503	1,592,554
Long term financing facility - locally manufactured plant and machinery scheme	21,598,428	18,184,877
Refinance for payment of wages and salaries	4,872,093	12,662,380
Temporary economic refinance facility	31,255,982	28,219,857
Long term financing facility - for storage of agricultural produce scheme	562,104	639,685
Refinance facility for modernization of SME	118,191	21,228
Refinance facility for combating COVID-19	56,831	67,754
	<u>142,757,957</u>	<u>130,285,560</u>
Repurchase agreement borrowings (Repo)	133,911,143	182,851,203
Due against bills re-discounting	<u>3,277,599</u>	<u>—</u>
	<u>279,946,699</u>	<u>313,136,763</u>
<b>Unsecured</b>		
Call borrowing	—	3,000,000
Overdrawn nostro accounts	<u>12,246,420</u>	<u>29,749</u>
	<u>292,193,119</u>	<u>316,166,512</u>

## 17. DEPOSITS AND OTHER ACCOUNTS

	30 September 2022 (Un-Audited)			31 December 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
<b>Customers</b>						
Current deposits	253,101,791	44,347,308	297,449,099	228,774,493	36,061,897	264,836,390
Savings deposits	201,596,891	21,996,995	223,593,886	171,147,729	22,694,898	193,842,627
Term deposits	237,932,959	48,723,310	286,656,269	208,829,163	50,892,644	259,721,807
Others	<u>36,834,342</u>	<u>32,423</u>	<u>36,866,765</u>	<u>19,579,290</u>	<u>13,692</u>	<u>19,592,982</u>
	<u>729,465,983</u>	<u>115,100,036</u>	<u>844,566,019</u>	<u>628,330,675</u>	<u>109,663,131</u>	<u>737,993,806</u>
<b>Financial institutions</b>						
Current deposits	1,628,328	1,092,505	2,720,833	1,364,423	1,922,927	3,287,350
Savings deposits	41,931,570	—	41,931,570	26,819,408	—	26,819,408
Term deposits	7,837,400	7,008	7,844,408	4,179,000	5,415	4,184,415
Others	<u>2,156</u>	<u>—</u>	<u>2,156</u>	<u>1,078</u>	<u>—</u>	<u>1,078</u>
	<u>51,399,454</u>	<u>1,099,513</u>	<u>52,498,967</u>	<u>32,363,909</u>	<u>1,928,342</u>	<u>34,292,251</u>
	<u>780,865,437</u>	<u>116,199,549</u>	<u>897,064,986</u>	<u>660,694,584</u>	<u>111,591,473</u>	<u>772,286,057</u>

	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
Rupees in '000			
18. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		14,239,340	6,715,789
Mark-up / return / interest payable in foreign currencies		769,892	429,878
Unearned commission and income on bills discounted		691,375	532,943
Accrued expenses		2,033,532	1,258,346
Current taxation (provision less payments)		4,689,117	2,299,988
Acceptances		25,460,460	29,225,097
Unclaimed dividend		86,686	113,832
Dividend payable		1,033,827	–
Branch adjustment account		1,975	558
Mark-to-market loss on forward foreign exchange contracts		7,626,373	2,939,889
Provision for compensated absences		278,215	264,715
Deferred liability on defined benefit plan		261,614	50,273
Provision against off-balance sheet obligations	18.1	32,583	32,583
Workers' welfare fund	18.2	2,451,500	2,022,500
Charity fund		106	4
Excise duty payable		1,745	2,629
Locker deposits		968,989	923,249
Advance against diminishing musharakah		80,985	82,808
Advance rental for ijarah		12,833	1,362
Security deposits against leases / ijarah		258,061	275,959
Sundry creditors		1,982,873	1,324,801
Lease liability against right-of-use assets		7,255,106	6,162,007
Withholding tax / duties		630,303	365,500
Others		1,147,610	19,865
		71,995,100	55,044,575
18.1 Provision against off-balance sheet obligations			
Opening balance		32,583	113,716
Reversal for the period / year		–	(81,133)
Closing balance		32,583	32,583

The above represents provision against certain letters of credit and guarantees.

- 18.2** Under the Workers' Welfare Ordinance 1971, the Bank is liable to pay workers' welfare fund (WWF) at 2% of accounting profit before tax or taxable income, whichever is higher. The Bank has made full provision for WWF based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of WWF were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgement may not currently be treated as conclusive. Accordingly, the Bank maintains its provision in respect of WWF.

	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
Rupees in '000			
19. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of			
- Fixed assets	11.3	6,715,697	—
- Non-banking assets	14	2,249,310	2,249,327
- Available-for-sale securities	9.1	(4,274,306)	(2,875,287)
		4,690,701	(625,960)
Less: Deferred tax on surplus / (deficit) on revaluation of			
- Fixed assets		1,423,338	—
- Non-banking assets	19.1	675,858	877,238
- Available-for-sale securities		(1,837,952)	(1,121,362)
		(261,244)	244,124
		4,429,457	(381,836)
19.1 This includes reversal on account of the change in holding period as per tax laws.			
20. CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	122,122,189	112,912,689
Commitments	20.2	571,304,282	603,735,602
Other contingent liabilities	20.3	5,972,647	3,078,218
		699,399,118	719,726,509
20.1 Guarantees			
Financial guarantees		24,817,779	44,818,267
Performance guarantees		59,659,844	41,897,915
Other guarantees		37,644,566	26,196,507
		122,122,189	112,912,689
20.2 Commitments			
Documentary credits and short-term trade-related transactions:			
Letters of credit		219,761,380	198,716,273
Commitments in respect of:			
Forward foreign exchange contracts	20.2.1	336,732,362	402,981,660
Forward Government securities transactions	20.2.2	12,639,630	—
Forward lendings	20.2.3	1,820,841	1,902,213
Acquisition of operating fixed assets		350,069	135,456
		351,542,902	405,019,329
		571,304,282	603,735,602
20.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		187,824,769	216,511,732
Sale		148,907,593	186,469,928
		336,732,362	402,981,660

		30 September 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
20.2.2	Commitments in respect of forward government securities transactions		
	Purchase	12,639,630	—
20.2.3	Commitments in respect of forward lending		
	The Bank has made commitments to extend credit in the normal course of its business, but none of these commitments are irrevocable and do not attract any penalty if the facility is unilaterally withdrawn, except for:		
	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
		Rupees in '000	
	Commitments in respect of syndicate financing	1,820,841	1,902,213
20.3	Other contingent liabilities		
	Claims against bank not acknowledged as debt	5,866,591	2,972,162
	Foreign exchange repatriation case	106,056	106,056
		5,972,647	3,078,218

20.3.1 These mainly represent counter claims by borrowers for damages. Based on legal advice and internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated financial statements.

#### 20.3.2 Foreign exchange repatriation case

While adjudicating Foreign Exchange repatriation cases of exporters, the Foreign Exchange Adjudicating Court of the State Bank of Pakistan has adjudicated penalty of Rs. 106.056 million, arbitrarily on the Bank. The Bank has filed appeals before the Appellate Board and Constitutional Petitions in the Honorable High Court of Sindh against the said judgement. The Honorable High Court has granted relief to Bank by way of interim orders. Based on merits of the appeals management is confident that these appeals shall be decided in favor of the Bank and therefore, no provision has been made against the impugned penalty.

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

The Bank deals in derivative financial instruments namely forward foreign exchange contracts and foreign currency swaps with the principal view of hedging the risks arising from its trade business.

As per the Bank's policy, these contracts are reported on their fair value at the statement of financial position date. The gains and losses from revaluation of these contracts are included under "income from dealing in foreign currencies". Unrealised mark-to-market gains and losses due on these contracts are recorded on the statement of financial position under "other assets / other liabilities".

These products are offered to the Bank's customers to protect from unfavourable movements in foreign currencies. The Bank hedges such exposures in the inter-bank foreign exchange market.

These positions are reviewed on a regular basis by the Bank's Asset and Liability Committee (ALCO).



		Nine months ended	
		30 September 2022	30 September 2021
		(Un-Audited)	
		Rupees in '000	
22.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	28,585,357	14,859,873
	Investments	60,740,749	38,054,071
	Lending to financial institutions	2,340,961	863,671
	Balance with other banks	3,293	2,171
		<u>91,670,360</u>	<u>53,779,786</u>
23.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	41,492,694	20,125,201
	Borrowings	18,567,991	8,500,991
	Foreign currency swap cost	3,524,111	2,784,217
	Lease liability against right-of-use assets	610,192	470,870
		<u>64,194,988</u>	<u>31,881,279</u>
24.	FEE & COMMISSION INCOME		
	Branch banking customer fees	700,774	428,990
	Credit related fees	19,062	27,705
	Card related fees	565,154	405,165
	Commission on trade	3,842,032	3,459,290
	Commission on guarantees	549,352	512,731
	Commission on remittances including home remittances	25,312	33,071
	Commission on bancassurance	132,520	136,972
	Commission on cash management	65,768	63,970
	Investment banking fee	39,264	7,078
	Others	42,820	17,380
		<u>5,982,058</u>	<u>5,092,352</u>
25.	GAIN / (LOSS) ON SECURITIES		
	Realised		
	Federal government securities	26,525	87,038
	Mutual funds	12,077	77,102
	Shares	67,000	3,847
		<u>105,602</u>	<u>167,987</u>
26.	OTHER INCOME		
	Rent on properties	23,623	16,496
	Gain on sale of fixed assets - net	34,976	9,144
	Gain on sale of non-banking assets	-	227,988
	Gain on sale of ijarah assets - net	1,818	2,561
	Staff notice period and other recoveries	508	569
		<u>60,925</u>	<u>256,758</u>

		Nine months ended	
		30 September 2022	30 September 2021
		(Un-Audited)	
		Rupees in '000	
27.	OPERATING EXPENSES		
	Total compensation expense	6,837,471	5,454,113
	Property expense		
	Rent and taxes	192,360	173,339
	Insurance	5,159	4,699
	Utilities cost	667,747	394,479
	Security (including guards)	493,771	353,939
	Repair and maintenance (including janitorial charges)	413,604	306,066
	Depreciation on owned fixed assets	472,539	365,336
	Depreciation on right-of-use assets	862,814	716,208
		3,107,994	2,314,066
	Information technology expenses		
	Software maintenance	270,795	168,418
	Hardware maintenance	191,524	123,967
	Depreciation	200,935	161,301
	Amortisation	61,244	51,773
	Network charges	271,547	194,432
		996,045	699,891
	Other operating expenses		
	Directors' fees and allowances	9,581	10,536
	Fees and allowances to Shariah Board	17,077	9,405
	Legal and professional charges	158,180	120,632
	Outsourced services costs	225,844	220,413
	Travelling and conveyance	333,505	187,024
	NIFT clearing charges	60,733	51,771
	Depreciation	427,768	360,656
	Depreciation - non-banking assets	277	26,041
	Training and development	26,195	23,653
	Postage and courier charges	98,990	83,536
	Communication	95,849	88,257
	Subscription	328,321	161,185
	Repair and maintenance	124,577	91,255
	Brokerage and commission	120,403	154,356
	Stationery and printing	280,081	180,787
	Marketing, advertisement and publicity	351,734	91,213
	Management fee	587,099	386,839
	Insurance	728,304	557,333
	Donations	161,550	151,593
	Auditors' Remuneration	8,849	9,147
	Security	169,794	130,697
	Others	523,126	282,343
		4,837,837	3,378,672
		15,779,347	11,846,742
28.	OTHER CHARGES		
	Penalties imposed by the SBP	40,092	14,678

		Nine months ended	
	Note	30 September 2022	30 September 2021
		(Un-Audited)	
		Rupees in '000	
29. PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments - net	9.2	197,188	(735)
Provision against loan and advances - net	10.3	2,200,000	2,347,672
Provision against other assets / off-balance sheet obligations		-	(305,133)
Recovery of written off bad debts		(56,722)	(2,000)
		<u>2,340,466</u>	<u>2,039,804</u>
30. TAXATION			
Current		10,400,367	6,016,511
Deferred		(1,217,830)	(250,632)
		<u>9,182,537</u>	<u>5,765,879</u>
30.1 Income tax assessments of the Bank have been finalised up to the tax year 2021 (corresponding to the accounting year ended 31 December 2020). Certain appeals are pending with the Commissioner of Inland Revenue (Appeal) , Appellate Tribunal Inland Revenue (ATIR) and Sindh High Court. However, adequate provisions are being held by the Bank.			
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		<u>10,258,809</u>	<u>9,903,356</u>
		Number in '000	
Weighted average number of ordinary shares		<u>1,047,831</u>	<u>1,047,831</u>
		Rupees	
Basic and diluted earnings per share		<u>9.79</u>	<u>9.45</u>

## 32. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than investments in subsidiaries and those classified as held-to-maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost.

The fair value of unquoted 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.

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

### 32.1 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 by the level in the fair value hierarchy into which the fair value measurement is categorised:

#### On balance sheet financial instruments

30 September 2022 (Un-Audited)					
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
Rupees in '000					
Financial assets measured at fair value					
- Investments					
- Available-for-sale securities					
Federal government securities	506,924,796	–	506,924,796	–	506,924,796
Sukuk certificates and bonds	7,134,050	–	7,134,050	–	7,134,050
Ordinary shares of listed companies	1,810,932	1,810,932	–	–	1,810,932
Mutual funds - open end	523,559	–	523,559	–	523,559
- close end	5,160	5,160	–	–	5,160
Real estate investment trust	1,502,017	1,502,017	–	–	1,502,017
Listed term finance certificates	952,655	–	952,655	–	952,655
Unlisted term finance certificates	3,725,000	–	3,725,000	–	3,725,000

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

- Investments					
- Held-to-maturity securities					
Federal government securities	209,340,849	-	206,831,933	-	206,831,933
Certificates of investments	4,800,000	-	-	-	-
- Subsidiaries					
Ordinary shares of listed companies	180,000	109,800	-	-	109,800
Ordinary shares of unlisted companies	650,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	52,658	-	-	-	-
	<u>737,601,676</u>	<u>3,427,909</u>	<u>726,091,993</u>	<u>-</u>	<u>729,519,902</u>

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

- Forward purchase of foreign exchange contracts	<u>187,824,769</u>	<u>-</u>	<u>189,920,018</u>	<u>-</u>	<u>189,920,018</u>
- Forward sale of foreign exchange contracts	<u>148,907,593</u>	<u>-</u>	<u>147,120,154</u>	<u>-</u>	<u>147,120,154</u>

# On balance sheet financial instruments

	31 December 2021 (Audited)				
	Carrying / notional value	Fair value			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets measured at fair value					
- Investments					
- Available-for-sale securities					
Federal government securities	626,584,902	-	626,584,902	-	626,584,902
Sukuk certificates and bonds	7,427,221	-	7,427,221	-	7,427,221
Ordinary shares of listed companies	1,244,940	1,244,940	-	-	1,244,940
Mutual funds - open end	17,154	-	17,154	-	17,154
- close end	6,523	6,523	-	-	6,523
Real estate investment trust	740,708	740,708	-	-	740,708
Listed term finance certificates	1,097,572	-	1,097,572	-	1,097,572
Unlisted term finance certificates	2,425,000	-	2,425,000	-	2,425,000
Financial assets - disclosed but not measured at fair value					
- Investments					
- Held-to-maturity securities					
Federal government securities	22,469,135	-	20,751,532	-	20,751,532
Certificates of investments	5,100,000	-	-	-	-
- Subsidiaries					
Ordinary shares of listed companies	180,000	181,800	-	-	181,800
Ordinary shares of unlisted companies	650,000	-	-	-	-
- Available-for-sale securities					
Ordinary shares of unlisted companies	52,658	-	-	-	-
	667,995,813	2,173,971	658,303,381	-	660,477,352
Off-balance sheet financial instruments - measured at fair value					
- Forward purchase of foreign exchange contracts	216,511,732	-	221,433,072	-	221,433,072
- Forward sale of foreign exchange contracts	186,469,928	-	184,826,488	-	184,826,488

### 32.2 Fair value of non-financial assets

30 September 2022 (Un-Audited)					
	Carrying / notional value	Fair value			Total
		Level 1	Level 2	Level 3	
		Rupees in '000			
Non-financial assets measured at fair value					
- Fixed assets	10,397,574	-	-	10,488,384	10,488,384
- Non-banking assets acquired in satisfaction of claim	4,546,618	-	-	4,546,895	4,546,895
	14,944,192	-	-	15,035,279	15,035,279
31 December 2021 (Audited)					
	Carrying / notional value	Fair value			Total
		Level 1	Level 2	Level 3	
		Rupees in '000			
Non-financial assets measured at fair value					
- Fixed assets	-	-	-	-	-
- Non-banking assets acquired in satisfaction of claim	4,546,895	-	-	4,546,895	4,546,895
	4,546,895	-	-	4,546,895	4,546,895

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

Federal government debt securities	The fair value of government securities are valued using PKRV rates.
Debt securities other than federal government securities	The fair value is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP) / Reuters website.
Forward contracts	The fair values are derived using forward exchange rates applicable to their respective remaining maturities.
Mutual funds	The fair value is determined based on the net asset values published at the close of each business day.

### 32.4 Valuation techniques used in determination of fair values of non-financial assets within level 3

Fixed assets and non-banking assets acquired in satisfaction of claim	<p>Fixed assets and non-banking assets are valued by professionally qualified valuers. The valuation is based on their assessment of the market value of the assets. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.</p> <p>The fair value is subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.</p>
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## 33. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	30 September 2022 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
<b>Profit and Loss</b>				
Net mark-up / return / profit	46,451,161	(18,536,948)	(438,841)	27,475,372
Inter segment revenue - net	(45,140,788)	28,929,239	16,211,549	-
Non mark-up / return / interest income	4,581,767	597,808	5,375,304	10,554,879
Total income	5,892,140	10,990,099	21,148,012	38,030,251
Segment direct expenses	(243,587)	-	-	(243,587)
Inter segment expense allocation	-	(4,584,638)	(11,420,214)	(16,004,852)
Total expenses	(243,587)	(4,584,638)	(11,420,214)	(16,248,439)
Provisions	(197,188)	(22,586)	(2,120,692)	(2,340,466)
Profit before tax	5,451,365	6,382,875	7,607,106	19,441,346
<b>Balance Sheet</b>				
Cash and bank balances	6,304,256	25,881,636	35,975,040	68,160,932
Investments	737,601,676	-	-	737,601,676
Net inter segment lending	-	364,564,340	208,549,789	573,114,129
Lendings to financial institutions	7,990,039	-	-	7,990,039
Advances - performing	-	13,680,501	451,858,634	465,539,135
Advances - non-performing	-	10,410	16,119,039	16,129,449
Provision against advances	-	(64,053)	(22,941,758)	(23,005,811)
Others	20,221,760	9,061,709	54,626,681	83,910,150
Total Assets	772,117,731	413,134,543	744,187,425	1,929,439,699
Borrowings	149,435,162	-	142,757,957	292,193,119
Subordinated debt	-	-	-	-
Deposits and other accounts	-	377,329,621	519,735,365	897,064,986
Net inter segment borrowing	573,114,129	-	-	573,114,129
Others	10,835,287	14,070,823	69,307,111	94,213,221
Total Liabilities	733,384,578	391,400,444	731,800,433	1,856,585,455
Net Assets	38,733,153	21,734,099	12,386,992	72,854,244
Equity				72,854,244
Contingencies & Commitments	349,371,992	650,655	349,376,471	699,399,118

	30 September 2021 (Un-Audited)			
	Trade & Sales	Retail Banking	Commercial Banking	Total
	Rupees in '000			
Profit and Loss				
Net mark-up / return / profit	31,711,405	(9,184,867)	(628,031)	21,898,507
Inter segment revenue - net	(25,092,711)	15,200,253	9,892,458	-
Non mark-up / return / interest income	2,654,104	389,672	4,945,176	7,988,952
Total income	9,272,798	6,405,058	14,209,603	29,887,459
Segment direct expenses	(235,921)	-	-	(235,921)
Inter segment expense allocation	-	(3,339,403)	(8,603,096)	(11,942,499)
Total expenses	(235,921)	(3,339,403)	(8,603,096)	(12,178,420)
Provisions	735	(23,025)	(2,017,514)	(2,039,804)
Profit before tax	9,037,612	3,042,630	3,588,993	15,669,235
	31 December 2021 (Audited)			
Balance Sheet				
Cash and bank balances	2,649,703	34,684,524	49,047,488	86,381,715
Investments	667,995,813	-	-	667,995,813
Net inter segment lending	-	305,348,808	160,736,928	466,085,736
Lendings to financial institutions	3,941,284	-	-	3,941,284
Advances - performing	-	7,405,032	395,085,834	402,490,866
Advances - non-performing	-	46,465	16,841,239	16,887,704
Provision against advances	-	(67,479)	(20,929,169)	(20,996,648)
Others	14,155,052	3,400,723	50,159,931	67,715,706
Total Assets	688,741,852	350,818,073	650,942,251	1,690,502,176
Borrowings	185,880,952	-	130,285,560	316,166,512
Deposits & other accounts	-	321,412,476	450,873,581	772,286,057
Net inter segment borrowing	466,085,736	-	-	466,085,736
Others	3,170,266	10,164,454	59,654,499	72,989,219
Total Liabilities	655,136,954	331,576,930	640,813,640	1,627,527,524
Net Assets	33,604,898	19,241,143	10,128,611	62,974,652
Equity				62,974,652
Contingencies & Commitments	402,981,660	10,555,599	306,189,250	719,726,509



### 34. RELATED PARTIES TRANSACTIONS

The Bank has related party relationships with its holding company, subsidiaries, associates, companies with common directorship, key management personnel, directors and employees' retirement benefit plans.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions in respect of charge for employees' retirement benefits are made in accordance with actuarial valuation and terms of contribution plan. Salaries and allowances of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

Details of transactions with related parties are as follows:

	30 September 2022 (Un-Audited)						
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
<b>Balances with other banks</b>							
In current accounts	132,037	-	301,144	-	-	-	433,181
<b>Investments</b>							
Opening balance	-	3,930,000	-	-	-	-	3,930,000
Investment made during the period	-	14,150,000	-	-	-	-	14,150,000
Investment redeemed / disposed off during the period	-	(12,450,000)	-	-	-	-	(12,450,000)
Closing balance	-	5,630,000	-	-	-	-	5,630,000
<b>Advances</b>							
Opening balance	-	-	5,272,235	195,796	-	-	5,468,031
Addition during the period	-	-	68,568,228	109,809	-	-	68,678,037
Repaid during the period	-	-	(67,957,170)	(78,968)	-	-	(68,036,138)
Closing balance	-	-	5,883,293	226,637	-	-	6,109,930
<b>Other Assets</b>							
Mark-up / return / interest accrued	-	80,368	17,150	-	-	-	97,518
Prepayments / advance deposits / other receivable	1,404	-	60,314	-	-	-	61,718
	1,404	80,368	77,464	-	-	-	159,236
<b>Deposits and other accounts</b>							
Opening balance	174,007	786,214	25,194,705	313,576	813,302	1,770,568	29,052,372
Received during the period	6,657,958	114,173,329	1,730,495,712	2,077,651	2,493,604	3,937,132	1,859,835,386
Withdrawn during the period	(6,628,466)	(113,650,005)	(1,726,654,264)	(2,040,642)	(2,516,091)	(4,724,985)	(1,856,214,453)
Closing balance	203,499	1,309,538	29,036,153	350,585	790,815	982,715	32,673,305
<b>Other Liabilities</b>							
Mark-up / return / interest payable	-	10,473	207,127	2,702	4,583	37,546	262,431
Management fee payable for technical and consultancy services*	380,173	-	-	-	-	-	380,173
Other Payables	-	-	689	-	3,180	261,614	265,483
	380,173	10,473	207,816	2,702	7,763	299,160	908,087
<b>Contingencies &amp; commitments</b>							
Transaction-related contingent Liabilities	-	-	10,715,096	-	-	-	10,715,096
Trade-related contingent Liabilities	-	-	7,272,901	-	-	-	7,272,901
	-	-	17,987,997	-	-	-	17,987,997

\* Management fee is as per the agreement with the holding company.

	31 December 2021 (Audited)						
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
Balances with other banks							
In current accounts	184,060	-	217,741	-	-	-	401,801
Investments							
Opening balance	-	2,505,000	-	-	-	-	2,505,000
Investment made during the year	-	11,625,000	-	-	-	-	11,625,000
Investment redeemed / disposed off during the year	-	(10,200,000)	-	-	-	-	(10,200,000)
Closing balance	-	3,930,000	-	-	-	-	3,930,000
Advances							
Opening balance	-	-	4,592,651	195,938	-	-	4,788,589
Addition during the year	-	-	50,576,167	72,882	-	-	50,649,049
Repaid during the year	-	-	(49,896,583)	(73,024)	-	-	(49,969,607)
Closing balance	-	-	5,272,235	195,796	-	-	5,468,031
Other Assets							
Mark-up / return / interest accrued	-	34,156	12,176	-	-	-	46,332
Prepayments / advance deposits / other receivable	468	175	53,123	-	-	-	53,766
	468	34,331	65,299	-	-	-	100,098
Deposits and other accounts							
Opening balance	213,306	761,695	8,616,374	282,595	661,230	1,583,951	12,119,151
Received during the year	16,783,470	137,039,859	2,471,984,583	2,073,559	4,685,345	6,965,148	2,639,531,964
Withdrawn during the year	(16,822,769)	(137,015,340)	(2,455,406,252)	(2,042,578)	(4,533,273)	(6,778,531)	(2,622,598,743)
Closing balance	174,007	786,214	25,194,705	313,576	813,302	1,770,568	29,052,372
Other Liabilities							
Mark-up / return / interest payable	-	3,530	140,634	1,977	3,248	9,993	159,382
Management fee payable for technical and consultancy services *	76,826	-	-	-	-	-	76,826
Other Payables	-	-	470	-	670	50,273	51,413
	76,826	3,530	141,104	1,977	3,918	60,266	287,621
Contingencies and commitments							
Transaction-related contingent Liabilities	-	-	7,353,818	-	-	-	7,353,818
Trade-related contingent Liabilities	-	-	3,929,204	-	-	-	3,929,204
	-	-	11,283,022	-	-	-	11,283,022

\* Management fee is as per the agreement with the holding company.

## Transactions during the period

	For the period ended 30 September 2022 (Un-Audited)						
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	Rupees in '000						
<b>Income</b>							
Mark-up / return / interest earned	–	353,909	240,042	11,037	–	–	604,988
Fee and commission income	1,222	646	160,569	–	106	–	162,543
Rent income	4,212	4,112	6,842	–	–	–	15,166
<b>Expense</b>							
Mark-up / return / interest expensed	–	33,926	1,014,182	19,826	13,362	59,988	1,141,284
Commission / brokerage / bank charges paid	319	685	715	–	–	–	1,719
Salaries and allowances	–	–	–	528,828	–	–	528,828
Directors' fees and allowances	–	–	–	–	9,581	–	9,581
Charge to defined benefit plan	–	–	–	–	–	262,308	262,308
Contribution to defined contribution plan	–	–	–	–	–	210,116	210,116
Insurance premium expenses	–	–	15,477	–	–	–	15,477
Management fee expense for technical and consultancy services *	587,099	–	–	–	–	–	587,099
Donation	–	–	11,440	–	–	–	11,440

\* Management fee is as per the agreement with the holding company.

Transactions during the period

	For the period ended 30 September 2021 (Un-Audited)					
	Holding company	Subsidiaries	Associates	Key management personnel	Directors	Retirement benefit plans
	Rupees in '000					
Income						
Mark-up / return / interest earned	<u>–</u>	<u>133,203</u>	<u>31,675</u>	<u>7,891</u>	<u>–</u>	<u>172,769</u>
Fee and commission income	<u>1,632</u>	<u>567</u>	<u>175,640</u>	<u>–</u>	<u>57</u>	<u>177,896</u>
Rent income	<u>4,212</u>	<u>4,011</u>	<u>5,549</u>	<u>–</u>	<u>–</u>	<u>13,772</u>
Expenses						
Mark-up / return / interest expensed	<u>–</u>	<u>31,171</u>	<u>606,208</u>	<u>11,021</u>	<u>20,989</u>	<u>111,132</u>
Commission / brokerage / bank charges paid	<u>976</u>	<u>177</u>	<u>1,690</u>	<u>–</u>	<u>–</u>	<u>2,843</u>
Salaries and allowances	<u>–</u>	<u>–</u>	<u>–</u>	<u>464,191</u>	<u>–</u>	<u>464,191</u>
Directors' fees and allowances	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,536</u>	<u>10,536</u>
Charge to defined benefit plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>135,357</u>
Contribution to defined contribution plan	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>183,568</u>
Insurance premium expenses	<u>–</u>	<u>–</u>	<u>9,296</u>	<u>–</u>	<u>–</u>	<u>9,296</u>
Management fee expense for technical and consultancy services *	<u>391,121</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>391,121</u>
Donation	<u>–</u>	<u>–</u>	<u>26,440</u>	<u>–</u>	<u>–</u>	<u>26,440</u>

\* Management fee is as per the agreement with the holding company.

**35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	10,478,315	10,478,315
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible common equity tier 1 (CET 1) capital	67,870,754	61,269,601
Eligible additional tier 1 (ADT 1) capital	–	–
Total eligible tier 1 capital	67,870,754	61,269,601
Eligible tier 2 capital	8,491,869	4,961,773
Total eligible capital (Tier 1 + Tier 2)	76,362,623	66,231,374
<b>Risk Weighted Assets (RWAs):</b>		
Credit risk	449,836,574	396,800,985
Market risk	4,506,355	7,211,352
Operational risk	65,559,513	65,559,513
Total	519,902,442	469,571,850
CET 1 capital adequacy ratio	13.05%	13.05%
Tier 1 capital adequacy ratio	13.05%	13.05%
Total capital adequacy ratio	14.69%	14.10%
<b>Minimum Capital Requirements prescribed by SBP</b>		
- CET 1 capital adequacy ratio	6.00%	6.00%
- Tier 1 capital adequacy ratio	7.50%	7.50%
- Total capital adequacy ratio	11.50%	11.50%
The Bank uses simple, maturity method and basic indicator approach for credit risk, market risk and operational risk exposures respectively in the capital adequacy calculation.		
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	67,870,754	61,269,601
Total exposures	1,707,512,906	1,574,755,326
Leverage ratio	3.97%	3.89%
<b>Liquidity coverage ratio (LCR):</b>		
Total high quality liquid assets	516,258,474	526,946,577
Total net cash outflow	301,804,408	238,721,264
Liquidity coverage ratio	171%	221%
<b>Net Stable funding ratio (NSFR):</b>		
Total available stable funding	821,307,230	673,882,160
Total required stable funding	535,804,388	357,301,438
Net stable funding ratio	153%	189%

### 36. ISLAMIC BANKING BUSINESS

The bank is operating 56 (31 December 2021: 49) Islamic banking branches and 232 (31 December 2021: 218) Islamic banking windows at the end of the period.

	Note	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
		———— Rupees in '000 ————	————
<b>ASSETS</b>			
Cash and balances with treasury banks		10,611,045	8,065,686
Balances with other banks		—	—
Due from financial institutions	36.1	—	3,500,000
Investments	36.2	35,064,700	30,384,762
Islamic financing and related assets - net	36.3	108,366,468	78,657,185
Fixed assets	36.4	610,668	635,471
Intangible assets		—	—
Due from head office		—	5,125,784
Other assets		7,014,447	3,017,036
<b>Total Assets</b>		<b>161,667,328</b>	<b>129,385,924</b>
<b>LIABILITIES</b>			
Bills payable		1,713,781	1,445,125
Due to financial institutions		38,319,262	32,048,365
Deposits and other accounts	36.5	104,762,449	83,953,361
Due to head office		734,350	—
Subordinated debt		—	—
Other liabilities	36.4	4,373,640	2,731,703
		149,903,482	120,178,554
<b>NET ASSETS</b>		<b>11,763,846</b>	<b>9,207,370</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		9,005,711	7,504,413
Reserves		—	—
Deficit on revaluation of assets		(580,729)	(725,275)
Unappropriated profit	36.9	3,338,864	2,428,232
		11,763,846	9,207,370
<b>CONTINGENCIES AND COMMITMENTS</b>	36.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 30 September 2022 is as follows:

	Note	Nine months ended	
		30 September 2022	30 September 2021
		(Un-Audited)	
		Rupees in '000	
<b>PROFIT AND LOSS ACCOUNT</b>			
Profit / return earned	36.7	8,926,622	4,829,000
Profit / return expensed	36.8	(5,150,641)	(2,981,054)
Net Profit / return		3,775,981	1,847,946
<b>Other income</b>			
Fee and commission income		368,078	260,299
Dividend income		—	279
Foreign exchange income		91,849	75,009
Gain / (loss) on securities		(16)	56,862
Other income		1,886	2,692
Total other income		461,797	395,141
Total Income		4,237,778	2,243,087
<b>Other expenses</b>			
Operating expenses		954,948	671,277
Workers' welfare fund		—	—
Other charges		490	609
Total other expenses		955,438	671,886
Profit before provisions		3,282,340	1,571,201
Reversal of provisions and write offs - net		56,524	64,006
Profit before taxation		3,338,864	1,635,207

### 36.1 Due from financial institutions

	30 September 2022 (Un-Audited)			31 December 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	Rupees in '000					
Unsecured						
Mudaraba placements	–	–	–	3,500,000	–	3,500,000

### 36.2 Investments by segments:

	30 September 2022 (Un-Audited)				31 December 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	Rupees in '000							
Federal Government								
Securities:								
- Ijarah Sukuk	19,577,342	–	(309,025)	19,268,317	19,523,163	–	(396,332)	19,126,831
- Islamic naya Pakistan certificate mudaraba investment pool	3,862,333	–	–	3,862,333	730,711	–	–	730,711
	23,439,675	–	(309,025)	23,130,650	20,253,874	–	(396,332)	19,857,542
Non-Government								
Debt Securities								
Listed	6,925,754	–	(271,704)	6,654,050	7,076,163	–	(336,554)	6,739,609
Unlisted	5,280,000	–	–	5,280,000	3,780,000	–	7,611	3,787,611
	12,205,754	–	(271,704)	11,934,050	10,856,163	–	(328,943)	10,527,220
Total investments	35,645,429	–	(580,729)	35,064,700	31,110,037	–	(725,275)	30,384,762



### 36.3 Islamic financing and related assets - net

	30 September 2022 (Un-Audited)				31 December 2021 (Audited)			
	Financing	Advances	Inventory	Total	Financing	Advances	Inventory	Total
	Rupees in '000							
Ijarah	889,419	31,017	–	920,436	583,298	128,997	–	712,295
Ijarah - islamic long term financing facility	42,427	–	–	42,427	74,207	–	–	74,207
Murabaha	6,929,873	876,826	–	7,806,699	6,105,881	563,205	–	6,669,086
Working capital musharaka	30,734,867	–	–	30,734,867	21,050,328	–	–	21,050,328
Diminishing musharaka	14,123,681	3,608,283	–	17,731,964	11,736,112	377,959	–	12,114,071
Salam	–	25,000	–	25,000	128,000	–	–	128,000
Istisna	6,503,164	4,304,036	40,088	10,847,288	2,677,387	3,040,426	–	5,717,813
Al-bai	422,262	–	46,001	468,263	536,632	–	16,961	553,593
Diminishing musharaka:								
islamic long term financing facility	3,705,725	506,650	–	4,212,375	863,436	1,528,029	–	2,391,465
islamic refinance scheme for payment of wages and salaries	411,715	93,534	–	505,249	1,046,640	93,534	–	1,140,174
islamic financing facility for storage of agricultural produce	–	598,035	–	598,035	–	598,035	–	598,035
islamic temporary economic refinance facility	8,617,311	5,082,220	–	13,699,531	422,229	13,064,204	–	13,486,433
islamic financing facility for renewable energy	282,685	285,990	–	568,675	–	250,848	–	250,848
islamic Export Refinance								
Murabaha	199,791	50,000	–	249,791	760,819	–	–	760,819
Working capital musharaka	12,422,747	–	–	12,422,747	10,257,000	–	–	10,257,000
Salam	–	60,000	–	60,000	60,000	61,920	–	121,920
Istisna	1,223,093	6,253,678	13,771	7,490,542	2,259,110	1,075,000	–	3,334,110
Al-bai	24,521	–	612,378	636,899	7,832	–	–	7,832
Gross islamic financing and related assets	86,533,281	21,775,269	712,238	109,020,788	58,568,911	20,782,157	16,961	79,368,029
Provision against non-performing islamic financings								
- Specific	(643,148)	–	–	(643,148)	(704,654)	–	–	(704,654)
- General	(11,172)	–	–	(11,172)	(6,190)	–	–	(6,190)
	(654,320)	–	–	(654,320)	(710,844)	–	–	(710,844)
islamic financing and related assets - net of provision	85,878,961	21,775,269	712,238	108,366,468	57,858,067	20,782,157	16,961	78,657,185

### 36.4 Fixed assets and other liabilities

At 30 September 2022, fixed asset include right-of-use assets of Rs. 487,659 thousand (31 December 2021: Rs. 545,830 thousand) and other liabilities include related lease liability of Rs. 588,235 thousand (31 December 2021: Rs. 615,776 thousand).

### 36.5 Deposits

	30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Customers	Financial Institutions	Total	Customers	Financial Institutions	Total
	Rupees in '000					
Current deposits	34,095,267	209,751	34,305,018	27,676,595	67,307	27,743,902
Savings deposits	37,615,383	9,826,965	47,442,348	31,155,998	5,875,671	37,031,669
Term deposits	19,225,944	1,017,000	20,242,944	17,285,722	217,000	17,502,722
Others	2,772,139	–	2,772,139	1,675,068	–	1,675,068
	<u>93,708,733</u>	<u>11,053,716</u>	<u>104,762,449</u>	<u>77,793,383</u>	<u>6,159,978</u>	<u>83,953,361</u>

### 36.6 Contingencies and commitments

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
Guarantees	9,298,668	8,252,346
Commitments	<u>21,397,123</u>	<u>22,215,654</u>
	<u>30,695,791</u>	<u>30,468,000</u>
	Nine months ended	
	30 September 2022 (Un-Audited)	30 September 2021
	Rupees in '000	

### 36.7 Profit / return earned of financing, investments and placement

#### Profit earned on:

Financing	6,157,740	3,121,817
Investments	2,659,190	1,557,010
Placements	<u>109,692</u>	<u>150,173</u>
	<u>8,926,622</u>	<u>4,829,000</u>

### 36.8 Profit on deposits and other dues expensed

Deposits and other accounts	4,468,570	2,640,838
Due to financial institutions	623,323	295,723
Discount expense on lease liability against right-of-use assets	<u>58,748</u>	<u>44,493</u>
	<u>5,150,641</u>	<u>2,981,054</u>

	30 September 2022 (Un-Audited)	31 December 2021 (Audited)
	Rupees in '000	
36.9 Islamic banking business unappropriated profits		
Opening balance	2,428,232	1,367,552
Add: Islamic banking profit for the period / year	3,338,864	2,428,232
Less: Transferred to head office	(2,428,232)	(1,367,552)
Closing balance	<u>3,338,864</u>	<u>2,428,232</u>

## 37. GENERAL

37.1 The figures have been rounded off to nearest thousand rupees, unless otherwise stated.

37.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements wherever necessary to facilitate comparison and better presentation.

## 38. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 21 October 2022 by the Board of Directors of the Bank.

FUZAIL ABBAS  
Chief Financial Officer

MOHSIN A. NATHANI  
President &  
Chief Executive Officer

MOHOMED BASHIR  
Director

RASHID AHMED JAFER  
Director

MOHAMEDALI R. HABIB  
Chairman

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