ICBC 中国工商银行

Pakistan Branches

Third Quarter Financial Statements for the Period Ended September 30, 2024

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT September 30, 2024

	Note	Un-audited September 30, 2024	Audited December 31, 2023
		-------- (Rupees in '000) ---------	
ASSETS			
Cash and balances with treasury banks	8	**74,177,985**	63,902,407
Balances with other banks	9	**42,318,289**	16,633,161
Lendings to financial institutions	10	**391,136,340**	469,012,808
Investments	11	**773,908,537**	471,336,787
Advances	12	**368,176,205**	372,240,334
Fixed assets	13	**474,527**	484,970
Right of use assets	14	**439,846**	278,217
Intangible assets	15	**27,138**	37,036
Deferred tax assets	16	**-**	1,590,839
Other assets	17	**22,201,359**	13,704,971
		1,672,860,226	1,409,221,530
LIABILITIES			
Bills payable	18	**1,510,944**	1,740,735
Borrowings	19	**902,686,843**	955,797,554
Deposits and other accounts	20	**509,462,179**	251,874,893
Lease liabilities	21	**266,336**	133,017
Subordinated debt		**-**	-
Deferred tax liabilities	16	**2,032,058**	-
Other liabilities	22	**110,896,308**	78,281,720
		1,526,854,668	1,287,827,919
NET ASSETS		**146,005,558**	121,393,611
REPRESENTED BY			
Head office capital account - net	23	**41,656,965**	42,279,105
Surplus/ (deficit) on revaluation of assets	24	**4,257,038**	(120,167)
Unremitted profit		**100,091,555**	79,234,673
		146,005,558	121,393,611
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Chief Executive Officer **Head of Finance (A)**

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

		Quarter ended		Nine months period ended	
		September 30,	September 30, 2023	**September 30,**	September 30, 2023
	Note	------------------------------	(Rupees in '000)	------------------------------	
Mark-up / return / interest earned	26	**63,065,045**	58,180,327	**174,130,159**	139,859,825
Mark-up / return / interest expensed	27	**42,539,703**	40,426,281	**126,305,383**	89,433,119
Net mark-up / interest income		**20,525,342**	17,754,046	**47,824,776**	50,426,706
NON MARK-UP / INTEREST INCOME					
Fee and commission income	28	**750,319**	707,534	**2,489,223**	2,127,185
Foreign exchange income	29	**(10,788,707)**	(11,184,184)	**(4,609,085)**	(4,638,861)
Loss on sale of securities	30	**-**	-	**-**	(3,783)
Other income	31	**1,168**	-	**1,386**	1,011
Total non-markup / interest income		**(10,037,220)**	(10,476,650)	**(2,118,476)**	(2,514,448)
Total income		**10,488,122**	7,277,396	**45,706,300**	47,912,258
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	**553,491**	514,754	**1,687,480**	1,578,326
Workers welfare fund	33	**195,485**	138,236	**876,775**	934,478
Other charges		**-**	-	**-**	-
Total non-markup / interest expenses		**748,976**	652,990	**2,564,255**	2,512,804
Profit before provisions		**9,739,146**	6,624,406	**43,142,045**	45,399,454
(Provisions) / reversals and write offs - net	34	**(160,404)**	(149,155)	**(180,073)**	389,968
PROFIT BEFORE TAXATION		**9,578,742**	6,773,561	**42,961,972**	45,789,422
Taxation	35	**(3,507,990)**	2,113,611	**(17,543,254)**	(19,769,600)
PROFIT AFTER TAXATION		**6,070,752**	8,887,172	**25,418,718**	26,019,822

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Head of Finance (A)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Quarter ended		Nine months period ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
	------------------------------ (Rupees in '000) ------------------------------			
Profit after taxation for the period	**6,070,752**	8,887,172	**25,418,718**	26,019,822
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of deferred tax	**1,648,630**	1,602,566	**4,377,205**	458,538
Total comprehensive income	**7,719,382**	10,489,738	**29,795,923**	26,478,360

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Head of Finance (A)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Head office capital account	Deficit on revaluation of investments	Unremitted profit	Total
	------------- (Rupees in '000) -------------			
Balance as at January 01, 2023	33,964,635	(514,168)	40,227,593	73,678,060
Total comprehensive income for the six months period ended September 30, 2023 - un-audited				
Profit after taxation	-	-	26,019,822	26,019,822
Other comprehensive income - net of tax	-	458,538	-	458,538
	-	458,538	26,019,822	26,478,360
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	9,196,125	-	-	9,196,125
Balance as at September 30, 2023 - un-audited	43,160,760	(55,630)	66,247,415	109,352,545
Total comprehensive income for the three months period ended December 31, 2023 - un-audited				
Profit after taxation for the year	-	-	12,995,240	12,995,240
Other comprehensive income - net of tax	-	(64,537)	(7,982)	(72,519)
	-	(64,537)	12,987,258	12,922,721
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	(881,655)	-	-	(881,655)
Balance as at December 31, 2023 - audited	42,279,105	(120,167)	79,234,673	121,393,611
Expected Credit Loss adjustment under IFRS 9 on adoptation of IFRS 9 adoptation	-	-	(27,840)	(27,840)
Balance as at January 01, 2024 - un-audited - Restated	**42,279,105**	**(120,167)**	**79,206,833**	**121,365,771**
Total comprehensive income for the six months period ended September 30, 2024 - un-audited				
Profit after taxation	**-**	**-**	**25,418,718**	**25,418,718**
Other comprehensive income - net of tax	**-**	**4,377,205**	**-**	**4,377,205**
	-	**4,377,205**	**25,418,718**	**29,795,923**
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	**(622,140)**	**-**	**-**	**(622,140)**
Profit Remittances made to head office	**-**	**-**	**(4,533,996)**	**(4,533,996)**
Balance as at September 30, 2024 - un-audited	**41,656,965**	**4,257,038**	**100,091,555**	**146,005,558**

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Head of Finance (A)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	**September 30, 2024**	September 30, 2023
		---------- (Rupees in '000) ----------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		**42,961,972**	45,789,422
Adjustments:			
Depreciation on fixed assets	32	**63,913**	45,821
Depreciation on right of use assets	32	**119,945**	32,235
Amortisation	32	**9,898**	20
Financial charges on leased assets	27	**28,739**	4,828
Charge for defined benefit plan		**6,819**	4,824
Credit loss allowance / provision and write offs	34	**180,073**	(389,968)
Provision for workers' welfare fund	33	**876,775**	934,478
		1,286,162	632,238
		44,248,134	46,421,660
(Increase) / decrease in operating assets			
Lendings to financial institutions		**77,876,468**	(254,457,150)
Advances		**3,913,056**	(335,063,099)
Others assets		**(8,493,591)**	6,835,918
		73,295,933	(582,684,331)
Increase / (decrease) in operating liabilities			
Bills payable		**(229,791)**	759,904
Borrowings from financial institutions		**(53,110,711)**	487,931,713
Deposits		**257,587,286**	59,616,052
Other liabilities		**36,460,634**	48,355,756
		240,707,418	596,663,425
		358,251,485	60,400,754
Contribution in gratuity fund		**(10,486)**	(8,409)
Income tax paid		**(22,896,269)**	(12,194,167)
Net cash generated from operating activities		**335,344,730**	48,198,178
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		**(298,676,359)**	(19,401,413)
Net investments in amortized cost securities		**4,687,363**	(315,117)
Investments in fixed assets	13.1	**(53,470)**	(22,655)
Net cash used in investing activities		**(294,042,466)**	(19,739,185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Translation gain on revaluation of capital		**(622,140)**	9,196,125
Payment of lease liability against right of use assets	21.1	**(176,994)**	(41,168)
Profit Remittances made to head office		**(4,533,996)**	-
Net cash (used in) / generated from financing activities		**(5,333,130)**	9,154,957
Increase in cash and cash equivalents		**35,969,134**	37,613,950
Cash and cash equivalents at beginning of the period		**80,535,568**	48,604,990
Cash and cash equivalents at end of the period	36	**116,504,702**	86,218,940

The annexed notes 1 to 42 form an integral part of these condensed interim financial statements.

Chief Executive Officer | **Head of Finance (A)**

1. STATUS AND NATURE OF BUSINESS

The Pakistan branches of Industrial and Commercial Bank of China Limited ("the Branches") have commenced their operations in Pakistan with effect from August 18, 2011. Industrial and Commercial Bank of China Limited ('Head office') is incorporated in the People's Republic of China.

The Pakistan branches presently operate through three branches (December 31, 2023: three branches) in Pakistan and are engaged in banking activities permissible under the Banking Companies Ordinance, 1962. The registered office of the Branches is located at 15th Floor, Ocean Tower, Block 9, Clifton, Karachi.

2 BASIS OF PRESENTATION

These condensed interim financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank, in that environment as well. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

3 STATEMENT OF COMPLIANCE

3.1 These condensed interim financial statements have been prepared on the format prescribed by the SBP under Second Schedule of the Banking Companies Ordinance, 1962 as defined under Section 34 of the said Ordinance which has been revised vide BPRD Circular No. 02 dated February 09, 2023 and in accordance with the 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;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
- Directives issued by the State Bank of Pakistan (SBP) and 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, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

3.2 The revised forms for the preparation of the condensed interim quarterly / half yearly financial statements of the Banks are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 vide BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. Significant ones being: Right of use assets and corresponding lease liability are now presented separately on the face of the Statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements.

The Bank has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified to correspond to the current period presentation, as presented in note 41.2.

3.3 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

IFRS 9 'Financial Instruments', became effective for annual reporting on or after January 01, 2024. The impact of adaptation of IFRS 9 on the Bank's condensed interim financial statements is disclosed in note 6.2

In addition, there are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. These are considered either not to be relevant or not to have any significant impact on the Bank's operations and therefore are not detailed in these condensed interim financial statements.

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

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

Standard, Interpretation or Amendment	Effective from Accounting period beginning on or after
- Lack of Exchangeability - Amendments to IAS 21	January 01, 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Deferred indefinitely

4. BASIS OF MEASUREMENT

4.1 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except available for sale investments and forward foreign exchange contracts which have been measured at fair value and obligations in respect of gratuity scheme which are measured at present value of defined benefit obligations less fair value of plan assets and right of use of assets and related lease liability measured at present value.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgements adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2023.

6 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2023. except for changes mentioned in notes 6.1.

6.1 IFRS 9 - 'Financial Instruments'

IFRS 9 brings fundamental changes to the accounting for financial assets and to certain aspects of accounting for financial liabilities. To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments, to be assessed based on combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The adoption of IFRS 9 has also fundamentally changed the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

6.1.1 Classification

Financial Assets

Under IFRS 9, existing categories of financial assets: Held for trading (HFT), Available for sale (AFS), Held to maturity (HTM) and loans and receivables have been replaced by:

- Financial assets at fair value through profit or loss account (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortized cost

Financial Liabilities

Under IFRS 9, the accounting for financial liabilities remains largely the same as before adoption of IFRS 9 and thus financial liabilities are being carried at amortized cost except for derivaties which are being measured at FVTPL.

6.1.2 Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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

- The objectives for the portfolio, in particular, whether the management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

- The expected frequency, value and timing of sale are also important aspects of the Bank's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Eventually, the financial assets fall under either of the following three business models:

i) Hold to Collect (HTC) business model: Holding assets in order to collect contractual cash flows
ii) Hold to Collect and Sell (HTC&S) business model: Collecting contractual cash flows and selling financial assets
iii) Other business models: Resulting in classification of financial assets as FVTPL

6.1.3 Assessments whether contractual cash flows are solely payments of principal and interest / profit (SPPI)

As a second step of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as, but not limited to, the currency in which the financial asset is denominated, and the period for which the interest / profit rate is set. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with basic lending arrangement, the related financial asset is classified and measured at FVTPL.

6.1.4 Application to the Bank's financial assets

Debt based financial assets

Debt based financial assets held by the Bank include: advances, lending to financial institutions, investment in federal government securities, corporate bonds and other private sukuks, cash and balances with treasury banks, balances with other banks, and other financial assets.

a. These are measured at amortised cost if they meet both of the following conditions and are not designated as FVTPL:

   - the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and

   - the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Bank's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales or sale(s) of significant value are/is made, the Bank assesses whether and how the sales are consistent with the HTC objective.

b. Debt based financial assets are measured at FVOCI only if these meet both of the following conditions and are not designated as FVTPL:

   - the asset are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

   - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c. Debt based financial assets if are held for trading purposes are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The application of these policies did not have any impact on measurements of investments due to no change in classification of under new application standard

The measurement category and carrying amount of financial assets in accordance with the accounting and reporting standards as applicable in Pakistan before and after adoption of IFRS 9 as at January 1, 2024 are compared as follows:

	Before adoption of IFRS 9		After adoption of IFRS 9	
Financial assets	**Measurement category**	**Carrying amount as at December 31,**	**Measurement category**	**Carrying amount as at January 01,**
		Rupees in '000		**Rupees in '000**
Cash and balances with treasury banks	Loans and receivables	63,902,407	Amortised cost	63,902,407
Balances with other banks	Loans and receivables	16,633,161	Amortised cost	16,633,161
Lending to financial institutions	Loans and receivables	469,012,808	Amortised cost	469,012,808
Investments - net	Available-for-sale	461,798,079	FVOCI	461,798,079
	Held-to-maturity	9,538,708	Amortised cost	9,538,708
Advances - net	Loans and receivables	372,240,334	Amortised cost	372,240,334
Other assets (financial assets only)	Loans and receivables	-	Amortised cost	-
		1,393,125,497		**1,393,125,497**

6.1.5 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset

a. **Amortised cost (AC)**

Financial assets and liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit or loss. Interest income / profit / expense on these assets / liabilities are recognised in the profit or loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the profit or loss account.

b. **Fair value through other comprehensive income (FVOCI)**

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction cost. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the profit or loss account. Interest / profit / dividend income on these assets are recognised in the profit or loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the profit or loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to retained earnings.

c. **Fair value through profit or loss (FVTPL)**

Financial assets under FVTPL category are initially recognised at fair value. Transaction cost will be directly recorded in the profit or loss. These assets are subsequently measured at fair value with changes recorded in the profit or loss account. Interest / dividend income on these assets are recognised in the profit or loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the profit or loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

Revenue:

The Branch's revenue recognition policy is consistent with the annual audited financial statements for the year ended December 31, 2023.

6.1.6 Derecognition

Financial assets

The Branch derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Branch neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Bank enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Branch derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit or loss account.

6.1.7 Modification

The Branch sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Branch recalculates the gross carrying amount of the financial asset to recognise a modification gain or loss in the profit or loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

6.1.8 Expected Credit Loss (ECL)

The Branch assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". the Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at transactional / facility level.

The Branch has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Branch considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Branch also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Branch considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. However, for certain portfolios, the Bank rebuts 60 DPD presumption based on behavioural analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Branch applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Branch groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1:

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

Stage 2:

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

Stage 3:

For financial instruments considered credit-impaired, the Bank recognises the lifetime expected credit losses for these instruments. the Bank uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP.

Undrawn financing commitments

When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the financing is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated on un-drawn portion of the facility and presented within other liabilities.

Guarantee and letters of credit contracts

The Branch estimates ECLs based on the BASEL driven & Internally developed credit conversion factor (CCF) for Guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR.

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

PD
The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on statistical technique such as Transition Matrix approach. PDs for non advances portfolio is based on S&Ps global transition default matrices, PDs are then adjusted using Vicesek Model to incorporate forward looking information.

EAD
The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. The Bank’s product offering includes a variety of corporate and retail facilities, in which the Bank has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Bank does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Bank’s expectations of the customer behaviour, its likelihood of default and the Bank’s future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD

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

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

To mitigate its credit risks on financial assets, the Branch seeks to use collateral, where possible. The Bank considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

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

The Branch's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

Forward looking information

In its ECL models, the Branch relies on range of following forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index (Inflation rate)
- Unemployment rate
- USD currency fluctuation risk
- Balance of trade to its GDP

Definition of default

The concept of "impairment or "default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD.

The Bank has defined that an exposure will be treated as having defaulted if it becomes 90+ days past due (DPDs)in repaying its contractual dues or as defined in Prudential Regulations from State Bank of Pakistan (SBP) issued from time to time. Accordingly, such exposures will be classified under Stage 3 under the Standard.

This implies that if one facility of a counterparty becomes 90+ DPD in repaying its contractual dues or as defined in PRs; all other facilities would deem to be classified as stage 3.

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

Adoption impacts

The Branch has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach for restatement permitted under IFRS 9. The cumulative negative impact of initial application of Rs. 27.841 million has been recorded as an adjustment to equity at the beginning of the current accounting period.

6.2 The details of the impacts of initial application are tabulated below:

	Balances as of December 31, 2023 (Audited)	Impact due to: Recognition of expected credit losses (ECL)	Impact due to: Adoption of revised classifications under IFRS 9	Impact due to: Classifications due to business model and SPPI assessments	Impact due to: Remeasurements	Impact due to: Reversal of provisions held	Total impact - gross of tax	Taxation (current and deferred)	Balances as of January 01, 2024	IFRS 9 Category
ASSETS										
Cash and balances with treasury banks	63,902,407	-	-	-	-	-	-	-	63,902,407	Amortised cost
Balances with other banks	16,633,161	(4,098)	-	-	-	-	(4,098)	-	16,629,063	Amortised cost
Lending to financial institutions	469,012,808	-	-	-	-	-	-	-	469,012,808	Amortised cost
Investments										
- Classified as available for sale	461,798,079	-	(461,798,079)	-	-	-	(461,798,079)	-	-	
- Classified as fair value through									-	
other comprehensive income	-	-	461,798,079	-	-	-	461,798,079	-	461,798,079	FVOCI
- Classified as held to maturity	9,538,708	-	(9,538,708)	-		-	(9,538,708)	-	-	
- Classified as amortized cost	-		9,538,708	-		-	9,538,708	-	9,538,708	Amortised cost
	471,336,787	-	-	-	-	-	-	-	471,336,787	
Advances										
- Gross amount	372,299,137	-	-	-	-	-	-	-	372,299,137	
- Provisions	(58,803)	(14,715)	-	-	-	58,803	44,088	-	(14,715)	
	372,240,334	(14,715)	-	-	-	58,803	44,088	-	372,284,422	Amortised cost
Property and equipment	484,970	-	-	-	-	-	-	-	484,970	Outside the scope of IFRS 9
Right-of-use assets	278,217	-	-	-	-	-	-	-	278,217	Outside the scope of IFRS 9
Intangible assets	37,036	-	-	-	-	-	-	-	37,036	Outside the scope of IFRS 9
Deferred tax asset	1,590,839	-					-	26,749	1,617,588	Outside the scope of IFRS 9
Other assets - financial assets	13,704,971	(316)	-	-	-	-	(316)	-	13,704,655	Amortised cost
Other assets - non financial assets	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
	1,409,221,530	(19,129)	-	-	-	58,803	39,674	26,749	1,409,287,953	
LIABILITIES										
Bills payable	1,740,735	-	-	-	-	-	-	-	1,740,735	Amortised cost
Borrowings	955,797,554	-	-	-	-	-	-	-	955,797,554	Amortised cost
Deposits and other accounts	251,874,893	-	-	-	-	-	-	-	251,874,893	Amortised cost
Lease liability against right-of-use assets	133,017	-	-	-	-	-	-	-	133,017	Amortised cost
Subordinated debt	-	-	-	-	-	-	-	-	-	Amortised cost
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
Other liabilities - non financial liabilities	-	-					-	-	-	Outside the scope of IFRS 9
Other liabilities - financial liabilities	78,281,720	94,263	-	-	-	-	94,263	-	78,375,983	Amortised cost
	1,287,827,919	94,263	-	-	-	-	94,263	-	1,287,922,182	
NET ASSETS	**121,393,611**	**(113,392)**	**-**	**-**	**-**	**58,803**	**(54,589)**	**26,749**	**121,365,771**	
REPRESENTED BY										
Share capital	42,279,105	-	-	-	-	-	-	-	42,279,105	Outside the scope of IFRS 9
Reserves	-	-	-	-	-	-	-	-	-	Outside the scope of IFRS 9
Surplus on revaluation of assets - net of tax	(120,167)	-	-	-	-	-	-	-	(120,167)	
Unappropriated profit	79,234,673	(113,392)	-	-	-	58,803	(54,589)	26,749	79,206,833	
	121,393,611	**(113,392)**	**-**	**-**	**-**	**58,803**	**(54,589)**	**26,749**	**121,365,771**	

7. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2023. These risk management policies continue to remain robust and Bank is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with emerging risks.

8. CASH AND BALANCES WITH TREASURY BANKS	Note	**Un-audited September 30, 2024**	Audited December 31, 2023
		------------ (Rupees in '000) ------------	
In hand			
Local currency		**267,699**	145,797
Foreign currency		**109,243**	122,295
		376,942	268,092
With State Bank of Pakistan in			
Local currency current account	8.1	**31,093,839**	20,272,858
Foreign currency current account	8.2	**41,949,118**	42,610,415
Foreign currency deposit account (non-remunerative)	8.3	**201,342**	204,349
Foreign currency deposit account (remunerative)	8.4	**556,744**	546,693
		73,801,043	63,634,315
		74,177,985	63,902,407

8.1 This represents cash reserve requirement maintained with the State Bank of Pakistan (SBP) under Section 22 of the Banking Companies Ordinance, 1962. This section requires the Branches to maintain a reserve in the current account opened with the SBP at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by the SBP.

8.2 This includes capital maintained with SBP in accordance with the requirements of Section 13 of Banking Companies Ordinance, 1962 amounting to USD 150 million (December 31, 2023: USD 150 million) and US $ settlement account maintained with the State Bank of Pakistan.

8.3 This represents cash reserve of 5% required to be maintained with the SBP on FE-25 deposits as specified in BSD Circular No. 08 dated April 17, 2020.

8.4 This represents special cash reserve of 10% required to be maintained with the SBP on FE-25 deposits as specified in BSD Circular No. 08 dated April 20, 2020. Profit rates on these deposits are fixed by SBP on a monthly basis. These carry mark-up at rate of 3.85% (December 31, 2023: 4.35%).

9. BALANCES WITH OTHER BANKS	Note	**Un-audited September 30, 2024**	Audited December 31, 2023
		------- (Rupees in '000) -------	
In Pakistan			
In current accounts		**248**	93
Outside Pakistan			
In current accounts		**42,326,469**	16,633,068
		42,326,717	16,633,161
Less: Credit loss allowance held against balances with other banks	9.1	**(8,428)**	-
Cash and balances with treasury banks - net of credit loss allowance		**42,318,289**	16,633,161

9.1 Credit loss allowance against Balances with Other Banks

Opening balance	**-**	-
Cumulative effect of adaption of IFRS 9	**(4,098)**	-
Balance at the beginning of period	**(4,098)**	-
Charge for the period / year	**(5,834)**	-
Reversals for the period / year	**1,504**	
Closing balance	**(8,428)**	-

		Note	Un-audited September 30,	Audited December 31, 2023
			------- (Rupees in '000) -------	
10.	**LENDINGS TO FINANCIAL INSTITUTIONS**			
	Repurchase agreement lendings (Reverse Repo)	10.2	**391,136,340**	469,012,808
10.1	**Particulars of lending**			
	In local currency		**391,136,340**	469,012,808

10.2 This represent repurchase agreement lendings with SBP and local banks at a mark-up rate ranging from 16.5% to 18.1% per annum (December 31, 2023: 21% to 22.5% per annum) with maturity in October 2024 (December 31, 2023: January 2024).

10.3 Market value of securities held as collateral against Lending to financial institutions

	Un-Audited September 30, 2024			Audited December 31,		
	Held by Bank	**Further given as collateral**	**Total**	Held by Bank	Further given as collateral	Total
	---------- (Rupees in '000) ----------					
Market Treasury Bills	**52,514,594**	**-**	**52,514,594**	57,229,208	-	57,229,208
Pakistan Investment Bonds	**338,792,913**	**-**	**338,792,913**	411,503,952	-	411,503,952
Total	**391,307,507**	**-**	**391,307,507**	468,733,160	-	468,733,160

		Un-audited September 30, 2024			Audited December 31, 2023		
11.	**INVESTMENTS**	**Cost / Amortised cost**	**Surplus**	**Carrying Value**	Cost / Amortised cost	Deficit	Carrying Value
11.1	**Investments by type:**	---------- (Rupees in '000) ----------					
	FVOCI						
	Federal Government Securities	**760,710,059**	**8,347,133**	**769,057,192**	462,033,700	(235,621)	461,798,079
	Amortised Cost						
	Federal Government Securities	**4,851,345**	**-**	**4,851,345**	9,538,708	-	9,538,708
	Total Investments	**765,561,404**	**8,347,133**	**773,908,537**	471,572,408	(235,621)	471,336,787
11.2	**Investments by segments**						
	FVOCI						
	Federal Government Securities						
	Market Treasury Bills	**760,710,059**	**8,347,133**	**769,057,192**	462,033,700	(235,621)	461,798,079
	Amortised Cost						
	Federal Government Securities						
	Pakistan Investment Bonds	**4,851,345**	**-**	**4,851,345**	9,538,708	-	9,538,708
	Total investments	**765,561,404**	**8,347,133**	**773,908,537**	471,572,408	(235,621)	471,336,787

11.3 There is no credit loss allowance in value of investments as at September 30, 2024.

11.4 The market value of securities classified as amortised cost as at September 30, 2024 amounted to Rs. 4,848 million (December 31, 2023: Rs.9,002 million).

11.5 Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

12. ADVANCES

	Performing		**Non Performing**		**Total**	
	Un-audited September 30,	Audited December 31, 2023	**Un-audited September 30,**	Audited December 31, 2023	**Un-audited September 30,**	Audited December 31, 2023
	---------- (Rupees in '000) ----------					
Loans, cash credits, running finances, etc.	**368,386,080**	372,299,137	**-**	-	**368,386,080**	372,299,137
Bills discounted and purchased	**-**	-	**-**	-	**-**	-
Advances - gross	**368,386,080**	372,299,137	**-**	-	**368,386,080**	372,299,137
Credit loss allowance against advances						
-Stage 1	**(208,346)**	-	**-**	-	**(208,346)**	-
-Stage 2	**(1,529)**	-	**-**	-	**(1,529)**	-
-Stage 3	**-**	-	**-**	-	**-**	-
	(209,875)	-	**-**	-	**(209,875)**	**-**
Provision against advances - General	**-**	(58,803)	**-**	-	**-**	(58,803)
Advances - net of credit loss allowance	**368,176,205**	372,240,334	**-**	-	**368,176,205**	372,240,334

		Un-audited September 30,	Audited December 31, 2023
12.1	**Particulars of advances (gross)**	----------- (Rupees in '000)	---------
	In local currency	**7,359,050**	5,880,227
	In foreign currency	**361,027,030**	366,418,910
		368,386,080	372,299,137

12.2 No advances have been placed under non-performing /Stage 3 status as at September 30, 2024 (December 31, 2023: N

		Un-audited			
		September 30, 2024			
		Stage 1	**Stage 2**	**General Provision**	**Total**
12.3	**Particulars of provision against advances**	------------------- (Rupees in '000)			------------------
	Opening balance	**-**	**-**	**58,803**	**58,803**
	Cumulative effect of adaption of IFRS 9	**6,075**	**8,640**	**(58,803)**	**(44,088)**
	Balance at the beginning of period	**6,075**	**8,640**	**-**	**14,715**
	Charge for the year	**209,175**	**4,152**	**-**	**213,327**
	Reversals	**(6,903)**	**(11,263)**	**-**	**(18,166)**
		202,272	**(7,111)**	**-**	**195,161**
	Closing balance	**208,347**	**1,529**	**-**	**209,876**

	Note	Audited December 31, 2023 Specific	General	Total
		-------------------	(Rupees in '000)	------------------
Opening balance		-	543,567	543,567
Charge for the year		-	-	-
Reversals		-	(484,764)	(484,764)
		-	(484,764)	(484,764)
Closing balance	12.3.1	-	58,803	58,803

12.3.1 This represents the General Provision with reference to SBP letter no.EPD/ICM/379551/INT/12(36)-2022 dated December 05, 2022, Prudentail Regulation R-1 & R-8 of Corporate / Commercial Banking is not applicable on the FCY loan facility of USD 1.3 billion to Ministry of Finance, Government of Pakistan by the Bank.

12.4 **Particlurs of credit loss allowance**

	Un-audited			Audited
	September 30, 2024			December 31, 2023
	Expected Credit Loss		**General Provision**	General Provision
	Stage 1	**Stage 2**		
	--------------------------	(Rupees in '000)		-------------------------
Opening balance	**-**	**-**	**58,803**	543,567
Impact of adoptation of IFRS 9	**6,075**	**8,640**	**(58,803)**	-
	6,075	**8,640**	**-**	543,567
New Advances	**-**		**-**	-
Advances derecognised or repaid	**(2,195)**	**(3,649)**	**-**	-
Transfer to stage 1	**959**	**(3,462)**	**-**	-
Transfer to stage 2			**-**	-
Transfer to stage 3			**-**	-
	(1,236)	**(7,111)**	**-**	-
Amounts written off / charged off / (reversal)	**-**	**-**	**-**	(484,764)
Changes in risk parameters	**203,508**	**-**	**-**	-
Other changes (to be specific)	**-**	**-**	**-**	-
Closing balance	**208,347**	**1,529**	**-**	58,803

12.4.2 Advances - Category of classification

Domestic		Note	Un-audited September 30, 2024 Outstanding amount	Un-audited September 30, 2024 Credit loss allowance Held	Audited December 31, 2023 Outstanding amount	Audited December 31, 2023 Credit loss allowance Held
			---------------------- (Rupees in '000)		--------------------	
Performing	Stage 1		**371,196,269**	**46,767**	370,749,152	7,784
Underperforming	Stage 2		**80,000**	**2,641**	1,549,985	6,931
		12.4.2.1	**371,276,269**	**49,408**	372,299,137	14,715

12.4.2.1 This includes PKR 361.027 billion (December 31, 2023: PKR 366.419 billion), which comprises a foreign currency commercial loan facility of USD 1.3 billion extended to the Ministry of Finance, Government of Pakistan. In reference to SBP letter No. EPD/ICM/379551/INT/12(36)-2022 dated December 05, 2022, the credit loss allowance has been relaxed under SBP guidelines.

	Note	Un-audited September 30,	Audited December 31,
		--------- (Rupees in '000)	--------
13. FIXED ASSETS			
Property and equipment	13.2	**474,527**	484,970

	Un-audited September 30, 2024	September 30, 2023
	--------- (Rupees in '000)	--------
13.1 Additions to fixed assets		
Furniture and fixture	**1,497**	-
Electrical office and computer equipment	**51,974**	-
Total	**53,471**	-
13.2 Disposal to fixed assets		
Electrical office and computer equipment	**17,057**	

14.	Note	Un-audited September 30, 2024	Audited December 31, 2023
RIGHT-OF-USE ASSETS			
Right-of-use assets	14.1	**439,846**	278,217
		439,846	278,217

14.1 Right-of-use assets

	Un-audited September 30, 2024 Property	Vehicles	Total	Audited December 31, 2023 Property	Vehicles	Total
	--		(Rupees in '000)		--	
At January 1,						
Cost	**403,931**	**6,691**	**410,622**	187,058	8,523	195,581
Accumulated Depreciation	**(125,714)**	**(6,691)**	**(132,405)**	(80,378)	(4,611)	(84,989)
Net book value	**278,217**	**-**	**278,217**	106,680	3,912	110,592
Additions during the period / year	**281,574**	**-**	**281,574**	216,873	-	216,873
Deletions during the period / year	**-**	**-**	**-**	-	(1,832)	(1,832)
Depreciation for the period / year	**(119,945)**	**-**	**(119,945)**	(45,336)	(2,080)	(47,416)
At December 31,						
Cost	**685,505**	**6,691**	**692,196**	403,931	6,691	410,622
Accumulated Depreciation	**(245,659)**	**(6,691)**	**(252,350)**	(125,714)	(6,691)	(132,405)
Net nook value	**439,846**	**-**	**439,846**	278,217	-	278,217

	Note	September 30, 2024	December 31, 2023
		-------- (Rupees in '000)	--------
15. INTANGIBLE ASSETS			
Computer software	15.1	**27,138**	37,036

15.1 There were no deletions/additions made during the period ended September 30, 2024.

	Un-audited September 30, 2024	Audited December 31, 2023
	---------- (Rupees in '000) ----------	

16. DEFERRED TAX ASSETS/LIABILITY

	Un-audited September 30, 2024	Audited December 31, 2023
Deductible Temporary Differences on		
Workers welfare fund	**1,948,218**	1,518,598
Credit loss allowance against financial assets	**144,332**	-
	2,092,550	1,518,598
Taxable Temporary Differences on		
Fixed assets	**(31,627)**	(32,081)
Intangible	**(2,886)**	(11,132)
(Surplus) / deficit on revaluation of investments	**(4,090,095)**	115,454
	(4,124,608)	72,241
	(2,032,058)	1,590,839

16.1 Movement of deferred tax during the period / year

Un-audited
September 30, 2024

	At January 1, 2024	Recognised in profit and (loss)	Recognised in SOCI/ SOCE	At September 31, 2024
	---------------------------- (Rupees in '000)			-------------------------
Deductible Temporary Differences on:				
Workers welfare fund	**1,518,598**	**429,620**	**-**	**1,948,218**
Credit loss allowance against financial assets	**-**	**117,583**	**26,749**	**144,332**
	1,518,598	**547,203**	**26,749**	**2,092,550**
Taxable Temporary Differences on				
Fixed assets	**(32,081)**	**454**	**-**	**(31,627)**
Intangible	**(11,132)**	**8,246**	**-**	**(2,886)**
(Surplus) / deficit on revaluation of investments	**115,454**	**-**	**(4,205,549)**	**(4,090,095)**
	72,241	**8,700**	**(4,205,549)**	**(4,124,608)**
	1,590,839	**555,903**	**(4,178,800)**	**(2,032,058)**

Audited
December 31, 2023

	At January 1, 2023	Recognised in profit and (loss)	Recognised in OCI	At December 31, 2023
	---------------------------- (Rupees in '000)			-------------------------
Deductible Temporary Differences on:				
Workers welfare fund	701,774	816,824	-	1,518,598
Deficit on revaluation of investments	387,882	-	(272,428)	115,454
	1,089,656	816,824	(272,428)	1,634,052
Taxable Temporary Differences on				
Fixed assets	(25,475)	(6,606)	-	(32,081)
Intangible	(2,346)	(8,786)	-	(11,132)
	(27,821)	(15,392)	-	(43,213)
	1,061,835	801,432	(272,428)	1,590,839

17. OTHER ASSETS

	Note	Un-audited September 30,	Audited December 31, 2023
		--------- (Rupees in '000) --------	
Income / mark-up accrued in local currency		**771,097**	1,724,487
Income / mark-up accrued in foreign currencies		**2,813,349**	2,855,656
Advances, deposits, advance rent and other prepayments		**189,218**	107,246
Mark to market gain on forward foreign exchange contracts		**11,411,947**	7,448,685
Acceptances		**58,024**	1,565,176
Receivable from defined benefit plan		**7,885**	4,218
Clearing and settlements		**6,951,207**	-
Others		**593**	593
		22,203,320	13,706,061
Credit loss allowance held against other assets	17.1	**(1,960)**	(1,090)
		22,201,360	13,704,971

17.1 Credit loss allowance against other assets

Opening balance	**(1,090)**	-
Cumulative effect of adaption of IFRS 9	**(316)**	-
Balance at the beginning of period	**(1,406)**	-
Advances, deposits, advance rent and other prepayments		
Charge for the period / year	**(1,154)**	(1,090)
Reversals for the period / year	**304**	-
	(850)	(1,090)
Acceptances		
Charge for the period / year	**(53)**	-
Reversals for the period / year	**349**	-
	296	-
Closing balance	**(1,960)**	(1,090)

18. BILLS PAYABLE

In Pakistan	**1,510,944**	1,740,735

19. BORROWINGS

Unsecured			
Call borrowings	19.2	**902,686,843**	955,797,554

19.1 Particulars of borrowings with respect to currencies

In foreign currencies	**902,686,843**	955,797,554

19.2 This represents foreign currency borrowings from ICBC branches outside Pakistan at mark-up rates ranging from 2% to 6.3% per annum (December 31, 2023: 1.8% to 6.3% per annum) maturing upto September 12, 2025 (December 31, 2023: upto April 14, 2025).

20. DEPOSITS AND OTHER ACCOUNTS

	Un-audited			Audited		
	September 30, 2024			December 31, 2023		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	---------- (Rupees in '000) ----------					
Customers						
Current deposits	**44,894,023**	**17,903,963**	**62,797,986**	11,261,949	3,222,491	14,484,440
Savings deposits	**424,341,448**	**2,239,820**	**426,581,268**	225,609,205	1,179,067	226,788,272
Term deposits	**6,362,275**	**-**	**6,362,275**	6,710,608	-	6,710,608
	475,597,746	**20,143,783**	**495,741,529**	243,581,762	4,401,558	247,983,320
Financial Institutions						
Current deposits	**35,193**	**13,678,271**	**13,713,464**	30,183	3,856,468	3,886,651
Savings deposits	**7,183**	**-**	**7,183**	4,922	-	4,922
	42,376	**13,678,271**	**13,720,647**	35,105	3,856,468	3,891,573
	475,640,122	**33,822,054**	**509,462,176**	243,616,867	8,258,026	251,874,893

20.1 This includes deposits amounting to PKR. 802.938 million as at December 31, 2023 , eligible to be covered under insurance arrangements as per the requirement of Deposit Protection Corporation Act, 2016 (the Act), and DPC Circular No. 04 of 2018. The Bank is liable to pay annual premium, on quarterly basis, to the Deposit Protection Corporation (a subsidiary company of State Bank of Pakistan) at the rate of 0.16% on eligible deposits as of December 31 of each preceding calendar year.

		Note	Un-audited September 30, 2024	Audited December 31, 2023
			------------- (Rupees in '000) -------------	
20.2	**Composition of deposits**			
	Individuals		**712,008**	834,153
	Public Sector Entities		**35,484**	-
	Banking Companies		**13,685,164**	3,865,390
	Private Sector		**495,029,520**	247,175,350
			509,462,176	251,874,893
21.	**LEASE LIABILITY**			
	Lease Liabilities	21.1	**266,336**	133,017
21.1	**Lease Liabilities**			
	Outstanding amount at the start of the year		**133,017**	80,492
	Additions during the year		**281,573**	214,338
	Payment made during the period year		**(176,993)**	(170,412)
	Interest expense		**28,739**	8,599
	Outstanding amount at the end of the year	21.1.1	**266,336**	133,017
21.1.1	**Liabilities Outstanding**			
	Not later than one year		**35,428**	19,703
	Later than one year and upto five years		**230,908**	113,314
	Total at the period / year end		**266,336**	133,017
	Interest Rate		**7.52% to 16.34%**	7.27% to 16.13%
	Renewal Options		**No**	No
	Escalation clauses		**Yes**	Yes
22.	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		**19,913,819**	23,502,621
	Mark-up / return / interest payable in foreign currency		**12,875,632**	11,219,237
	Performance bonus payable		**703,703**	1,117,428
	Unearned commission income		**974,686**	2,463,687
	Accrued expenses		**14,429**	38,421
	Current taxation (provisions less payments)		**392,425**	5,189,537
	Acceptances		**58,024**	1,565,176
	Mark to market loss on forward foreign exchange contracts		**38,849,649**	28,855,308
	Workers' welfare fund		**3,975,955**	3,099,180
	Withholding tax payable		**28,529**	36,876
	Clearing and settlements		**33,013,327**	1,192,495
	Others		**21,839**	1,754
			110,822,017	78,281,720
	Credit loss allowance against off-balance sheet obligations	22.1	**74,291**	-
			110,896,308	78,281,720
22.1	**Credit loss allowance against off-balance sheet obligations**			
	Opening balance		**-**	-
	Cumulative effect of adaption of IFRS 9		**94,263**	-
	Balance at the beginning of period		**94,263**	-
	Charge for the period / year		**377**	**-**
	Reversals		**(20,349)**	**-**
			(19,972)	-
	Closing balance		**74,291**	-

	Note	Un-audited September 30, 2024	Audited December 31, 2023
		------------- (Rupees in '000) -------------	

23. HEAD OFFICE CAPITAL ACCOUNT

Capital held as:

	Note	Un-audited September 30, 2024	Audited December 31, 2023
Interest free deposit in approved foreign exchange			
i) Remitted from Head Office (USD 150 million)		**42,279,105**	33,964,635
ii) Revaluation surplus allowed by the State Bank of Pakistan		**(622,140)**	8,314,470
		41,656,965	42,279,105

23.1 Interest free deposit in approved foreign exchange capital account amounts to USD 150 million (December 31, 2023: USD 150 million).

	Note	Un-audited September 30, 2024	Audited December 31, 2023
		------------- (Rupees in '000) -------------	

24. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

	Note	Un-audited September 30, 2024	Audited December 31, 2023
Surplus / (deficit) on revaluation of Investment at FVOCI	11.1	**8,347,133**	(235,621)
Deferred tax on (surplus) / deficit on revaluation of Investment at FVOCI		**(4,090,095)**	115,454
		4,257,038	(120,167)

25. CONTINGENCIES AND COMMITMENTS

	Note	Un-audited September 30, 2024	Audited December 31, 2023
Guarantees	25.1	**408,751,261**	429,980,351
Commitments	25.2	**3,309,899,451**	3,330,159,704
		3,718,650,712	3,760,140,055

25.1 Guarantees:

	Un-audited September 30, 2024	Audited December 31, 2023
Financial guarantees	**563,251**	563,251
Performance guarantees	**188,985,104**	185,916,462
Other guarantees	**219,202,906**	243,500,638
	408,751,261	429,980,351

25.2 Commitments:

	Note	Un-audited September 30, 2024	Audited December 31, 2023
Documentary credits and short-term trade-related transactions			
- Letters of credit (including LC confirmations)		**20,178,244**	9,390,606
Commitments in respect of:			
- Forward foreign exchange contracts	25.2.1	**3,289,721,207**	3,320,769,098
		3,309,899,451	3,330,159,704

25.2.1 Commitments in respect of forward foreign exchange contracts

	Un-audited September 30, 2024	Audited December 31, 2023
Purchase	**1,623,866,880**	1,644,331,162
Sale	**1,665,854,327**	1,676,437,936
	3,289,721,207	3,320,769,098

The Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At year end, all foreign exchange contracts have a remaining maturity of less than one year.

			Un-audited	
			September 30, 2024	September 30, 2023
26.	**MARK-UP / RETURN / INTEREST EARNED**	**Note**	**--------- (Rupees in '000) --------**	
	On:			
	Loans and advances	26.1	**24,275,248**	22,027,723
	Investments		**99,434,157**	101,415,638
	Lendings to financial institutions		**50,031,690**	16,112,165
	Balances with other banks		**389,064**	304,299
			174,130,159	139,859,825

26.1 This includes PKR 22.793 billion (September 30, 2023: PKR 16.373 billion) interest earned from loan to Ministry of Finance, Pakistan.

			Un-audited	
			September 30, 2024	September 30, 2023
		Note	**--------- (Rupees in '000) --------**	
27.	**MARK-UP / RETURN / INTEREST EXPENSED**			
	On:			
	Deposits		**49,589,926**	26,696,202
	Borrowings	27.1	**41,987,617**	38,342,322
	Cost of foreign currency swaps against foreign currency deposits / borrowings		**34,699,101**	24,389,767
	Finance charges on lease liability against right of use asset		**28,739**	4,828
			126,305,383	89,433,119

27.1 Borrowings

Call Borrowings from ICBC Head office and branches	27.1.1	**41,987,617**	38,274,834
Securities sold under repurchase agreements		**-**	67,488
		41,987,617	38,342,322

27.1.1 This includes PKR 11.395 billion (June 30, 2023: PKR 6.302 billion) interest expense on loan to Ministry of Finance, Pakistan.

			Un-audited	
			September 30, 2024	September 30, 2023
28.	**FEE & COMMISSION INCOME**	**Note**	**--------- (Rupees in '000) --------**	
	Branch banking customer fees		**10,047**	6,067
	Card related fees (debit cards)		**129**	229
	Investment banking fees		**158,064**	177,102
	Commission on trade		**155,524**	77,893
	Commission on guarantees		**770,645**	758,601
	Commission on remittances including home remittances		**36,349**	49,384
	Credit related fees	28.1	**1,358,465**	1,057,909
			2,489,223	2,127,185

28.1 This includes PKR 1358.279 million (September 30, 2023: PKR 1057.521 million) arrangement fee on loan to Ministry of Finance, Pakistan.

			Un-audited	
			September 30, 2024	September 30, 2023
29.	**FOREIGN EXCHANGE INCOME - Net**		**--------- (Rupees in '000) --------**	
	On:			
	Purchase and sale of forward foreign exchange contracts with Inter Banks - net	29.1	**(46,717)**	892,031
	Foreign Exchange revaluation of swaps - net	29.2	**(8,679,705)**	(7,447,689)
	Ready purchase and sale of foreign currencies	29.3	**5,104,633**	2,994,168
	Foreign exchange revaluation of others - net		**(987,296)**	(1,077,371)
			(4,609,085)	(4,638,861)

		Note	Un-audited September 30, 2024	Un-audited September 30, 2023
			------------ (Rupees in '000) ----------	
30.	**(LOSS) / GAIN ON SECURITIES**			
	Realised		**-**	(3,783)
	Realised (loss) / gain on:			
	Federal Government securities		**-**	(3,783)
31.	**OTHER INCOME**			
	Recovered from employees against waiver of notice period		**926**	1,011
32.	**OPERATING EXPENSES**			
	Total compensation expense		**1,142,687**	1,183,557
	Property expense			
	Rent & taxes		**18,916**	4,304
	Insurance		**445**	311
	Utilities cost		**12,858**	7,799
	Security (including guards)		**25,180**	18,672
	Repair & maintenance (including janitorial charges)		**25,278**	26,298
	Depreciation		**23,740**	22,182
	Depreciation on right-of-use assets		**119,945**	30,615
			226,362	110,181
	Information technology expenses			
	Software maintenance		**18,606**	9,565
	Hardware maintenance		**1,059**	1,423
	Depreciation		**8,110**	5,614
	Amortisation		**9,898**	20
	Insurance		**23**	16
	Network and connectivity charges		**11,929**	16,002
			49,625	32,640
	Other operating expenses			
	Legal & professional charges		**8,021**	7,055
	Outsourced services costs		**45,274**	38,397
	Travelling & conveyance		**27,092**	25,520
	Insurance		**2,173**	2,257
	NIFT clearing charges		**1,895**	1,652
	Fees and subscription		**104,052**	100,600
	Repair & maintenance		**10,487**	7,351
	Depreciation		**32,063**	18,025
	Depreciation on right-of-use assets		**-**	1,620
	Training & development		**3,804**	4,391
	Postage & courier charges		**3,311**	1,185
	Communication		**5,242**	3,350
	Stationery, printing and low value consumables		**6,796**	8,740
	Marketing, advertisement & publicity		**88**	11,497
	Donations		**-**	965
	Commission expense		**7,131**	9,163
	Deposit protection premium	20.1	**964**	975
	Entertainment expense		**6,551**	6,180
	Others		**3,763**	3,025
			268,806	251,948
			1,687,480	1,578,326

	Note	Un-audited	
		September 30, 2024	September 30, 2023
		------------ **(Rupees in '000)** ----------	
33. WORKERS' WELFARE FUND			
Charge during the period	33.1	**876,775**	934,478

33.1 Provision held at 2% of the higher of profit before tax or taxable income under Sindh Workers' Welfare Act, 2014 and the Punjab Workers' Welfare Fund Act, 2019.

	Un-audited	
	September 30, 2024	September 30, 2023
	------------ **(Rupees in '000)** ----------	
34. CREDIT LOSS ALLOWANCE / GENERAL PROVISION & WRITE OFFS - NET		
Balances with other banks	**4,330**	-
Loans & advances	**195,161**	-
Other assets	**554**	-
Off balance sheet items	**(19,972)**	-
Reversals of provision against loans & advances	**-**	(389,968)
	180,073	(389,968)

35. TAXATION		
Current	**18,099,157**	20,320,945
Deferred	**(555,903)**	(551,524)
	17,543,254	19,769,600

35.1 With reference to FBR letter no.C.No.1(51)R&S/(2017/30679-R dated February 23, 2023 and sub rule 4 of Rule 8 of seventh schedule of Income Tax Ordinance, 2001, profit on debt on the Bank's commercial foreign currency commercial loan facility of USD 1.3 billion to Ministry of Finance, Government of Pakistan is exempt from all taxes but limited to Income Tax, Super Tax and withholding taxes.

35.2 The returns of income tax have been filed up to tax year 2023. The return for the year 2023 (tax year 2024) will be due for filing by September 30,2024.

	Un-audited	Audited	Un-audited
	September 30, 2024	December 31, 2023	September 30, 2023
36. CASH AND CASH EQUIVALENTS	-------------------- **(Rupees in '000)** --------------------		
Cash and balances with treasury banks	**74,177,985**	63,902,407	70,998,039
Balances with other banks	**42,318,289**	16,633,161	15,220,901
Credit loss allowance	**8,428**	-	-
	116,504,702	80,535,568	86,218,940

37. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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 these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 Fair value of financial assets

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

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

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

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

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

	Un-audited			
	September 30, 2024			
	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 (FVOCI)	**-**	**769,057,192**	**-**	**769,057,192**
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities (Amortised Cost)	**-**	**4,851,345**	**-**	**4,851,345**
Off-balance sheet financial instruments - measured at fair value				
Forward purchase and sale of foreign exchange	**-**	**(27,437,702)**	**-**	**(27,437,702)**

	Audited			
	December 31, 2023			
	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 (FVOCI)	-	461,798,079	-	461,798,079
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities (Amortised Cost)	-	9,538,708	-	9,538,708
Off-balance sheet financial instruments - measured at fair value				
Forward purchase and sale of foreign exchange contracts	-	(21,406,623)	-	(21,406,623)

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

(a) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds and forward foreign exchange contracts.

Item	**Valuation technique and input used**
Pakistan Investment Bonds	Fair values of Pakistan Investment Bonds are derived using the PKRV rates
Market Treasury Bills	Fair values of Treasury Bills are derived using the PKRV rates.
Forward Foreign Exchange Contracts	The valuation has been determined by interpolating the FX revaluation rates announced by State Bank of Pakistan.

(b) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

38. **SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

	2024				
	Corporate finance	**Treasury**	**Branch Banking**	**Others**	**Total**
	---------------------------------- (Rupees in '000) ----------------------------------				
September 30, 2024 - Un-audited					
Profit & Loss					
Net mark-up / return / profit	5,998,353	41,855,162	-	(28,739)	47,824,776
Inter segment revenue - net	40,833	(40,833)	-	-	-
Non mark-up / return / interest income	6,526,404	(8,692,791)	46,525	1,386	(2,118,476)
Total Income	12,565,590	33,121,538	46,525	(27,353)	45,706,300
Segment direct expenses	704,544	1,857,102	2,609	-	2,564,255
Inter segment expense allocation	-	-	-	-	-
Total expenses	704,544	1,857,102	2,609	-	2,564,255
Provision	(180,073)	-	-	-	(180,073)
Profit before tax	11,680,973	31,264,436	43,916	(27,353)	42,961,972
September 30, 2024 - Un-audited					
Statement of financial position					
Cash & Bank balances	-	116,496,274	-	-	116,496,274
Investments	-	773,908,537	-	-	773,908,537
Net inter segment lending	502,313,004	-	-	-	502,313,004
Lendings to financial institutions	-	391,136,340	-	-	391,136,340
Advances - performing	368,176,205	-	-	-	368,176,205
- non-performing	-	-	-	-	-
Others	3,211,477	11,842,940	-	8,088,454	23,142,871
Total Assets	873,700,686	1,293,384,091	-	8,088,454	2,175,173,231
Borrowings	361,027,030	541,659,813	-	-	902,686,843
Deposits & other accounts	509,462,179	-	-	-	509,462,179
Net inter segment borrowing	-	502,313,004	-	-	502,313,004
Others	23,048,493	49,697,608	34,524,271	7,435,274	114,705,646
Total liabilities	893,537,702	1,093,670,425	34,524,271	7,435,274	2,029,167,672
Equity	-	-	-	146,005,558	146,005,558
Total Equity & liabilities	893,537,702	1,093,670,425	34,524,271	153,440,832	2,175,173,230
Contingencies & Commitments	428,929,505	3,289,721,207	-	-	3,718,650,712

	2023				
	Corporate finance	Treasury	Branch Banking	Others	Total
	------------------------------------ (Rupees in '000) -------------------------------				
September 30, 2023 - Un-audited					
Profit & Loss					
Net mark-up / return / profit	4,850,580	45,580,954	-	(4,828)	50,426,706
Inter segment revenue - net	234,317	(234,317)	-	-	-
Non mark-up / return / interest income	4,466,839	(7,037,978)	55,680	1,011	(2,514,448)
Total Income	9,551,736	38,308,659	55,680	(3,817)	47,912,258
Segment direct expenses	500,910	2,008,974	2,920	-	2,512,804
Inter segment expense allocation	-	-	-	-	-
Total expenses	500,910	2,008,974	2,920	-	2,512,804
Provision	(389,968)	-	-	-	(389,968)
Profit before tax	9,440,794	36,299,685	52,760	(3,817)	45,789,422
December 31, 2023 - Audited					
Statement of financial position					
Cash & Bank balances	-	80,535,568	-	-	80,535,568
Investments	-	471,336,787	-	-	471,336,787
Net inter segment lending	148,529,406	-	-	-	148,529,406
Lendings to financial institutions	-	469,012,808	-	-	469,012,808
Advances - performing	372,240,334	-	-	-	372,240,334
- non-performing	-	-	-	-	-
Others	4,795,652	8,798,352	-	2,502,029	16,096,033
Total Assets	525,565,392	1,029,683,515	-	2,502,029	1,557,750,936
Borrowings	366,418,910	589,378,644	-	-	955,797,554
Deposits & other accounts	251,874,893	-	-	-	251,874,893
Net inter segment borrowing	-	148,529,406	-	-	148,529,406
Others	27,531,484	40,074,545	2,933,230	9,616,213	80,155,472
Total liabilities	645,825,287	777,982,595	2,933,230	9,616,213	1,436,357,325
Equity	-	-	-	121,393,611	121,393,611
Total Equity & liabilities	645,825,287	777,982,595	2,933,230	131,009,824	1,557,750,936
Contingencies & Commitments	439,370,957	3,320,769,098	-	-	3,760,140,055

38.1 The Branches only have Pakistan Operations and reported as that geographical location.

39. RELATED PARTY TRANSACTIONS

The Branches have related party transactions with its Head Office, other ICBC Branches, employee benefit plans and its Directors and Key management personnel.

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

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

	Un-audited September 30, 2024				Audited December 31, 2023			
	Key management personnel	**Head office**	**Overseas branches / associates**	**Other related parties**	Key management personnel	Head office	Overseas branches / associates	Other related parties
	(Rupees in '000)							
Balances with other banks								
In current accounts	**-**	**19,778,307**	**361,662**		-	13,328,801	123,781	-
Advances								
Opening balance	**-**	**-**	**-**	**-**	180	-	-	-
Repaid during the period / year	**-**	**-**	**-**	**-**	(180)	-	-	-
Closing balance	**-**	**-**	**-**	**-**	-	-	-	-
Other Assets								
Defined benefit asset	**-**	**-**	**-**	**7,885**	-	-	-	4,218
Mark to market loss on forward								
foreign exchange contracts	**-**	**-**	**363**	**-**	-	-	15,823	-
Mark to market loss on Swap								
forward exchange contracts	**-**	**-**	**11,373,037**	**-**	-	-	7,005,718	-
Closing balance	**-**	**-**	**11,373,400**	**7,885**	-	-	7,021,541	4,218
Borrowings								
Opening balance	**-**	**-**	**955,797,554**	**-**	-	-	499,959,427	-
Borrowings during the year	**-**	**-**	**1,572,425,673**	**-**	-	-	2,242,954,318	-
Settled during the year	**-**	**-**	**(1,625,536,384)**	**-**	-	-	(1,787,116,191)	-
Transfer in / (out) - net	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance	**-**	**-**	**902,686,843**	**-**	-	-	955,797,554	-
Deposits and other accounts								
Opening balance	**2,791**	**1,789**	**-**	**99,046**	5,178	1,789	-	83,339
Received during the period / year	**383,800**	**-**	**-**	**42,275**	700,903	-	-	32,706
Withdrawn during the period / year	**(381,602)**	**-**	**-**	**(6,976)**	(702,785)	-	-	(16,999)
Transfer in / (out) - net	**2,072**	**-**	**-**	**-**	(505)	-	-	-
Closing balance	**7,061**	**1,789**	**-**	**134,345**	2,791	1,789	-	99,046
Other Liabilities								
Interest / mark-up payable	**1**	**-**	**12,874,844**	**6,583**	35	-	11,217,401	**10,312**
Mark to market loss on forward								
foreign exchange contracts	**-**	**-**	**25,629**	**-**	-	-	267	-
Mark to market loss on Swap	**-**							
forward exchange contracts	**-**	**-**	**55,392**	**-**	-	-	273,087	-
Commission received in advance	**-**							
against unfunded exposure	**-**	**108,992**	**-**	**-**	-	179,756	-	-
Closing balance	**1**	**108,992**	**12,955,865**	**6,583**	35	179,756	11,490,755	10,312
Contingencies and Commitments								
Letter of guarantee	**-**	**230,426,106**	**-**	**-**	-	234,305,011	-	-
Forward exchange contract purchase	**-**	**-**	**534,708,418**	**-**	-	-	530,552,365	-
Forward exchange contract sale	**-**	**-**	**525,980,037**	**-**	-	-	525,996,089	-

	Un-audited September 30, 2024				Un-audited September 30, 2023			
	Key management personnel	**Head office**	**Overseas branches / associates**	**Other related parties**	Key management personnel	Head office	Overseas branches / associates	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	**-**	**91,427**	**1,423**	**-**	-	69,000	979	-
Fee & commission income	**-**	**151,190**	**-**	**-**	372	118,704	-	-
Expense								
Mark-up / return / interest paid	**14**	**2,279**	**41,985,339**	**11,466**	280	-	38,274,834	7,261
Compensation expense	**278,309**	**-**	**-**	**-**	293,183	-	-	-
Payments made during the year								
Contribution to gratuity fund	**-**	**-**	**-**	**10,465**	-	-	-	8,409
Contribution to provident fund	**-**	**-**	**-**	**5,276**	-	-	-	7,724

40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY

	Un-audited September 30, 2024	Audited December 31, 2023
	------------ (Rupees in '000) ------------	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**41,656,965**	42,279,105
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**141,721,383**	121,356,575
Eligible Additional Tier 1 (ADT 1) Capital	**-**	-
Total Eligible Tier 1 Capital	**141,721,383**	121,356,575
Eligible Tier 2 Capital	**4,477,301**	59,893
Total Eligible Capital (Tier 1 + Tier 2)	**146,198,684**	121,416,468
Risk Weighted Assets (RWAs):		
Credit Risk	**196,022,567**	194,326,328
Market Risk	**60,832,573**	33,062,640
Operational Risk	**70,213,336**	70,213,336
Total	**327,068,476**	297,602,304
Common Equity Tier 1 Capital Adequacy Ratio	**43.33%**	40.78%
Tier 1 Capital Adequacy Ratio	**43.33%**	40.78%
Total Capital Adequacy Ratio	**44.70%**	40.80%

The SBP, through BPRD circular 12, dated March 26, 2020 has provided the following relaxations to banks to enable them to continue providing credit to the real economy:

The Capital Conservation Buffer (CCB) has been reduced from 2.50% to 1.50%. This has resulted in a 1.00% decline in capital adequacy requirements for all tiers.

	Un-audited September 30, 2024	Audited December 31, 2023
	------------- (Percentages) ----------	
Minimum capital requirements prescribed by the SBP		
CET1 minimum ratio (%)	**9.00%**	9.00%
Tier 1 minimum ratio (%)	**10.50%**	10.50%
Total capital minimum ratio (%)	**13.00%**	13.00%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**141,721,383**	121,356,575
Total Exposure	**1,715,832,126**	1,515,728,877
Leverage Ratio	**8.26%**	8.01%
Minimum Requirement (%)	**3.00%**	3.00%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**1,060,809,823**	853,112,003
Total Net Cash Outflow	**514,953,129**	493,896,619
Liquidity Coverage Ratio	**206.00%**	172.73%
Minimum Requirement (%)	**100.00%**	100.00%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**714,858,972**	415,767,770
Total Required Stable Funding	**105,388,913**	103,978,764
Net Stable Funding Ratio	**678.31%**	399.86%
Minimum Requirement (%)	**100.00%**	100.00%

40.1 With reference to SBP letter No.EPD/ICM/379551/INT/12(36)-2022 dated December 05, 2022, conditions given under Basel III Guidelines for CAR, Leverage Ratio, LCR and NSFR (Issued under BPRD circular # 06 dated August 15, 2013 and BPRD circular # 08 dated June 23, 2016) and the requirement of Foreign Exposure Exposure Limit (FEEL) in accordance with DMMD Circular No. 16 of 2020 dated July 22, 2020, are not applicable on the foreign currency commercial loan facility of USD 1.3 billion to Ministry of Finance, Government of Pakistan by the Branches.

41. GENERAL

41.1 Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions to enhance comparability with the current period's financial statements.

41.2 The effect of reclassification, rearrangement, restatement in the comparative information presented in these financial statements is as follows:

Description of items	Nature	Rs. in '000	From	To
Statement of Financial Position				
Right of use assets	Assets	278,217	Fixed Assets	Right-of-use assets
Lease liabilities	Liability	133,017	Other liability	Lease liabilities

41.3 The figures in these financial statements have been rounded off to the nearest thousand.

42. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 21, 2024 by the Chief Executive Officer and Head of Finance (A).

Chief Executive Officer

Head of Finance (A)