HBL HABIB BANK حبیب بینک

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

October 26, 2022

Dear Sir,

Subject: Announcement of Financial Results for the Third Quarter Ended September 30, 2022

We hereby inform you that the Board of Directors of Habib Bank Limited in their meeting held on October 26, 2022 at 10:00 am at HBL Corporate Office, F-14, Block 5, Clifton, Karachi recommended the following:

(i) CASH DIVIDEND

An Interim Cash Dividend for the third quarter ended September 30, 2022 at Rs. 1.50/- per share i.e. 15%. This is in addition to the Interim Cash Dividend already paid at Rs. 3.75/- per share i.e. 37.5%.

AND / OR

(ii) BONUS SHARES

NIL

AND / OR

(iii) RIGHT SHARES

NIL

AND / OR

(iv) ANY OTHER ENTITLEMENT / CORPORATE ACTION

NIL

AND / OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

The financial results are attached as Annexure "A", "B" & "C".

While announcing the results at the Exchange, please announce the consolidated result first.

Habib Bank Limited
Corporate Secretariat
(Registered Office)
9th Floor,
Habib Bank Tower,
Jinnah Avenue, Blue Area,
Islamabad

Phone 051-2270856
051-2821183
Fax 051-2872205
www.hbl.com

HBL HABIB BANK حبیب بینک

BOOK CLOSURE DATES

The Share Transfer Books of the Bank will be closed from November 8, 2022 to November 10, 2022 (both days inclusive). Transfers received at the office of the Bank's Share Registrar, Messers CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal Karachi, at the close of business on November 7, 2022 will be treated in time for the purpose of the above entitlement to the transferees.

The Quarterly Report of the Bank for the period ended September 30, 2022 will be transmitted through PUCARS separately, within the specified time.

Yours faithfully,

Uzman Naveed Chaudhary
Company Secretary

Cc:
1. Executive Director/HOD, Offsite-II Department, Supervision Division, Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

Annexure A

Habib Bank Limited
Condensed Interim Consolidated Profit and Loss Account (Unaudited)
For the nine months ended September 30, 2022

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

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

Irfan Ahmed Meer
GM-Financial Controller
Finance
Habib Bank Limited
18-Habib Bank Plaza, Karachi.

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

UZMAN NAVEED CHAUDHARY
Company Secretary
Habib Bank Limited
HBL Corporate Office
F-14, Block-5, Clifton, Karachi

Annexure B

Habib Bank Limited
Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)
For the nine months ended September 30, 2022

	Note	January 01 to September 30, 2022	January 01 to September 30, 2021	July 01 to September 30, 2022	July 01 to September 30, 2021
		(Rupees in '000)			
Mark-up / return / profit / interest earned	22	290,012,963	180,997,700	114,680,667	62,026,280
Mark-up / return / profit / interest expensed	23	183,313,778	90,986,779	75,656,105	31,945,601
Net mark-up / return / profit / interest income		106,699,185	90,010,921	39,024,562	30,080,679
Non mark-up / interest income					
Fee and commission income	24	19,986,361	15,661,530	6,785,545	5,390,683
Dividend income		1,216,515	1,086,340	394,203	196,967
Foreign exchange income		10,301,944	2,477,870	3,946,396	1,199,813
Loss from derivatives		(3,412,516)	(77,203)	(2,318,240)	(968,070)
Gain on securities - net	25	687,309	1,900,852	211,537	93,426
Other income	26	358,670	976,892	116,972	537,155
Total non mark-up / interest income		29,138,283	22,026,281	9,136,413	6,449,974
Total income		135,837,468	112,037,202	48,160,975	36,530,653
Non mark-up / interest expenses					
Operating expenses	27	80,482,078	62,040,974	28,141,337	20,480,094
Workers' Welfare Fund		1,030,352	903,374	380,926	271,985
Other charges	28	450,995	79,084	8,682	27,242
Total non mark-up / interest expenses		81,963,425	63,023,432	28,530,945	20,779,321
Profit before provisions and taxation		53,874,043	49,013,770	19,630,030	15,751,332
Provisions / (reversals) and write offs - net	29	2,355,915	3,916,205	527,478	753,997
Profit before taxation		51,518,128	45,097,565	19,102,552	14,997,335
Taxation	30	29,819,141	18,651,876	8,915,936	6,035,961
Profit after taxation		21,698,987	26,445,689	10,186,616	8,961,374
		(Rupees)			
Basic and diluted earnings per share	31	14.79	18.03	6.94	6.11

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

Irfan Ahmed Meer
GM-Financial Controller
Finance
Habib Bank Limited
18-Habib Bank Plaza, Karachi.

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

UZMAN NAVEED CHAUDHARY
Company Secretary
Habib Bank Limited
HBL Corporate Office
F-14, Block-5, Clifton, Karachi

HBL

Annexure C

HBL FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

Habib Bank Limited
Condensed Interim Consolidated Statement of Financial Position
As at September 30, 2022

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

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

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

Habib Bank Limited
Condensed Interim Consolidated Profit and Loss Account (Unaudited)
For the nine months ended September 30, 2022

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

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

President and Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Director**

Habib Bank Limited
Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
For the nine months ended September 30, 2022

	January 01 to September 30, 2022	January 01 to September 30, 2021	July 01 to September 30, 2022	July 01 to September 30, 2021
	(Rupees in '000)			
Profit after taxation for the period attributable to:				
Equity holders of the Bank	23,399,621	26,707,170	11,513,791	9,050,933
Non-controlling interest	228,278	278,776	6,323	(94,957)
	23,627,899	26,985,946	11,520,114	8,955,976
Other comprehensive income / (loss)				
Items that may be reclassified to the profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax, attributable to:				
Equity holders of the Bank	4,143,660	3,404,864	2,235,740	4,804,162
Non-controlling interest	44,140	49,110	-	51,650
	4,187,800	3,453,974	2,235,740	4,855,812
Increase / (decrease) in share of exchange translation reserve of associates- net of tax	80,140	66,625	6,074	(118,752)
Movement in surplus / deficit on revaluation of investments - net of tax, attributable to:				
Equity holders of the Bank	(20,955,370)	(4,806,910)	(4,199,860)	(2,238,199)
Non-controlling interest	(48,346)	(24,807)	5,961	(15,701)
	(21,003,716)	(4,831,717)	(4,193,899)	(2,253,900)
Movement in share of surplus / deficit on revaluation of investments of associates - net of tax	(290,547)	(3,279)	(154,796)	73,023
Items that are not to be reclassified to the profit and loss account in subsequent periods:				
Movement in surplus / deficit on revaluation of fixed assets - net of tax, attributable to:				
Equity holders of the Bank	(201,262)	14,317	-	14,317
Transferred to surplus on revaluation of fixed assets - net of tax	79,789	-	79,789	-
Non-controlling interest	(3,081)	(14,317)	-	(14,317)
	(124,554)	-	79,789	-
Transferred from surplus on revaluation of non-banking assets - net of tax	(79,789)	-	(79,789)	-
Movement in share of surplus / deficit on revaluation of fixed assets of associates - net of tax	122,747	-	6,454	-
Remeasurement gain on defined benefit obligations - net of tax	209,435	-	-	-
Share of remeasurement gain on defined benefit obligations of associates - net of tax	3,735	4,160	1,949	702
Total comprehensive income	6,733,150	25,675,709	9,421,636	11,512,861
Total comprehensive income / (loss) attributable to:				
Equity holders of the Bank	6,512,159	25,386,947	9,409,352	11,586,186
Non-controlling interest	220,991	288,762	12,284	(73,325)
	6,733,150	25,675,709	9,421,636	11,512,861

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

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

Habib Bank Limited
Condensed Interim Consolidated Statement of Changes In Equity (Unaudited)
For the nine months ended September 30, 2022

	Attributable to shareholders of the Bank											
		Reserves					Surplus / (deficit) on revaluation of					
		Statutory		Capital								
	Share capital	Joint venture and subsidiary	Bank	Exchange translation	Non-distributable	On acquisition of common control entity	Investments	Fixed / Non Banking Assets	Unappropriated profit	Sub Total	Non-controlling interest	Total
	--(Rupees in '000)--											
Balance as at December 31, 2020	14,668,525	1,447,150	36,616,227	33,608,239	547,115	(156,706)	8,543,333	27,461,581	138,208,223	260,943,687	4,551,560	265,495,247
Comprehensive income for the nine months ended September 30, 2021												
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	26,707,170	26,707,170	278,776	26,985,946
Other comprehensive income / (loss)												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	3,404,864	-	-	-	-	-	3,404,864	49,110	3,453,974
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	66,625	-	-	-	-	-	66,625	-	66,625
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	4,160	4,160	-	4,160
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(4,806,910)	14,317	-	(4,792,593)	(39,124)	(4,831,717)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(3,279)	-	-	(3,279)	-	(3,279)
	-	-	-	3,471,489	-	-	(4,810,189)	14,317	26,711,330	25,386,947	288,762	25,675,709
Transferred to statutory reserves	-	211,158	2,644,569	-	-	-	-	-	(2,855,727)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(180,000)	181,544	1,544	(1,544)	-
Exchange gain realised on liquidation of subsidiary - net of tax	-	-	-	(1,369)	-	-	-	-	-	(1,369)	-	(1,369)
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	-	(246,489)	-	-	-	-	-	(246,489)	-	(246,489)
Acquisition of additional interest in subsidiary	-	254,692	-	-	-	-	-	-	749,031	1,003,723	(1,003,723)	-
Transactions with owners, recorded directly in equity												
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020	-	-	-	-	-	-	-	-	(4,400,556)	(4,400,556)	-	(4,400,556)
1st interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)
2nd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)
	-	-	-	-	-	-	-	-	(9,534,540)	(9,534,540)	-	(9,534,540)
Balance as at September 30, 2021	14,668,525	1,913,000	39,260,796	36,831,870	547,115	(156,706)	3,733,144	27,295,898	153,459,861	277,553,503	3,835,055	281,388,558
Comprehensive income for the three months ended December 31, 2021												
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	-	-	8,314,683	8,314,683	206,244	8,520,927
Other comprehensive income / (loss)												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	1,911,440	-	-	-	-	-	1,911,440	36,005	1,947,445
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	82,760	-	-	-	-	-	82,760	-	82,760
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	204,020	204,020	(1,152)	202,868
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	26	26	-	26
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(5,896,903)	132,680	-	(5,764,223)	(35,233)	(5,799,456)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(90,334)	-	-	(90,334)	-	(90,334)
	-	-	-	1,994,200	-	-	(5,987,237)	132,680	8,518,729	4,658,372	205,864	4,864,236
Transferred to statutory reserves	-	202,664	782,580	-	-	-	-	-	(985,244)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(15,114)	15,064	(50)	50	-
Transactions with owners, recorded directly in equity												
3rd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	-	-	(2,566,992)	(2,566,992)	-	(2,566,992)
Balance as at December 31, 2021	14,668,525	2,115,664	40,043,376	38,826,070	547,115	(156,706)	(2,254,093)	27,413,464	158,441,418	279,644,833	4,040,969	283,685,802
Comprehensive income for the nine months ended September 30, 2022												
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	23,399,621	23,399,621	228,278	23,627,899
Other comprehensive income / (loss)												
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	-	-	-	4,143,660	-	-	-	-	-	4,143,660	44,140	4,187,800
Increase in share of exchange translation reserve of associates - net of tax	-	-	-	80,140	-	-	-	-	-	80,140	-	80,140
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	209,435	209,435	-	209,435
Share of remeasurement gain on defined benefit obligations of associates - net	-	-	-	-	-	-	-	-	3,735	3,735	-	3,735
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	-	-	(20,955,370)	(201,262)	-	(21,156,632)	(51,427)	(21,208,059)
Movement in share of surplus / deficit on revaluation of assets of associates - net of tax	-	-	-	-	-	-	(290,547)	122,747	-	(167,800)	-	(167,800)
	-	-	-	4,223,800	-	-	(21,245,917)	(78,515)	23,612,791	6,512,159	220,991	6,733,150
Transferred to statutory reserves	-	263,104	2,169,899	-	-	-	-	-	(2,433,003)	-	-	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	-	-	(53,737)	54,728	991	(991)	-
Acquisition of additional interest in subsidiary	-	-	-	642,741	-	-	(57,067)	3,727	862,925	1,452,326	(1,452,326)	-
Transactions with owners, recorded directly in equity												
Final cash dividend - Rs 2.25 per share declared subsequent to the year ended December 31, 2021	-	-	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
1st interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	-	-	(3,300,418)	(3,300,418)	-	(3,300,418)
2nd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	-	-	(2,200,279)	(2,200,279)	-	(2,200,279)
	-	-	-	-	-	-	-	-	(8,801,115)	(8,801,115)	-	(8,801,115)
Balance as at September 30, 2022	14,668,525	2,378,768	42,213,275	43,692,611	547,115	(156,706)	(23,557,077)	27,284,939	171,737,744	278,809,194	2,808,643	281,617,837

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

President and Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Director**

Habib Bank Limited
Condensed Interim Consolidated Cash Flow Statement (Unaudited)
For the nine months ended September 30, 2022

	January 01 to September 30, 2,022	January 01 to September 30, 2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	55,598,937	46,377,329
Dividend income	(560,465)	(491,020)
Share of profit of associates and joint venture	(2,093,109)	(1,944,752)
Mark-up expensed on subordinated debt	1,307,766	941,834
	(1,345,808)	(1,493,938)
	54,253,129	44,883,391
Adjustments:		
Depreciation	5,640,958	5,057,323
Amortisation	1,329,522	732,514
Depreciation on right-of-use assets	2,891,630	2,505,344
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,252,617	2,685,059
Provision / (reversal of provision) for diminution in value of investments	637,711	(1,130,801)
Provision against loans and advances	3,279,896	5,840,770
Provision against other assets	861,478	63,206
(Reversal of provision) / provision against off-balance sheet obligations	(584,066)	1,192,386
Unrealised loss on held-for-trading securities	27,620	32,092
Exchange gain / (loss) on goodwill	782,965	(135,074)
Exchange gain realised on partial repatriation of branch capital - net of tax	-	(246,488)
Exchange gain realised on liquidation of subsidiary - net of tax	-	(1,369)
Gain on sale of fixed assets - net	(29,545)	(36,736)
Gain on sale of non-banking asset	-	(16,000)
Workers' Welfare Fund	1,078,193	909,682
	18,168,979	17,451,908
	72,422,108	62,335,299
(Increase) / decrease in operating assets		
Lendings to financial institutions	(21,187,795)	(118,719,270)
Held-for-trading securities	110,875,050	(66,810,981)
Advances	(211,497,643)	(153,445,682)
Other assets (excluding advance taxation)	(44,969,056)	(19,192,585)
	(166,779,444)	(358,168,518)
Increase / (decrease) in operating liabilities		
Bills payable	6,181,554	568,565
Borrowings from financial institutions	145,936,819	(146,347,203)
Deposits and other accounts	(11,581,245)	336,556,006
Other liabilities	65,055,523	31,636,356
	205,592,651	222,413,724
	111,235,315	(73,419,495)
Income tax paid	(22,806,167)	(18,161,032)
Net cash flows generated from / (used in) operating activities	88,429,148	(91,580,527)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(119,695,644)	110,072,560
Net investment in held-to-maturity securities	11,767,482	(36,078,556)
Net investment in associates	(3,456,988)	(500,239)
Dividend received	732,932	432,125
Investments in fixed assets	(12,480,225)	(9,439,825)
Investments in intangible assets	(6,103,280)	(2,014,969)
Proceeds from sale of fixed assets	46,061	62,089
Proceeds from sale of non-banking asset	-	216,000
Effect of translation of net investment in foreign branches, subsidiaries, joint venture and associates - net of tax	4,223,800	3,471,489
Net cash flows (used in) / generated from investing activities	(124,965,862)	66,220,674
CASH FLOWS FROM FINANCING ACTIVITIES		
Effect of translation of net investment by non-controlling interest in subsidiary	44,140	49,110
Repayment of subordinated debt	-	(9,982,000)
Payment of mark-up on subordinated debt	(1,302,145)	(1,228,722)
Payment of lease liability against right-of-use assets	(3,736,372)	(3,381,485)
Dividend paid	(7,417,723)	(8,303,075)
Net cash flows used in financing activities	(12,412,100)	(22,846,172)
Decrease in cash and cash equivalents during the period	(48,948,814)	(48,206,025)
Cash and cash equivalents at the beginning of the period	483,456,300	425,972,091
Effect of exchange rate changes on cash and cash equivalents	22,234,021	5,841,858
	505,690,321	431,813,949
Cash and cash equivalents at the end of the period	456,741,507	383,607,924

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

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

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding company

- Habib Bank Limited, Pakistan

Subsidiaries
- Habib Allied Holding Limited (HAHL) – 100% shareholding
- HBL Bank UK Limited – 100% effective shareholding
- HBL Currency Exchange (Private) Limited – 100% shareholding
- HBL Asset Management Limited – 100% shareholding
- HBL Microfinance Bank Limited – 76.42% shareholding
- Habib Bank Financial Services (Private) Limited – 100% shareholding

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

1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.

1.2 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.

1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.4 The Bank has purchased the remaining shareholding of 9.50% in HAHL from the minority shareholder. HAHL is now a wholly owned subsidiary of the Bank.

1.5 During the period, the Bank has subscribed to 140 million Rights shares issued by HBL Asset Management Limited (HBL AMC).

1.6 During the period, the Bank has subscribed to 100 million Rights shares issued by HBL Microfinance Bank Limited (HBL MFB). Post acquisition, the Bank's shareholding in HBL MFB has increased from 71.43% to 76.42%.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.2 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

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

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

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

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

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

2.5 **Critical accounting estimates and judgements**

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

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

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

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

3 **SIGNIFICANT ACCOUNTING POLICIES**

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

4 FINANCIAL RISK MANAGEMENT

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

5 CASH AND BALANCES WITH TREASURY BANKS

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
In hand		
Local currency	58,507,984	48,996,151
Foreign currencies	10,386,771	5,505,082
	68,894,755	54,501,233
With State Bank of Pakistan in		
Local currency current accounts	117,427,703	147,418,412
Local currency special deposit account	2,790,176	2,531,227
Foreign currency current accounts	10,380,174	8,637,953
Foreign currency deposit accounts	3,574,036	18,104,962
	134,172,089	176,692,554
With other Central Banks in		
Foreign currency current accounts	58,444,659	58,855,062
Foreign currency deposit accounts	31,940,018	12,755,756
	90,384,677	71,610,818
With National Bank of Pakistan in		
Local currency current accounts	120,744,692	137,197,419
Local currency deposit account	822,398	948,771
	121,567,090	138,146,190
National Prize Bonds	96,590	301,451
	415,115,201	441,252,246

6 BALANCES WITH OTHER BANKS

In Pakistan		
In current accounts	709,997	317,534
In deposit accounts	8,014,082	18,430,779
	8,724,079	18,748,313
Outside Pakistan		
In current accounts	23,604,817	32,804,685
In deposit accounts	9,297,410	12,885,077
	32,902,227	45,689,762
	41,626,306	64,438,075

7 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	1,142,260	24,600,000
Repurchase agreement lendings (reverse repo)	113,787,967	64,970,746
Bai Muajjal receivable from financial institutions	-	4,171,686
	114,930,227	93,742,432

8 INVESTMENTS

8.1 Investments by type

	Note	September 30, 2022 (Unaudited)				December 31, 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)							
Held-for-trading (HFT) securities									
Federal Government securities									
- Market Treasury Bills		31,297,495	-	(4,823)	31,292,672	111,592,255	-	(31,517)	111,560,738
- Pakistan Investment Bonds		56,286,892	-	(6,215)	56,280,677	92,201,740	-	110,414	92,312,154
Shares									
- Listed companies		267,467	-	(20,644)	246,823	332,860	-	(24,270)	308,590
Foreign securities									
- Government debt securities		5,784,064	-	4,062	5,788,126	316,867	-	12,619	329,486
		93,635,918	-	(27,620)	93,608,298	204,443,722	-	67,246	204,510,968
Available-for-sale (AFS) securities									
Federal Government securities									
- Market Treasury Bills		272,573,918	-	(1,866,835)	270,707,083	279,633,112	-	108,423	279,741,535
- Pakistan Investment Bonds		869,281,685	-	(18,822,609)	850,459,076	806,059,810	-	(4,943,247)	801,116,563
- Ijarah Sukuk		128,452,627	-	(2,197,920)	126,254,707	119,617,967	-	(537,141)	119,080,826
- Government of Pakistan US Dollar Bonds		24,601,213	(474,718)	(12,611,198)	11,515,297	16,378,045	(347,350)	438,586	16,469,281
- Other Federal Government securities		3,861,881	-	-	3,861,881	1,016,120	-	-	1,016,120
Shares									
- Listed companies		7,156,479	(2,029,716)	(99,296)	5,027,467	8,170,830	(1,962,154)	427,255	6,635,931
- Unlisted companies		5,372,888	(109,110)	-	5,263,778	5,372,623	(91,009)	-	5,281,614
Non-Government debt securities									
- Listed		52,544,143	(71,566)	(2,535,468)	49,937,109	51,499,951	(78,236)	638,300	52,060,015
- Unlisted		2,164,233	(413,232)	24,000	1,775,001	1,648,381	(247,381)	24,000	1,425,000
Foreign securities									
- Government debt securities		113,181,958	(1,024,569)	(1,624,064)	110,533,325	75,032,225	(288,791)	111,104	74,854,538
- Non-Government debt securities									
- Listed		12,414,693	(1,054,140)	(522,371)	10,838,182	13,972,530	(966,629)	61,692	13,067,593
- Unlisted		5,096,143	-	576	5,096,719	-	-	-	-
- Equity securities - Unlisted		7,794	(196)	-	7,598	6,318	(156)	-	6,162
National Investment Unit Trust units		11,113	-	29,105	40,218	11,113	-	35,335	46,448
Real Estate Investment Trust units		1,180,000	-	14,350	1,194,350	55,000	-	5,800	60,800
Preference shares									
- Listed		744,400	-	148,400	892,800	744,400	-	80,500	824,900
- Unlisted		176,985	(145,999)	-	30,986	176,985	(150,075)	-	26,910
		1,498,822,153	(5,323,246)	(40,063,330)	1,453,435,577	1,379,395,410	(4,131,781)	(3,549,393)	1,371,714,236
Held-to-maturity (HTM) securities	8.2								
Federal Government securities									
- Market Treasury Bills		60,165,492	-	-	60,165,492	397,178	-	-	397,178
- Pakistan Investment Bonds		231,790,054	-	-	231,790,054	285,685,656	-	-	285,685,656
- Other Federal Government securities		-	-	-	-	10,794,000	-	-	10,794,000
Non-Government debt securities									
- Listed		1,733,539	-	-	1,733,539	2,365,422	-	-	2,365,422
- Unlisted		17,808,886	-	-	17,808,886	22,851,835	-	-	22,851,835
Foreign Securities									
- Government debt securities		13,874,117	-	-	13,874,117	14,672,889	-	-	14,672,889
- Non-Government debt securities									
- Listed		215,614	(15,852)	-	199,762	285,954	(25,061)	-	260,893
- Unlisted		313,850	(594)	-	313,256	616,100	(1,559)	-	614,541
		325,901,552	(16,446)	-	325,885,106	337,669,034	(26,620)	-	337,642,414
Investments in associates and joint venture	8.5	40,739,377	-	(613,736)	40,125,641	35,185,545	-	(97,185)	35,088,360
Total Investments		1,959,099,000	(5,339,692)	(40,704,686)	1,913,054,622	1,956,693,711	(4,158,401)	(3,579,332)	1,948,955,978

8.1.1 Investments given as collateral

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

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Federal Government securities		
- Market Treasury Bills	76,232,182	980,924
- Pakistan Investment Bonds	182,429,910	139,564,697
- Sukuks	25,650,200	-
Foreign securities		
- Government debt securities	188,310	-
	284,500,602	140,545,621

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

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

8.4 **Particulars of provision against debt securities**

	(Unaudited) September 30, 2022		(Audited) December 31, 2021	
Category of classification	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	(Rupees in '000)			
Domestic				
Loss	413,232	413,232	247,381	247,381
Overseas				
Overdue by:				
Upto 90 days	456,648	268,543	-	-
91 to 180 days	684,973	504,873	-	-
> 365 days	994,100	994,100	929,609	929,609
	2,135,721	1,767,516	929,609	929,609
Total	2,548,953	2,180,748	1,176,990	1,176,990

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

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

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

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
9.1 **Particulars of advances (gross)**	(Rupees in '000)	
In local currency	1,371,949,321	1,222,102,342
In foreign currencies	435,896,377	368,798,249
	1,807,845,698	1,590,900,591

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

Category of classification	(Unaudited) September 30, 2022		(Audited) December 31, 2021	
	Non-performing advances	Provision	Non-performing advances	Provision
Domestic	(Rupees in '000)			
Other assets especially mentioned	1,423,311	16,156	676,362	3,379
Substandard	7,774,937	1,929,367	2,919,319	711,251
Doubtful	2,866,711	1,425,557	2,566,040	1,286,243
Loss	41,914,140	41,177,765	43,406,758	42,415,330
	53,979,099	44,548,845	49,568,479	44,416,203
Overseas				
Not past due but impaired	380,713	293,938	1,411,443	611,553
Overdue by:				
Upto 90 days	16,067	2,410	29,965	-
91 to 180 days	18,881	2,350	17,181	14,815
181 to 365 days	29,834	11,976	2,312,907	1,929,459
> 365 days	37,451,939	34,623,202	27,548,486	25,873,156
	37,897,434	34,933,876	31,319,982	28,428,983
Total	91,876,533	79,482,721	80,888,461	72,845,186

9.3 **Particulars of provision against advances**

	Note	(Unaudited) September 30, 2022			(Audited) December 31, 2021		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
Opening balance		72,845,186	11,008,308	83,853,494	70,835,763	11,063,284	81,899,047
Exchange adjustment		7,768,325	745,212	8,513,537	2,670,248	222,274	2,892,522
Charge for the period / year		7,024,152	1,579,730	8,603,882	12,415,018	1,613,469	14,028,487
Reversal for the period / year		(5,088,869)	(235,117)	(5,323,986)	(4,492,724)	(1,890,719)	(6,383,443)
Net charge / (reversal) against advances		1,935,283	1,344,613	3,279,896	7,922,294	(277,250)	7,645,044
Charged off during the period / year - agriculture financing	9.5	(274,163)	-	(274,163)	(532,280)	-	(532,280)
Written off during the period / year		(2,971,475)	-	(2,971,475)	(8,050,839)	-	(8,050,839)
Transferred out		(67,880)	-	(67,880)	-	-	-
Other movement		247,445	-	247,445	-	-	-
Closing balance		79,482,721	13,098,133	92,580,854	72,845,186	11,008,308	83,853,494

9.4 General provision includes provision amounting to Rs 3,196.947 million (December 31, 2021: Rs 2,753.209 million) against consumer finance portfolio and Rs 769.658 million (December 31, 2021: Rs 577.903 million) against advances to microenterprises as required by the Prudential Regulations. General provision also includes Rs 3,966.088 million (December 31, 2021: Rs 2,672.756 million) pertaining to overseas advances to meet the requirements of the regulatory authorities of the respective countries in which the Group operates. General provision also includes Rs 5,165.440 million (December 31, 2021: Rs 5,004.440 million) carried as a matter of prudence, on account of borrowers impacted by the Covid pandemic as well as by the currently stressed economic conditions.

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

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the nine months ended September 30, 2022

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
10.1	**Capital work-in-progress**	(Rupees in '000)	
	Civil works	8,974,917	4,375,253
	Equipment	1,020,712	310,830
	Advances to suppliers and contractors	1,617,110	3,117,522
		11,612,739	7,803,605

		(Unaudited) For the nine months ended September 30 2022	September 30, 2021
10.2	**Additions to fixed assets**	(Rupees in '000)	
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress - net	3,809,134	3,091,830
	Property and equipment		
	Leasehold land	469,366	400,000
	Building on free hold land	-	2,019
	Building on leasehold land	113,752	184,048
	Machinery	35,277	85,200
	Leasehold improvements	2,218,694	1,391,656
	Furniture and fixtures	801,141	626,518
	Electrical, office and computer equipment	4,618,405	3,531,694
	Vehicles	135,848	126,860
		8,392,483	6,347,995
	Right-of-use assets - net	3,551,234	2,186,468
		15,752,851	11,626,293
10.3	**Disposal of fixed assets**		
	The net book value of fixed assets disposed off during the period is as follows:		
	Property and equipment		
	Machinery	4	-
	Leasehold improvements	5,740	2,903
	Furniture and fixtures	1,279	1,254
	Electrical, office and computer equipment	6,709	8,439
	Vehicles	2,784	12,757
		16,516	25,353

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
11	**INTANGIBLE ASSETS**	(Rupees in '000)	
	Capital work-in-progress - computer software	4,649,673	2,056,072
	Intangible assets	13,600,809	10,574,403
		18,250,482	12,630,475

			(Unaudited) For the nine months ended September 30 2022	September 30, 2021
11.1	**Additions to intangible assets**		(Rupees in '000)	
	The following additions have been made to intangible assets during the period:			
	Capital work-in-progress - net - computer software		2,593,601	256,607
	Computer software		3,509,679	1,758,362
	Goodwill - HAHL	11.1.1	579,022	-
			6,682,302	2,014,969

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

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
12	**DEFERRED TAX ASSETS / (LIABILITIES)**			
	Deductible temporary differences on			
	- Tax losses of subsidiary		420,815	431,976
	- Provision against investments		926,151	766,916
	- Provision against doubtful debts and off-balance sheet obligations		3,979,048	3,721,755
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,719,242	2,586,450
	- Deficit on revaluation of investments	19	16,819,269	1,309,052
	- Deficit on revaluation of investments of associates	19	263,906	37,902
	- Provision against other assets		5,855	15,342
	- Ijarah financing		176,771	156,250
			25,311,057	9,025,643
	Taxable temporary differences on			
	- Accelerated tax depreciation		(1,309,155)	(1,360,584)
	- Surplus on revaluation of fixed assets	19	(1,940,857)	(1,777,800)
	- Surplus on revaluation of fixed assets of associates	19	(159,138)	(56,392)
	- Management rights and goodwill		(329,841)	(288,014)
	- Share of profit of associates		(8,634,375)	(7,328,089)
	- Exchange translation reserve		(6,097,890)	(3,287,635)
	- Others		(103,212)	(9,731)
			(18,574,468)	(14,108,245)
	Net deferred tax assets / (liabilities)		6,736,589	(5,082,602)

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
13	**OTHER ASSETS**			
	Mark-up / return / profit / interest accrued in local currency - net of provision		81,329,330	52,719,955
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,541,348	3,791,224
	Advances, deposits, advance rent and other prepayments		5,958,476	3,825,328
	Advance taxation		13,281,178	21,708,444
	Advance against subscription of securities		1,578,000	178,000
	Stationery and stamps on hand		238,118	181,671
	Accrued fees and commissions		341,912	554,583
	Due from Government of Pakistan / SBP		4,203,183	2,137,045
	Mark to market gain on forward foreign exchange contracts		13,723,887	8,699,989
	Mark to market gain on derivative instruments		-	251,603
	Non-banking assets acquired in satisfaction of claims		231,805	459,389
	Receivable from defined benefit plan		-	759,354
	Acceptances		37,971,065	36,686,549
	Clearing and settlement accounts		20,082,696	17,436,987
	Dividend receivable		12,746	185,213
	Claims receivable against fraud and forgeries		851,986	541,337
	Others		1,912,941	1,628,410
			188,258,671	151,745,081
	Provision held against other assets	13.1	(2,089,811)	(1,243,645)
	Other assets - net of provision		186,168,860	150,501,436
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	144,274	224,064
	Other assets - total		186,313,134	150,725,500

13.1	**Provision held against other assets**			
	Non-banking assets acquired in satisfaction of claims		-	2,467
	Claims receivable against fraud and forgeries		851,986	541,337
	Suit filed cases		4,978	4,800
	Others		1,232,847	695,041
			2,089,811	1,243,645

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
13.1.1	**Movement in provision against other assets**			
	Opening balance		1,243,645	1,127,909
	Exchange adjustment		20,824	(17,808)
	Charge for the period / year		881,626	741,684
	Reversal for the period / year		(20,148)	(551,548)
	Net charge		861,478	190,136
	Written off during the period / year		(34,804)	(56,592)
	Other movement		(1,332)	-
	Closing balance		2,089,811	1,243,645
14	**BILLS PAYABLE**			
	In Pakistan		48,241,697	42,793,433
	Outside Pakistan		2,136,841	1,403,551
			50,378,538	44,196,984
15	**BORROWINGS**			
	Secured			
	Borrowings from the SBP under			
	- Export refinance scheme		56,125,270	69,782,711
	- Long term financing facility		43,196,156	32,529,493
	- Financing facility for renewable energy power plants		7,531,348	6,805,470
	- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		351,302	241,788
	- Refinance and credit guarantee scheme for women entrepreneurs		80,454	155,370
	- Financing facility for storage of agricultural produce		389,433	333,349
	- Refinance scheme for payment of wages and salaries		3,857,416	15,476,761
	- Refinance facility for combating COVID-19		1,786,818	1,055,725
	- Temporary economic refinance facility		33,833,156	26,010,138
	- Refinance facility for SME Asaan Finance (SAAF)		2,703,528	-
			149,854,881	152,390,805
	Repurchase agreement borrowings		284,911,380	140,193,364
			434,766,261	292,584,169
	Unsecured			
	- Call money borrowings		-	1,000,000
	- Overdrawn nostro accounts		1,517,798	653,970
	- Borrowings of overseas branches and subsidiaries		72,817,163	82,898,483
	- Other long-term borrowings	15.1	73,093,602	59,121,383
			147,428,563	143,673,836
			582,194,824	436,258,005

15.1 This includes the following:

15.1.1 A loan from the International Finance Corporation amounting to US$ 125 million (December 31, 2021: US$ 150 million). The remaining principal amount is payable in five equal semi-annual installments and the last installment is due on December 2024. Interest at LIBOR + 5.00% per annum (December 31, 2021: LIBOR + 5.00% per annum) is payable semi-annually.

15.1.2 A long-term financing facility arrangement of US$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank’s customers. Under this facility, US$ 190 million (December 31, 2021: US$ 170.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.

15.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 168.252 million (December 31,2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (December 31, 2021: 11.21% per annum) is payable semi-annually.

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

16 DEPOSITS AND OTHER ACCOUNTS

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

17 SUBORDINATED DEBT

	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
Additional Tier I Term Finance Certificates	17.1	12,374,000	12,374,000

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

The key features of the issue are as follows:

Issue Date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2021: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
Profit payment	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average “Ask Side” rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the “Call Option Exercise Date”).
Lock-in clause	Mark-up will only be paid from the current year’s earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

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

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

19 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

	Note	September 30, 2022 (Unaudited)			December 31, 2021 (Audited)		
		Attributable to			Attributable to		
		Equity holders	Non-controlling interest	Total	Equity holders	Non-controlling interest	Total
		(Rupees in '000)					
Surplus / (deficit) arising on revaluation of:							
- Fixed assets		28,870,569	16,137	28,886,706	28,876,201	26,730	28,902,931
- Fixed assets of associates		370,089	-	370,089	144,596	-	144,596
- Available-for-sale securities	8.1	(40,008,384)	(54,946)	(40,063,330)	(3,498,964)	(50,429)	(3,549,393)
- Available-for-sale securities held by associates	8.1	(613,736)	-	(613,736)	(97,185)	-	(97,185)
- Non-banking assets acquired in satisfaction of claims		144,274	-	144,274	224,064	-	224,064
		(11,237,188)	(38,809)	(11,275,997)	25,648,712	(23,699)	25,625,013
Deferred tax liability / (asset) on surplus / (deficit) on revaluation of:							
- Fixed assets		1,940,857	-	1,940,857	1,775,005	2,795	1,777,800
- Fixed assets of associates		159,138	-	159,138	56,392	-	56,392
- Available-for-sale securities		(16,801,137)	(18,132)	(16,819,269)	(1,304,154)	(4,898)	(1,309,052)
- Available-for-sale securities held by associates		(263,906)	-	(263,906)	(37,902)	-	(37,902)
- Non-banking assets acquired in satisfaction of claims		-	-	-	-	-	-
		(14,965,048)	(18,132)	(14,983,180)	489,341	(2,103)	487,238
Surplus on revaluation of assets - net of tax		3,727,860	(20,677)	3,707,183	25,159,371	(21,596)	25,137,775

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

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

20.3 Other contingent liabilities

20.3.1	Claims against the Group not acknowledged as debts		23,103,366	25,778,719

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

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

21 DERIVATIVE INSTRUMENTS

Product Analysis	September 30, 2022 (Unaudited)			
	Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)			
Hedging	-	-	-	-
Market Making	55,421,549	(6,914,285)	3,616,667	(233,228)

	December 31, 2021 (Audited)			
	Cross currency swaps		Interest rate Swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	(Rupees in '000)			
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)

22 MARK-UP / RETURN / PROFIT / INTEREST EARNED

	Note	(Unaudited) For the nine months ended September 30, 2022	September 30, 2021
		(Rupees in '000)	
On:			
Loans and advances		133,279,549	80,037,566
Investments		164,144,589	108,233,161
Lendings to financial institutions		10,799,326	4,144,819
Balances with banks		876,018	327,667
		309,099,482	192,743,213

23 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED

On:		
Deposits	137,926,201	70,521,350
Securities sold under repurchase agreement borrowings	38,997,812	13,276,087
Borrowings	7,053,722	4,208,785
Subordinated debt	1,307,766	941,834
Cost of foreign currency swaps against foreign currency deposits / borrowings	5,522,907	3,958,231
Lease liability against right-of-use assets	2,252,617	2,685,059
	193,061,025	95,591,346

24 FEE AND COMMISSION INCOME

Branch banking customer fees	3,011,011	2,978,901
Consumer finance related fees	1,683,222	1,402,011
Card related fees (debit and credit cards)	6,467,969	5,075,482
Credit related fees	1,923,373	1,391,914
Investment banking fees	715,100	886,538
Commission on trade related products and guarantees	3,758,017	3,023,028
Commission on cash management	824,291	635,647
Commission on remittances (including home remittances)	531,962	374,017
Commission on bancassurance	576,974	610,469
Commission on Government to Person (G2P) payments	633,709	235,171
Management fee	529,760	436,771
Merchant discount and interchange fees	3,830,536	2,500,105
Wealth management fee	422,354	546,366
Others	754,312	321,674
	25,662,590	20,418,094
Less: Sales Tax / Federal Excise Duty on fee and commission income	(2,889,513)	(2,477,723)
	22,773,077	17,940,371

25 GAIN ON SECURITIES - NET

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

		(Unaudited) For the nine months ended September 30, 2022	(Unaudited) For the nine months ended September 30, 2021
25.1	**Gain / (loss) on securities - realised**	(Rupees in '000)	(Rupees in '000)
	On:		
	Federal Government securities		
	- Market Treasury Bills	(177,391)	306,976
	- Pakistan Investment Bonds	914,722	1,879,507
	- Ijarah Sukuk	77,455	(10,763)
	Shares	(264,496)	(563,768)
	Non-Government debt securities	17,890	9,356
	Foreign securities	(9,847)	(19,608)
		558,333	1,601,700
26	**OTHER INCOME**		
	Incidental charges	298,455	463,763
	Exchange gain realised on partial repatriation of branch capital	-	404,079
	Exchange gain realised on liquidation of subsidiary	-	1,919
	Gain on sale of fixed assets - net	29,545	36,736
	Gain on sale of non-banking assets	-	16,000
	Rent on properties	14,691	20,995
		342,691	943,492
27	**OPERATING EXPENSES**		
	Total compensation expense	37,766,675	29,760,214
	Property expense		
	Rent and taxes	1,066,889	805,794
	Insurance	148,542	117,103
	Utilities cost	3,028,288	1,890,242
	Security (including guards)	1,844,345	1,599,270
	Repair and maintenance (including janitorial charges)	2,642,956	1,875,022
	Depreciation on owned fixed assets	2,969,521	2,573,777
	Depreciation on right-of-use assets	2,891,630	2,505,344
		14,592,171	11,366,552
	Information technology expenses		
	Software maintenance	4,397,874	2,846,480
	Hardware maintenance	967,967	635,406
	Depreciation	1,968,397	1,830,630
	Amortisation	1,329,522	732,514
	Network charges	1,157,562	1,045,267
	Consultancy charges	585,248	520,919
		10,406,570	7,611,216
	Other operating expenses		
	Legal and professional charges	788,528	557,838
	Outsourced services costs	1,668,459	1,354,461
	Travelling and conveyance	1,108,007	662,059
	Insurance	996,121	656,274
	Remittance charges	484,918	434,566
	Security charges	1,844,428	1,461,597
	Repairs and maintenance	1,290,360	1,076,800
	Depreciation	703,040	652,916
	Training and development	333,723	138,908
	Postage and courier charges	642,576	546,210
	Communication	1,113,426	661,908
	Stationery and printing	1,829,703	1,417,352
	Marketing, advertisement and publicity	2,809,743	2,448,242
	Donations	358,685	351,005
	Auditors' remuneration	272,470	246,899
	Brokerage and commission	590,839	523,198
	Subscription	283,605	215,342
	Documentation and processing charges	4,031,042	2,515,865
	Entertainment	430,307	259,306
	Consultancy charges	948,383	881,023
	Deposit insurance premium expense	2,026,813	1,878,366
	Product feature cost	2,515,397	1,495,647
	COVID-19 related expenses	44,021	195,698
	Others	1,046,221	643,522
		28,160,815	21,275,002
		90,926,231	70,012,984

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

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

32 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

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

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

32.1 **Fair value of financial assets**

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

	As at September 30, 2022 (Unaudited)				
On balance sheet financial instruments	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,346,509,512	-	1,346,509,512	-	1,346,509,512
- Shares - listed companies	5,274,290	5,274,290	-	-	5,274,290
- Non-Government debt securities					
- Listed	49,937,109	40,280,000	9,657,109	-	49,937,109
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities					
Government debt securities	116,321,451	-	116,321,451	-	116,321,451
Non-Government debt securities					
- Listed	10,838,182	-	10,838,182	-	10,838,182
- Unlisted	5,096,719	-	5,096,719	-	5,096,719
- National Investment Unit Trust units	40,218	-	40,218	-	40,218
- Real Estate Investment Trust units	69,350	69,350	-	-	69,350
- Preference Shares - Listed	848,400	848,400	-	-	848,400
	1,535,559,231	46,472,040	1,489,087,191	-	1,535,559,231
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	291,955,546	-	268,875,133	-	268,875,133
- Non-Government debt securities					
- Listed	1,733,539	-	1,739,778	-	1,739,778
- Unlisted	17,808,886	-	18,701,143	-	18,701,143
- Foreign securities					
Government debt securities	13,874,117	-	13,607,453	-	13,607,453
Non-Government debt securities					
- Listed	199,762	-	199,762	-	199,762
- Unlisted	313,256	-	301,793	-	301,793
	325,885,106	-	303,425,062	-	303,425,062
	1,861,444,337	46,472,040	1,792,512,253	-	1,838,984,293

	As at September 30, 2022 (Unaudited)				
	Notional value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Off-balance sheet financial instruments - measured at fair value					
Commitments					
- Forward foreign exchange contracts	472,193,172	-	4,772,825	-	4,772,825
- Forward Government securities transactions	104,514,247	-	22,381	-	22,381
- Derivative instruments	59,038,216	-	(7,147,513)	-	(7,147,513)

	As at December 31, 2021 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,420,281,097	-	1,420,281,097	-	1,420,281,097
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,521
- Non-Government debt securities					
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,015
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities					
Government debt securities	75,184,024	-	75,184,024	-	75,184,024
Non-Government debt securities- listed	13,067,593	-	13,067,593	-	13,067,593
- National Investment Unit Trust units	46,448	-	46,448	-	46,448
- Real Estate Investment Trust units	60,800	60,800	-	-	60,800
- Preference Shares - Listed	780,500	780,500	-	-	780,500
	1,569,048,998	48,385,821	1,520,663,177	-	1,569,048,998
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	296,876,834	-	281,751,196	-	281,751,196
- Non-Government debt securities					
- Listed	2,365,422	-	2,376,486	-	2,376,486
- Unlisted	22,851,835	-	22,930,932	-	22,930,932
- Foreign securities					
Government debt securities	14,672,889	-	14,823,285	-	14,823,285
Non-Government debt securities					
- Listed	260,893	-	316,157	-	316,157
- Unlisted	614,541	-	612,981	-	612,981
	337,642,414	-	322,811,037	-	322,811,037
	1,906,691,412	48,385,821	1,843,474,214	-	1,891,860,035

	As at December 31, 2021 (Audited)				
	Notional value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Off-balance sheet financial instruments - measured at fair value					
Commitments					
- Forward foreign exchange contracts	601,681,574	-	1,362,742	-	1,362,742
- Forward Government securities transactions	93,562,463	-	200,063	-	200,063
- Derivative instruments	42,049,128	-	(2,373,349)	-	(2,373,349)

32.2 **Fair value of non-financial assets**

	As at September 30, 2022 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	53,612,781	-	-	53,612,781	53,612,781
- Non-banking assets acquired in satisfaction of claims	376,079	-	-	376,079	376,079
	53,988,860	-	-	53,988,860	53,988,860

	As at December 31, 2021 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
- Land and building	53,190,296	-	-	53,190,296	53,190,296
- Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	53,871,282	-	-	53,871,282	53,871,282

33 SEGMENT INFORMATION

33.1 Segment details with respect to Business Activities

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

	As at September 30, 2022 (Unaudited)									
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position	---------- (Rupees in million) ----------									
Cash and bank balances	179,039	-	28,763	472	107,620	124,732	10	14,670	1,436	456,742
Lendings to financial institutions	-	-	-	-	114,930	-	-	-	-	114,930
Inter segment lending	1,746,992	-	-	-	-	4,336	-	-	171,562	1,922,890
Investments	-	-	187,679	8,806	1,480,301	166,859	370	22,515	46,525	1,913,055
Advances - performing	-	208,202	199,829	830,599	-	359,446	-	75,415	29,380	1,702,871
Advances - non-performing	-	2,323	2,128	3,304	-	2,964	-	1,675	-	12,394
Others	31,495	3,970	26,536	56,425	70,079	27,452	3,199	10,800	88,233	318,189
Total assets	1,957,526	214,495	444,935	899,606	1,772,930	685,789	3,579	125,075	337,136	6,441,071
Borrowings	-	6,069	48,272	120,621	261,073	141,196	-	4,964	-	582,195
Subordinated debt	-	-	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,929,099	592	343,781	540,290	-	438,242	-	98,269	20,144	3,370,417
Inter segment borrowing	-	194,722	7,376	199,813	1,481,418	39,561	-	-	-	1,922,890
Others	28,427	13,112	15,232	38,882	44,308	28,015	2,124	9,932	91,544	271,576
Total liabilities	1,957,526	214,495	414,661	899,606	1,786,799	647,014	2,124	113,165	124,062	6,159,452
Equity	-	-	30,274	-	(13,869)	38,775	1,455	11,910	213,074	281,619
Total equity and liabilities	1,957,526	214,495	444,935	899,606	1,772,930	685,789	3,579	125,075	337,136	6,441,071
Contingencies and commitments	73,489	-	33,339	547,564	483,477	212,821	-	-	37,154	1,387,844

	For the nine months ended September 30, 2021 (Unaudited)									
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Profit and loss account	(Rupees in million)									
Net mark-up / return / profit / interest income	(43,183)	20,444	8,521	22,724	80,336	3,845	(104)	5,933	(1,364)	97,152
Inter segment revenue / (expense) - net	74,287	(9,845)	-	(11,077)	(62,687)	3,027	-	-	6,295	-
Non mark-up / interest income	3,024	7,503	497	2,802	4,530	3,640	444	865	2,418	25,723
Total Income	34,128	18,102	9,018	14,449	22,179	10,512	340	6,798	7,349	122,875
Segment direct expenses	15,913	6,744	2,174	1,821	939	11,001	349	4,342	27,719	71,002
Inter segment expense allocation	12,005	4,790	503	6,509	679	895	-	-	(25,381)	-
Total expenses	27,918	11,534	2,677	8,330	1,618	11,896	349	4,342	2,338	71,002
Provisions - charge / (reversal)	-	1,163	263	1,270	(1,074)	2,087	-	1,626	160	5,495
Profit / (loss) before tax	6,210	5,405	6,078	4,849	21,635	(3,471)	(9)	830	4,851	46,378

	As at December 31, 2021 (Audited)									
	Branch banking	Consumer, SME & Rural Banking	Islamic	Corporate, Commercial and Investment Banking	Treasury	International and correspondent banking	Asset management	Microfinance	Head office / others	Total
Statement of financial position	(Rupees in million)									
Cash and bank balances	181,994	-	29,178	364	151,013	117,638	11	24,910	582	505,690
Lendings to financial institutions	-	-	28,672	-	65,070	-	-	-	-	93,742
Inter segment lending	1,594,867	-	-	-	-	266,460	-	-	142,415	2,003,742
Investments	-	-	191,865	8,822	1,566,568	128,519	50	14,231	38,901	1,948,956
Advances - performing	-	199,979	166,056	744,323	-	308,901	-	55,629	24,116	1,499,004
Advances - non-performing	-	1,503	3	2,403	-	2,891	-	1,243	-	8,043
Others	18,762	2,838	17,592	41,047	44,735	18,388	2,895	13,876	101,900	262,033
Total assets	1,795,623	204,320	433,366	796,959	1,827,386	842,797	2,956	109,889	307,914	6,321,210
Borrowings	-	2,830	31,568	119,175	140,787	137,816	1,200	2,882	-	436,258
Subordinated debt	-	-	-	-	-	-	-	-	12,374	12,374
Deposits and other accounts	1,777,354	374	346,895	519,884	122	640,658	-	91,362	5,349	3,381,998
Inter segment borrowing	-	194,287	11,440	122,508	1,675,507	-	-	-	-	2,003,742
Others	18,269	6,829	15,654	35,392	14,139	22,894	422	5,561	83,992	203,152
Total liabilities	1,795,623	204,320	405,557	796,959	1,830,555	801,368	1,622	99,805	101,715	6,037,524
Equity	-	-	27,809	-	(3,169)	41,429	1,334	10,084	206,199	283,686
Total equity and liabilities	1,795,623	204,320	433,366	796,959	1,827,386	842,797	2,956	109,889	307,914	6,321,210
Contingencies and commitments	59,128	-	56,741	463,954	601,350	186,719	-	-	38,410	1,406,302

34 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at September 30, 2022 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	(Rupees in '000)					
Statement of financial position						
Balances with other banks						
In current accounts	-	-	1,130	-	114	-
Investments						
Opening balance	-	-	-	28,790,446	6,297,914	7,713,055
Investment made during the period	-	-	-	1,633,611	-	2,000,000
Share of profit - net of tax	-	-	-	1,423,640	669,469	-
Equity method adjustments	-	-	-	4,700,709	1,203,915	-
Investment redeemed / disposed off during the period	-	-	-	(3,636,299)	-	-
Dividend received during the period	-	-	-	(666,706)	-	-
Revaluation of fixed asset during the period	-	-	-	225,493	-	-
Revaluation of investment during the period	-	-	-	(510,311)	(6,240)	-
Provision for dimunition in the value of investments	-	-	-	-	-	(13,877)
Transfer in - net	-	-	-	-	-	29,286
Closing balance	-	-	-	31,960,583	8,165,058	9,728,464
Provision for dimunition in the value of investments	-	-	-	-	-	13,877
Advances						
Opening balance	527	837,259	4,001,392	3,348,613	-	11,166,809
Addition during the period	25,487	294,339	13,457,837	-	-	11,693,729
Repaid during the period	(23,857)	(276,793)	(14,224,933)	(2,784,770)	-	(11,647,310)
Transfer in / (out) - net	-	10,072	-	-	-	-
Exchange adjustment	-	64,760	756,962	186,157	-	5,822
Closing balance	2,157	929,637	3,991,258	750,000	-	11,219,050
Other assets						
Interest / mark-up accrued	-	13,025	22,467	22,010	-	621,935
Other receivables	-	-	21,382	185,879	-	4,748
	-	13,025	43,849	207,889	-	626,683
Borrowings						
Opening balance	-	-	3,177,871	3,969,060	-	1,264,962
Borrowings during the period	-	-	3,974,090	10,572,347	8,336,441	-
Settled during the period	-	-	(3,541,768)	(7,981,753)	(4,366,707)	(132,599)
Exchange adjustment	-	-	425,013	1,556,052	599,306	-
Closing balance	-	-	4,035,206	8,115,706	4,569,040	1,132,363
Deposits and other accounts						
Opening balance	155,051	546,158	19,836,563	50,630,080	-	3,504,348
Received during the period	803,503	2,348,874	313,833,454	822,050,513	14,748	51,145,022
Withdrawn during the period	(664,115)	(2,255,036)	(310,323,914)	(858,692,881)	(11,277)	(52,985,470)
Transfer out - net	-	(20,112)	-	-	-	-
Exchange adjustment	7,218	4,075	307,712	5,280	2,317	40,460
Closing balance	301,657	623,959	23,653,815	13,992,992	5,788	1,704,360
Other liabilities						
Interest / mark-up payable	1,066	4,398	317,157	16,425	16,773	5,293
Payable to defined benefit plan	-	-	-	-	-	758,910
Others	-	-	67,441	129,516	-	362,785
	1,066	4,398	384,598	145,941	16,773	1,126,988
Contingencies and commitments						
Letters of credit	-	-	1,001,366	-	-	1,937
Letters of guarantee	-	-	154,340	-	-	3,530,727
Forward purchase of Government securities	-	-	4,842,596	-	-	2,611,603
Forward sale of Government securities	-	-	-	-	-	388,141
Interest rate swaps	-	-	-	750,000	-	-
	-	-	5,998,302	750,000	-	6,532,408
Others						
Securities held as custodian	-	35,770	23,015,145	125,978,300	-	16,815,615

	For the nine months ended September 30, 2022 (Unaudited)					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	(Rupees in '000)					
Profit and loss account						
Income						
Mark-up / return / profit / interest earned	-	30,296	181,945	87,419	-	1,280,050
Fee and commission income	-	-	187,358	587,456	-	6,524
Share of profit	-	-	-	1,423,640	669,469	-
Dividend income	-	-	-	-	-	66,225
Unrealised loss on derivatives	-	-	-	(54,768)	-	-
Expenses						
Mark-up / return / profit / interest expensed	16,712	16,582	1,098,990	2,725,248	14,573	261,906
Operating expenses						
Total compensation expense	-	1,950,393	-	-	-	2,103,642
Non-Executive Directors' fees	71,400	-	-	-	-	-
Insurance premium expense	-	-	9,047	1,934,288	-	-
Product feature cost	-	-	77,563	-	-	-
Travelling	-	-	7,994	-	-	-
Subscription	-	-	-	-	-	14,716
Donations	-	-	-	-	-	354,485
Brokerage and Commission	-	-	-	-	-	163,271
Other expenses	-	-	32,192	123	-	44,355
Provision for dimunition in the value of investments	-	-	-	-	-	13,877
Others						
Purchase of Government securities	-	-	149,084,771	58,278,417	-	21,571,340
Sale of Government securities	-	42,278	172,376,874	107,312,067	-	23,576,091
Purchase of foreign currencies	-	3,375	1,600,856	-	-	5,152
Sale of foreign currencies	6,972	153,782	1,599,076	90,300	-	8,070,518
Insurance claims settled	-	-	-	215,189	-	-

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

	As at December 31, 2021 (Audited)					
	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	(Rupees in '000)					
Borrowings						
Opening balance	-	-	2,314,648	2,282,856	1,598,344	1,315,743
Borrowings during the year	-	-	4,216,030	7,564,980	6,516,419	400,000
Settled during the year	-	-	(3,695,853)	(6,027,688)	(8,145,524)	(450,781)
Transfer out - net	-	-	-	-	-	-
Exchange adjustment	-	-	343,046	148,912	30,761	-
Closing balance	-	-	3,177,871	3,969,060	-	1,264,962
Deposits and other accounts						
Opening balance	122,063	496,147	12,981,422	36,318,748	-	1,833,343
Received during the year	646,231	3,514,801	485,687,364	1,001,631,636	-	88,512,854
Withdrawn during the year	(616,464)	(3,417,522)	(479,581,131)	(987,320,818)	-	(87,008,311)
Transfer in / (out) - net	3,118	(36,996)	-	-	-	114,741
Exchange adjustment	103	(10,272)	748,908	514	-	51,721
Closing balance	155,051	546,158	19,836,563	50,630,080	-	3,504,348
Other liabilities						
Interest / mark-up payable	1	723	135,791	41,504	-	10,476
Payable to defined benefit plan	-	-	-	-	-	437,648
Others	-	-	10,471	72,601	-	411,052
	1	723	146,262	114,105	-	859,176
Contingencies and Commitments						
Letters of credit	-	-	910,308	-	-	673,614
Letters of guarantee	-	-	167,204	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	1,859,052
Commitments in respect of forward lending	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	875,000	-	-
	-	-	2,272,972	875,000	-	7,769,362
Others						
Securities held as custodians	-	12,920	5,326,720	77,701,130	-	9,860,745

	For the nine months ended September 31, 2021 (Unaudited)					
Profit and loss account	Directors	Key Management Personnel	Group Entities	Associates	Joint venture	Other related parties
	(Rupees in '000)					
Income						
Mark-up / return / profit / interest earned	-	14,852	196,157	162,492	-	630,414
Fee and commission income	-	-	127,533	709,279	267	16,382
Share of profit	-	-	-	1,199,819	744,933	-
Dividend income	-	-	-	-	-	89,307
Unrealised loss on derivatives	-	-	(2,557)	(8,767)	-	-
Expense						
Mark-up / return / profit / interest expensed	6,003	8,712	829,136	869,894	18,210	182,213
Operating expenses						
Total compensation expense	-	1,674,740	-	-	-	990,451
Non-Executive Directors' fees	61,800	-	-	-	-	-
Insurance premium expense	-	-	-	1,504,179	-	-
Product feature cost	-	-	139,554	-	-	-
Travelling	-	-	11,508	-	-	-
Subscription	-	-	-	-	-	72,388
Donations	-	-	77,230	-	-	271,323
Brokerage and Commission	-	-	-	-	-	155,858
Other Expenses	-	-	7,210	-	-	37,798
Others						
Purchase of Government securities	-	-	242,442,156	23,453,887	-	8,614,457
Sale of Government securities	-	44,842	248,898,039	26,669,475	-	15,929,192
Purchase of foreign currencies	-	6,369	2,221,735	-	-	2,791,748
Sale of foreign currencies	5,756	268,770	2,529,316	181,800	-	4,481,885
Insurance claims settled	-	-	-	53,756	-	-

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	14,668,525	14,668,525
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	195,435,036	192,465,081
Eligible Additional Tier 1 (ADT 1) Capital	12,404,748	12,606,759
Total Eligible Tier 1 Capital	207,839,784	205,071,840
Eligible Tier 2 Capital	54,603,073	55,846,089
Total Eligible Capital (Tier 1 + Tier 2)	262,442,857	260,917,929
Risk Weighted Assets (RWAs):		
Credit Risk	1,505,496,946	1,328,791,152
Market Risk	110,065,238	116,679,788
Operational Risk	224,085,265	224,085,265
Total	1,839,647,449	1,669,556,205
Common Equity Tier 1 Capital Adequacy ratio	10.62%	11.53%
Tier 1 Capital Adequacy Ratio	11.30%	12.28%
Total Capital Adequacy Ratio	14.27%	15.63%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	2.00%	2.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	4.62%	5.53%
Other information:		
Minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	9.50%	9.50%
Tier 1 minimum ratio (%)	11.00%	11.00%
Total capital minimum ratio (%)	13.50%	13.50%
Leverage Ratio (LR)	(Rupees in '000)	
Eligible Tier-1 Capital	207,839,784	205,071,840
Total Exposures	5,407,365,298	4,687,343,787
Leverage Ratio (%)	3.84%	4.38%
Minimum Requirement (%)	3.00%	3.00%
Liquidity Coverage Ratio (LCR)	Total Adjusted Value (Rupees in '000)	
Average High Quality Liquid Assets	1,589,558,928	1,477,650,149
Average Net Cash Outflow	642,248,866	638,366,023
Liquidity Coverage Ratio (%)	247.50%	231.47%
Minimum Requirement (%)	100.00%	100.00%
	Total Weighted Value (Rupees in '000)	
Net Stable Funding Ratio (NSFR)		
Total Available Stable Funding	3,093,415,106	3,046,911,457
Total Required Stable Funding	2,193,804,625	1,964,571,726
Net Stable Funding Ratio (%)	141.01%	155.09%
Minimum Requirement (%)	100.00%	100.00%

36 ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		27,930,468	28,015,270
Balances with other banks		832,124	1,162,953
Due from financial institutions	36.1	-	28,671,686
Investments	36.2	187,679,329	191,864,941
Islamic financing and related assets - net	36.3	201,956,796	166,058,790
Fixed assets		5,736,629	4,629,739
Intangible assets		-	-
Due from Head Office		-	-
Deferred tax assets		768,806	-
Other assets		20,030,938	12,962,183
		444,935,090	433,365,562
LIABILITIES			
Bills payable		26,834	26,310
Due to financial institutions	36.4	48,272,086	31,567,668
Deposits and other accounts	36.5	343,780,827	346,895,368
Due to Head Office		7,375,943	11,439,635
Subordinated debt		-	-
Deferred tax liabilities		-	73,097
Other liabilities		15,205,445	15,554,392
		414,661,135	405,556,470
NET ASSETS		30,273,955	27,809,092
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
(Deficit) / surplus on revaluation of investments - net of tax		(1,019,114)	114,330
Unappropriated profit	36.6	30,793,069	27,194,762
		30,273,955	27,809,092
Contingencies and commitments	36.7		

PROFIT AND LOSS ACCOUNT	Note	(Unaudited) For the nine months ended September 30, 2022	September 30, 2021
		(Rupees in '000)	
Profit / return earned	36.8	32,564,590	17,196,569
Profit / return expensed	36.9	20,453,330	8,675,798
Net profit / return		12,111,260	8,520,771
Other income / (loss)			
Fee and commission income		795,573	492,974
Dividend income		-	-
Foreign exchange income		461,163	3,308
Income from derivatives		-	-
Gain on securities- net		77,552	(15)
Others		537	273
Total other income		1,334,825	496,540
Total income		13,446,085	9,017,311
Other expenses			
Operating expenses		4,933,817	2,547,914
Workers' Welfare Fund		149,426	126,590
Other charges		168,332	2,803
Total other expenses		5,251,575	2,677,307
Profit before provisions		8,194,510	6,340,004
Provisions and write offs - net		1,133,960	262,904
Profit before taxation		7,060,550	6,077,100
Taxation		3,459,670	2,370,069
Profit after taxation		3,600,880	3,707,031

36.1 Due from Financial Institutions

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Call money lendings	-	24,500,000
Bai Muajjal receivable from financial institutions	-	4,171,686
	-	28,671,686

36.2 Investments by segments

	September 30, 2022 (Unaudited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)			
Federal Government securities				
- Ijarah Sukuk	128,452,627	-	(2,197,920)	126,254,707
- Other Federal Government securities	3,861,881	-	-	3,861,881
	132,314,508	-	(2,197,920)	130,116,588
Non-Government debt securities				
- Listed	46,193,545	-	386,000	46,579,545
- Unlisted	10,959,196	-	24,000	10,983,196
	57,152,741	-	410,000	57,562,741
Total Investments	189,467,249	-	(1,787,920)	187,679,329

	December 31, 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)			
Federal Government securities				
- Ijarah Sukuk	119,617,967	-	(537,141)	119,080,826
- Other Federal Government securities	11,810,120	-	-	11,810,120
	131,428,087	-	(537,141)	130,890,946
Non-Government debt securities				
- Listed	47,325,231	-	681,000	48,006,231
- Unlisted	12,924,196	-	43,568	12,967,764
	60,249,427	-	724,568	60,973,995
Total Investments	191,677,514	-	187,427	191,864,941

36.3 Islamic financing and related assets - net

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Diminishing Musharakah	87,802,286	81,033,335
Running Musharakah	47,115,459	30,704,784
Wakalah	9,896,566	10,381,176
Ijarah	2,204,058	2,095,534
Murabaha	3,991,567	1,897,123
Currency Salam	54,999	195,118
Tijarah	2,736,478	2,058,785
Istisna	1,960,651	973,605
Musawamah	2,653,161	401,370
Advance for Diminishing Musharakah	8,863,970	3,573,753
Advance for Ijarah	3,420,056	1,208,139
Advance for Murabaha	5,992,663	8,687,338
Advance for Salam	-	1,228,367
Advance for Istisna	15,275,393	12,886,460
Advance for Musawamah	1,449,023	272,258
Inventories against Murabaha	4,950,580	2,438,918
Inventories against Salam	1,201,000	-
Inventories against Tijarah	2,216,444	3,347,923
Inventories against Istisna	2,344,839	3,708,194
Islamic financing and related assets - gross	204,129,193	167,092,180
Provision against Islamic financing and related assets		
- Specific	(1,354,538)	(334,402)
- General	(817,859)	(698,988)
	(2,172,397)	(1,033,390)
Islamic financing and related assets - net of provision	201,956,796	166,058,790

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
36.4	**Due to financial institutions**			
	Unsecured acceptances of funds		-	1,000,000
	Acceptances from the SBP under:			
	- Islamic export refinance scheme		11,545,690	20,029,111
	- Islamic long term financing facility		7,489,315	5,892,219
	- Islamic financing facility for renewable energy power plants		782,641	336,665
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)		91,600	7,480
	- Islamic refinance and credit guarantee scheme for women entrepreneurs		4,011	-
	- Islamic refinance scheme for payment of wages and salaries		341,073	1,253,895
	- Islamic refinance facility for combating COVID-19		152,537	-
	- Islamic temporary economic refinance facility		2,757,936	2,866,313
	Bai Muajjal - purchase		24,939,031	-
	Acceptances from Pakistan Mortgage Refinance Company		168,252	181,985
			48,272,086	31,567,668
36.5	**Deposits and other accounts**			
	Customers			
	Current deposits		78,703,697	77,159,559
	Savings deposits		147,409,716	124,677,445
	Term deposits		28,125,776	37,475,091
			254,239,189	239,312,095
	Financial Institutions			
	Current deposits		93,720	628,929
	Savings deposits		89,446,272	103,455,298
	Term deposits		1,646	3,499,046
			89,541,638	107,583,273
			343,780,827	346,895,368
36.6	**Islamic Banking business unappropriated profit**			
	Opening Balance		27,194,762	22,253,744
	Add: Islamic Banking profit for the period / year		7,060,550	8,101,754
	Less: Taxation		(3,459,670)	(3,159,684)
	Less: Transferred / Remitted to Head Office		(2,573)	(1,052)
	Closing Balance		30,793,069	27,194,762
36.7	**Contingencies and commitments**			
	- Guarantees	36.7.1	2,757,321	2,446,959
	- Commitments	36.7.2	30,581,953	54,293,996
			33,339,274	56,740,955
36.7.1	**Guarantees**			
	Performance guarantees		2,757,321	2,446,959
36.7.2	**Commitments**			
	Trade-related contingent liabilities		26,876,566	36,101,034
	Commitments in respect of forward foreign exchange contracts	36.7.2.1	3,705,387	18,192,962
			30,581,953	54,293,996
36.7.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		1,866,031	9,520,227
	Sale		1,839,356	8,672,735
			3,705,387	18,192,962

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

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

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

38 **DATE OF AUTHORISATION FOR ISSUE**

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

39 **GENERAL**

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

President and Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Director**

HBL

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended September 30, 2022

Habib Bank Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at September 30, 2022

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

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

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

Habib Bank Limited
Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)
For the nine months ended September 30, 2022

	Note	January 01 to September 30, 2022	January 01 to September 30, 2021	July 01 to September 30, 2022	July 01 to September 30, 2021
		---------------------------- (Rupees in '000)			-------------------------
Mark-up / return / profit / interest earned	22	290,012,963	180,997,700	114,680,667	62,026,280
Mark-up / return / profit / interest expensed	23	183,313,778	90,986,779	75,656,105	31,945,601
Net mark-up / return / profit / interest income		106,699,185	90,010,921	39,024,562	30,080,679
Non mark-up / interest income					
Fee and commission income	24	19,986,361	15,661,530	6,785,545	5,390,683
Dividend income		1,216,515	1,086,340	394,203	196,967
Foreign exchange income		10,301,944	2,477,870	3,946,396	1,199,813
Loss from derivatives		(3,412,516)	(77,203)	(2,318,240)	(968,070)
Gain on securities - net	25	687,309	1,900,852	211,537	93,426
Other income	26	358,670	976,892	116,972	537,155
Total non mark-up / interest income		29,138,283	22,026,281	9,136,413	6,449,974
Total income		135,837,468	112,037,202	48,160,975	36,530,653
Non mark-up / interest expenses					
Operating expenses	27	80,482,078	62,040,974	28,141,337	20,480,094
Workers' Welfare Fund		1,030,352	903,374	380,926	271,985
Other charges	28	450,995	79,084	8,682	27,242
Total non mark-up / interest expenses		81,963,425	63,023,432	28,530,945	20,779,321
Profit before provisions and taxation		53,874,043	49,013,770	19,630,030	15,751,332
Provisions / (reversals) and write offs - net	29	2,355,915	3,916,205	527,478	753,997
Profit before taxation		51,518,128	45,097,565	19,102,552	14,997,335
Taxation	30	29,819,141	18,651,876	8,915,936	6,035,961
Profit after taxation		21,698,987	26,445,689	10,186,616	8,961,374
		----------------------------- (Rupees)			----------------------------
Basic and diluted earnings per share	31	14.79	18.03	6.94	6.11

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

President and Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Director**

Habib Bank Limited
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)
For the nine months ended September 30, 2022

	January 01 to September 30, 2022	January 01 to September 30, 2021	July 01 to September 30, 2022	July 01 to September 30, 2021
	---------------------------- (Rupees in '000)	----------------------------		
Profit after taxation for the period	21,698,987	26,445,689	10,186,616	8,961,374
Other comprehensive income / (loss)				
Items that may be reclassified to the profit and loss account in subsequent periods				
Effect of translation of net investment in foreign branches - net of tax	1,973,175	2,174,148	1,070,809	3,577,770
Movement in surplus / deficit on revaluation of investments - net of tax	(20,118,839)	(4,719,320)	(3,797,309)	(2,181,941)
Items that are not to be reclassified to the profit and loss account in subsequent periods				
Remeasurement gain on defined benefit obligations - net of tax	209,435	-	-	-
Movement in surplus / deficit on revaluation of fixed assets - net of tax	(201,262)	-	-	-
Transferred to surplus on revaluation of fixed assets - net of tax	79,789	-	79,789	-
Transferred from surplus on revaluation of non-banking assets - net of tax	(79,789)	-	(79,789)	-
Total comprehensive income	3,561,496	23,900,517	7,460,116	10,357,203

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

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

Habib Bank Limited
Condensed Interim Unconsolidated Statement of Changes In Equity (Unaudited)
For the nine months ended September 30, 2022

	Share capital	Reserves			Surplus / (deficit) on revaluation of		Unappropriated profit	Total
		Statutory	Capital					
			Exchange Translation	Non - distributable	Investments	Fixed / Non Banking Assets		
	----------	----------	----------	----------	(Rupees in '000)	----------	----------	----------
Balance as at December 31, 2020	14,668,525	36,616,227	25,877,296	547,115	8,470,042	27,282,814	129,262,746	242,724,765
Comprehensive income for the nine months ended September 30, 2021								
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	26,445,689	26,445,689
Other comprehensive income / (loss)								
Effect of translation of net investment in foreign branches - net of tax	-	-	2,174,148	-	-	-	-	2,174,148
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(4,719,320)	-	-	(4,719,320)
	-	-	2,174,148	-	(4,719,320)	-	26,445,689	23,900,517
Transferred to statutory reserve	-	2,644,569	-	-	-	-	(2,644,569)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(165,294)	165,294	-
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	(246,488)	-	-	-	-	(246,488)
Transactions with owners, recorded directly in equity								
Final cash dividend - Rs 3 per share declared subsequent to the year ended December 31, 2020	-	-	-	-	-	-	(4,400,556)	(4,400,556)
1st interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
2nd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
	-	-	-	-	-	-	(9,534,540)	(9,534,540)
Balance as at September 30, 2021	14,668,525	39,260,796	27,804,956	547,115	3,750,722	27,117,520	143,694,620	256,844,254
Comprehensive income for the three months ended December 31, 2021								
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	7,825,805	7,825,805
Other comprehensive income / (loss)								
Effect of translation of net investment in foreign branches - net of tax	-	-	1,283,222	-	-	-	-	1,283,222
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	206,025	206,025
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(5,796,084)	132,680	-	(5,663,404)
	-	-	1,283,222	-	(5,796,084)	132,680	8,031,830	3,651,648
Transferred to statutory reserve	-	782,580	-	-	-	-	(782,580)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(15,593)	15,593	-
Transactions with owners, recorded directly in equity								
3rd interim cash dividend - Rs 1.75 per share	-	-	-	-	-	-	(2,566,992)	(2,566,992)
Balance as at December 31, 2021	14,668,525	40,043,376	29,088,178	547,115	(2,045,362)	27,234,607	148,392,471	257,928,910
Comprehensive income for the nine months ended September 30, 2022								
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	21,698,987	21,698,987
Other comprehensive income / (loss)								
Effect of translation of net investment in foreign branches - net of tax	-	-	1,973,175	-	-	-	-	1,973,175
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	209,435	209,435
Movement in surplus / deficit on revaluation of assets - net of tax	-	-	-	-	(20,118,839)	(201,262)	-	(20,320,101)
	-	-	1,973,175	-	(20,118,839)	(201,262)	21,908,422	3,561,496
Transferred to statutory reserve	-	2,169,899		-	-	-	(2,169,899)	-
Transferred from surplus on revaluation of assets - net of tax	-	-	-	-	-	(43,709)	43,709	-
Transactions with owners, recorded directly in equity								
Final cash dividend - Rs 2.25 per share declared subsequent to the year ended December 31, 2021	-	-	-	-	-	-	(3,300,418)	(3,300,418)
1st interim cash dividend - Rs 2.25 per share	-	-	-	-	-	-	(3,300,418)	(3,300,418)
2nd interim cash dividend - Rs 1.50 per share	-	-	-	-	-	-	(2,200,279)	(2,200,279)
	-	-	-	-	-	-	(8,801,115)	(8,801,115)
Balance as at September 30, 2022	14,668,525	42,213,275	31,061,353	547,115	(22,164,201)	26,989,636	159,373,588	252,689,291

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

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

Habib Bank Limited
Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)
For the nine months ended September 30, 2022

	January 01 to September 30, 2022	January 01 to September 30, 2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	51,518,128	45,097,565
Dividend income	(1,216,515)	(1,086,340)
Mark-up expensed on subordinated debt	1,307,766	941,834
	91,251	(144,506)
	51,609,379	44,953,059
Adjustments:		
Depreciation	5,147,845	4,633,100
Amortisation	1,249,545	681,953
Depreciation on right-of-use assets	2,402,757	2,048,407
Mark-up / return / profit / interest expensed on lease liability against right-of-use assets	2,099,628	2,526,026
Provision / (reversal of provision) for diminution in value of investments	637,711	(1,125,272)
Provision against loans and advances	1,893,867	4,205,706
Provision against other assets	861,478	63,206
(Reversal of provision) / provision against off-balance sheet obligations	(584,066)	1,192,386
Unrealised gain on held-for-trading securities	27,650	23,156
Exchange gain realised on partial repatriation of branch capital - net of tax	-	(246,488)
Exchange gain realised on liquidation of subsidiary	-	(13,354)
Gain on sale of fixed assets - net	(29,135)	(36,983)
Gain on sale of non - banking assets	-	(16,000)
Workers' Welfare Fund	1,030,352	903,374
	14,737,632	14,839,217
	66,347,011	59,792,276
(Increase) / decrease in operating assets		
Lendings to financial institutions	(21,187,795)	(118,719,270)
Held-for-trading securities	112,338,192	(62,688,835)
Advances	(182,063,535)	(137,831,493)
Other assets (excluding advance taxation)	(43,147,454)	(19,834,565)
	(134,060,592)	(339,074,163)
Increase / (decrease) in operating liabilities		
Bills payable	2,128,571	571,244
Borrowings from financial institutions	144,279,432	(146,880,401)
Deposits and other accounts	(28,884,400)	316,484,985
Other liabilities	60,390,678	30,527,637
	177,914,281	200,703,465
	110,200,700	(78,578,422)
Income tax paid	(22,006,673)	(17,562,442)
Net cash flows generated from / (used in) operating activities	88,194,027	(96,140,864)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(104,545,963)	115,978,235
Net investment in held-to-maturity securities	9,711,064	(37,456,074)
Net investment in subsidiaries	(4,286,993)	(2,324,696)
Net investment in associates	2,178,957	(222,276)
Dividend received	1,388,982	1,027,445
Investments in fixed assets	(11,543,836)	(9,173,810)
Investments in intangible assets	(5,917,497)	(1,989,662)
Proceeds realised on liquidation of subsidiary	-	36,590
Proceeds from sale of fixed assets	42,904	58,979
Proceeds from sale of non-banking assets	-	216,000
Effect of translation of net investment in foreign branches - net of tax	1,973,175	2,174,148
Net cash flows (used in) / generated from investing activities	(110,999,207)	68,324,879
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of subordinated debt	-	(9,982,000)
Payment of mark-up on subordinated debt	(1,302,145)	(1,228,722)
Payment of lease liability against right-of-use assets	(3,126,275)	(2,827,007)
Dividend paid	(7,417,723)	(8,303,075)
Net cash flows used in financing activities	(11,846,143)	(22,340,804)
Decrease in cash and cash equivalents during the period	(34,651,323)	(50,156,789)
Cash and cash equivalents at the beginning of the period	421,808,267	382,156,714
Effect of exchange rate changes on cash and cash equivalents	19,896,801	4,254,754
	441,705,068	386,411,468
Cash and cash equivalents at the end of the period	407,053,745	336,254,679

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

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Director

1 STATUS AND NATURE OF BUSINESS

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

1.1 The Bank had commenced an orderly winding down of its operations in Afghanistan and banking operations were ceased on June 10, 2019. The remaining formalities required for closure are now in progress.

1.2 The Bank has decided to exit its operations in Mauritius and is considering various options regarding the same.

1.3 The Bank has commenced an orderly wind-down of its Lebanon operations. Formalities for completion of the wind-down are underway.

1.4 The Bank has purchased the remaining shareholding of 9.50% in Habib Allied Holding Limited (HAHL) from the minority shareholder. HAHL is now a wholly owned subsidiary of the Bank.

1.5 During the period, the Bank has subscribed to 140 million Rights shares issued by HBL Asset Management Limited (HBL AMC).

1.6 During the period, the Bank has subscribed to 100 million Rights shares issued by HBL Microfinance Bank Limited (HBL MFB). Post acquisition, the Bank's shareholding in HBL MFB has increased from 71.43% to 76.42%.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.2 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2021.

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

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

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

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

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

2.5 **Critical accounting estimates and judgements**

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

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

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

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

3 **SIGNIFICANT ACCOUNTING POLICIES**

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

4 **FINANCIAL RISK MANAGEMENT**

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

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
5 CASH AND BALANCES WITH TREASURY BANKS	(Rupees in '000)	
In hand		
Local currency	56,350,553	46,849,289
Foreign currencies	9,831,446	5,167,639
	66,181,999	52,016,928
With State Bank of Pakistan in		
Local currency current accounts	113,268,690	143,740,748
Local currency special deposit account	2,790,176	2,531,227
Foreign currency current accounts	10,380,174	8,637,953
Foreign currency deposit accounts	3,574,036	18,104,962
	130,013,076	173,014,890
With other Central Banks in		
Foreign currency current accounts	35,501,243	34,242,436
Foreign currency deposit accounts	31,940,018	12,755,756
	67,441,261	46,998,192
With National Bank of Pakistan in local currency current accounts	120,744,692	137,197,419
National Prize Bonds	96,590	301,451
	384,477,618	409,528,880
6 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	-	65
Outside Pakistan		
In current accounts	14,334,499	25,295,629
In deposit accounts	8,241,628	6,880,494
	22,576,127	32,176,123
	22,576,127	32,176,188
7 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	1,142,260	24,600,000
Repurchase agreement lendings (reverse repo)	113,787,967	64,970,746
Bai Muajjal receivable from financial institutions	-	4,171,686
	114,930,227	93,742,432

8 INVESTMENTS

8.1 Investments by type

	Note	September 30, 2022 (Unaudited)				December 31, 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)							
Held-for-trading (HFT) securities									
Federal Government securities									
- Market Treasury Bills		29,705,285	-	(4,853)	29,700,432	111,463,172	-	(31,502)	111,431,670
- Pakistan Investment Bonds		56,286,892	-	(6,215)	56,280,677	92,201,740	-	110,414	92,312,154
Shares									
- Listed companies		267,467	-	(20,644)	246,823	332,860	-	(24,270)	308,590
Foreign securities									
- Government debt securities		5,784,064	-	4,062	5,788,126	316,867	-	12,619	329,486
		92,043,708	-	(27,650)	92,016,058	204,314,639	-	67,261	204,381,900
Available-for-sale (AFS) securities									
Federal Government securities									
- Market Treasury Bills		256,973,422	-	(1,834,585)	255,138,837	274,430,197	-	121,938	274,552,135
- Pakistan Investment Bonds		865,968,775	-	(18,621,841)	847,346,934	801,894,166	-	(4,790,129)	797,104,037
- Ijarah Sukuk		128,452,627	-	(2,197,920)	126,254,707	119,617,967	-	(537,141)	119,080,826
- Government of Pakistan US Dollar Bonds		23,426,543	(474,718)	(11,903,000)	11,048,825	15,473,165	(347,350)	458,144	15,583,959
- Other Federal Government securities		3,861,881	-	-	3,861,881	1,016,120	-	-	1,016,120
Shares									
- Listed companies		7,156,479	(2,029,716)	(99,296)	5,027,467	8,170,830	(1,962,154)	427,255	6,635,931
- Unlisted companies		5,372,623	(109,110)	-	5,263,513	5,372,623	(91,009)	-	5,281,614
Non-Government debt securities									
- Listed		52,544,143	(71,566)	(2,535,468)	49,937,109	51,499,951	(78,236)	638,300	52,060,015
- Unlisted		2,164,233	(413,232)	24,000	1,775,001	1,648,381	(247,381)	24,000	1,425,000
Foreign securities									
- Government debt securities		93,693,705	(1,024,569)	(1,421,902)	91,247,234	58,024,162	(288,791)	112,561	57,847,932
- Non-Government debt securities - Listed		8,215,053	(60,040)	(486,407)	7,668,606	6,958,115	(37,019)	70,385	6,991,481
- Equity securities - Unlisted		7,794	(196)	-	7,598	6,318	(156)	-	6,162
National Investment Unit Trust units		11,113	-	29,105	40,218	11,113	-	35,335	46,448
Real Estate Investment Trust units		1,180,000	-	14,350	1,194,350	55,000	-	5,800	60,800
Preference shares									
- Listed		744,400	-	148,400	892,800	744,400	-	80,500	824,900
- Unlisted		176,985	(145,999)	-	30,986	176,985	(150,075)	-	26,910
		1,449,949,776	(4,329,146)	(38,884,564)	1,406,736,066	1,345,099,493	(3,202,171)	(3,353,052)	1,338,544,270
Held-to-maturity (HTM) securities	8.2								
Federal Government securities									
- Market Treasury Bills		59,719,000	-	-	59,719,000	-	-	-	-
- Pakistan Investment Bonds		229,219,842	-	-	229,219,842	285,512,630	-	-	285,512,630
- Other Federal Government securities		-	-	-	-	10,794,000	-	-	10,794,000
Non-Government debt securities									
- Listed		1,733,539	-	-	1,733,539	2,365,422	-	-	2,365,422
- Unlisted		17,808,886	-	-	17,808,886	18,348,917	-	-	18,348,917
Foreign securities									
- Government debt securities		13,874,117	-	-	13,874,117	14,672,889	-	-	14,672,889
- Non-Government debt securities									
- Listed		215,614	(15,852)	-	199,762	285,954	(25,061)	-	260,893
- Unlisted		313,850	(594)	-	313,256	616,100	(1,559)	-	614,541
		322,884,848	(16,446)	-	322,868,402	332,595,912	(26,620)	-	332,569,292
Investment in associates and joint venture	8.2	7,422,474	-	-	7,422,474	9,601,431	-	-	9,601,431
Investment in subsidiary companies		24,378,757	-	-	24,378,757	20,091,764	-	-	20,091,764
Total Investments		1,896,679,563	(4,345,592)	(38,912,214)	1,853,421,757	1,911,703,239	(3,228,791)	(3,285,791)	1,905,188,657

8.1.1 Investments given as collateral

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

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Federal Government securities		
- Market Treasury Bills	76,232,182	980,924
- Pakistan Investment Bonds	182,429,910	139,564,697
- Sukuk	25,650,200	-
Foreign securities		
Government debt securities	188,310	-
	284,500,602	140,545,621

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

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Book value	Market value	Book value	Market value
	(Rupees in '000)			
- Investments classified as held-to-maturity	322,868,402	299,985,092	332,569,292	317,744,030
- Investment in listed associates and joint venture	7,166,243	16,243,716	9,345,200	27,584,028

8.3 **Particulars of provision held against diminution in the value of investments**	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Opening balance	3,228,791	4,385,056
Exchange adjustment	304,320	74,724
Charge / (reversal)		
Charge for the period / year	1,240,766	512,131
Reversal for the period / year	(108,395)	(424,963)
Reversal on disposal during the period / year	(494,660)	(1,318,157)
Net charge / (reversal)	637,711	(1,230,989)
Transferred in	67,880	-
Other movement	106,890	-
Closing balance	4,345,592	3,228,791

8.4 **Particulars of provision against debt securities**

	(Unaudited) September 30, 2022		(Audited) December 31, 2021	
Category of classification	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	(Rupees in '000)			
Domestic				
Loss	413,232	413,232	247,381	247,381
Overseas				
Overdue by:				
Upto 90 days	456,648	268,543	-	-
91 to 180 days	684,973	504,873	-	-
	1,141,621	773,416	-	-
Total	1,554,853	1,186,648	247,381	247,381

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

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

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

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

Category of Classification	(Unaudited) September 30, 2022		(Audited) December 31, 2021	
	Non - performing advances	Provision	Non - performing advances	Provision
	(Rupees in '000)			
Domestic				
Other assets especially mentioned	697,724	-	338,312	-
Substandard	7,286,325	1,807,839	2,613,643	633,285
Doubtful	1,724,898	862,449	1,204,317	602,158
Loss	41,578,632	40,862,456	43,080,525	42,092,554
	51,287,579	43,532,744	47,236,797	43,327,997
Overseas				
Not past due but impaired	164,074	77,299	33,958	8,490
Overdue by:				
Upto 90 days	16,067	2,410	29,965	-
91 to 180 days	18,881	2,350	17,181	14,815
181 to 365 days	14,135	11,976	1,995,683	1,929,459
> 365 days	33,666,172	31,939,921	24,856,073	23,805,611
	33,879,329	32,033,956	26,932,860	25,758,375
Total	85,166,908	75,566,700	74,169,657	69,086,372

9.3 **Particulars of provision against advances**

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

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

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

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
10	**FIXED ASSETS**			
	Capital work-in-progress	10.1	11,031,909	7,487,106
	Property and equipment		91,310,884	86,671,146
			102,342,793	94,158,252
10.1	**Capital work-in-progress**			
	Civil works		8,966,094	4,367,583
	Equipment		1,020,712	310,830
	Advances to suppliers and contractors		1,045,103	2,808,693
			11,031,909	7,487,106

		(Unaudited) For the nine months ended September 30, 2022	(Unaudited) For the nine months ended September 30, 2021
10.2	**Additions to fixed assets**		
	The following additions have been made to fixed assets during the period:	(Rupees in '000)	
	Capital work-in-progress - net	3,544,803	3,190,160
	Property and equipment		
	Leasehold land	469,366	400,000
	Building on freehold land	-	2,019
	Building on leasehold land	113,752	184,048
	Machinery	35,277	85,200
	Leasehold improvements	2,174,664	1,340,718
	Furniture and fixtures	792,674	616,242
	Electrical, office and computer equipment	4,347,452	3,263,615
	Vehicles	65,848	91,808
		7,999,033	5,983,650
	Right-of-use assets - net	3,250,675	2,007,161
		14,794,511	11,180,971
10.3	**Disposals of fixed assets**		
	The net book value of fixed assets disposed off during the period is as follows:		
	Property and equipment		
	Machinery	4	-
	Leasehold improvements	4,978	24
	Furniture and fixtures	1,231	1,082
	Electrical, office and computer equipment	6,189	8,237
	Vehicles	1,367	12,653
		13,769	21,996

		(Unaudited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
11	**INTANGIBLE ASSETS**		
	Capital work-in-progress - computer software	4,622,306	2,034,059
	Intangible assets	6,718,689	4,579,350
		11,340,995	6,613,409

		(Unaudited) For the nine months ended September 30, 2022	(Unaudited) For the nine months ended September 30, 2021
11.1	**Additions to intangibles assets**	(Rupees in '000)	
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net - computer software	2,588,247	301,970
	Computer software	3,329,250	1,687,692
		5,917,497	1,989,662

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
12	**DEFERRED TAX ASSETS / (LIABILITIES)**			
	Deductible temporary differences on			
	- Provision against investments		850,306	744,857
	- Provision against doubtful debts and off-balance sheet obligations		3,156,537	3,033,816
	- Liabilities written back under section 34(5) of the Income Tax Ordinance (ITO) 2001		2,717,261	2,583,250
	- Deficit on revaluation of investments	19	16,720,363	1,307,690
	- Provision against other assets		5,855	15,342
	- Ijarah financing		176,771	156,250
			23,627,093	7,841,205
	Taxable temporary differences on			
	- Accelerated tax depreciation		(1,812,751)	(1,675,533)
	- Surplus on revaluation of fixed assets	19	(1,916,677)	(1,748,389)
	- Exchange translation reserve		(946,433)	(672,350)
			(4,675,861)	(4,096,272)
	Net deferred tax assets		18,951,232	3,744,933

		Note	September 30, 2022	December 31, 2021
13	**OTHER ASSETS**			
	Mark-up / return / profit / interest accrued in local currency - net of provision		75,727,182	48,301,309
	Mark-up / return / profit / interest accrued in foreign currency - net of provision		6,196,022	3,558,922
	Advances, deposits, advance rent and other prepayments		5,577,902	3,564,250
	Advance taxation		13,459,667	21,699,101
	Advance against subscription of securities		1,578,000	178,000
	Stationery and stamps on hand		137,031	134,835
	Accrued fees and commissions		341,912	542,228
	Due from Government of Pakistan / SBP		4,115,631	2,048,993
	Mark to market gain on forward foreign exchange contracts		13,074,886	8,470,307
	Mark to market gain on derivative instruments		-	251,603
	Non-banking assets acquired in satisfaction of claims		231,805	459,389
	Receivable from defined benefit plan		-	759,354
	Branch adjustment account		-	897,554
	Acceptances		37,134,252	35,740,017
	Clearing and settlement accounts		20,082,696	17,436,987
	Dividend receivable		12,746	185,213
	Claims receivable against fraud and forgeries		851,986	541,337
	Others		1,949,532	1,136,161
			180,471,250	145,905,560
	Provision held against other assets	13.1	(2,089,811)	(1,243,645)
	Other assets- net of provision		178,381,439	144,661,915
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	19	144,274	224,064
	Other assets - total		178,525,713	144,885,979
13.1	**Provision held against other assets**			
	Non-banking assets acquired in satisfaction of claims		-	2,467
	Claims receivable against fraud and forgeries		851,986	541,337
	Suit filed cases		4,978	4,800
	Others		1,232,847	695,041
			2,089,811	1,243,645

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
13.1.1	**Movement in provision against other assets**			
	Opening balance		1,243,645	1,127,909
	Exchange adjustment		20,824	(17,808)
	Charge for the period / year		881,626	741,684
	Reversal for the period / year		(20,148)	(551,548)
	Net charge		861,478	190,136
	Written off during the period / year		(34,804)	(56,592)
	Other movement		(1,332)	-
	Closing balance		2,089,811	1,243,645
14	**BILLS PAYABLE**			
	In Pakistan		44,047,886	42,654,426
	Outside Pakistan		1,934,545	1,199,434
			45,982,431	43,853,860
15	**BORROWINGS**			
	Secured			
	Borrowings from the SBP under			
	- Export refinance scheme		56,125,270	69,782,711
	- Long term financing facility		43,196,156	32,529,493
	- Financing facility for renewable energy power plants		7,531,348	6,805,470
	- Refinance facility for modernization of Small and Medium Enterprises (SMEs)		351,302	241,788
	- Refinance and credit guarantee scheme for women entrepreneurs		80,454	155,370
	- Financing facility for storage of agricultural produce		389,433	333,349
	- Refinance scheme for payment of wages and salaries		3,857,416	15,476,761
	- Refinance facility for combating COVID-19		1,786,818	1,055,725
	- Temporary economic refinance facility		33,833,156	26,010,138
	- Refinance facility for SME Asaan Finance (SAAF) scheme		2,703,528	-
			149,854,881	152,390,805
	Repurchase agreement borrowings		284,911,380	140,193,364
			434,766,261	292,584,169
	Unsecured			
	- Call money borrowings		-	1,000,000
	- Overdrawn nostro accounts		1,289,078	618,796
	- Borrowings of overseas branches		68,356,257	81,220,283
	- Other long-term borrowings	15.1	72,129,490	56,838,406
			141,774,825	139,677,485
			576,541,086	432,261,654

15.1 This includes the following:

15.1.1 A loan from the International Finance Corporation amounting to US$ 125 million (December 31, 2021: US$ 150 million). The remaining principal amount is payable in five equal semi-annual installments and the last installment is due on December 2024. Interest at LIBOR + 5.00% per annum (December 31, 2021: LIBOR + 5.00% per annum) is payable semi-annually.

15.1.2 A long-term financing facility arrangement of US$ 300 million with China Development Bank, to be utilized for on-lending to projects of the Bank's customers. Under this facility, US$ 190 million (December 31, 2021: US$ 170.975 million) has been utilized by the Bank, with the initial drawdown having occurred on January 31, 2019. Further drawdowns are permitted up to January 31, 2023. Starting from that date, the entire drawn amount is payable in semi-annual installments from January 31, 2023 to January 31, 2033. Interest is being charged at a fixed spread over LIBOR and is payable semi-annually.

15.1.3 A mortgage refinancing facility on Musharakah basis from Pakistan Mortgage Refinance Company Limited (PMRC) amounting to Rs 168.252 million (December 31, 2021: Rs 181.985 million) for on-lending to customers. The principal amount is payable in semi-annual installments from August 2020 to February 2023. Profit at 11.21% per annum (December 31, 2021: 11.21% per annum) is payable semi-annually.

16 DEPOSITS AND OTHER ACCOUNTS

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

17 SUBORDINATED DEBT

	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
Additional Tier I Term Finance Certificates	17.1	12,374,000	12,374,000

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

The key features of the issue are as follows:

Issue date	September 26, 2019
Issue amount	Rs 12.374 billion
Rating	AA+ (Double A plus) [December 31, 2021: AA+ (Double A plus)]
Original Tenor	Perpetual
Security	Unsecured and subordinated to all other indebtedness of the Bank including depositors and general creditors. However, they shall rank superior to the claims of ordinary shareholders.
Profit payment frequency	Quarterly in arrears
Redemption	Perpetual, hence not applicable.
Mark-up	Floating rate of return at Base Rate + 1.60%. The Base Rate is defined as the average “Ask Side” rate of the three months Karachi Interbank Offered Rate (KIBOR).
Call option	The Bank may, at its sole discretion, call the TFCs any time after five years from the Issue Date subject to the following: (a) Prior approval of the SBP having been obtained; and (b) The Bank replacing the TFCs with capital of the same or better quality and the capital position of the Bank being above the minimum capital requirement after the Call Option is exercised. If the Bank decides to exercise the Call Option, the Bank shall notify the Trustee and the investors not less than 30 calendar days prior to the date of exercise of such Call Option, which notice shall specify the date fixed for the exercise of the Call Option (the “Call Option Exercise Date”).
Lock-in clause	Mark-up will only be paid from the current year’s earnings and only if the Bank is in compliance with regulatory capital and liquidity requirements.
Loss absorbency clause	The TFCs will be subject to a loss absorbency clause as stipulated under the SBP's "Instructions for Basel III Implementation in Pakistan".

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

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
20	**CONTINGENCIES AND COMMITMENTS**		(Rupees in '000)	
	- Guarantees	20.1	308,383,290	259,969,505
	- Commitments	20.2	1,024,579,907	1,073,509,689
	- Other contingent liabilities	20.3	22,729,517	25,699,064
			1,355,692,714	1,359,178,258
20.1	**Guarantees:**			
	Financial guarantees		103,275,118	86,368,473
	Performance guarantees		196,255,946	165,461,222
	Other guarantees		8,852,226	8,139,810
			308,383,290	259,969,505
20.2	**Commitments:**			
	Trade-related contingent liabilities		384,958,969	336,984,624
	Commitments in respect of:			
	- forward foreign exchange contracts	20.2.1	444,165,293	560,033,923
	- forward Government securities transactions	20.2.2	104,514,247	93,562,463
	- derivatives	20.2.3	59,038,216	42,049,128
	- forward lending	20.2.4	16,908,291	28,792,146
			624,626,047	724,437,660
	Commitments for acquisition of:			
	- fixed assets		9,779,860	10,202,010
	- intangible assets		5,215,031	1,885,395
			14,994,891	12,087,405
			1,024,579,907	1,073,509,689
20.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		300,793,079	320,185,675
	Sale		143,372,214	239,848,248
			444,165,293	560,033,923
20.2.2	**Commitments in respect of forward Government securities transactions**			
	Purchase		62,909,745	27,830,190
	Sale		41,604,502	65,732,273
			104,514,247	93,562,463
20.2.3	**Commitments in respect of derivatives**			
	Cross currency swaps			
	Purchase		23,851,755	17,058,770
	Sale		31,569,794	19,308,883
			55,421,549	36,367,653
	Interest rate swaps			
	Purchase		-	-
	Sale		3,616,667	5,681,475
			3,616,667	5,681,475
20.2.4	**Commitments in respect of forward lending**			
	Undrawn formal standby facilities, credit lines and other commitments to extend credit		16,908,291	28,792,146

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

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

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

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

21 **DERIVATIVE INSTRUMENTS**

Product Analysis

	September 30, 2022 (Unaudited)			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	'(Rupees in '000)			
Hedging	-	-	-	-
Market Making	55,421,549	(6,914,285)	3,616,667	(233,228)

	December 31, 2021 (Audited)			
	Cross currency swaps		Interest rate swaps	
	Notional principal	Mark to market loss	Notional principal	Mark to market loss
	'(Rupees in '000)			
Hedging	-	-	-	-
Market Making	36,367,653	(2,189,720)	5,681,475	(183,629)

	(Unaudited) For the nine months ended	
	September 30, 2022	September 30, 2021
22 MARK-UP / RETURN / PROFIT / INTEREST EARNED	(Rupees in '000)	
On:		
Loans and advances	117,872,481	69,648,343
Investments	162,249,711	107,242,082
Lendings to financial institutions	9,295,152	3,811,227
Balances with banks	595,619	296,048
	290,012,963	180,997,700
23 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED		
On:		
Deposits	128,557,498	66,224,638
Securities sold under repurchase agreement borrowings	38,997,604	13,275,792
Borrowings	6,819,656	4,035,714
Subordinated debt	1,307,766	941,834
Cost of foreign currency swaps against foreign currency deposits / borrowings	5,531,626	3,982,775
Lease liability against right-of-use assets	2,099,628	2,526,026
	183,313,778	90,986,779
24 FEE AND COMMISSION INCOME		
Branch banking customer fees	2,854,249	2,842,555
Consumer finance related fees	1,683,222	1,402,012
Card related fees (debit and credit cards)	6,277,763	4,925,084
Credit related fees	697,214	587,295
Investment banking fees	715,100	886,538
Commission on trade related products and guarantees	3,485,115	2,823,559
Commission on cash management	823,872	635,420
Commission on remittances (including home remittances)	531,962	374,017
Commission on bancassurance	576,974	610,469
Commission on Government to Person (G2P) payments	633,709	235,170
Merchant discount and interchange fees	3,830,536	2,500,105
Wealth management fee	14,478	-
Others	751,680	317,029
	22,875,874	18,139,253
Less: Sales Tax / Federal Excise Duty on fee and commission income	(2,889,513)	(2,477,723)
	19,986,361	15,661,530

		Note	(Unaudited) For the nine months ended September 30, 2022	September 30, 2021
			(Rupees in '000)	
25	**GAIN ON SECURITIES - NET**			
	Realised	25.1	714,959	1,924,008
	Unrealised - held-for-trading	8.1	(27,650)	(23,156)
			687,309	1,900,852
25.1	**Gain / (Loss) on securities - realised**			
	On:			
	Federal Government securities			
	- Market Treasury Bills		(167,075)	306,976
	- Pakistan Investment Bonds		914,722	1,879,507
	- Ijarah Sukuk		77,455	(10,763)
	Shares		(264,496)	(563,768)
	Non-Government debt securities		17,920	420
	Foreign securities		-	(44,209)
	Associates		136,433	355,845
			714,959	1,924,008
26	**OTHER INCOME**			
	Incidental charges		280,278	454,101
	Exchange gain realised on partial repatriation of branch capital		-	404,079
	Exchange gain realised on liquidation of subsidiary		-	13,354
	Gain on sale of fixed assets - net		29,135	36,983
	Gain on sale of non-banking assets		-	16,000
	Rent on properties		49,257	52,375
			358,670	976,892
27	**OPERATING EXPENSES**			
	Total compensation expense		31,825,264	24,956,542
	Property expense			
	Rent and taxes		946,194	742,845
	Insurance		103,193	84,431
	Utilities cost		2,770,091	1,724,124
	Security (including guards)		1,612,102	1,399,884
	Repair and maintenance (including janitorial charges)		2,541,587	1,784,764
	Depreciation on owned fixed assets		2,743,632	2,390,206
	Depreciation on right-of-use assets		2,402,757	2,048,407
			13,119,556	10,174,661
	Information technology expenses			
	Software maintenance		4,074,698	2,569,864
	Hardware maintenance		949,768	622,759
	Depreciation		1,837,383	1,724,073
	Amortisation		1,249,545	681,953
	Network charges		1,042,962	956,089
	Consultancy charges		567,536	520,919
			9,721,892	7,075,657
	Other operating expenses			
	Legal and professional charges		576,669	446,444
	Outsourced services costs		1,668,459	1,354,461
	Travelling and conveyance		893,741	538,026
	Insurance		467,650	391,995
	Remittance charges		363,227	336,109
	Security charges		1,736,076	1,538,722
	Repairs and maintenance		1,252,306	1,048,940
	Depreciation		566,830	518,821
	Training and development		274,122	114,486
	Postage and courier charges		559,670	480,434
	Communication		1,070,958	626,475
	Stationery and printing		1,660,495	1,272,554
	Marketing, advertisement and publicity		2,897,188	2,553,930
	Donations		358,685	348,803
	Auditors' remuneration		181,468	133,776
	Brokerage and commission		590,839	523,198
	Subscription		172,088	109,413
	Documentation and processing charges		3,888,065	2,409,779
	Entertainment		359,233	212,187
	Consultancy charges		868,111	810,346
	Deposits insurance premium expense		2,026,813	1,878,366
	Product feature cost		2,515,397	1,495,647
	COVID-19 related expenses		44,021	195,698
	Others		823,255	495,504
			25,815,366	19,834,114
			80,482,078	62,040,974

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

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

32 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

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

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

32.1 **Fair value of financial assets**

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

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

	As at September 30, 2022 (Unaudited)				
	Notional Value	Level 1	Level 2	Level 3	Total
Off-balance sheet financial instruments - measured at fair value	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	444,165,293	-	4,630,666	-	4,630,666
- Forward Government securities transactions	104,514,247	-	22,381	-	22,381
- Derivative instruments	59,038,216	-	(7,147,513)	-	(7,147,513)

	As at December 31, 2021 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	(Rupees in '000)				
Financial assets - measured at fair value					
Investments					
- Federal Government securities	1,410,064,781	-	1,410,064,781	-	1,410,064,781
- Shares - listed companies	6,944,521	6,944,521	-	-	6,944,521
- Non-Government debt securities					
- Listed	52,060,015	40,600,000	11,460,015	-	52,060,015
- Unlisted	624,000	-	624,000	-	624,000
- Foreign securities					
Government debt securities	58,177,418	-	58,177,418	-	58,177,418
Non-Government debt securities- listed	6,991,481	-	6,991,481		6,991,481
- National Investment Unit Trust units	46,448	-	46,448	-	46,448
- Real Estate Investment Trust units	60,800	60,800	-	-	60,800
- Preference shares - Listed	780,500	780,500	-	-	780,500
	1,535,749,964	48,385,821	1,487,364,143	-	1,535,749,964
Financial assets - disclosed but not measured at fair value					
Investments					
- Federal Government securities	296,306,630	-	281,187,106	-	281,187,106
- Non-Government debt securities					
- Listed	2,365,422	-	2,376,486	-	2,376,486
- Unlisted	18,348,917	-	18,428,015	-	18,428,015
- Foreign securities					
Government debt securities	14,672,889	-	14,823,285	-	14,823,285
Non-Government debt securities					
- Listed	260,893	-	316,157	-	316,157
- Unlisted	614,541	-	612,981	-	612,981
- Associates and Joint venture	9,345,200	24,846,843	2,737,185	-	27,584,028
	341,914,492	24,846,843	320,481,215	-	345,328,058
	1,877,664,456	73,232,664	1,807,845,358	-	1,881,078,022

	As at December 31, 2021 (Audited)				
Off-balance sheet financial instruments - measured at fair value	Notional Value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Commitments					
- Forward foreign exchange contracts	560,033,923	-	1,575,160	-	1,575,160
- Forward Government securities transactions	93,562,463	-	200,063	-	200,063
- Derivative instruments	42,049,128	-	(2,373,349)	-	(2,373,349)

32.2 Fair value of non-financial assets

	As at September 30, 2022 (Unaudited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Buildings	53,424,094	-	-	53,424,094	53,424,094
Non-banking assets acquired in satisfaction of claims	376,079	-	-	376,079	376,079
	53,800,173	-	-	53,800,173	53,800,173

	As at December 31, 2021 (Audited)				
	Carrying value	Level 1	Level 2	Level 3	Total
	(Rupees in '000)				
Land and Buildings	52,925,664	-	-	52,925,664	52,925,664
Non-banking assets acquired in satisfaction of claims	680,986	-	-	680,986	680,986
	53,606,650	-	-	53,606,650	53,606,650

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

	For the nine months ended September 30, 2022 (Unaudited)							
	Branch banking	Consumer, SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon-dent banking	Head Office / Others	Total
	(Rupees in million)							
Profit and loss account								
Net mark-up / return / profit / interest income	(85,518)	27,750	12,111	43,143	108,116	3,015	(1,918)	106,699
Inter segment revenue / (expense) - net	139,266	(15,304)	-	(23,638)	(107,008)	3,946	2,738	-
Non mark-up / interest income	2,780	9,283	1,335	2,819	12,746	4,958	(4,782)	29,139
Total income	56,528	21,729	13,446	22,324	13,854	11,919	(3,962)	135,838
Segment direct expenses	19,373	10,256	4,359	2,556	911	9,782	34,726	81,963
Inter segment expense allocation	14,589	5,677	893	7,831	1,048	1,100	(31,138)	-
Total expenses	33,962	15,933	5,252	10,387	1,959	10,882	3,588	81,963
Provisions - charge / (reversal)	155	1,137	1,134	(1,664)	45	616	933	2,356
Profit / (loss) before tax	22,411	4,659	7,060	13,601	11,850	421	(8,483)	51,519

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

	For the nine months ended September 30, 2021 (Unaudited)							
	Branch banking	Consumer, SME & Rural banking	Islamic	Corporate, Commercial and Investment banking	Treasury	International and correspon-dent banking	Head Office / Others	Total
	(Rupees in million)							
Profit and loss account								
Net mark-up / return / profit / interest income	(43,183)	20,444	8,521	22,724	80,336	2,557	(1,388)	90,011
Inter segment revenue / (expense) - net	74,287	(9,845)	-	(11,077)	(62,687)	3,027	6,295	-
Non mark-up / interest income	3,024	7,503	497	2,802	4,530	2,533	1,137	22,026
Total income	34,128	18,102	9,018	14,449	22,179	8,117	6,044	112,037
Segment direct expenses	15,913	6,744	2,174	1,821	939	7,760	27,672	63,023
Inter segment expense allocation	12,005	4,790	503	6,509	679	895	(25,381)	-
Total expenses	27,918	11,534	2,677	8,330	1,618	8,655	2,291	63,023
Provisions - charge / (reversal)	-	1,163	263	1,270	(1,074)	2,134	160	3,916
Profit / (loss) before tax	6,210	5,405	6,078	4,849	21,635	(2,672)	3,593	45,098

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

34 RELATED PARTY TRANSACTIONS

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

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

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

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

	As at September 30, 2022 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position	---- (Rupees in '000) ----						
Balances with other banks							
In current accounts	-	-	1,130	340,039	-	-	-
Investments							
Opening balance	-	-	-	20,091,764	9,465,766	135,665	7,713,055
Investment made during the period	-	-	-	2,728,838	44,567	-	2,000,000
Investment redeemed / disposed off during the period	-	-	-	-	(2,223,524)	-	-
Revaluation of investment during the period	-	-	-	1,558,155	-	-	-
Provision for diminution in the value of investments	-	-	-	-	-	-	(13,877)
Transfer in - net	-	-	-	-	-	-	29,286
Closing balance	-	-	-	24,378,757	7,286,809	135,665	9,728,464
Provision for diminution in the value of investments	-	-	-	-	-	-	13,877
Advances							
Opening balance	527	447,007	4,001,392	2,092,521	1,845,811	-	11,132,886
Addition during the period	25,487	289,619	13,457,837	670,376	-	-	11,698,646
Repaid during the period	(23,857)	(264,449)	(14,224,933)	(536,837)	(1,216,663)	-	(11,650,680)
Transfer (out) / in - net	-	(8,110)	-	-	-	-	8,430
Exchange adjustment	-	-	756,962	25,836	120,852	-	-
Closing balance	2,157	464,067	3,991,258	2,251,896	750,000	-	11,189,282
Other Assets							
Interest / mark-up accrued	-	473	22,467	653,345	22,010	-	620,270
Borrowings							
Opening balance	-	-	3,177,871	475,527	3,969,060	-	181,985
Borrowings during the period	-	-	3,974,090	67,485	10,572,347	8,336,441	-
Settled during the period	-	-	(3,541,768)	(602,209)	(7,568,092)	(4,366,707)	(13,733)
Exchange adjustment	-	-	425,013	59,197	1,142,391	599,306	-
Closing balance	-	-	4,035,206	-	8,115,706	4,569,040	168,252
Deposits and other accounts							
Opening balance	42,382	468,361	10,820,031	6,314,465	50,605,027	-	2,960,354
Received during the period	332,775	2,319,088	259,268,632	489,661,669	745,661,193	14,748	49,246,621
Withdrawn during the period	(246,973)	(2,148,236)	(253,955,112)	(494,462,577)	(794,938,783)	(11,277)	(51,027,100)
Transfer (out) / in - net	-	(28,254)	-	-	-	-	7,451
Exchange adjustment	7,218	215	307,714	170,740	5,282	2,317	15,567
Closing balance	135,402	611,174	16,441,265	1,684,297	1,332,719	5,788	1,202,893
Other liabilities							
Interest / mark-up payable	1,066	4,396	124,719	350	14,288	16,773	3,911
Payable to defined benefit plan	-	-	-	-	-	-	758,910
Others	-	-	55,441	18,261	66,640	-	354,485
	1,066	4,396	180,160	18,611	80,928	16,773	1,117,306
Contingencies and Commitments							
Letters of credit	-	-	1,001,366	-	-	-	1,937
Letters of guarantee	-	-	154,340	61,441	-	-	3,530,727
Forward purchase of Government securities	-	-	4,842,596	600,713	-	-	2,611,603
Forward sale of Government securities	-	-	-	-	-	-	388,141
Forward purchase of foreign exchange contracts	-	-	-	228,451	-	-	-
Interest rate swaps	-	-	-	-	750,000	-	-
	-	-	5,998,302	890,605	750,000	-	6,532,408
Others							
Securities held as custodian	-	35,770	23,015,145	605,665	125,978,300	-	16,815,615

	For the nine months ended September 30, 2022 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	(Rupees in '000)						
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	17,492	181,945	662,483	83,299	-	1,278,982
Fee and commission income	-	-	187,358	3,391	587,456	-	6,524
Dividend income	-	-	-	-	666,706	-	66,225
Foreign exchange gain	-	-	-	1,014,121	-	-	-
Unrealised loss on derivatives	-	-	-	-	(54,768)	-	-
Gain on sale of securities - net	-	-	-	-	136,433	-	-
Rent on properties	-	-	-	34,567	-	-	-
Other income	-	-	-	312	-	-	-
Expense							
Mark-up / return / profit / interest expensed	1,845	16,581	238,268	50,801	1,128,749	14,573	199,497
Operating expenses							
Total compensation expense	-	1,733,234	-	-	-	-	1,945,346
Non-Executive Directors' fees	71,400	-	-	-	-	-	-
Insurance premium expense	-	-	9,047	-	1,339,414	-	-
Product feature cost	-	-	77,563	-	-	-	-
Travelling	-	-	7,184	-	-	-	-
Subscription	-	-	-	-	-	-	13,631
Donation	-	-	-	-	-	-	354,485
Brokerage and Commission	-	-	-	-	-	-	163,271
Other expenses	-	-	20,990	96,059	123	-	39,304
Provision for diminution in the value of investments	-	-	-	-	-	-	13,877
Others							
Purchase of Government securities	-	-	149,084,771	42,838,927	58,278,417	-	21,571,340
Sale of Government securities	-	42,278	172,376,874	46,404,409	107,312,067	-	23,576,091
Purchase of foreign currencies	-	-	1,600,856	1,985,947	-	-	4,482
Sale of foreign currencies	-	-	1,599,076	5,841,045	90,300	-	8,051,658
Insurance claims settled	-	-	-	-	215,033	-	-

	As at December 31, 2021 (Audited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
Statement of financial position	(Rupees in '000)						
Balances with other banks							
In current accounts	-	-	374	235,105	-	-	-
Investments							
Opening balance	-	-	-	17,614,626	9,161,114	135,665	4,744,343
Investment made during the period	-	-	-	2,000,000	650,000	-	2,969,103
Investment redeemed / disposed off during the year	-	-	-	(23,236)	(345,348)	-	-
Revaluation of investment during the year	-	-	-	500,374	-	-	(391)
Closing balance	-	-	-	20,091,764	9,465,766	135,665	7,713,055
Advances							
Opening balance	249	305,836	4,504,528	2,073,885	1,125,000	-	7,748,994
Addition during the year	19,023	372,347	2,013,784	1,720,019	895,993	-	5,567,065
Repaid during the year	(19,021)	(264,932)	(2,782,029)	(1,688,225)	(250,000)	-	(2,365,348)
Transfer in - net	276	34,006	-	-	-	-	182,500
Exchange adjustment	-	(250)	265,109	(13,158)	74,818	-	(325)
Closing balance	527	447,007	4,001,392	2,092,521	1,845,811	-	11,132,886
Other Assets							
Interest / mark-up accrued	-	552	68,780	179,118	16,130	-	123,587
Receivable from defined benefit plan	-	-	-	-	-	-	759,354
	-	552	68,780	179,118	16,130	-	882,941
Borrowings							
Opening balance	-	-	1,877,006	468,382	2,282,856	1,598,344	494,309
Borrowings during the year	-	-	4,216,030	2,327,678	7,564,980	6,516,419	-
Settled during the year	-	-	(3,258,210)	(2,366,193)	(6,027,688)	(8,145,524)	(312,324)
Exchange adjustment	-	-	343,045	45,660	148,912	30,761	-
Closing balance	-	-	3,177,871	475,527	3,969,060	-	181,985

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)
For the nine months ended September 30, 2022

	As at December 31, 2021 (Audited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	(Rupees in '000)						
Deposits and other accounts							
Opening balance	20,794	447,740	7,288,452	1,087,262	36,293,203	-	1,684,143
Received during the year	260,411	2,277,862	445,766,161	412,224,268	1,001,182,265	-	86,731,344
Withdrawn during the year	(242,044)	(2,000,383)	(442,983,490)	(406,949,534)	(986,870,955)	-	(85,600,878)
Transfer in / (out) - net	3,118	(267,073)	-	-	-	-	114,741
Exchange adjustment	103	10,215	748,908	(47,531)	514	-	31,004
Closing balance	42,382	468,361	10,820,031	6,314,465	50,605,027	-	2,960,354
Other liabilities							
Interest / mark-up payable	1	723	6,255	908	40,182	-	8,233
Payable to defined benefit plan	-	-	-	-	-	-	433,201
Others	-	-	4,150	18,784	43,601	-	405,576
	1	723	10,405	19,692	83,783	-	847,010
Contingencies and Commitments							
Letters of credit	-	-	910,308	-	-	-	673,614
Letters of guarantee	-	-	167,204	55,672	-	-	3,538,494
Forward purchase of Government securities	-	-	630,652	-	-	-	1,859,052
Commitment in respect of Forward Foreign Currency	-	-	-	282,422	-	-	-
Commitment in respect Forward lending	-	-	-	-	-	-	1,698,202
Interest rate swaps	-	-	564,808	-	875,000	-	-
	-	-	2,272,972	338,094	875,000	-	7,769,362
Others							
Securities held as custodian	-	12,920	5,326,720	-	77,701,130	-	9,860,745

	For the nine months ended September 30, 2021 (Unaudited)						
	Directors	Key Management Personnel	Group Entities	Subsidiary companies	Associates	Joint venture	Other related parties
	(Rupees in '000)						
Profit and loss account							
Income							
Mark-up / return / profit / interest earned	-	14,852	196,157	317,954	145,245	-	630,414
Fee and commission income	-	-	127,533	24,769	709,279	267	16,382
Dividend income	-	-	-	-	460,136	145,181	89,307
Foreign exchange gain	-	-	-	151,478	-	-	-
Unrealised loss on derivatives	-	-	(2,557)	-	(8,767)	-	-
Gain on sale of securities - net	-	-	-	-	355,845	-	-
Rent on properties	-	-	-	31,380	-	-	-
Other income	-	-	-	20,490	-	-	-
Expense							
Mark-up / return / profit / interest expensed	88	8,712	225,562	20,661	868,243	18,210	124,043
Operating expenses							
Total compensation expense	-	1,890,101	-	-	-	-	846,139
Non-Executive Directors' fees	61,800	-	-	-	-	-	-
Insurance premium expense	-	-	-	-	1,173,593	-	-
Product feature cost	-	-	139,554	-	-	-	-
Travelling	-	-	4,478	-	-	-	-
Subscription	-	-	-	-	-	-	70,959
Donation	-	-	77,230	-	-	-	271,323
Brokerage and Commission	-	-	-	-	-	-	155,858
Other expenses	-	-	-	314,356	-	-	20,140
Others							
Purchase of Government securities	-	-	242,442,156	1,995,995	23,453,887	-	8,614,457
Sale of Government securities	-	44,842	248,898,039	23,450,418	26,669,475	-	15,929,192
Purchase of foreign currencies	-	-	2,221,735	610,024	-	-	2,791,748
Sale of foreign currencies	-	-	2,529,316	8,062,645	181,800	-	4,481,885
Insurance claims settled	-	-	-	-	53,699	-	-

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	14,668,525	14,668,525
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	196,069,589	193,371,438
Eligible Additional Tier 1 (ADT 1) Capital	9,150,183	10,428,514
Total Eligible Tier 1 Capital	205,219,772	203,799,952
Eligible Tier 2 Capital	43,273,842	58,372,958
Total Eligible Capital (Tier 1 + Tier 2)	248,493,614	262,172,910
Risk Weighted Assets (RWAs):		
Credit Risk	1,377,013,954	1,217,657,907
Market Risk	84,354,725	92,254,538
Operational Risk	212,268,669	212,268,669
Total	1,673,637,348	1,522,181,114
Common Equity Tier 1 Capital Adequacy ratio	11.72%	12.70%
Tier 1 Capital Adequacy Ratio	12.26%	13.39%
Total Capital Adequacy Ratio	14.85%	17.22%
Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	9.50%	9.50%
of which: capital conservation buffer requirement	1.50%	1.50%
of which: countercyclical buffer requirement	-	-
of which: D-SIB buffer requirement	2.00%	2.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	5.72%	6.70%
Other information:		
Minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	9.50%	9.50%
Tier 1 minimum ratio (%)	11.00%	11.00%
Total capital minimum ratio (%)	13.50%	13.50%
Leverage Ratio (LR)	(Rupees in '000)	
Eligible Tier-1 Capital	205,219,772	203,799,952
Total Exposures	5,129,684,056	4,470,420,642
Leverage Ratio (%)	4.00%	4.56%
Minimum Requirement (%)	3.00%	3.00%
Liquidity Coverage Ratio (LCR)	Total Adjusted Value (Rupees in '000)	
Average High Quality Liquid Assets	1,589,558,928	1,477,650,149
Average Net Cash Outflow	642,248,866	638,366,023
Liquidity Coverage Ratio (%)	247.50%	231.47%
Minimum Requirement (%)	100.00%	100.00%
Net Stable Funding Ratio (NSFR)	Total Weighted Value (Rupees in '000)	
Total Available Stable Funding	3,093,415,106	3,046,911,457
Total Required Stable Funding	2,193,804,625	1,964,571,726
Net Stable Funding Ratio (%)	141.01%	155.09%
Minimum Requirement (%)	100.00%	100.00%

36 ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		27,930,468	28,015,270
Balances with other banks		832,124	1,162,953
Due from financial institutions	36.1	-	28,671,686
Investments	36.2	187,679,329	191,864,941
Islamic financing and related assets - net	36.3	201,956,796	166,058,790
Fixed assets		5,736,629	4,629,739
Intangible assets		-	-
Due from Head Office		-	-
Deferred tax assets		768,806	-
Other assets		20,030,938	12,962,183
		444,935,090	433,365,562
LIABILITIES			
Bills payable		26,834	26,310
Due to financial institutions	36.4	48,272,086	31,567,668
Deposits and other accounts	36.5	343,780,827	346,895,368
Due to Head Office		7,375,943	11,439,635
Subordinated debt		-	-
Deferred tax liabilities		-	73,097
Other liabilities		15,205,445	15,554,392
		414,661,135	405,556,470
NET ASSETS		30,273,955	27,809,092
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Reserves		-	-
(Deficit) / surplus on revaluation of investments - net of tax		(1,019,114)	114,330
Unappropriated profit	36.6	30,793,069	27,194,762
		30,273,955	27,809,092
Contingencies and commitments	36.7		

PROFIT AND LOSS ACCOUNT	Note	(Unaudited) For the nine months ended September 30, 2022	September 30, 2021
		(Rupees in '000)	
Profit / return earned	36.8	32,564,590	17,196,569
Profit / return expensed	36.9	20,453,330	8,675,798
Net profit / return		12,111,260	8,520,771
Other income / (loss)			
Fee and commission income		795,573	492,974
Dividend income		-	-
Foreign exchange income		461,163	3,308
Income from derivatives		-	-
Gain / (loss) on securities- net		77,552	(15)
Others		537	273
Total other income		1,334,825	496,540
Total income		13,446,085	9,017,311
Other expenses			
Operating expenses		4,933,817	2,547,914
Workers' Welfare Fund		149,426	126,590
Other charges		168,332	2,803
Total other expenses		5,251,575	2,677,307
Profit before provisions		8,194,510	6,340,004
Provisions and write offs - net		1,133,960	262,904
Profit before taxation		7,060,550	6,077,100
Taxation		3,459,670	2,370,069
Profit after taxation		3,600,880	3,707,031

36.1 **Due from Financial Institutions**

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Call money lendings	-	24,500,000
Bai Muajjal receivable from financial institutions	-	4,171,686
	-	28,671,686

36.2 **Investments by segments**

	September 30, 2022 (Unaudited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)			
Federal Government securities				
- Ijarah Sukuk	128,452,627	-	(2,197,920)	126,254,707
- Other Federal Government securities	3,861,881	-	-	3,861,881
	132,314,508	-	(2,197,920)	130,116,588
Non-Government debt securities				
- Listed	46,193,545	-	386,000	46,579,545
- Unlisted	10,959,196	-	24,000	10,983,196
	57,152,741	-	410,000	57,562,741
Total Investments	189,467,249	-	(1,787,920)	187,679,329

	December 31, 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)			
Federal Government securities				
- Ijarah Sukuk	119,617,967	-	(537,141)	119,080,826
- Other Federal Government securities	11,810,120	-	-	11,810,120
	131,428,087	-	(537,141)	130,890,946
Non-Government debt securities				
- Listed	47,325,231	-	681,000	48,006,231
- Unlisted	12,924,196	-	43,568	12,967,764
	60,249,427	-	724,568	60,973,995
Total Investments	191,677,514	-	187,427	191,864,941

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

	(Unaudited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Diminishing Musharakah	87,802,286	81,033,335
Running Musharakah	47,115,459	30,704,784
Wakalah	9,896,566	10,381,176
Ijarah	2,204,058	2,095,534
Murabaha	3,991,567	1,897,123
Currency Salam	54,999	195,118
Tijarah	2,736,478	2,058,785
Istisna	1,960,651	973,605
Musawamah	2,653,161	401,370
Advance for Diminishing Musharakah	8,863,970	3,573,753
Advance for Ijarah	3,420,056	1,208,139
Advance for Murabaha	5,992,663	8,687,338
Advance for Salam	-	1,228,367
Advance for Istisna	15,275,393	12,886,460
Advance for Musawamah	1,449,023	272,258
Inventories against Murabaha	4,950,580	2,438,918
Inventories against Salam	1,201,000	-
Inventories against Tijarah	2,216,444	3,347,923
Inventories against Istisna	2,344,839	3,708,194
Islamic financing and related assets - gross	204,129,193	167,092,180
Provision against Islamic financing and related assets		
-Specific	(1,354,538)	(334,402)
-General	(817,859)	(698,988)
	(2,172,397)	(1,033,390)
Islamic financing and related assets - net of provision	201,956,796	166,058,790

		Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
			(Rupees in '000)	
36.4	**Due to financial institutions**			
	Unsecured acceptances of funds		-	1,000,000
	Acceptances from the SBP under:			
	- Islamic export refinance scheme		11,545,690	20,029,111
	- Islamic long term financing facility		7,489,315	5,892,219
	- Islamic financing facility for renewable energy power plants		782,641	336,665
	- Islamic refinance facility for modernization of Small & Medium Enterprises (SMEs)		91,600	7,480
	- Islamic refinance and credit guarantee scheme for women entrepreneurs		4,011	-
	- Islamic refinance scheme for payment of wages and salaries		341,073	1,253,895
	- Islamic refinance facility for combating COVID-19		152,537	-
	- Islamic temporary economic refinance facility		2,757,936	2,866,313
	Bai Muajjal - purchase		24,939,031	-
	Acceptances from Pakistan Mortgage Refinance Company		168,252	181,985
			48,272,086	31,567,668
36.5	**Deposits and other accounts**			
	Customers			
	Current deposits		78,703,697	77,159,559
	Savings deposits		147,409,716	124,677,445
	Term deposits		28,125,776	37,475,091
			254,239,189	239,312,095
	Financial Institutions			
	Current deposits		93,720	628,929
	Savings deposits		89,446,272	103,455,298
	Term deposits		1,646	3,499,046
			89,541,638	107,583,273
			343,780,827	346,895,368
36.6	**Islamic Banking business unappropriated profit**			
	Opening Balance		27,194,762	22,253,744
	Add: Islamic Banking profit for the period / year		7,060,550	8,101,754
	Less: Taxation		(3,459,670)	(3,159,684)
	Less: Transferred / Remitted to Head Office		(2,573)	(1,052)
	Closing Balance		30,793,069	27,194,762
36.7	**Contingencies and commitments**			
	- Guarantees	36.7.1	2,757,321	2,446,959
	- Commitments	36.7.2	30,581,953	54,293,996
			33,339,274	56,740,955
36.7.1	**Guarantees**			
	Performance guarantees		2,757,321	2,446,959
36.7.2	**Commitments**			
	Trade-related contingent liabilities		26,876,566	36,101,034
	Commitments in respect of forward foreign exchange contracts	36.7.2.1	3,705,387	18,192,962
			30,581,953	54,293,996
36.7.2.1	**Commitments in respect of forward foreign exchange contracts**			
	Purchase		1,866,031	9,520,227
	Sale		1,839,356	8,672,735
			3,705,387	18,192,962

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

37 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

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

38 DATE OF AUTHORISATION FOR ISSUE

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

39 GENERAL

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

President and Chief Executive Officer | **Chief Financial Officer** | **Director** | **Director** | **Director**