








Report for the quarter and nine months
ended September 30, 2024

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Corporate Information

Board Of Directors	Lt. Gen Anwar Ali Hyder, HI(M) (Retd) - Chairman Mr. Jahangir Piracha Mr. Arif Ur Rehman Syed Bakhtiyar Kazmi Mr. Mazhar Abbas Hasnani * Mr. Manzoor Ahmed Raja Muhammad Abbas Ms. Zoya Mohsin Nathani Mr. Kamran Yousuf Mirza Ms. Samina Rizwan Mr. Saleem Anwar - Acting President & Chief Executive
Board Audit Committee	Mr. Kamran Yousuf Mirza - Chairman Mr. Jahangir Piracha Syed Bakhtiyar Kazmi Mr. Manzoor Ahmed Raja Muhammad Abbas
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors	M/s RIAA, Barker Gillette Advocates & Corporate Counselors
Company Secretary	Syed Ali Safdar Naqvi
Registered Office	AWT Plaza, The Mall, P. O. Box No. 1084 Rawalpindi - 46000, Pakistan Tel: (92 51) 8092624, UAN: (92 51) 111 000 787 Fax: (92 51) 2857448 Email: ir@askaribank.com.pk
Registrar & Share Transfer Office	CDC Share Registrar Services Limited (CDCSRSL) Mezzanine Floor, South Tower, LSE Plaza 19-Khayaban-e-Aiwan-e-Iqbal, Lahore Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Tel: (92 42) 36362061-66 Fax: (92 42) 36300072 Email: info@cdcsrsl.com Website: www.cdcsrsl.com
Entity Ratings	Long Term: AA+ Short Term: A1+ By PACRA
Website	www.askaribank.com
Social Media	 askaribankpakistan  Askari_Bank  askaribankpk  askaribanklimited  AskariBankOfficial

* Subject to Fit & Proper Test clearance by the State Bank of Pakistan.

DIRECTORS' REVIEW

Dear Shareholders

The Directors present unaudited condensed interim unconsolidated financial statements for the third quarter and nine months ended September 30, 2024.

Economy:

Pakistan's economy is undergoing a broad-based stabilization – receding inflation, contained twin deficit, easing external pressures and improved confidence. Inflation has been on a downturn since the beginning of the year as CPI reduced from 29.7 percent in Dec '23 to 6.9 percent in Sep '24. The sharp pace of disinflation and improving indicators prompted further monetary easing as the policy rate was reduced by 300bps during the current quarter, to 17.5 percent in Sep'24, a cumulative reduction of 450bps during the current year. On the external account, elevated remittance inflows and improved export earnings compensated the increase in imports and helped contain current account deficit that was also benefited by favorable changes in oil prices and relative easing of global financial conditions. Looking ahead, economy is poised to build on its recent progress as the GDP growth is projected at around 3 percent for the current fiscal year. LSM is regaining as major export sectors are showing readiness to scale up production, however outlook for agriculture will be impacted by the expected shortfall in cotton production against the target. Also, inflation outlook in the near-term appears susceptible to risks owing to uncertainty of energy price adjustments, and additional fiscal measures. The recent economic indicators need to gain traction for sustained recovery driven by continued fiscal restraint, structural reforms particularly energy sector, enhanced private sector participation and external financing needs along with support from bilateral and multilateral partners.

Financial Performance:

The financial results of the Bank for the third quarter and nine months ended September 30, 2024 are summarized as under:

	(Rupees in Million)	
	Nine months ended September 30,	
	2024	2023
Net mark-up and non-fund income	54,145	50,418
Administrative and other expenses	(25,209)	(21,355)
Operating profit	28,936	29,063
Credit Loss Allowance/Provisions and write offs - net	(1,232)	(690)
Profit before Taxation	27,704	28,373
Taxation	(13,682)	(13,809)
Profit after taxation	14,022	14,564
Basic earning per share - Rupees	9.68	10.05

Askari Bank posted profit before tax of Rs.27.7 billion for the nine months ended September 30, 2024, a 2 percent decline mainly due to reduction in markup income upon restructuring of loan to a large PSE during the current period. Earnings per share at Rs. 9.68 for the current period compares with Rs.10.05 for same period last year.

Total revenues increased by 7 percent to Rs. 54.1 billion mainly contributed by net mark-up income that also increased by 7 percent yoy. The increase in net mark-up income was driven by volumetric growth, a 29 percent increase in earning assets partially offset by higher cost of funds. Non markup income increased by 11 percent to Rs. 10.9 billion. The Bank's strategy of opening new branches and investing in technology, along with the impact of inflation, resulted in higher operating expense that increase by 18 percent. Cost to income ratio stood at 46.6 percent for the period in review.

Customer deposits closed at Rs.1.4 trillion at September 30, 2024, a 9 percent growth during the current period. CASA deposit recorded a growth of 14 percent and constitute 88 percent of the total deposits at period end, an improvement from 84 percent. Advances declined by 24 percent mainly due to net retirement of short-term seasonal financing during the quarter. The Bank recognized credit loss allowance of Rs. 1.2 billion compared to a net provision charge of Rs. 690 million for the comparable period. During the period, IFRS-9 has been adopted as per regulatory guidance and requisite financial disclosures have been made in the annexed financial statements. The Bank is well capitalized with adequate buffers over regulatory requirements. At September 30, 2024, leverage ratio was recorded at 3.46 percent and capital adequacy ratio 21.19 percent.

The Bank's entity rating was reaffirmed at 'AA+' (Double A Plus) for the long-term by Pakistan Credit Rating Agency Limited (PACRA), with outlook assigned as 'Stable'. The Bank's strong brand and affiliation with Fauji Foundation are recognized as the key rating drivers, supported by Bank's experienced management team, prudent risk management policies, and deep-rooted relationship with clients. Lately, retention of profits in the Bank to bolster the capital structure is also a testimonial of support. The short-term rating was maintained at 'A1+' (A One Plus).

Askari Bank continues to expand its market positioning for sustainable growth and commitment to improve value proposition. The Bank is focused on expanding its market share in retail segment, particularly low-cost deposits and consumer products through optimization and strategic branch expansion. Emphasis will remain on boosting trade volumes with a focus on SME and commercial segments. Customer experience remains a key priority aided by continued initiatives in the areas of process improvements, digitization, automation and data analytics. Effective Risk management will remain the key across all lines of businesses as environment remains challenging. The Bank will continue to pursue strong governance and compliance discipline and will continue to invest in talent and technology enabling its teams to do more to help our customers achieve their ambitions and in-turn drive Askari Bank to grow in the future.

Acknowledgment:

On behalf of the Board, we would like to place on record our gratitude to our valued customers and shareholders for their continued patronage to the Askari brand; our profound thanks to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance and assistance. We would also like to place on record our appreciation for the efforts of the Shariah Board for strengthening shariah compliance and governance framework for Askari Ikhlas Islamic Banking. Lastly, we express our deepest appreciation and gratitude to our staff for the hard work and dedication.

-sd-

A/President & Chief Executive

-sd-

Chairman, Board of Directors

October 29,2024

Rawalpindi

کل آمدن 7 فیصد اضافے کے ساتھ 54.1 بلین روپے ہو گئی جس کی بنیادی وجہ نیٹ مارک اپ انکم ہے جس میں سال بہ سال 7 فیصد اضافہ ہوا۔ نیٹ مارک اپ انکم میں بڑھوتی حجم میں اضافے سے ہوئی، ارننگ اسٹیس میں 29 فیصد اضافہ فنڈز کی زیادہ لاگت کے ساتھ جزوی طور پر آف سیٹ ہوا۔ نان مارک اپ آمدنی 11 فیصد سے بڑھ کر 10.9 بلین روپے ہو گئی۔ بینک کی نئی برانچیں کھولنے اور نیٹو لوجی میں سرمایہ کاری کی حکمت عملی کے ساتھ افراط زر کے اثرات کے نتیجے میں آپریٹنگ اخراجات میں 18 فیصد اضافہ ہوا۔ آمدنی اور لاگت کا تناسب جائزے کی اس مدت کے دوران 46.6 فیصد رہا۔

30 ستمبر 2024 کو کسٹمر ڈپازٹس 1.4 ٹریلین روپے رہے، جو کہ موجودہ مدت کے دوران 9 فیصد اضافہ ہے۔ کرنٹ اور سیونگ ڈپازٹ میں 14 فیصد اضافہ دیکھا گیا جو کہ مدت کے اختتام پر کل ڈپازٹس میں 84 فیصد سے بڑھ کر 88 فیصد پر آ گیا۔ اس سہ ماہی کے دوران ایڈوانسز میں 24 فیصد کمی ہوئی جس کی بنیادی وجہ مختصر مدت کیلئے سیزل فنڈنگ کی نیٹ ریٹائرمنٹ ہے۔ بینک نے تقابلی مدت کے لیے 690 بلین روپے کے نیٹ پروویژن چارج کے مقابلے میں 1.2 بلین روپے کا کریڈٹ لاس الاؤنس مختص کیا۔ اس مدت کے دوران IFRS-9 کوریگیٹری ہدایات کے مطابق اپنایا گیا ہے اور منسلک مالیاتی گوشواروں میں مطلوبہ مالیاتی وضاحتیں فراہم کر دی گئی ہیں۔ بینک ریگیولیٹری تقاضوں پر کافی بفرز کے ساتھ عمل پیرا ہے۔ 30 ستمبر 2024 کو لیوریج ریٹو 3.46 فیصد اور کیپٹل ایڈوکیسی ریٹو 21.19 فیصد ریکارڈ کی گئی۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے طویل مدت کے لیے بینک کی ریٹنگ ڈبل اے پلس (AA+) کی دوبارہ تصدیق کی گئی، جس کا آؤٹ لک 'مستحکم' تفویض کیا گیا ہے۔ اس ریٹنگ کے حصول میں بینک کے مضبوط برانڈ اور فوجی فاؤنڈیشن کیساتھ وابستگی اور اس کے ساتھ ساتھ بینک کی تجربہ کار مینجمنٹ ٹیم، رسک مینجمنٹ کی محتاط پالیسیاں، اور کلائنٹس کے ساتھ گہرے تعلقات نے نہایت اہم کردار ادا کیا۔ حال ہی میں، سرمائے کے ڈھانچے کو تقویت دینے کے لیے بینک میں منافع کو برقرار رکھنا بھی مددگار ثابت ہوا ہے۔ مختصر مدت کی درجہ بندی اے ون پلس (A1+) پر برقرار رکھی گئی۔

عسکری بینک پائیدار ترقی اور ویلیو پروویژن کو بہتر بنانے کے عزم کے پیش نظر اپنی مارکیٹ پوزیشننگ کو بڑھا رہا ہے۔ بینک کی توجہ خاص طور پر کم لاگت کے ڈپازٹس اور صارفین کی مصنوعات میں بہتری اور حکمت عملی کے تحت ریٹیل سیگمنٹ میں اپنے مارکیٹ شیئر کو بڑھانے پر مرکوز ہے۔ SME اور کمرشل سیگمنٹ پر توجہ مرکوز کرتے ہوئے تجارتی حجم کو بڑھانے پر زور دیا جائے گا۔ پروسیس میں بہتری، ڈیجیٹائزیشن، آٹومیشن اور ڈیٹا اینالیٹکس کے شعبوں میں مسلسل اقدامات کے ذریعے کسٹمرز کی سہولتوں میں بہتری ایک اہم ترجیح ہے۔ موثر رسک مینجمنٹ کاروبار کے تمام خطوط میں کلیدی رہے گا کیونکہ ماحول اب بھی چیلنجنگ ہے۔ بینک مضبوط گورننس اور تعمیل کے نظم و ضبط کی پیروی جاری رکھے گا اور ٹیلنٹ اور ٹیکنالوجی میں سرمایہ کاری کرتا رہے گا تاکہ عملی کی استعداد کو اس قابل بنایا جاسکے کہ ہمارے صارفین کو ان کی مالی ضروریات کے حصول میں مدد مل سکے اور عسکری بینک مستقبل میں ترقی میں ترقی کرے۔

اعترافات :

بورڈ کی جانب سے، ہم عسکری برانڈ کی مسلسل سرپرستی کے لیے اپنے قابل قدر صارفین اور حصص دارن کا شکریہ ادا کرنا چاہتے ہیں۔ ہم اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگیولیٹری اتھارٹیز کا ہماری رہنمائی اور مدد کے لیے تہہ دل سے شکر گزار ہیں۔ ہم عسکری اخلاص اسلامی بینکاری کے لیے شریعہ کمپلائنس اور گورننس فریم ورک کو مضبوط بنانے کیلئے شریعہ بورڈ کی کوششوں کا بھی اعتراف کرتے ہیں۔ آخر میں، ہم سخت محنت اور لگن کے حامل اپنے اسٹاف کی تہہ دل سے تعریف اور شکریہ ادا کرتے ہیں۔

دستخط

چیئرمین، بورڈ آف ڈائریکٹرز

دستخط

قائم مقام صدر و چیف ایگزیکٹو

29 اکتوبر 2024

راولپنڈی

ڈائریکٹرز 30 ستمبر 2024 کو اختتام پذیر تیسری سہ ماہی اور نو ماہی کے غیر آڈٹ شدہ عبوری غیر مدغم شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

معیشت :

پاکستان کی معیشت افراط زر میں کمی، دوہرے خسارے میں بہتری، اعتماد میں اضافے اور بیرونی دباؤ میں کمی کے تحت وسیع البنیاد استحکام سے گزر رہی ہے۔ افراط زر میں کمی سال کے آغاز سے ہی جاری ہے اور کنزیومر پرائس انڈیکس (CPI) دسمبر 2023 میں 29.7 فیصد سے کم ہو کر ستمبر 2024 میں 6.9 فیصد پر آ گیا ہے۔ افراط زر میں تیزی سے کمی اور معاشی اشاروں میں بہتری نے مالیاتی نرمی کو مزید حوصلہ بخشتا ہے جس کی وجہ سے پالیسی کی شرح موجودہ سہ ماہی کے دوران 300 bps سے کم ہو کر ستمبر 2024 میں 17.5 فیصد ہو گئی جو کہ رواں سال کے دوران 450 bps کی مجموعی کمی ہے۔ بیرونی سطح پر، ترسیلات زر میں اضافے اور بہتر برآمداتی آمدنی نے درآمدات میں اضافے کی تلافی کی اور کرنٹ اکاؤنٹ خسارے پر قابو پانے میں مدد کی اس میں تیل کی قیمتوں اور عالمی مالیاتی حالات نے بھی اہم کردار ادا کیا۔ مستقبل کے پیش نظر معیشت اپنی حالیہ پیش رفت کو مزید بڑھانے کے لیے تیار ہے اور موجودہ مالی سال کے لیے GDP کی شرح نمو 3 فیصد کے قریب رہنے کا امکان ہے۔ LSM میں دوبارہ بہتری آ رہی ہے کیونکہ بڑے برآمدی شعبے پیداوار کو بڑھانے کے لیے تیاری کر رہے ہیں، تاہم ہدف کے مقابلے میں کپاس کی پیداوار میں متوقع کمی سے زراعت کی مجموعی پیداوار متاثر ہو سکتی ہے۔ مزید یہ کہ توانائی کی قیمتوں میں ایڈجسٹمنٹ کی غیر یقینی صورتحال اور اضافی مالیاتی اقدامات قریبی مدت میں افراط زر پر اثر انداز ہو سکتے ہیں۔ حالیہ معاشی اشاروں کو پائیدار بحالی کیلئے مسلسل مالیاتی روک تھام، ساختی اصلاحات خاص طور پر توانائی کے شعبے، نجی شعبوں کی شمولیت میں اضافے اور بیرونی مالیاتی ضروریات کیلئے دو طرفہ اور کثیر جہتی شراکت داروں کی حمایت پر توجہ مرکوز کرنے کی ضرورت ہے۔

مالیاتی کارکردگی :

30 ستمبر 2024 کو اختتام پذیر سہ ماہی اور نو ماہی کے لیے بینک کے مالیاتی نتائج کا خلاصہ درج ذیل ہے :

(روپے ملین میں)		
30 ستمبر کو ختم ہونے والی نو ماہی		
2023	2024	
50,418	54,145	نیٹ مارک اپ اور نان فنڈ آمدن
(21,355)	(25,209)	انتظامی اور دیگر اخراجات
29,063	28,936	آپریٹنگ منافع
(690)	(1,232)	کریڈٹ لاس الاؤنس / پروویژنز اور رائٹ آف - نیٹ
28,373	27,704	قبل از ٹیکس منافع
(13,809)	(13,682)	ٹیکس
14,564	14,022	بعد از ٹیکس منافع
10.05	9.68	بنیادی آمدنی فی شیئر - روپے

عسکری بینک نے 30 ستمبر 2024 کو ختم ہونے والے نو مہینوں کے لیے 27.7 بلین روپے کا قبل از ٹیکس منافع کمایا جس میں 2 فیصد کمی ہوئی جس کی بنیادی وجہ موجودہ مدت کے دوران ایک بڑے PSE کو قرض کی ری اسٹرکچرنگ کے نتیجے میں مارک اپ آمدنی میں کمی ہے۔ موجودہ مدت کے لیے فی شیئر آمدنی 9.68 روپے رہی جو کہ گزشتہ سال کی اسی مدت کے لیے 10.05 روپے تھی۔

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2024

		(Un-audited)	(Audited)
		September 30,	December 31,
		2024	2023
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	117,781,302	160,087,394
Balances with other banks	7	7,457,949	13,789,031
Lendings to financial institutions	8	24,699,723	-
Investments	9	1,495,982,172	1,182,537,688
Advances	10	461,587,243	633,132,827
Property and equipment	11	20,381,126	18,698,072
Right-of-use assets	12	9,853,577	8,312,812
Intangible assets	13	1,789,727	1,855,607
Assets held for sale	14	1,750,000	1,750,000
Deferred tax assets	15	1,797,263	8,072,702
Other assets	16	149,718,556	95,769,826
Total Assets		<u>2,292,798,638</u>	<u>2,124,005,959</u>
LIABILITIES			
Bills payable	17	9,567,108	12,394,336
Borrowings	18	685,135,171	643,362,665
Deposits and other accounts	19	1,406,561,579	1,293,145,575
Lease liabilities	20	11,708,740	9,699,474
Subordinated debts	21	12,000,000	12,000,000
Other liabilities	22	52,203,708	56,281,088
Total Liabilities		<u>2,177,176,306</u>	<u>2,026,883,138</u>
NET ASSETS		<u>115,622,332</u>	<u>97,122,821</u>
REPRESENTED BY			
Share capital		14,492,992	14,492,992
Reserves		75,876,133	57,739,655
Surplus on revaluation of assets - net of tax	23	17,310,580	4,458,362
Unappropriated profit		7,942,627	20,431,812
		<u>115,622,332</u>	<u>97,122,821</u>
CONTINGENCIES AND COMMITMENTS	24		

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

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

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

For the nine months ended September 30, 2024

	Note	Quarter ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		(Rupees in '000)			
Mark-up / return / interest earned	26	104,477,051	88,828,232	309,818,298	216,840,112
Mark-up / return / interest expensed	27	86,064,216	73,130,624	266,641,547	176,321,242
Net mark-up / interest income		18,412,835	15,697,608	43,176,751	40,518,870
Non mark-up / interest income					
Fee and commission income	28	1,607,302	1,809,011	5,064,684	5,202,158
Dividend income		145,649	182,126	679,605	542,915
Foreign exchange income		1,159,558	852,646	3,574,024	3,636,087
Gain / (loss) on securities - net	29	425,303	191,625	1,321,631	217,390
Other income	30	125,221	101,121	328,044	300,925
Total non-markup / interest income		3,463,033	3,136,529	10,967,988	9,899,475
Total income		21,875,868	18,834,137	54,144,739	50,418,345
Non mark-up / interest expenses					
Operating expenses	31	8,503,001	7,227,848	24,739,240	20,826,936
Workers' Welfare Fund		135,000	160,211	405,000	398,110
Other charges	32	55,113	5,437	64,385	129,602
Total non-markup / interest expenses		8,693,114	7,393,496	25,208,625	21,354,648
Profit before credit loss allowance / provisions and taxation		13,182,754	11,440,641	28,936,114	29,063,697
Credit loss allowance and write offs - net	33	1,685,520	73,101	1,231,728	690,377
Profit before taxation		11,497,234	11,367,540	27,704,386	28,373,320
Taxation	34	5,546,480	5,641,022	13,682,181	13,809,259
Profit after taxation		5,950,754	5,726,518	14,022,205	14,564,061
		Rupees		Rupees	
Basic and diluted earnings per share	35	4.11	3.95	9.68	10.05

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

-sd-
Chief Financial Officer / A. President & CE

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Director

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Director

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Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended September 30, 2024

	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Rupees in '000)			
Profit after taxation	5,950,754	5,726,518	14,022,205	14,564,061
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in Wholesale Bank Branch	(12,535)	63,019	(74,307)	933,722
Movement in surplus on revaluation of debt investments designated at FVOCI - net of tax	9,571,755	-	10,680,614	-
Movement in surplus on revaluation of investments - net of tax	-	2,740,133	-	(4,359,722)
	9,559,220	2,803,152	10,606,307	(3,426,000)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of equity investments designated at FVOCI - net of tax	(22,811)	-	604,371	-
Reversal of deferred tax liability recognised in previous year	-	65,004	-	65,004
Remeasurement gain on defined benefit plan	-	222,829	367,245	222,829
	(22,811)	287,833	971,616	287,833
Total comprehensive income	15,487,163	8,817,503	25,600,128	11,425,894

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

-sd-
Chief Financial Officer / A. President & CE

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Director

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Director

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Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the nine months ended September 30, 2024

	Note	For the Nine months ended	
		September 30, 2024	September 30, 2023
		(Rupees in '000)	
Cash flow from operating activities			
Profit before taxation		27,704,386	28,373,320
Less: dividend income		(679,605)	(542,915)
		<u>27,024,781</u>	<u>27,830,405</u>
Adjustments:			
Depreciation		990,494	718,975
Amortization		163,646	129,720
Depreciation on ROU assets		1,642,294	1,254,440
Markup expense on lease liability against ROU assets		1,076,507	763,481
Gain on termination of lease contracts under IFRS - 16 Leases		(31,978)	(11,082)
Fair value loss on recognition of financial asset at fair value		259,574	-
Charge for defined benefit plan		457,748	379,675
Credit loss allowance and write offs - net	33	1,271,412	766,444
Unrealised gain on securities measured at FVTPL		(517,246)	(8,210)
Gain on sale of property and equipment		(10,563)	(10,488)
		<u>5,301,888</u>	<u>3,982,955</u>
		<u>32,326,669</u>	<u>31,813,360</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		(24,677,709)	(8,668,536)
Securities classified as FVPL / HFT		(5,554,294)	165,931
Advances		159,645,073	59,678,140
Other assets (excluding advance taxation)		(52,133,367)	(31,063,159)
		<u>77,279,703</u>	<u>20,112,376</u>
Increase / (decrease) in operating liabilities			
Bills payable		(2,827,228)	(2,547,863)
Borrowings from financial institutions		41,772,506	145,251,346
Deposits		113,416,004	132,672,812
Other liabilities		(4,392,984)	21,487,510
		<u>147,968,298</u>	<u>296,863,805</u>
Net cash flow generated from operations		<u>257,574,670</u>	<u>348,789,541</u>
Payment made to defined benefit plan		(154,600)	(239,007)
Income tax paid		(17,221,100)	(10,413,613)
Net cash flow generated from operating activities		<u>240,198,970</u>	<u>338,136,921</u>
Cash flow from investing activities			
Net investments in securities measured at FVOCI / AFS		(287,505,794)	(345,964,901)
Net investments in securities measured at amortized cost / HTM		7,495,932	56,194,830
Dividend received		613,323	476,137
Investments in property and equipment		(2,504,586)	(988,766)
Investment made in subsidiary		(1,000,000)	(31,081)
Investments in intangible assets		(200,890)	(507,283)
Proceeds from sale of property and equipment		22,509	14,673
Effect of translation of net investment in Wholesale Bank Branch		(74,307)	933,722
Net cash flow used in investing activities		<u>(283,153,813)</u>	<u>(289,872,669)</u>
Cash flow from financing activities			
Payments against lease liabilities under IFRS 16		(2,097,172)	(1,620,913)
Dividend paid		(3,585,159)	(1,593)
Net cash flow used in financing activities		<u>(5,682,331)</u>	<u>(1,622,506)</u>
(Decrease) / increase in cash and cash equivalents		<u>(48,637,174)</u>	<u>46,641,746</u>
Cash and cash equivalents at beginning of the period		<u>173,876,425</u>	<u>80,627,190</u>
Cash and cash equivalents at end of the period		<u><u>125,239,251</u></u>	<u><u>127,268,936</u></u>

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

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the nine months ended September 30, 2024

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 (2023: 71.91) percent shares of the Bank as on September 30, 2024. The ultimate parent of the Bank is Fauji Foundation. The Bank has 661 branches (2023: 660 branches); 660 in Pakistan and Azad Jammu and Kashmir including 142 (2023: 137) Islamic Banking branches and 64 (2023: 63) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

2.1.1 These unconsolidated condensed interim financial statements represent separate financial statements of Askari Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.

2.1.2 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.

2.1.3 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits and lease liabilities are carried at present value.

2.2 STATEMENT OF COMPLIANCE

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

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

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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.

2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015 and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.2.3 These unconsolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular No. 2 dated February 09, 2023 and International Accounting Standard 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements of the Bank for the financial year ended December 31, 2023.

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

During the year, the Bank has adopted IFRS 9 as applicable in Pakistan with effect from 01 January 2024 (refer note 4.1 for details). There are certain other amendments to accounting and reporting standards that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 IFRS 9 - Financial Instruments

During the period, as directed by the SBP vide its BPRD Circular No. 07 of 2023 dated April 13, 2023, IFRS 9: 'Financial Instruments' (the Standard) became applicable to the Bank.

BPRD Circular No. 03 of 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks. The SBP vide its BPRD Circular Letter No. 16 of 2024 have made amendments and extend the timelines of IFRS 9 application instructions.

The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

The Bank has adopted IFRS 9 in accordance with the Application Instructions from January 1, 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9. The accounting policies applicable to the 2023 presented information is consistent with the policies mentioned in 31 December 2023 annual financial statements.

SBP vide its BPRD Circular Letter No. 16 of 2024 have made certain amendments and extended timelines of application instructions for certain areas where the banking industry has sought more time. These amendments and relaxations include use modification accounting for financial assets and liabilities as per IFRS 9 standard and recording and treatment of staff loan and advances at reduced rates to given effect from 1 October 2024. Further, the banks have been asked to use existing practices of recordings of interest/markup income using effective interest rate and ensure full recognition from 1 October 2024, this in turn also effects the reduced rate loans and modified assets accounting. Moreover, SBP have allowed an extension to Banks up to December 31, 2024 for developing the requisite models for calculating EAD for revolving products beyond the contractual date. In addition the banks have also been allowed to continue the existing practice of valuing unquoted equity investment at their cost or breakup value, whichever is lower, till 31 December 2024 and perform fair valuation of these securities afterwards.

4.1.1 Impact on the condensed interim unconsolidated statement of financial position:

The effect of this change in accounting policy on the financial assets and financial liabilities is as follows:

Financial Asset / Liabilities

	Balances as of December 31, 2023 (Audited)	Remeasurements / reclassifications	Recognition of expected credit loss (ECL)	Balances as of January 01, 2024
(Rupees in '000)				
ASSETS				
Cash and balances with treasury banks	160,087,394	-	-	160,087,394
Balances with other banks	13,789,031	-	(172)	13,788,859
Investments				
- Classified as available for sale	1,124,989,158	(1,124,989,158)	-	-
- Classified as fair value through other comprehensive income	-	1,105,542,060	(166,857)	1,105,375,203
- Classified as held to maturity	56,798,998	(56,798,998)	-	-
- Classified as amortised cost	-	74,879,606	-	74,879,606
- Classified as held for trading	552,832	(552,832)	-	-
- Classified as fair value through profit or loss	-	6,201,322	-	6,201,322
	1,182,340,988	4,282,000	(166,857)	1,186,456,131
Advances				
Gross amount	661,308,049	-	-	661,308,049
- Provision	(28,175,222)	-	(10,322,295)	(38,497,517)
	633,132,827	-	(10,322,295)	622,810,532
Other assets - financial assets	90,069,257	-	(383,971)	89,685,286
LIABILITIES				
Bills payable	12,394,336	-	-	12,394,336
Borrowings	643,362,665	-	-	643,362,665
Deposits and other accounts	1,293,145,575	-	-	1,293,145,575
Subordinated debt	12,000,000	-	-	12,000,000
Other liabilities - financial liabilities	45,249,204	-	226,837	45,476,041
	2,006,151,780	-	226,837	2,006,378,617

The following table and the accompanying notes below explain the original measurement categories under the regulation established by the regulator / SBP and the new measurement categories under IFRS 9 for each class of the Bank's financial assets / liability as at 1 January 2024:

Financial Asset / Liabilities		Measurement Category – before adoption of IFRS 9	Measurement Category - after adoption of IFRS 9	Carrying amount at December 31, 2023 – before adoption of IFRS 9	Carrying amount at January 01, 2024 - after adoption of IFRS 9
				Rupees in '000	
Cash and balances with treasury banks		Loans and receivables	Amortised cost	160,087,394	160,087,394
Balances with other banks		Loans and receivables	Amortised cost	13,789,031	13,788,859
Investments		Held for trading	Fair value through profit or loss	552,832	552,832
		Available for sale	Fair value through profit or loss	5,648,490	5,648,490
		Available for sale	Fair value through other comprehensive income	1,105,542,060	1,105,375,203
		Available for sale	Amortised cost	13,798,608	18,080,608
		Held to maturity	Amortised cost	56,798,998	56,798,998
Advances		Loans and receivables	Amortised cost	633,132,827	622,810,532
Other assets		Loans and receivables	Amortised cost	90,069,257	89,685,286
Bills payable		Amortised Cost	Amortised Cost	12,394,336	12,394,336
Borrowings		Amortised Cost	Amortised Cost	643,362,665	643,362,665
Deposits and other accounts		Amortised Cost	Amortised Cost	1,293,145,575	1,293,145,575
Subordinated debt		Amortised Cost	Amortised Cost	12,000,000	12,000,000
Other liabilities		Amortised Cost	Amortised Cost	45,249,204	45,476,041

4.1.2 Impact on reserve of deficit on revaluation of investments:

	Impact of adopting IFRS 9 at January 1, 2024 Rupees in '000
Closing balances as at December 31, 2023	(6,367,323)
Reclassification of investment securities (debt) from available-for-sale to amortised cost	4,282,000
Reclassification of net surplus on investment securities (debt and equity) from available-for-sale to FVTPL	(220,594)
Reclassification of provision for diminution in value of investment securities (equity) from available-for-sale to FVOCI	(597,143)
Recognition of expected credit losses under IFRS 9 for debt financial assets at FVOCI	-
Related tax	(1,697,489)
	1,766,774
Opening balance under IFRS 9 as at January 1, 2024	<u>(4,600,549)</u>

4.1.3 Impact on Retained Earnings

Closing balances as at December 31, 2023	20,431,812
Reclassification under IFRS 9 (net of tax)	416,924
Recognition of expected credit losses under IFRS 9	(11,100,132)
Related tax	5,439,065
	(5,661,067)
Opening balance under IFRS 9 as at January 1, 2024	<u>15,187,669</u>

4.1.4 Impact on regulatory capital

In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years.

Moreover, SBP has allowed to adjust the amount of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET 1 and vice versa as per Annexure-A of BPRD Circular no 16 of 2024.

The impact of adoption of IFRS 9 on the capital ratios of the Bank are as follows:

	As per previous Reporting (31 December 2023)	At 1 January 2024 after adoption of IFRS 9
Common Equity Tier 1 Capital Adequacy ratio	15.11%	14.15%
Tier 1 Capital Adequacy Ratio	16.08%	15.12%
Total Capital Adequacy Ratio	18.35%	17.52%

4.1.5 Classification and measurement

Under the new standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit or loss (FVTPL) regardless of the business model in which they are held.

Recognition / derecognition and initial measurement

Trade receivable and debt securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Bank becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

The policy for derecognition of financial asset and liabilities are consistent with the annual unconsolidated financials statements of the bank for the year ended December 31, 2023.

Classification

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

IFRS 9 allows entities to irrevocably designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces any 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different basis. SBP instructions state that banks may apply the fair value option if, in addition to the IFRS 9 criterion, (a) it is consistent with a documented risk management strategy, and (b) fair values are reliable at inception and throughout life of the instrument. Nonetheless, banks should avoid this option for financial instruments that are categorized as Level 3 in terms of the IFRS 13 hierarchy.

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVTPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in profit and loss account. Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective interest rate method. Markup expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

4.1.6 Business model assessment

A financial asset is classified as either Held to collect, Held to collect and sale and Others based on Business model assessment. The Bank makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, historical sales information etc.

4.1.7 Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

The Bank assesses whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Interest (SPPI) criterion by examining the contractual terms. This includes checking for terms that could alter the amount and timings of cash flows, such as contingent events, leverage, or prepayment features, etc.

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

For fixed-rate financings with periodic profit rate resets, the Bank considers these SPPI-compliant as the revised rates reflect time value, credit risk, and other associated risks.

4.1.8 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Markup, foreign exchange gains and losses and impairment are recognised in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Markup income is calculated using the effective interest method and includes amortization of premiums and accretion of discount, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The banks are allowed to continue measuring unquoted equity securities at the lower of cost or break-up value up to December 31, 2024. However, Bank shall be required to measure unquoted equity securities at fair value, as required in the IFRS 9 application instructions, with effect from January 1, 2025.

4.1.9 Modification

Financial assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognized the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

4.1.10 Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), lease receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets where 12-month ECL is recognized are in 'Stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'Stage 3'. Under the SBP's instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency.

Based on the requirements of IFRS 9 and SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12-month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2).

- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.
- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

4.1.11 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank used several qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

A financial asset is transitioned to a backward stage in line with SBP instructions.

4.1.12 Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department also take the ownership of the impact of ECL on bank's capital.

The Bank's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

As per the Bank's policy, the Bank's Internal Audit function carries out periodic review of IFRS 9 methodology and impacts calculated by the Management.

4.2 Revised format of condensed interim financial statements

The SBP through its BPRD Circular No. 02 dated February 9, 2023, and BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, has amended the format of quarterly and half yearly financial statements of banks. All banks are directed to prepare their quarterly and half yearly financial statements on the revised format effective from accounting year starting from January 1, 2024. Accordingly, the Bank has prepared these condensed interim unconsolidated financial statements on the new format prescribed by the SBP.

The adoption of revised format has resulted in following significant changes:

- Right-of-use-assets (note 12) amounting to Rs 9,853,577 thousand (December 31, 2023: Rs 8,312,812 thousand) which were previously shown as part of fixed assets are now shown separately on the unconsolidated statement of financial position.
- Lease liabilities (note 20) amounting to Rs 11,708,740 thousand (December 31, 2023: Rs 9,699,474 thousand) which were previously shown as part of other liabilities (note 22) are now shown separately on the unconsolidated statement of financial position.

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
6. CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000	
<i>In hand:</i>		
Local currency	32,159,364	27,760,784
Foreign currencies	3,784,951	4,318,238
	<u>35,944,315</u>	<u>32,079,022</u>
<i>With the State Bank of Pakistan in:</i>		
Local currency current accounts	56,631,878	104,626,342
Foreign currency current account	7,987,210	6,885,755
Foreign currency deposit account	14,337,946	12,873,026
	<u>78,957,034</u>	<u>124,385,123</u>
<i>With National Bank of Pakistan in:</i>		
Local currency current accounts	2,851,747	3,573,496
Prize Bonds	28,206	49,753
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	<u>117,781,302</u>	<u>160,087,394</u>
7. BALANCES WITH OTHER BANKS		
<i>In Pakistan</i>		
In current accounts	119,362	2,802
<i>Outside Pakistan</i>		
In current accounts	1,422,008	1,557,101
In deposit accounts	5,916,742	12,229,132
	<u>7,338,750</u>	<u>13,786,233</u>
Less: Credit loss allowance held against balances with other banks	(163)	(4)
Balances with other banks - net of credit loss allowance	<u>7,457,949</u>	<u>13,789,031</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	24,700,000	-
Purchase under resale arrangement of equity securities	66,873	89,164
	<u>24,766,873</u>	<u>89,164</u>
Less: Credit loss allowance / provision held against lending to financial institutions	(67,150)	(89,164)
Lendings to financial institutions - net of credit loss allowance / provision	<u>24,699,723</u>	<u>-</u>

	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Lending	Credit Loss Allowance Held	Lending	Provision held
8.1 Particulars of credit loss allowance / provision	Rupees in '000			
Domestic				
Performing	24,700,000	277	-	-
Non-performing				
Loss	66,873	66,873	89,164	89,164
	<u>24,766,873</u>	<u>67,150</u>	<u>89,164</u>	<u>89,164</u>

9. INVESTMENTS

	September 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortized cost	Credit Loss allowance	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution in value of investments	Surplus / (deficit)	Carrying value
(Rupees in '000)								
9.1 Investments by type:								
FVTPL / (2023: Held for trading)								
Fully paid ordinary shares	602,270	-	1,480	603,750	534,439	-	18,393	552,832
Units of mutual funds	1,781,063	-	599,667	2,380,730	-	-	-	-
Non Government Debt Securities	3,622,900	-	2,890	3,625,790	-	-	-	-
	6,006,233	-	604,037	6,610,270	534,439	-	18,393	552,832
FVOCI / (2023: Available for sale)								
Federal Government Securities	1,409,811,367	(580,094)	10,613,854	1,419,845,127	1,117,640,852	(524,796)	(14,605,232)	1,102,510,824
Shares	5,073,491	-	2,094,959	7,168,450	4,752,010	(597,143)	1,885,567	6,040,434
Units of mutual funds	-	-	-	-	1,874,328	(168,124)	254,392	1,960,596
Fully paid preference shares	27,314	(2,230)	(800)	24,284	27,314	(11,914)	12,750	28,150
Non Government Debt Securities	12,724,773	(1,291,423)	7,467	11,440,817	15,836,647	(1,355,068)	(32,425)	14,449,154
	1,427,636,945	(1,873,747)	12,715,480	1,438,478,678	1,140,131,151	(2,657,045)	(12,484,948)	1,124,989,158
Amortised cost / (2023: Held to maturity)								
Federal Government Securities	49,888,708	(192,184)	-	49,696,524	57,384,640	(585,642)	-	56,798,998
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
	49,998,708	(302,184)	-	49,696,524	57,494,640	(695,642)	-	56,798,998
Subsidiaries	1,196,700	-	-	1,196,700	196,700	-	-	196,700
Total investments	1,484,838,586	(2,175,931)	13,319,517	1,495,982,172	1,198,356,930	(3,352,687)	(12,466,555)	1,182,537,688

9.1.1 Investments given as collateral

The market value of investments given as collateral is as follows

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)		
Market Treasury Bills	1,804,074	13,586,080
Pakistan Investment Bonds	617,470,320	570,673,900
Shares	186,310	141,491
	<u>619,460,704</u>	<u>584,401,471</u>

9.2 Summary of financial information of subsidiaries

September 30, 2024 (Un-audited)

	Country of incorporation	Holding	Assets	Liabilities	Revenue / Income	Profit after tax	Total comprehensive income for the period
(Rupees in 000)							
Foundation Securites (Private) Limited	Pakistan	51%	2,381,138	1,419,411	542,186	149,384	149,384
Askari Currency Exchange (Private) Limited	Pakistan	100%	1,076,890	64,153	36,200	11,050	11,050

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
	(Rupees in '000)	
9.3 Credit loss allowance / provision for diminution in value of investments		
9.3.1 Opening balance	3,352,687	3,512,177
Impact of reclassification on adoption of IFRS 9	(847,767)	-
Impact of ECL recognized on adoption of IFRS 9	166,857	-
	<u>2,671,777</u>	<u>3,512,177</u>
Exchange adjustments	(2,357)	274,611
Charge / (reversals)		
Charge for the period / year	-	180,392
Reversal of ECL / provision for the period / year	(493,489)	(328,207)
Reversal on disposals for the period / year	-	(286,286)
Net charge	(493,489)	(434,101)
Closing balance	<u><u>2,175,931</u></u>	<u><u>3,352,687</u></u>

9.3.2 Particulars of credit loss allowance / provision against debt securities

Category of classification	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Amount Outstanding (cost)	Credit loss allowance Held	Amount Outstanding (cost)	Provision held
	(Rupees in '000)			
Domestic				
Performing - Stage 1	1,464,588,668	121,141	-	-
Non-performing - Stage 3 Loss	<u>1,383,823</u>	<u>1,383,823</u>	<u>1,577,096</u>	<u>1,476,982</u>
	<u>1,465,972,491</u>	<u>1,504,964</u>	<u>1,577,096</u>	<u>1,476,982</u>
Overseas				
Performing - Stage 1	<u>10,212,571</u>	<u>670,967</u>	<u>20,287,925</u>	<u>1,110,438</u>
	<u><u>1,476,185,062</u></u>	<u><u>2,175,931</u></u>	<u><u>21,865,021</u></u>	<u><u>2,587,420</u></u>

9.4 The market value of securities classified as amortized cost / Held to Maturity as at September 30, 2024 is Rs. 46,937,392 thousand (2023: Rs. 50,430,873 thousand).

10. ADVANCES	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	380,328,558	498,706,097	27,108,329	25,198,876	407,436,887	523,904,973
Islamic financing and related assets	66,986,548	114,772,652	4,331,990	2,781,125	71,318,538	117,553,777
Bills discounted and purchased	20,530,432	18,765,713	2,336,671	1,083,586	22,867,103	19,849,299
Advances - gross	467,845,538	632,244,462	33,776,990	29,063,587	501,622,528	661,308,049
Credit allowance / (provision) against advances						
- Stage 1	(1,995,835)	-	-	-	(1,995,835)	-
- Stage 2	(6,251,458)	-	-	-	(6,251,458)	-
- Stage 3	-	-	(31,787,992)	-	(31,787,992)	-
- General provision	-	(2,538,527)	-	-	-	(2,538,527)
- Specific provision	-	-	-	(25,636,695)	-	(25,636,695)
	(8,247,293)	(2,538,527)	(31,787,992)	(25,636,695)	(40,035,285)	(28,175,222)
Advances - net of credit loss allowance / (provision)	459,598,245	629,705,935	1,988,998	3,426,892	461,587,243	633,132,827

10.1 Particulars of advances (Gross)	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
	(Rupees in '000)	
In local currency	455,500,775	622,805,589
In foreign currencies	46,121,753	38,502,460
	501,622,528	661,308,049

10.2 Advances include Rs.33,776,990 thousand (2023: Rs. 29,063,587 thousand) which have been placed under non-performing status as detailed below:

Category of classification (Stage 3)	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Non Performing Loans	Credit loss Allowance	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	182,351	165,260	133,619	1,423
Substandard	3,040,390	2,444,740	2,112,910	523,884
Doubtful	4,945,149	3,970,773	1,301,511	599,345
Loss	25,609,100	25,207,219	25,515,547	24,512,043
	33,776,990	31,787,992	29,063,587	25,636,695

10.3 Particulars of credit loss allowance / provision against advances

	September 30, 2024 (Un-audited)			
	Stage 3	Stage 2	Stage 1	Total
	(Rupees in '000)			
Opening balance	25,636,695	-	2,538,527	28,175,222
Impact of ECL recognised on adoption of IFRS-9	3,088,615	6,681,100	552,578	10,322,293
Opening balance - Restated	28,725,310	6,681,100	3,091,105	38,497,515
Charge for the period	5,239,370	1,185,942	45,980	6,471,292
Reversal for the period	(2,176,688)	(1,615,584)	(1,141,250)	(4,933,522)
	3,062,682	(429,642)	(1,095,270)	1,537,770
Closing balance	31,787,992	6,251,458	1,995,835	40,035,285
	December 31, 2023 (Audited)			
	Specific	General	Consumer financing - General	Total
Opening balance	29,297,528	1,010,000	815,586	31,123,114
Exchange adjustments	-	22,369	-	22,369
Charge for the year	2,657,741	1,152,111	52,676	3,862,528
Reversal under IFRS 9 related to WBB	-	(86,544)	-	(86,544)
Reversal for the year	(2,105,630)	(108,551)	(319,120)	(2,533,301)
	552,111	957,016	(266,444)	1,242,683
Amounts written off	(2,505,910)	-	-	(2,505,910)
Amounts charged off	(1,707,034)	-	-	(1,707,034)
Closing balance	25,636,695	1,989,385	549,142	28,175,222

10.4 Advances - particulars of credit loss allowance

	September 30, 2024 (Un-audited)		
	Stage 1	Stage 2	Stage 3
Opening balance (including impact of ECL on adoption of IFRS 9)	3,091,105	6,681,100	28,725,310
New Advances	8,761	383,271	5,239,370
Advances repaid	(416,901)	164,599	(931,696)
Transfer to stage 1	36,747	(86,660)	-
Transfer to stage 2	(131,816)	185,157	-
Transfer to stage 3	(3,521)	452,915	(452,822)
Changes in risk parameters	(588,540)	(1,528,924)	(792,170)
Closing balance	<u>1,995,835</u>	<u>6,251,458</u>	<u>31,787,992</u>

10.5 Advances - category of classification

Domestic

		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Loans Outstanding	Credit Loss Allowance Held	Loans Outstanding	Provision held
(Rupees in '000)					
Performing	Stage 1	379,942,170	1,995,835	629,342,140	2,512,841
Underperforming	Stage 2	87,162,801	6,244,650	-	-
Non-Performing	Stage 3				
Other assets specially mentioned		182,351	165,260	133,619	1,423
Substandard		3,040,390	2,444,740	2,112,910	523,884
Doubtful		4,945,149	3,970,773	1,301,511	599,345
Loss		25,609,100	25,207,219	25,515,547	24,512,043
		<u>33,776,990</u>	<u>31,787,992</u>	<u>29,063,587</u>	<u>25,636,695</u>
Sub Total		<u>500,881,961</u>	<u>40,028,477</u>	<u>658,405,727</u>	<u>28,149,536</u>

Overseas

Underperforming	Stage 2	740,567	6,808	2,902,322	25,686
Total		<u>501,622,528</u>	<u>40,035,285</u>	<u>661,308,049</u>	<u>28,175,222</u>

11. PROPERTY AND EQUIPMENT

	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
Capital work-in-progress - note 11.1	591,098	491,050
Property and equipment	<u>19,790,028</u>	<u>18,207,022</u>
	<u>20,381,126</u>	<u>18,698,072</u>

11.1 This represents advances to suppliers and contractors.

	(Un-audited)	
	Period ended September 30, 2024	Period ended September 30, 2023
11.2 Additions to property and equipment		
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	458,008	205,780
Property and equipment		
Renovation of premises	558,333	264,857
Furniture, fixtures and office equipment	346,242	157,387
Machine and equipments	909,340	281,062
Computer equipments	543,675	185,135
Vehicles	47,012	25,564
	2,404,602	914,005
Total	<u>2,862,610</u>	<u>1,119,785</u>
11.3 Disposal of property and equipment		
The net book value of property and equipment disposed off during the period is as follows:		
Renovation of premises	1,491	-
Furniture, fixtures and office equipment	5,709	3,053
Machine and equipments	2,386	1,132
Computer equipments	49	-
Vehicles	2,310	-
Total	<u>11,945</u>	<u>4,185</u>
12. RIGHT-OF-USE ASSETS		
Net carrying amount at January 1,	8,312,812	6,891,568
Additions during the period / year	3,335,145	3,227,516
Depreciation for the period / year	(1,642,294)	(1,722,707)
Deletions and other adjustments	(152,086)	(83,565)
Net carrying amount at period / year end	<u>9,853,577</u>	<u>8,312,812</u>
13. INTANGIBLE ASSETS		
Computer software	1,335,281	1,496,132
Capital work in progress	454,446	359,475
	<u>1,789,727</u>	<u>1,855,607</u>

		(Un-audited)	
		Period ended September 30, 2024	Period ended September 30, 2023
		(Rupees in '000)	
13.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	170,521	226,399
	Directly purchased	105,919	280,885
		<u>276,440</u>	<u>507,284</u>
14.	This represents carrying amount of land located at Haider Road, Rawalpindi, which was classified to non current asset held for sale in 2022 consequent to a sale agreement. The carrying amount includes revaluation surplus of Rs. 980,987 thousand at which amount the asset was transferred from property and equipment.		
		(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
15.	DEFERRED TAX ASSETS	(Rupees in '000)	
	(Taxable) / deductible temporary differences on		
	- Accelerated tax depreciation	(291,612)	(205,456)
	- (Surplus) / deficit on revaluation of investments	(6,230,585)	6,117,625
	- Credit loss allowance / provision against advances	8,319,460	2,160,533
		<u>1,797,263</u>	<u>8,072,702</u>
16.	OTHER ASSETS		
	Income / mark-up accrued in local currency	114,729,299	73,588,636
	Income / mark-up accrued in foreign currencies	1,205,272	2,134,035
	Advances, deposits, advance rent and other prepayments	999,161	655,949
	Advance taxation (payments less provisions)	6,611,057	3,897,561
	Deferred cost on recognition of loan at fair value - note 16.1	4,931,905	-
	Non-banking assets acquired in satisfaction of claims	392,988	406,862
	Receivable against trading of securities	378,781	46,245
	Stationary and stamps in hand	175,496	285,087
	Receivable from defined benefit plan	64,094	-
	Dividend receivable	70,735	4,453
	Margin against stand by letter of credit (SBLC)	820,535	-
	Acceptances	18,470,595	14,053,824
	Switch settlement accounts	181,009	-
	Others	1,024,370	422,330
		<u>150,055,297</u>	<u>95,494,982</u>
	Less: Credit loss allowance / provision held against other assets - note 16.2	<u>(796,689)</u>	<u>(185,104)</u>
	Other assets - net of credit loss allowance / provision	149,258,608	95,309,878
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	459,948	459,948
	Other assets - total	<u>149,718,556</u>	<u>95,769,826</u>
16.1	This represents deferred portion of fair value loss arisen on initial recognition of loan to PIA Holding Company Limited (PIAHCL). SBP through its circular BPRD/BRD/PIAHCL/733688-2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Bank has amortized 5% in the current period.		
		(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
		(Rupees in '000)	
16.2	Credit loss allowance / provision held against other assets		
	Advances, deposits, advance rent and other prepayments	4,838	4,838
	Acceptances	615,103	-
	Others	176,748	180,266
		<u>796,689</u>	<u>185,104</u>

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)		
16.2.1 Movement in credit loss allowance / provision against other assets		
Opening balance	185,104	182,608
Impact of ECL recognized on adoption of IFRS 9	383,971	-
	<u>569,075</u>	<u>182,608</u>
Charge for the period / year	227,614	2,756
Reversals for the period / year	-	(260)
	<u>227,614</u>	<u>2,496</u>
Closing balance	<u>796,689</u>	<u>185,104</u>
17. BILLS PAYABLE		
In Pakistan	<u>9,567,108</u>	<u>12,394,336</u>
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	14,963,424	19,840,120
Long term financing facility	7,294,318	8,610,177
Financing facility for storage of agricultural produce	73,000	14,770
Renewable energy financing facility	3,784,055	3,905,513
Refinance from SBP		
Credit guarantee scheme for women entrepreneurs	34,964	12,700
Temporary Economic Relief	10,514,290	11,947,741
Modernization of SME	100,125	8,687
Combating COVID-19	315,553	400,459
Rupee based discounting of bills / receivable	2,948,868	3,707,901
Working Capital Financing	50,100	-
	<u>40,078,697</u>	<u>48,448,068</u>
Repurchase agreement borrowings		
State Bank of Pakistan	605,000,000	505,000,000
Financial institutions	28,187,248	86,921,724
	<u>633,187,248</u>	<u>591,921,724</u>
Refinance from Pakistan Mortgage Refinance Company	4,747,990	2,992,873
Unsecured		
Call borrowings	7,108,401	-
Overdrawn nostro accounts	12,835	-
	<u>685,135,171</u>	<u>643,362,665</u>

19. DEPOSITS AND OTHER ACCOUNTS	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current accounts	350,284,214	29,066,759	379,350,973	320,379,384	31,589,438	351,968,822
Savings deposits	769,163,776	72,414,000	841,577,776	667,960,330	61,519,218	729,479,548
Fixed deposits	116,900,621	32,477,044	149,377,665	160,821,348	30,642,438	191,463,786
	1,236,348,611	133,957,803	1,370,306,414	1,149,161,062	123,751,094	1,272,912,156
Financial institutions						
Current accounts	734,906	67,363	802,269	1,149,626	241,191	1,390,817
Savings deposits	14,812,396	-	14,812,396	2,144,906	-	2,144,906
Fixed deposits	20,640,500	-	20,640,500	16,697,696	-	16,697,696
	36,187,802	67,363	36,255,165	19,992,228	241,191	20,233,419
	<u>1,272,536,413</u>	<u>134,025,166</u>	<u>1,406,561,579</u>	<u>1,169,153,290</u>	<u>123,992,285</u>	<u>1,293,145,575</u>

20. LEASE LIABILITIES	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
	Rupees in '000	
Outstanding amount at the beginning of the period / year	9,699,474	8,084,073
Additions during the period / year	3,344,129	3,227,516
Lease payments including interest	(2,097,172)	(2,523,755)
Interest expense for the period / year	1,076,507	1,061,886
Termination and other adjustments	(314,198)	(150,246)
Outstanding amount at the end of the period / year	<u>11,708,740</u>	<u>9,699,474</u>
20.1 Liabilities Outstanding		
Not later than one year	1,077,893	1,143,794
Later than one year and upto five years	4,236,894	3,925,528
Over five years	6,393,953	4,630,152
Total at the end of the period / year	<u>11,708,740</u>	<u>9,699,474</u>

	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
21. SUBORDINATED DEBTS	(Rupees in '000)	
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	<u>12,000,000</u>	<u>12,000,000</u>

21.1 The Bank has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Bank's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Bank including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109-120th month: 100%
Profit Rate	Base Rate plus 1.50%	Base Rate plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
22. OTHER LIABILITIES		
	(Rupees in '000)	
Mark-up / return / interest payable in local currency	15,728,042	22,119,508
Mark-up / return / interest payable in foreign currencies	908,134	1,267,444
Unearned commission and income on bills discounted	1,730,259	2,003,160
Accrued expenses	2,587,177	2,593,641
Advance payments	396,885	314,319
Acceptances	18,470,595	14,053,824
Dividend payable	231,582	193,493
Advance against sale of non-banking assets	462,850	461,535
Mark to market loss on forward foreign exchange contracts	300,815	1,322,589
Branch adjustment account	1,151,505	525,732
Payable to defined benefit plan	-	67,468
Provision for employees' compensated absences	792,355	724,890
Security deposit against lease / ljarah financing	3,549,462	3,485,208
Levies and taxes payable	1,078,758	2,087,179
Workers' Welfare Fund	1,706,596	1,301,596
Switch settlement accounts	-	1,375,528
Credit loss allowance / provision against off-balance sheet obligations - note 22.1	408,938	160,558
Others	2,699,755	2,223,416
	<u>52,203,708</u>	<u>56,281,088</u>
22.1 Credit loss allowance / provision against off-balance sheet obligations		
Opening balance	160,558	134,767
Impact of ECL recognized on adoption of IFRS 9	226,837	-
	<u>387,395</u>	<u>134,767</u>
Exchange adjustment	-	133
Charge for the period / year	21,543	26,319
Reversal for the period / year	-	(661)
Net charge	21,543	25,658
Closing balance	<u>408,938</u>	<u>160,558</u>
23. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
(Deficit) / surplus on revaluation of:		
- Securities measured at FVOCI - Debt	10,620,521	-
- Securities measured at FVOCI - Equity	2,094,959	-
- Available for sale securities - Debt	-	(14,624,907)
- Available for sale securities - Equity	-	2,139,959
- Property and equipment	10,365,737	10,365,737
- Non-banking assets acquired in satisfaction of claims	459,948	459,948
	<u>23,541,165</u>	<u>(1,659,263)</u>
Deferred tax on deficit / (surplus) on revaluation of:		
- Securities measured at FVOCI - Debt	(5,204,055)	-
- Securities measured at FVOCI - Equity	(1,026,530)	-
- Available for sale securities - Debt	-	7,166,205
- Available for sale securities - Equity	-	(1,048,580)
	<u>(6,230,585)</u>	<u>6,117,625</u>
	<u>17,310,580</u>	<u>4,458,362</u>

	<u>(Un-audited)</u>	<u>(Audited)</u>
	September 30,	December 31,
	2024	2023
	(Rupees in '000)	
24. CONTINGENCIES AND COMMITMENTS		
- Guarantees - note 24.1	309,882,395	350,296,809
- Commitments - note 24.2	651,402,054	506,769,966
- Other contingent liabilities - note 24.3	1,295,285	1,429,701
	<u>962,579,734</u>	<u>858,496,476</u>
24.1 Guarantees		
Financial guarantees	5,780,810	7,400,327
Performance guarantees	181,396,247	188,322,832
Other guarantees	122,705,338	154,573,650
	<u>309,882,395</u>	<u>350,296,809</u>
24.2 Commitments		
Documentary credits and short-term trade-related transactions		
- letters of credit	219,120,640	226,655,650
Commitments in respect of:		
- forward foreign exchange contracts - note 24.2.1	421,637,692	276,444,892
- forward government securities transactions - note 24.2.2	10,000,000	2,000,000
- forward non-government securities transactions - note 24.2.3	10,037	1,174,056
Commitments for acquisition of:		
- property and equipment	273,634	255,774
- intangible assets	360,051	239,594
	<u>651,402,054</u>	<u>506,769,966</u>
24.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	236,358,395	153,115,769
Sale	185,279,297	123,329,123
	<u>421,637,692</u>	<u>276,444,892</u>
The above commitments have maturities falling within one year.		
24.2.2 Commitments in respect of government securities transactions		
Purchase	5,000,000	-
Sale	5,000,000	2,000,000
	<u>10,000,000</u>	<u>2,000,000</u>
24.2.3 Commitments in respect of non government securities transactions		
Purchase	-	1,168,290
Sale	10,037	5,766
	<u>10,037</u>	<u>1,174,056</u>
24.3 Other contingent liabilities		
These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these condensed interim unconsolidated financial statements.		
	474,750	596,911
This represents stand by letters of credit issued by a correspondent bank on behalf of the Bank.		
	<u>820,535</u>	<u>832,790</u>
	<u>1,295,285</u>	<u>1,429,701</u>

25. **DERIVATIVE INSTRUMENTS**

The Bank does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Period ended September 30, 2024	Period ended September 30, 2023
26.	MARK-UP / RETURN / INTEREST EARNED	(Rupees in '000)	
	On:		
	Loans and advances	95,387,963	79,601,156
	Investments	209,171,715	134,667,841
	Lendings to financial institutions	1,149,936	216,191
	Balances with banks	790,327	472,868
	Securities purchased under resale agreements	3,318,357	1,882,056
		<u>309,818,298</u>	<u>216,840,112</u>
27.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	135,442,680	112,571,386
	Borrowings	123,843,269	58,031,799
	Subordinated debts	2,002,964	1,887,478
	Cost of FX swaps against foreign currency deposits / borrowings	4,016,553	3,067,098
	Interest expense on lease liability against ROU assets	1,076,507	763,481
	Fair value loss on recognition of financial asset at fair value - note 16.1	259,574	-
		<u>266,641,547</u>	<u>176,321,242</u>
28.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	693,115	594,158
	Consumer finance related fees	64,000	71,087
	Card related fees (debit and credit cards)	1,406,977	1,118,857
	Credit related fees	321,927	586,342
	Investment banking fees	257,484	213,148
	Commission on trade	981,501	1,407,571
	Commission on guarantees	1,049,217	971,980
	Commission on remittances including home remittances	174,392	111,585
	Commission on cash management	62,354	32,555
	Commission on bancassurance	20,164	24,221
	Others	33,553	70,654
		<u>5,064,684</u>	<u>5,202,158</u>
29.	GAIN ON SECURITIES - NET		
	Realised - note 29.1	804,385	209,180
	Unrealised gain on securities measured at FVTPL	517,246	8,210
		<u>1,321,631</u>	<u>217,390</u>
29.1	Realised gain / (loss) on:		
	Federal Government Securities	764,888	(121,254)
	Shares	39,497	280,448
	Non Government Debt Securities	-	49,986
		<u>804,385</u>	<u>209,180</u>

	(Un-audited)	
	Period ended September 30, 2024	Period ended September 30, 2023
30. OTHER INCOME	(Rupees in '000)	
Gain on sale of property and equipment	10,563	10,488
Rent of lockers	40,753	38,439
Recovery of expenses from customers	240,724	240,916
Termination of lease contracts under IFRS - 16 Leases	31,978	11,082
Others	4,026	-
	<u>328,044</u>	<u>300,925</u>
31. OPERATING EXPENSES		
Total compensation expenses - note 31.1	11,730,279	10,539,717
Property expense		
Rent and taxes	177,884	122,236
Insurance	80,108	74,139
Utilities cost	1,495,110	1,117,674
Security (including guards)	723,636	618,136
Repair & maintenance (including janitorial expenses)	405,066	346,562
Depreciation on right-of-use assets	1,642,294	1,254,440
Depreciation	229,575	183,435
	<u>4,753,673</u>	<u>3,716,622</u>
Information technology expenses		
Software maintenance	813,595	545,651
Hardware maintenance	156,541	118,684
Depreciation	279,134	172,629
Amortisation	163,646	129,720
Network charges	391,408	329,242
	<u>1,804,324</u>	<u>1,295,926</u>
Other operating expenses		
Directors' fees, allowances	33,360	26,000
Fees and allowances to shariah board	7,795	7,146
Rates, taxes, insurance etc.	110,562	129,223
Legal and professional charges	94,908	68,825
Brokerage and commission	221,252	155,764
NIFT clearing charges	77,269	66,980
Repair and maintenance	678,548	553,723
Communications	1,399,600	897,105
Stationery and printing	580,005	478,991
Marketing, advertisement and publicity	213,812	149,518
Donations	-	524,398
Auditors' remuneration	48,176	37,847
Travelling, conveyance and entertainment	405,316	308,810
Depreciation	481,785	362,911
Security service charges	530,218	495,970
Training and development	23,449	21,386
Deposit premium expense	643,203	526,740
Outsourced service cost	541,867	228,277
Other expenditure	359,839	235,057
	<u>6,450,964</u>	<u>5,274,671</u>
	<u>24,739,240</u>	<u>20,826,936</u>
31.1 Total compensation expense		
Managerial remuneration	9,132,861	7,903,985
Charge for defined benefit / contribution plan	751,160	633,868
Other staff cost - note 31.1.1	1,846,258	2,001,864
	<u>11,730,279</u>	<u>10,539,717</u>

31.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance, provision for severance etc.

32. This represents penalties imposed by the State Bank of Pakistan.

	(Un-audited)	
	Period ended September 30, 2024	Period ended September 30, 2023
33. CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET	(Rupees in '000)	
(Reversal) of credit loss allowance / provision charge against investments	(493,489)	238,760
Credit loss allowance / provision charge against loans and advances	1,537,770	544,985
Credit loss allowance / (reversal of provision) against other assets	227,614	(112)
Reversal of credit loss allowance / provision against lendings to financial institutions	(22,013)	(22,291)
Credit loss allowance against off-balance sheet obligations	21,543	5,097
(Reversal) of credit loss allowance / provision charge against cash and bank balances	(13)	5
Recovery of written off / charged off bad debts	(39,684)	(76,067)
	<u>1,231,728</u>	<u>690,377</u>
34. TAXATION		
Current	14,315,888	14,114,438
Deferred	(633,707)	(305,179)
	<u>13,682,181</u>	<u>13,809,259</u>
34.1 Tax status and contingencies		

i) During the year ended December 31 2023, the Federal Government issued S.R.O 1588 (I)/2023 on 21 November 2023 under section 99D of the Income Tax Ordinance 2001, whereby the banking sector was specified the sector for the payment of additional tax on windfall income. Through said S.R.O, the Federal Government also specified the method to determine windfall income, tax rate to be applied on such windfall income and tax years under scope. The Bank has challenged the S.R.O through petition before the Honorable Islamabad High Court with regards to retrospective application of Section 99D of the Income Tax Ordinance, 2001 for tax years 2022 and 2023. The Honorable Islamabad High Court through its order dated 30 November 2023 has suspended the operation of S.R.O.1588 (I)/2023 and the said injunctive order continues to operate till date of next hearing for which no date has been fixed yet. Management based on the legal advisor opinion believes that the bank has reasonably good chance to succeed in this case and therefore has not recognized any provision in the financial statements. Additional tax on windfall income for tax years 2022 and 2023 is estimated to be Rs. 2,189 million.

ii) The Bank has filed tax returns for and up to tax year 2024. The assessments for and up to tax year 2023 were amended by the tax authorities creating accumulated additional tax demand, mainly in the matters of admissibility of recoveries against doubtful debts for Rs 1,119 million, provision for diminution in the value of investments for Rs 3,144.44 million, bad debts written off for Rs 242.892 million, provision for substandard advances for Rs 74.95 million, Provision against other assets/ fixed assets for Rs 145.81 million, disallowance of employee benefit expenses Rs 228.680 Million, disallowance of depreciation on lease assets Rs 773.88 and Other disallowances of expenses/credits for Rs 551.78 million. Bank's Appeals against these orders are currently pending before Commissioner Appeals, Appellate Tribunal and Islamabad High Court. The management and tax advisor of the Bank are confident that these matters will be decided in favor of the Bank and consequently no provision has been made thereon. Tax payments by the Bank against certain matters are being carried forward as receivable, as management and tax advisor of the Bank are confident of their realization.

iii) Consequent upon the amalgamation with and into the Bank, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re-assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re-assessment.

For and up to the assessment years 2002-2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However, the likelihood of an adverse decision is considered low due to a favorable decision of the High Court in a parallel case.

	(Un-audited)	
	Period ended September 30, 2024	Period ended September 30, 2023
35. BASIC AND DILUTED EARNINGS PER SHARE		
Profit for the period - Rupees in '000	<u>14,022,205</u>	<u>14,564,061</u>
Weighted average number of Ordinary Shares - numbers	<u>1,449,299,207</u>	<u>1,449,299,207</u>
Basic earnings per share - Rupees	<u>9.68</u>	<u>10.05</u>

There is no dilutive effect on the basic earnings per share of the Bank, therefore dilutive earnings per share have not been presented separately.

36. FAIR VALUE MEASUREMENTS

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

The fair value of unquoted debt securities, fixed term 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 unconsolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

36.1 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 (Pakistan Stock Exchange) 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) available at MUFAP and Reuters page.
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
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 and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments 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.

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

September 30, 2024 (Un-audited)					
Carrying / Notional 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	1,419,845,127	6,938,105	1,412,907,022	-	1,419,845,127
Shares	7,422,200	7,422,200	-	-	7,422,200
Units of open end mutual funds	2,380,730	1,448,565	932,165	-	2,380,730
Fully paid preference shares	24,284	24,284	-	-	24,284
Non Government Debt Securities	15,066,607	-	15,066,607	-	15,066,607
	<u>1,444,738,948</u>	<u>15,833,154</u>	<u>1,428,905,794</u>	<u>-</u>	<u>1,444,738,948</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	49,696,524	2,603,499	47,093,025	-	49,696,524
Unlisted shares	350,000	-	-	-	-
Subsidiaries	1,196,700	-	-	-	-
Cash and balances with treasury banks	117,781,302	-	-	-	-
Balances with other banks	7,457,949	-	-	-	-
Advances	461,587,243	-	-	-	-
Other assets	142,004,656	-	-	-	-
	<u>780,074,374</u>	<u>2,603,499</u>	<u>47,093,025</u>	<u>-</u>	<u>49,696,524</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	236,358,395	-	(3,927,540)	-	(3,927,540)
Forward sale of foreign exchange	185,279,297	-	3,626,725	-	3,626,725

December 31, 2023 (Audited)					
Carrying / Notional 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	1,102,510,824	8,421,152	1,094,089,672	-	1,102,510,824
Shares	6,243,266	6,243,266	-	-	6,243,266
Units of open end mutual funds	960,596	-	960,596	-	960,596
Fully paid preference shares	28,150	28,150	-	-	28,150
Non Government Debt Securities	14,449,154	-	14,449,154	-	14,449,154
	<u>1,124,191,990</u>	<u>14,692,568</u>	<u>1,109,499,422</u>	<u>-</u>	<u>1,124,191,990</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	56,798,998	10,756,335	46,042,663	-	56,798,998
Unlisted Shares	350,000	-	-	-	-
Units of open end mutual funds	1,000,000	-	-	-	-
Subsidiary	196,700	-	-	-	-
Cash and balances with treasury banks	160,087,394	-	-	-	-
Balances with other banks	13,789,031	-	-	-	-
Advances	633,132,827	-	-	-	-
Other assets	89,909,874	-	-	-	-
	<u>955,264,824</u>	<u>10,756,335</u>	<u>46,042,663</u>	<u>-</u>	<u>56,798,998</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	153,115,769	-	(2,798,564)	-	(2,798,564)
Forward sale of foreign exchange	123,329,123	-	1,475,975	-	1,475,975

The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer to takes place. There were no transfers between levels 1 and 2 during the year.

	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
	(Rupees in '000)	
	Level 3	Level 3
36.2 Fair value of non-financial assets		
Fixed assets		
Property and equipment (freehold and leasehold land)	13,238,392	13,238,392
Assets held for sale	1,750,000	1,750,000
Other assets		
Non-banking assets acquired in satisfaction of claims	852,936	866,810

37. Segment Information

37.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	September 30, 2024 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(89,610,300)	37,230,406	79,910,723	3,771,943	13,361,310	1,039,813	(2,527,144)	43,176,751
Inter segment revenue - net	114,112,610	(33,006,571)	(80,584,050)	(2,778,929)	(5,530,139)	(460,114)	8,247,193	-
Non mark-up / return / interest income	1,909,947	3,284,867	4,840,250	441,372	692,941	2,277	(203,666)	10,967,988
Total income	26,412,257	7,508,702	4,166,923	1,434,386	8,524,112	581,976	5,516,383	54,144,739
Segment direct expenses	13,544,579	936,718	352,141	1,330,444	3,053,197	182,006	5,809,540	25,208,625
Inter segment expense allocation	223,731	1,074,619	5,812	21,984	-	-	(1,326,146)	-
Total expenses	13,768,310	2,011,337	357,953	1,352,428	3,053,197	182,006	4,483,394	25,208,625
Credit loss allowance	(57,821)	980,831	(69,153)	(333,998)	933,733	(442,591)	220,727	1,231,728
Profit before tax	12,701,768	4,516,534	3,878,123	415,956	4,537,182	842,561	812,262	27,704,386
	September 30, 2024 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	35,329,449	-	75,090,067	-	14,810,029	9,706	-	125,239,251
Investments	-	14,871,705	1,417,722,226	-	52,366,827	9,541,604	1,479,810	1,495,982,172
Lendings to financial institutions	-	-	-	-	24,200,000	-	499,723	24,699,723
Advances - performing - net of loss allowance	13,164,336	346,627,358	-	22,828,295	66,669,043	733,464	9,575,943	459,598,439
Advances - non-performing - net of loss allowance	132,532	1,327,364	-	77,664	451,244	-	-	1,988,804
Others	1,959,426	40,791,584	85,251,351	1,806,496	13,830,909	381,176	41,269,308	185,290,249
Total Assets	50,585,743	403,618,011	1,578,063,644	24,712,455	172,328,052	10,665,950	52,824,784	2,292,798,638
Borrowings	1,329,892	34,141,968	640,308,482	4,747,990	4,606,839	-	-	685,135,171
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	1,015,264,766	250,970,093	-	3,200	139,326,504	997,016	-	1,406,561,579
Net inter segment balances - net	(983,354,976)	96,075,915	931,343,214	19,356,906	2,915,899	3,475,925	(69,812,883)	-
Others	17,346,061	22,430,035	6,411,948	604,359	8,643,433	6,193,009	11,850,711	73,479,556
Total liabilities	50,585,743	403,618,011	1,578,063,644	24,712,455	155,492,675	10,665,950	(45,962,172)	2,177,176,306
Equity	-	-	-	-	16,835,377	-	98,786,955	115,622,332
Total Equity and liabilities	50,585,743	403,618,011	1,578,063,644	24,712,455	172,328,052	10,665,950	52,824,784	2,292,798,638
Contingencies and commitments	6,008,635	500,857,613	427,270,987	820,535	26,571,689	-	1,050,275	962,579,734
	September 30, 2023 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(65,864,384)	19,827,597	74,279,459	3,354,457	9,437,527	1,663,458	(2,179,244)	40,518,870
Inter segment revenue - net	91,058,899	(15,489,260)	(79,072,653)	(2,563,652)	(2,528,526)	(1,178,314)	9,773,506	-
Non mark-up / return / interest income	1,298,346	3,572,066	3,665,456	555,762	566,327	22,896	218,622	9,899,475
Total income	26,492,861	7,910,403	(1,127,738)	1,346,567	7,475,328	508,040	7,812,884	50,418,345
Segment direct expenses	11,102,520	738,289	315,407	1,203,019	2,504,775	163,540	5,327,098	21,354,648
Inter segment expense allocation	992,924	735,708	17,022	36,789	-	-	(1,782,443)	-
Total expenses	12,095,444	1,473,997	332,429	1,239,808	2,504,775	163,540	3,544,655	21,354,648
Provisions	(214,263)	692,022	176,073	(25,236)	(4,663)	-	66,444	690,377
Profit before tax	14,611,680	5,744,384	(1,636,240)	131,995	4,975,216	344,500	4,201,785	28,373,320
	December 31, 2023 (Audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	33,208,938	-	129,715,500	832,790	10,058,919	60,278	-	173,876,425
Investments	-	9,252,065	1,102,004,077	-	51,493,187	19,177,486	610,873	1,182,537,688
Advances - performing - net of provision	13,991,028	469,123,014	-	20,306,104	114,745,256	2,876,637	8,663,896	629,705,935
Advances - non-performing - net of provision	259,102	2,237,228	-	74,662	855,900	-	-	3,426,892
Others	1,084,252	30,473,445	48,204,707	915,181	10,533,982	405,421	42,842,031	134,459,019
Total Assets	48,543,320	511,085,752	1,279,924,284	22,128,737	187,687,244	22,519,822	52,116,800	2,124,005,959
Borrowings	1,574,075	41,338,149	591,921,725	2,992,873	5,535,843	-	-	643,362,665
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	879,682,209	293,376,734	-	250	118,670,004	1,416,378	-	1,293,145,575
Net inter segment balances - net	(852,178,144)	149,992,534	677,830,555	18,475,360	38,253,559	16,939,831	(49,313,695)	-
Others	19,465,180	26,378,335	10,172,004	660,254	8,249,821	4,163,613	9,285,691	78,374,898
Total liabilities	48,543,320	511,085,752	1,279,924,284	22,128,737	170,709,227	22,519,822	(28,028,004)	2,026,883,138
Equity	-	-	-	-	16,978,017	-	80,144,804	97,122,821
Total Equity and liabilities	48,543,320	511,085,752	1,279,924,284	22,128,737	187,687,244	22,519,822	52,116,800	2,124,005,959
Contingencies and commitments	6,016,566	548,078,423	276,081,620	832,790	26,459,326	-	1,027,751	858,496,476

38. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

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

Details of transactions with related parties and balances are as follows:

	As at September 30, 2024 (Un-audited)					As at December 31, 2023 (Audited)				
	Parent	Directors	Key management personnel	Subsidiaries	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Other related parties
Rupees in '000										
Investments										
Opening balance	-	-	-	196,700	1,420,051	-	-	-	165,619	1,159,768
Investment made during the period / year	-	-	-	1,000,000	-	-	-	-	31,081	-
Investment redeemed / disposed off during the period / year	-	-	-	-	(500,000)	-	-	-	-	262,947
Revaluation adjustment	-	-	-	-	193,118	-	-	-	-	(2,664)
Transfer in / (out) - net	-	-	-	-	750,000	-	-	-	-	-
Closing balance	-	-	-	1,196,700	1,863,169	-	-	-	196,700	1,420,051
Advances										
Opening balance	8,108,881	-	496,686	86,678	25,003,594	29,986,315	60	507,549	200,000	16,783,652
Addition during the period / year	518,368,836	16,380	340,028	200,398	250,374,581	1,377,976,167	15,000	533,437	1,469,178	209,693,144
Repaid during the period / year	(526,331,334)	(14,838)	(276,933)	(287,000)	(250,565,112)	(1,399,853,601)	(15,060)	(544,300)	(1,582,500)	(213,910,777)
Transfer in / (out) - net	-	-	-	-	(12,212,093)	-	-	-	-	12,437,575
Closing balance	146,384	1,542	559,781	76	12,600,970	8,108,881	-	496,686	86,678	25,003,594
Other Assets										
Interest / mark-up receivable	24,627	-	78,280	-	245,584	171,099	-	68,627	-	886,474
Advance rent	-	-	-	-	-	1,380	-	-	-	-
Acceptances	-	-	-	-	154,886	-	-	-	-	-
Receivable from staff retirement fund	-	-	-	-	64,094	-	-	-	-	-
Others	-	-	-	62,905	-	106	-	-	-	-
Borrowings										
Opening balance	-	-	-	-	2,992,873	-	-	-	-	3,366,079
Borrowings during the period	-	-	-	-	2,000,000	-	-	-	-	1,000,000
Settled during the period	-	-	-	-	(244,882)	-	-	-	-	(1,373,206)
Closing balance	-	-	-	-	4,747,991	-	-	-	-	2,992,873
Deposits and other accounts										
Opening balance	39,101,224	63,502	299,420	350,869	49,059,956	38,816,364	34,614	193,107	612,265	38,455,796
Received during the period / year	910,918,922	371,258	1,743,553	9,408,487	1,193,087,027	1,786,530,029	556,261	1,843,093	4,596,769	988,872,329
Withdrawn during the period / year	(914,824,205)	(296,683)	(1,660,718)	(8,404,556)	(1,210,887,783)	(1,786,245,169)	(521,157)	(1,707,626)	(4,858,165)	(978,274,385)
Transfer in / (out) - net	-	(42,028)	-	-	(93,187)	-	(6,216)	(29,154)	-	6,216
Closing balance	35,195,941	96,049	382,256	1,354,800	31,166,013	39,101,224	63,502	299,420	350,869	49,059,956
Other Liabilities										
Interest / mark-up payable	1,599,208	255	1,990	36,685	886,176	2,574,737	7	2,964	-	715,559
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	67,468
Acceptances	-	-	-	-	154,886	-	-	-	-	-
Security deposits payable	-	-	-	-	580,852	-	-	-	-	462,570
Others	-	-	78,149	-	118,364	25	1,667	58,608	-	71,818
Guarantees and Commitments										
Guarantees and Commitments	3,905,482	-	-	-	6,437,638	225,219	-	-	-	4,476,687
Others										
Dividend paid	2,605,478	-	-	-	-	-	-	-	-	-
Securities held as custodian	22,825,000	-	90,195	-	11,945,370	13,699,456	-	48,821	-	10,493,034

For the period ended September 30, 2024 (Un-Audited)					For the period ended September 30, 2023 (Un-Audited)				
Parent	Directors	Key management personnel	Subsidiaries	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Other related parties

Rupees in '000

Income

Mark-up / return / interest earned	315,752	-	14,312	398	925,838	287,249	1,567	13,309	1,480	3,001,176
Fee and commission received	13,536	-	-	-	69,337	1,433	-	-	-	77,061
Dividend income	-	-	-	29,376	252,619	-	-	-	-	124,793

Expense

Mark-up / return / interest expensed	6,273,395	5,156	55,727	94,075	5,085,251	3,407,469	-	75,400	-	2,367,982
Charge to defined benefit plan	-	-	-	-	457,747	-	-	-	-	261,740
Contribution to defined contribution plan	-	-	-	-	293,413	-	-	-	-	254,193
Remuneration and allowances	-	-	881,522	-	7,795	-	-	788,125	-	7,146
Rent	2,349	-	-	-	-	2,099	-	-	-	-
Communications	-	-	-	-	151,793	-	-	-	-	90,336
Brokerage and Commission	-	-	-	-	80,090	-	-	-	-	66,023
Directors' Fee, Allowances	-	33,360	-	-	-	-	26,000	-	-	-
Donations	-	-	-	-	-	524,398	-	-	-	-
Others	1,175	-	-	-	-	-	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with Booths and ATMs).

The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	14,492,992	14,492,992
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	96,200,383	88,193,637
Eligible Additional Tier 1 (ADT 1) Capital	5,835,000	5,649,000
Total Eligible Tier 1 Capital	102,035,383	93,842,637
Eligible Tier 2 Capital	25,608,010	13,220,036
Total Eligible Capital (Tier 1 + Tier 2)	127,643,393	107,062,673
Risk Weighted Assets (RWAs):		
Credit Risk	391,553,947	451,392,577
Market Risk	107,986,606	29,300,677
Operational Risk	102,809,844	102,809,844
Total	602,350,397	583,503,098
Common Equity Tier 1 Capital Adequacy ratio	15.97%	15.11%
Tier 1 Capital Adequacy Ratio	16.94%	16.08%
Total Capital Adequacy Ratio	21.19%	18.35%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	102,035,383	93,842,637
Total Exposures	2,946,034,448	2,611,849,837
Leverage Ratio	3.46%	3.59%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	880,729,416	649,069,790
Total Net Cash Outflow	384,069,463	322,740,993
Liquidity Coverage Ratio	229.32%	201.11%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,427,860,601	1,314,070,873
Total Required Stable Funding	576,598,912	610,829,100
Net Stable Funding Ratio	247.63%	215.13%

40. Islamic Banking Business

The Bank is operating 145 Islamic banking branches including 3 sub-branches at September 30, 2024 as compared to 140 Islamic banking branches including 3 sub-branches at year ended December 31, 2023.

		(Un-audited) September 30, 2024	(Audited) December 31, 2023
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		14,668,602	9,944,209
Balances with other banks		141,591	114,710
Due from financial Institutions	40.1	24,200,000	-
Investments	40.2	52,365,264	51,493,187
Islamic financing and related assets - net	40.3	67,120,305	115,601,156
Property and Equipment		905,484	543,503
Right-of-use assets'		1,933,172	1,531,349
Other assets		13,029,360	11,787,572
Total assets		174,363,778	191,015,686
LIABILITIES			
Bills payable		849,071	1,206,806
Due to financial institutions		4,606,838	5,535,843
Deposits and other accounts	40.4	139,326,504	118,670,004
Due to head office		-	41,500,000
Lease liabilities		2,398,077	1,866,177
Other liabilities		5,411,960	5,258,839
		152,592,450	174,037,669
NET ASSETS		<u>21,771,328</u>	<u>16,978,017</u>
REPRESENTED BY			
Islamic Banking Fund		4,600,000	4,600,000
Surplus / (Deficit) on revaluation of assets		192,353	(1,500,789)
Unappropriated profit	40.5	16,978,975	13,878,806
		<u>21,771,328</u>	<u>16,978,017</u>
CONTINGENCIES AND COMMITMENTS	40.6	<u>26,571,690</u>	<u>26,459,326</u>

The profit and loss account of the Bank's Islamic banking branches for the period ended September 30, 2024 is as follows:

		(Un-audited) For the period ended	
		September 30, 2024	September 30, 2023
	Note	(Rupees in '000)	
Profit / return earned	40.8	24,603,243	18,427,429
Profit / return expensed	40.9	16,772,082	11,518,429
Net Profit / return		7,831,161	6,909,000
Other income			
Fee and Commission Income		313,635	245,407
Dividend Income		9,559	12,759
Foreign Exchange Income		267,049	219,995
Gain on securities		27,874	7,500
Other Income		74,822	80,666
Total other income		692,939	566,327
Total Income		8,524,100	7,475,327
Other expenses			
Operating expenses		3,052,983	2,502,235
Other charges		202	2,541
Total other expenses		3,053,185	2,504,776
Profit before credit loss allowance		5,470,915	4,970,551
Credit loss allowance / provisions and write offs - net		933,733	(4,662)
Profit before taxation		<u>4,537,182</u>	<u>4,975,213</u>

	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
40.1 Due from financial institutions	(Rupees in '000)					
Secured	-	-	-	-	-	-
Unsecured	24,200,000	-	24,200,000	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
	24,200,000	-	24,200,000	-	-	-
Less: Credit Loss Allowance						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance	24,200,000	-	24,200,000	-	-	-

	September 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortized cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
40.2 Investments by segments:	(Rupees in '000)							

Debt Instruments

Measured at amortised cost (2023: Held to maturity)

Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
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Measured at FVOCI (2023: Available for sale)

Federal Government Securities:

- Ijarah Sukuks	42,152,482	-	192,353	42,344,835	43,883,854	-	(1,483,551)	42,400,303
- Islamic Naya Pakistan Certificates	3,833,152	(101,311)	-	3,731,841	3,744,996	-	-	3,744,996
Non Government Debt Securities	4,539,227	(421,311)	-	4,117,916	3,618,805	(419,679)	-	3,199,126
	50,524,861	(522,622)	192,353	50,194,592	51,247,655	(419,679)	(1,483,551)	49,344,425

Measured at FVTPL (2023: Held for trading)

Non Government Debt Securities	2,066,000	-	(858)	2,065,142	2,066,000	-	(18,040)	2,047,960
Units of Open end Mutual Fund	100,000	-	5,530	105,530	100,000	-	802	100,802
Total investments	52,800,861	(632,622)	197,025	52,365,264	53,523,655	(529,679)	(1,500,789)	51,493,187

	June 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
40.2.1 Particulars of credit loss allowance / provision	(Rupees in '000)							
Federal Government Securities	101,311	-	-	101,311	-	-	-	-
Non Government Debt Securities	1,632	-	529,679	531,311	-	-	529,679	529,679
	102,943	-	529,679	632,622	-	-	529,679	529,679

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
40.3 ISLAMIC FINANCING AND RELATED ASSETS	(Rupees in '000)	
Ijarah	4,182,590	4,681,429
Murabaha - note 40.3.1	7,076,193	6,138,282
Musharakah	12,709,368	55,026,157
Diminishing Musharakah	23,466,961	22,818,065
Salam	4,173,563	10,275,161
Istisna	4,988,666	9,883,300
Receivable against sale of Istisna / Salam Inventory	2,684,184	809,800
Service Ijarah	2,176,088	2,364,132
Wakalah	1,240,507	780,967
Other Islamic Modes (Qard)	1,526,479	1,927,577
Advances against Islamic assets - note 40.3.2	2,778,229	1,509,338
Inventory related to Islamic financing - note 40.3.3	4,315,710	1,339,568
Gross Islamic financing and related assets	71,318,538	117,553,776
Less: Credit loss allowance / provision against Islamic financings		
- Stage 1	92,637	27,395
- Stage 2	224,851	-
- Stage 3	3,880,745	1,925,225
	4,198,233	1,952,620
Islamic financing and related assets - net of Credit loss allowance / provision	67,120,305	115,601,156

40.3.1 Includes advance against Murabaha of Rs.1,260,760 thousand (December 31, 2023: Rs.449,708 thousand).

40.3.2 Advance against Islamic assets

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
September 30, 2024 (Un-audited)	186,172	-	2,592,057	-	-	2,778,229
December 31, 2023 (Audited)	40,657	-	1,468,681	-	-	1,509,338

40.3.3 Inventory related to Islamic financing

	Murabaha	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
September 30, 2024 (Un-audited)	58,645	-	-	2,325,698	1,931,367	4,315,710
December 31, 2023 (Audited)	-	-	-	593,003	746,565	1,339,568

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
40.4 DEPOSITS AND OTHER ACCOUNTS		
	(Rupees in '000)	
Customers		
Current deposits - non remunerative	44,277,306	41,466,373
Current deposits - remunerative	2,023,154	1,210,897
Savings deposits	33,114,286	23,935,223
Term deposits	26,146,528	34,422,882
Others	3,631,307	1,511,973
	<u>109,192,581</u>	<u>102,547,348</u>
Financial Institutions		
Current deposits - non remunerative	78,866	114,330
Current deposits - remunerative	11,762	32,474
Savings deposits	9,435,795	333,656
Term deposits	20,607,500	15,642,196
	<u>30,133,923</u>	<u>16,122,656</u>
	<u>139,326,504</u>	<u>118,670,004</u>
40.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	13,878,806	6,523,276
Less: Impact of IFRS-9 - adoption	(1,437,013)	-
Add: Islamic banking profit for the period	4,537,182	7,355,530
Closing Balance	<u>16,978,975</u>	<u>13,878,806</u>
40.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	9,319,998	9,704,484
-Commitments	17,251,692	16,754,842
	<u>26,571,690</u>	<u>26,459,326</u>
40.7 CHARITY FUND		
Opening balance	46,063	40,130
Additions during the period		
- Received from customers on delayed payments	29,654	39,463
- Non Shariah Compliant Income	-	-
- Profit on charity account	33	32
- Others	851	690
	30,538	40,185
Payments / utilization during the period		
- Education	-	(5,468)
- Health	-	(24,661)
- Orphanage	-	(4,123)
	-	(34,252)
Closing balance	<u>76,601</u>	<u>46,063</u>

(Un-audited)
For the nine months ended

	September 30, 2024	September 30, 2023
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(Rupees in '000)

**40.8 PROFIT / RETURN EARNED ON FINANCING,
INVESTMENTS AND PLACEMENTS**

Profit earned on:

Financing	17,045,917	13,530,323
Investments	7,069,752	4,860,579
Placements	487,574	36,527
	24,603,243	18,427,429

40.9 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	10,368,443	8,204,216
Due to financial institutions	659,561	620,136
Due to head office	5,530,140	2,528,526
Lease liability against right-of-use assets	213,938	165,551
	16,772,082	11,518,429

41 RECLASSIFICATION OF COMPARATIVE FIGURES

Where necessary, corresponding figures have been regrouped to conform to the presentation of current period amounts. Further, the regrouping does not have an impact on previously reported condensed interim unconsolidated statement of financial position or profit and loss account.

42 DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors on October 29, 2024.

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman



CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2024

(UN-AUDITED)

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2024

		(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	117,781,435	160,087,467
Balances with other banks	7	8,358,943	14,761,177
Lendings to financial institutions	8	24,699,723	-
Investments	9	1,494,947,281	1,182,497,658
Advances	10	461,587,243	633,046,149
Property and equipment	11	20,410,318	18,707,443
Right-of-use assets	12	9,853,577	8,312,812
Intangible assets	13	1,798,488	1,860,747
Assets held for sale	14	1,750,000	1,750,000
Deferred tax assets	15	1,792,260	8,065,412
Other assets	16	150,554,396	96,684,170
Total Assets		<u>2,293,533,664</u>	<u>2,125,773,035</u>
LIABILITIES			
Bills payable	17	9,567,108	12,394,336
Borrowings	18	685,135,171	643,362,665
Deposits and other accounts	19	1,405,206,779	1,292,794,706
Lease liabilities	20	11,708,740	9,699,474
Subordinated debts	21	12,000,000	12,000,000
Other liabilities	22	53,612,740	57,826,193
Total Liabilities		<u>2,177,230,538</u>	<u>2,028,077,374</u>
NET ASSETS		<u>116,303,126</u>	<u>97,695,661</u>
REPRESENTED BY			
Share capital		14,492,992	14,492,992
Reserves		76,004,488	57,855,752
Surplus on revaluation of assets - net of tax	23	17,310,580	4,458,455
Unappropriated profit		8,073,394	20,511,764
Non-controlling interest		421,672	376,698
		<u>116,303,126</u>	<u>97,695,661</u>

CONTINGENCIES AND COMMITMENTS

24

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

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

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

For the nine months ended September 30, 2024

	Note	Quarter ended		Nine months ended	
		September 30,	September 30,	September 30,	September 30,
		2024	2023	2024	2023
		(Rupees in '000)			
Mark-up / return / interest earned	26	104,509,190	88,828,232	309,922,679	216,840,112
Mark-up / return / interest expensed	27	86,011,728	73,130,624	266,548,339	176,321,242
Net mark-up / interest income		18,497,462	15,697,608	43,374,340	40,518,870
Non mark-up / interest income					
Fee and commission income	28	1,731,738	1,879,968	5,405,298	5,273,115
Dividend income		146,863	182,126	651,443	542,915
Foreign exchange income		1,159,558	852,646	3,574,024	3,636,087
Gain on securities - net	29	426,767	192,316	1,326,786	218,081
Other income	30	138,645	146,404	366,159	346,208
Total non-markup / interest income		3,603,571	3,253,460	11,323,710	10,016,406
Total income		22,101,033	18,951,068	54,698,050	50,535,276
Non mark-up / interest expenses					
Operating expenses	31	8,626,164	7,312,053	25,087,294	20,911,141
Workers' Welfare Fund		139,262	160,211	409,262	398,110
Other charges	32	55,115	5,437	64,387	129,602
Total non-markup / interest expenses		8,820,541	7,477,701	25,560,943	21,438,853
Profit before credit loss allowance / provisions and taxation		13,280,492	11,473,367	29,137,107	29,096,423
Credit loss allowance / provisions and write offs - net	33	1,685,019	73,101	1,232,728	690,377
Profit before taxation		11,595,473	11,400,266	27,904,379	28,406,046
Taxation	34	5,573,686	5,652,605	13,745,903	13,820,842
Profit after taxation		6,021,787	5,747,661	14,158,476	14,585,204
Profit attributable to					
Non-controlling interest		29,391	10,360	73,198	10,360
Equity holders of the Bank		5,992,396	5,737,301	14,085,278	14,574,844
		6,021,787	5,747,661	14,158,476	14,585,204
		Rupees		Rupees	
Basic and diluted earnings per share	35	4.15	3.97	9.77	10.06

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

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the nine months ended September 30, 2024

	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Note	(Rupees in '000)			
Profit after taxation	6,021,787	5,747,661	14,158,476	14,585,204
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in Wholesale Bank Branch	(12,535)	63,019	(74,307)	933,722
Movement in surplus on revaluation of debt investments designated at FVOCI - net of tax	9,571,755	-	10,680,614	-
Movement in surplus on revaluation of investments - net of tax	-	2,740,133	-	(4,359,722)
	9,559,220	2,803,152	10,606,307	(3,426,000)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of equity investments designated at FVOCI - net of tax	(22,811)	-	604,278	-
Reversal of deferred tax liability recognised in previous year	-	65,004	-	65,004
Remeasurement gain on defined benefit plan	-	222,829	367,245	222,829
	(22,811)	287,833	971,523	287,833
Total comprehensive income	<u>15,558,196</u>	<u>8,838,646</u>	<u>25,736,306</u>	<u>11,447,037</u>
Total comprehensive income attributable to				
Non-controlling interest	29,391	10,360	73,198	10,360
Equity holders of the Bank	15,528,805	8,828,286	25,663,108	11,436,677
	<u>15,558,196</u>	<u>8,838,646</u>	<u>25,736,306</u>	<u>11,447,037</u>

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

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

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

For the nine months ended September 30, 2024

	Share capital	Exchange translation reserve	Share premium account	Merger reserve	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of		Un-appropriated profit / (loss)	Non-Controlling interest	Total
							Investments	Fixed / Non banking assets			
							(Rupees in '000)				
Balance as at January 1, 2023 (Audited)	12,602,602	1,192,942	234,669	-	15,605,063	26,340,921	(7,549,155)	11,501,511	13,403,870	-	73,332,423
Total comprehensive income for the nine months ended September 30, 2023											
Net profit for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	14,574,844	10,360	14,585,204
Other comprehensive income related to equity	-	933,722	-	-	-	-	(4,359,722)	-	287,833	-	(3,138,167)
	-	933,722	-	-	-	-	(4,359,722)	-	14,862,677	10,360	11,447,037
Transfer to Statutory reserve	-	-	-	-	1,457,484	-	-	-	(1,457,484)	-	-
Transfer to General reserve	-	-	-	-	-	13,381,442	-	-	(13,381,442)	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(782,541)	782,541	-	-
Transactions with owners, recorded directly in equity											
Bonus shares issued	1,890,390	-	(234,669)	-	-	(1,655,721)	-	-	-	-	-
Acquisition of subsidiary	-	-	-	128,355	-	-	-	-	-	321,342	449,697
Balance as at September 30, 2023 (Un-Audited)	14,492,992	2,126,664	-	128,355	17,062,547	38,066,642	(11,908,877)	10,718,970	14,210,162	331,702	85,229,157
Total comprehensive income for the quarter ended December 31, 2023											
Net profit for the quarter ended December 31, 2023	-	-	-	-	-	-	-	-	6,913,748	41,457	6,955,205
Other comprehensive income related to equity	-	(214,438)	-	-	-	-	5,541,647	126,715	53,836	3,539	5,511,299
	-	(214,438)	-	-	-	-	5,541,647	126,715	6,967,584	44,996	12,466,504
Transfer to Statutory reserve	-	-	-	-	685,982	-	-	-	(685,982)	-	-
Transfer to General reserve	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	685,982	-	-	-	(685,982)	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(20,000)	20,000	-	-
Balance as at December 31, 2023 (Audited)	14,492,992	1,912,226	-	128,355	17,748,529	38,066,642	(6,367,230)	10,825,685	20,511,764	376,698	97,695,661
Effect of reclassification on adoption of IFRS9 (net of tax)	-	-	-	-	-	-	1,766,774	-	416,924	-	2,183,698
Effect of adoption of IFRS9 - ECL (net of tax)	-	-	-	-	-	-	-	-	(5,661,067)	-	(5,661,067)
Balance as at December 31, 2023 - restated	14,492,992	1,912,226	-	128,355	17,748,529	38,066,642	(4,600,456)	10,825,685	15,267,621	376,698	94,218,292
Total comprehensive income for the nine months ended September 30, 2024											
Net profit for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	14,085,278	73,198	14,158,476
Other comprehensive income related to equity	-	(74,307)	-	-	-	-	11,284,892	-	367,245	-	11,577,830
	-	(74,307)	-	-	-	-	11,284,892	-	14,452,523	73,198	25,736,306
Transfer to Statutory reserve	-	-	-	-	1,402,221	-	-	-	(1,402,221)	-	-
Transfer to General reserve	-	-	-	-	-	16,820,822	-	-	(16,820,822)	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of equity securities measured at FVOCI - net of tax	-	-	-	-	-	-	(199,541)	-	199,541	-	-
Transactions with owners, recorded directly in equity											
Final dividend 2023: Rs. 2.5 per share	-	-	-	-	-	-	-	-	(3,623,248)	(28,224)	(3,651,472)
Balance as at September 30, 2024 (Un-Audited)	14,492,992	1,837,919	-	128,355	19,150,750	54,887,464	6,484,895	10,825,685	8,073,394	421,672	116,303,126

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

-sd-

Chief Financial Officer / A. President & CE

-sd-

Director

-sd-

Director

-sd-

Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the nine months ended September 30, 2024

	Nine months ended	
	September 30, 2024	September 30, 2023
Note	(Rupees in '000)	
Cash flow from operating activities		
Profit before taxation	27,904,379	28,406,046
Less: dividend income	(651,443)	(542,915)
	27,252,936	27,863,131
Adjustments:		
Depreciation	996,271	718,975
Amortization	163,773	129,720
Depreciation on ROU assets	1,642,294	1,254,440
Markup expense on lease liability against ROU assets	1,076,507	763,481
Gain on termination of lease contracts under IFRS - 16 Leases	(31,978)	(11,082)
Fair value loss on recognition of financial asset at fair value	259,574	-
Charge for defined benefit plan	457,748	379,675
Credit loss allowance and write offs - net	1,272,412	766,444
Unrealised gain on securities measured at FVTPL	(517,234)	(8,210)
Gain on sale of property and equipment	(10,578)	(10,488)
	5,308,789	3,982,955
	32,561,725	31,846,086
(Increase) / decrease in operating assets		
Lendings to financial institutions	(24,677,709)	(8,668,536)
Securities classified as FVPL / HFT	(5,597,588)	155,185
Advances	159,558,395	59,678,140
Other assets (excluding advance taxation)	(52,083,726)	(31,439,230)
	77,199,372	19,725,559
Increase / (decrease) in operating liabilities		
Bills payable	(2,827,228)	(2,547,863)
Borrowings from financial institutions	41,772,506	145,251,346
Deposits	112,412,073	132,873,655
Other liabilities	(4,542,662)	22,080,149
	146,814,689	297,657,287
Net cash flow generated from operations	256,575,786	349,228,932
Payment made to defined benefit plan	(147,976)	(250,676)
Income tax paid	(17,263,584)	(10,425,196)
Net cash flow generated from operating activities	239,164,226	338,553,060
Cash flow from investing activities		
Net investments in securities measured at FVOCI / AFS	(287,466,128)	(346,002,330)
Net investments in securities measured at amortized cost / HTM	7,495,932	56,096,711
Dividend received	585,161	476,137
Investments in property and equipment	(2,524,258)	(999,640)
Investments in intangible assets	(200,890)	(507,283)
Proceeds from sale of property and equipment	22,553	14,673
Effect of translation of net investment in Wholesale Bank Branch	(74,307)	933,722
Net cash flow used in investing activities	(282,161,937)	(289,988,010)
Cash flow from financing activities		
Payments against lease liabilities under IFRS 16	(2,097,172)	(1,620,913)
Cash and cash equivalents transferred from subsidiary	-	616,831
Dividend paid	(3,613,383)	(1,593)
Net cash flow used in financing activities	(5,710,555)	(1,005,675)
(Decrease) / increase in cash and cash equivalents	(48,708,266)	47,559,375
Cash and cash equivalents at beginning of the period	174,848,644	80,627,190
Cash and cash equivalents at end of the period	126,140,378	128,186,565

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

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the nine months ended September 30, 2024

1. STATUS AND NATURE OF BUSINESS

The Group consists of Askari Bank Limited, the holding company, Foundation Securities Limited, a 51% owned subsidiary and Askari Currency Exchange (Private) Limited, a 100% owned subsidiary.

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 (2023: 71.91) percent shares of the Bank as on September 30, 2024. The ultimate parent of the Bank is Fauji Foundation. The Bank has 661 branches (2023: 660 branches); 660 in Pakistan and Azad Jammu and Kashmir including 142 (2023: 137) Islamic Banking branches and 64 (2023: 63) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

Foundation Securities (Private) Limited (FSL) was incorporated in Pakistan on January 18, 2005 under the repealed Companies Ordinance, 1984 as a private limited company. The Group holds 51% Ordinary Shares of FSL. The principal activity includes equity and commodity brokerage, equity research and corporate financial advisory services. The registered office of FSL is situated in Karachi.

During the period ended September 30, 2024, the Bank has invested Rs. 1,000 million in its wholly owned subsidiary Askari Currency Exchange (Private) Limited.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

2.1.1 These consolidated financial statements have been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan.

2.1.2 These consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand.

2.1.3 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

2.2 STATEMENT OF COMPLIANCE

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

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

- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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.

2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015 and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.2.3 These consolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular No. 2 dated February 09, 2023 and International Accounting Standard 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Group for the financial year ended December 31, 2023.

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

During the year, the Group has adopted IFRS 9 as applicable in Pakistan with effect from 01 January 2024 (refer note 4.1 for details). There are certain other amendments to accounting and reporting standards that are mandatory for the Group's accounting periods beginning on or after January 1, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these consolidated condensed interim financial statements.

3.1 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those as applied in the preparation of annual consolidated financial statements of the Group for the year ended December 31, 2023, except for the following:

4.1 IFRS 9 - Financial Instruments

During the period, as directed by the SBP vide its BPRD Circular No. 07 of 2023 dated April 13, 2023, IFRS 9: 'Financial Instruments' (the Standard) became applicable to the Group.

BPRD Circular No. 03 of 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the Application Instructions) for ensuring smooth and consistent implementation of the standard across banks. The SBP vide its BPRD Circular Letter No. 16 of 2024 have made amendments and extend the timelines of IFRS 9 application instructions.

The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the assets of the Group which are exposed to credit risk.

The Group has adopted IFRS 9 in accordance with the Application Instructions from January 1, 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9. The accounting policies applicable to the 2023 presented information is consistent with the policies mentioned in 31 December 2023 annual financial statements.

SBP vide its BPRD Circular Letter No. 16 of 2024 have made certain amendments and extended timelines of application instructions for certain areas where the banking industry has sought more time. These amendments and relaxations include use modification accounting for financial assets and liabilities as per IFRS 9 standard and recording and treatment of staff loan and advances at reduced rates to given effect from 1 October 2024. Further, the banks have been asked to use existing practices of recordings of interest/markup income using effective interest rate and ensure full recognition from 1 October 2024, this in turn also effects the reduced rate loans and modified assets accounting. Moreover, SBP have allowed an extension to Banks up to December 31, 2024 for developing the requisite models for calculating EAD for revolving products beyond the contractual date. In addition the banks have also been allowed to continue the existing practice of valuing unquoted equity investment at their cost or breakup value, whichever is lower, till 31 December 2024 and perform fair valuation of these securities afterwards.

4.1.1 Impact on the condensed interim unconsolidated statement of financial position:

The effect of this change in accounting policy on the financial assets and financial liabilities is as follows:

Financial Asset / Liabilities

	Balances as of December 31, 2023 (Audited)	Remeasurements / reclassifications	Recognition of expected credit loss (ECL)	Balances as of January 01, 2024
(Rupees in '000)				
ASSETS				
Cash and balances with treasury banks	160,087,394	-	-	160,087,394
Balances with other banks	13,789,031	-	(172)	13,788,859
Investments				
- Classified as available for sale	1,124,989,158	(1,124,989,158)	-	-
- Classified as fair value through other comprehensive income	-	1,105,542,060	(166,857)	1,105,375,203
- Classified as held to maturity	56,798,998	(56,798,998)	-	-
- Classified as amortised cost	-	74,879,606	-	74,879,606
- Classified as held for trading	552,832	(552,832)	-	-
- Classified as fair value through profit or loss	-	6,201,322	-	6,201,322
	1,182,340,988	4,282,000	(166,857)	1,186,456,131
Advances				
Gross amount	661,308,049	-	-	661,308,049
- Provision	(28,175,222)	-	(10,322,295)	(38,497,517)
	633,132,827	-	(10,322,295)	622,810,532
Other assets - financial assets	90,069,257	-	(383,971)	89,685,286
LIABILITIES				
Bills payable	12,394,336	-	-	12,394,336
Borrowings	643,362,665	-	-	643,362,665
Deposits and other accounts	1,293,145,575	-	-	1,293,145,575
Subordinated debt	12,000,000	-	-	12,000,000
Other liabilities - financial liabilities	45,249,204	-	226,837	45,476,041
	2,006,151,780	-	226,837	2,006,378,617

The following table and the accompanying notes below explain the original measurement categories under the regulation established by the regulator / SBP and the new measurement categories under IFRS 9 for each class of the Group's financial assets / liability as at 1 January 2024:

Financial Asset / Liabilities		Measurement Category – before adoption of IFRS 9	Measurement Category - after adoption of IFRS 9	Carrying amount at December 31, 2023 – before adoption of IFRS 9	Carrying amount at January 01, 2024 - after adoption of IFRS 9
				Rupees in '000	
Cash and balances with treasury banks		Loans and receivables	Amortised cost	160,087,394	160,087,394
Balances with other banks		Loans and receivables	Amortised cost	13,789,031	13,788,859
Investments		Held for trading	Fair value through profit or loss	552,832	552,832
		Available for sale	Fair value through profit or loss	5,648,490	5,648,490
		Available for sale	Fair value through other comprehensive income	1,105,542,060	1,105,375,203
		Available for sale	Amortised cost	13,798,608	18,080,608
		Held to maturity	Amortised cost	56,798,998	56,798,998
Advances		Loans and receivables	Amortised cost	633,132,827	622,810,532
Other assets		Loans and receivables	Amortised cost	90,069,257	89,685,286
Bills payable		Amortised Cost	Amortised Cost	12,394,336	12,394,336
Borrowings		Amortised Cost	Amortised Cost	643,362,665	643,362,665
Deposits and other accounts		Amortised Cost	Amortised Cost	1,293,145,575	1,293,145,575
Subordinated debt		Amortised Cost	Amortised Cost	12,000,000	12,000,000
Other liabilities		Amortised Cost	Amortised Cost	45,249,204	45,476,041

4.1.2 Impact on reserve of deficit on revaluation of investments:

	Impact of adopting IFRS 9 at January 1, 2024 Rupees in '000
Closing balances as at December 31, 2023	(6,367,323)
Reclassification of investment securities (debt) from available-for-sale to amortised cost	4,282,000
Reclassification of net surplus on investment securities (debt and equity) from available-for-sale to FVTPL	(220,594)
Reclassification of provision for diminution in value of investment securities (equity) from available-for-sale to FVOCI	(597,143)
Related tax	(1,697,489)
	1,766,774
Opening balance under IFRS 9 as at January 1, 2024	<u>(4,600,549)</u>

4.1.3 Impact on Retained Earnings

Closing balances as at December 31, 2023	20,431,812
Reclassification under IFRS 9 (net of tax)	416,924
Recognition of expected credit losses under IFRS 9	(11,100,132)
Related tax	5,439,065
	(5,661,067)
Opening balance under IFRS 9 as at January 1, 2024	<u>15,187,669</u>

4.1.4 Impact on regulatory capital

In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP has detailed the transitional arrangement.

The transitional arrangement applies only to provisions for stage 1 and stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years.

Moreover, SBP has allowed to adjust the amount of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET 1 and vice versa as per Annexure-A of BPRD Circular no 16 of 2024.

The impact of adoption of IFRS 9 on the capital ratios of the Group are as follows:

	As per previous Reporting (31 December 2023)	At 1 January 2024 after adoption of IFRS 9
Common Equity Tier 1 Capital Adequacy ratio	15.11%	14.15%
Tier 1 Capital Adequacy Ratio	16.08%	15.12%
Total Capital Adequacy Ratio	18.35%	17.52%

4.1.5 Classification and measurement

Under the new standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit or loss (FVTPL) regardless of the business model in which they are held.

Recognition / derecognition and initial measurement

Trade receivable and debt securities issued are initially recorded when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

The policy for derecognition of financial asset and liabilities are consistent with the annual consolidated financials statements of the Group for the year ended December 31, 2023.

Classification

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business models for managing financial assets, in which cases all affected financial assets are reclassified on the first day of the first reporting period following changes in the business model.

IFRS 9 allows entities to irrevocably designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces any 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing gains and losses on them on different basis. SBP instructions state that banks may apply the fair value option if, in addition to the IFRS 9 criterion, (a) it is consistent with a documented risk management strategy, and (b) fair values are reliable at inception and throughout life of the instrument. Nonetheless, banks should avoid this option for financial instruments that are categorized as Level 3 in terms of the IFRS 13 hierarchy.

Financial Liabilities

Financial liabilities are either classified as fair value through profit or loss (FVTPL), when they are held for trading purposes, or at amortised cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in profit and loss account. Financial liabilities classified at amortised cost are initially recorded at their fair value and subsequently measured using the effective interest rate method. Markup expense and foreign exchange gain and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss.

4.1.6 Business model assessment

A financial asset is classified as either Held to collect, Held to collect and sale and Others based on Business model assessment. The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, historical sales information etc.

4.1.7 **Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)**

The Group assesses whether the contractual cash flows of a financial asset meet the Solely Payments of Principal and Interest (SPPI) criterion by examining the contractual terms. This includes checking for terms that could alter the amount and timings of cash flows, such as contingent events, leverage, or prepayment features, etc.

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

For fixed-rate financings with periodic profit rate resets, the Group considers these SPPI-compliant as the revised rates reflect time value, credit risk, and other associated risks.

4.1.8 **Subsequent measurement**

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Markup, foreign exchange gains and losses and impairment are recognised in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Markup income is calculated using the effective interest method and includes amortization of premiums and accretion of discount, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to income statement.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to income statement.

The banks are allowed to continue measuring unquoted equity securities at the lower of cost or break-up value up to December 31, 2024. However, The Group shall be required to measure unquoted equity securities at fair value, as required in the IFRS 9 application instructions, with effect from January 1, 2025.

4.1.9 **Modification**

Financial assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognized the resulting adjustment as a modification gain or loss in profit or loss. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

4.1.10 Impairment

The impairment requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments), lease receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets where 12-month ECL is recognized are in 'Stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'Stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'Stage 3'. Under the SBP's instructions, the Group is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency.

Based on the requirements of IFRS 9 and SBP's IFRS 9 application instructions, the Group has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12-month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2).

- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.
- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Group expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

4.1.11 Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Group used several qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or profit payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

A financial asset is transitioned to a backward stage in line with SBP instructions.

4.1.12 Governance, ownership and responsibilities

The Group has adopted a governance framework requiring multiple functions to effectively work together to ensure input from all business lines. The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk department also take the ownership of the impact of ECL on Group's capital.

The Group's Finance Division performs ECL calculation. As a result, the department then assess the financial impact, meet the financial reporting requirements and further monitor the impact on the financial ratios.

As per the Group's policy, the Group's Internal Audit function carries out periodic review of IFRS 9 methodology and impacts calculated by the Management.

4.2 Revised format of condensed interim financial statements

The SBP through its BPRD Circular No. 02 dated February 9, 2023, and BPRD Circular Letter No. 07 of 2023 dated April 13, 2023, has amended the format of quarterly and half yearly financial statements of banks. All banks are directed to prepare their quarterly and half yearly financial statements on the revised format effective from accounting year starting from January 1, 2024. Accordingly, the Group has prepared these condensed interim consolidated financial statements on the new format prescribed by the SBP.

The adoption of revised format has resulted in following significant changes:

- Right-of-use-assets (note 12) amounting to Rs 9,853,577 thousand (December 31, 2023: Rs 8,312,812 thousand) which were previously shown as part of fixed assets are now shown separately on the unconsolidated statement of financial position.
- Lease liabilities (note 20) amounting to Rs 11,708,740 thousand (December 31, 2023: Rs 9,699,474 thousand) which were previously shown as part of other liabilities (note 22) are now shown separately on the unconsolidated statement of financial position.

5. FINANCIAL RISK MANAGEMENT

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

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
6. CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000	
<i>In hand:</i>		
Local currency	32,159,497	27,760,857
Foreign currencies	3,784,951	4,318,238
	<u>35,944,448</u>	<u>32,079,095</u>
<i>With the State Bank of Pakistan in:</i>		
Local currency current accounts	56,631,878	104,626,342
Foreign currency current account	7,987,210	6,885,755
Foreign currency deposit account	14,337,946	12,873,026
	78,957,034	124,385,123
<i>With National Bank of Pakistan in:</i>		
Local currency current accounts	2,851,747	3,573,496
Prize Bonds	28,206	49,753
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
Cash and balances with treasury banks - net of credit loss allowance	<u>117,781,435</u>	<u>160,087,467</u>
7. BALANCES WITH OTHER BANKS		
<i>In Pakistan</i>		
In current accounts	327,502	191,224
In deposit accounts	692,854	783,724
	<u>1,020,356</u>	<u>974,948</u>
<i>Outside Pakistan</i>		
In current accounts	1,422,008	1,557,101
In deposit accounts	5,916,742	12,229,132
	7,338,750	13,786,233
Less: Credit loss allowance held against balances with other banks	(163)	(4)
Balances with other banks - net of credit loss allowance	<u>8,358,943</u>	<u>14,761,177</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	24,700,000	-
Purchase under resale arrangement of equity securities	66,873	89,164
	<u>24,766,873</u>	<u>89,164</u>
Less: Credit loss allowance / provision held against lending to financial institutions	(67,150)	(89,164)
Lendings to financial institutions - net of credit loss allowance / provision	<u>24,699,723</u>	<u>-</u>

		September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
		Lending	Credit Loss Allowance Held	Lending	Provision held
		Rupees in '000			
8.1	Particulars of credit loss allowance / provision				
	Domestic				
	Performing	24,700,000	277	-	-
	Non-performing				
	Loss	66,873	66,873	89,164	89,164
		<u>24,766,873</u>	<u>67,150</u>	<u>89,164</u>	<u>89,164</u>

9. INVESTMENTS

	September 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortized cost	Credit Loss allowance	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution in value of investments	Surplus / (deficit)	Carrying value
(Rupees in '000)								
9.1 Investments by type:								
<i>FVTPL / (2023: Held for trading)</i>								
Fully paid ordinary shares	615,954	-	6,647	622,601	544,494	-	22,049	566,543
Units of mutual funds	1,820,729	-	604,334	2,425,063	-	-	-	-
Non Government Debt Securities	3,622,900	-	2,890	3,625,790	-	-	-	-
	<u>6,059,582</u>	<u>-</u>	<u>613,871</u>	<u>6,673,453</u>	<u>544,494</u>	<u>-</u>	<u>22,049</u>	<u>566,543</u>
<i>FVOCI / (2023: Available for sale)</i>								
Federal Government Securities	1,409,811,367	(580,094)	10,613,854	1,419,845,127	1,117,640,852	(524,796)	(14,605,232)	1,102,510,824
Shares	5,073,491		2,094,959	7,168,450	4,752,010	(597,143)	1,885,567	6,040,434
Units of mutual funds	-		-	-	1,913,994	(168,124)	259,059	2,004,929
Fully paid preference shares	27,314	(2,230)	(800)	24,284	27,314	(11,914)	12,750	28,150
Non Government Debt Securities	12,724,773	(1,291,423)	7,467	11,440,817	15,836,647	(1,355,068)	(32,425)	14,449,154
	<u>1,427,636,945</u>	<u>(1,873,747)</u>	<u>12,715,480</u>	<u>1,438,478,678</u>	<u>1,140,170,817</u>	<u>(2,657,045)</u>	<u>(12,480,281)</u>	<u>1,125,033,491</u>
<i>Amortised cost / (2023: Held to maturity)</i>								
Federal Government Securities	49,987,334	(192,184)	-	49,795,150	57,483,266	(585,642)	-	56,897,624
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
	<u>50,097,334</u>	<u>(302,184)</u>	<u>-</u>	<u>49,795,150</u>	<u>57,593,266</u>	<u>(695,642)</u>	<u>-</u>	<u>56,897,624</u>
Total investments	<u>1,483,793,861</u>	<u>(2,175,931)</u>	<u>13,329,351</u>	<u>1,494,947,281</u>	<u>1,198,308,577</u>	<u>(3,352,687)</u>	<u>(12,458,232)</u>	<u>1,182,497,658</u>

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

9.1.1 Investments given as collateral

The market value of investments given as collateral is as follows

Market Treasury Bills	1,804,074	13,586,080
Pakistan Investment Bonds	617,470,320	570,673,900
Shares	186,310	141,491
	<u>619,460,704</u>	<u>584,401,471</u>

	<u>(Un-audited)</u> September 30, 2024	<u>(Audited)</u> December 31, 2023
	(Rupees in '000)	
9.2 Credit loss allowance / provision for diminution in value of investments		
9.2.1 Opening balance	3,352,687	3,512,177
Impact of reclassification on adoption of IFRS 9	(847,767)	-
Impact of ECL recognized on adoption of IFRS 9	166,857	-
	<u>2,671,777</u>	<u>3,512,177</u>
Exchange adjustments	(2,357)	274,611
Charge / (reversals)		
Charge for the period / year	-	180,392
Reversal of ECL / provision for the period / year	(493,489)	(328,207)
Reversal on disposals for the period / year	-	(286,286)
Net charge	(493,489)	(434,101)
Closing balance	<u><u>2,175,931</u></u>	<u><u>3,352,687</u></u>

9.2.2 Particulars of credit loss allowance / provision against debt securities

Category of classification	<u>September 30, 2024 (Un-audited)</u>		<u>December 31, 2023 (Audited)</u>	
	Amount Outstanding (cost)	Credit loss allowance Held	Amount Outstanding (cost)	Provision held
	(Rupees in '000)			
Domestic				
Performing - Stage 1	1,464,687,294	121,141	-	-
Non-performing - Stage 3 Loss	<u>1,383,823</u>	<u>1,383,823</u>	<u>1,577,096</u>	<u>1,476,982</u>
	<u>1,466,071,117</u>	<u>1,504,964</u>	<u>1,577,096</u>	<u>1,476,982</u>
Overseas				
Performing - Stage 1	<u>10,212,571</u>	<u>670,967</u>	<u>20,287,925</u>	<u>1,110,438</u>
	<u><u>1,476,283,688</u></u>	<u><u>2,175,931</u></u>	<u><u>21,865,021</u></u>	<u><u>2,587,420</u></u>

9.3 The market value of securities classified as amortized cost / Held to Maturity as at September 30, 2024 is Rs. 47,036,018 thousand (2023: Rs. 50,529,523 thousand).

10. ADVANCES	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	380,328,558	498,619,419	27,108,329	25,198,876	407,436,887	523,818,295
Islamic financing and related assets	66,986,548	114,772,652	4,331,990	2,781,125	71,318,538	117,553,777
Bills discounted and purchased	20,530,432	18,765,713	2,336,671	1,083,586	22,867,103	19,849,299
Advances - gross	467,845,538	632,157,784	33,776,990	29,063,587	501,622,528	661,221,371
Credit allowance / (provision) against advances						
- Stage 1	(1,995,835)	-	-	-	(1,995,835)	-
- Stage 2	(6,251,458)	-	-	-	(6,251,458)	-
- Stage 3	-	-	(31,787,992)	-	(31,787,992)	-
- General provision	-	(2,538,527)	-	-	-	(2,538,527)
- Specific provision	-	-	-	(25,636,695)	-	(25,636,695)
	(8,247,293)	(2,538,527)	(31,787,992)	(25,636,695)	(40,035,285)	(28,175,222)
Advances - net of credit loss allowance / (provision)	459,598,245	629,619,257	1,988,998	3,426,892	461,587,243	633,046,149

10.1 Particulars of advances (Gross)	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
	(Rupees in '000)	
In local currency	455,500,775	622,718,911
In foreign currencies	46,121,753	38,502,460
	501,622,528	661,221,371

10.2 Advances include Rs.33,776,990 thousand (2023: Rs. 29,063,587 thousand) which have been placed under non-performing status as detailed below:

Category of classification (Stage 3)	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Non Performing Loans	Credit loss Allowance	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	182,351	165,260	133,619	1,423
Substandard	3,040,390	2,444,740	2,112,910	523,884
Doubtful	4,945,149	3,970,773	1,301,511	599,345
Loss	25,609,100	25,207,219	25,515,547	24,512,043
	33,776,990	31,787,992	29,063,587	25,636,695

10.3 Particulars of credit loss allowance / provision against advances

	September 30, 2024 (Un-audited)			
	Stage 3	Stage 2	Stage 1	Total
	(Rupees in '000)			
Opening balance	25,636,695	-	2,538,527	28,175,222
Impact of ECL recognised on adoption of IFRS-9	3,088,615	6,681,100	552,578	10,322,293
Opening balance - Restated	28,725,310	6,681,100	3,091,105	38,497,515
Charge for the period	5,239,370	1,185,942	45,980	6,471,292
Reversal for the period	(2,176,688)	(1,615,584)	(1,141,250)	(4,933,522)
	3,062,682	(429,642)	(1,095,270)	1,537,770
Closing balance	31,787,992	6,251,458	1,995,835	40,035,285
	December 31, 2023 (Audited)			
	Specific	General	Consumer financing - General	Total
Opening balance	29,297,528	1,010,000	815,586	31,123,114
Exchange adjustments	-	22,369	-	22,369
Charge for the year	2,657,741	1,152,111	52,676	3,862,528
Reversal under IFRS 9 related to WBB	-	(86,544)	-	(86,544)
Reversal for the year	(2,105,630)	(108,551)	(319,120)	(2,533,301)
	552,111	957,016	(266,444)	1,242,683
Amounts written off	(2,505,910)	-	-	(2,505,910)
Amounts charged off	(1,707,034)	-	-	(1,707,034)
Closing balance	25,636,695	1,989,385	549,142	28,175,222

	September 30, 2024 (Un-audited)		
	Stage 1	Stage 2	Stage 3
10.4 Advances - particulars of credit loss allowance			
Opening balance (including impact of ECL on adoption of IFRS 9)	3,091,105	6,681,100	28,725,310
New Advances	8,761	383,271	5,239,370
Advances repaid	(416,901)	164,599	(931,696)
Transfer to stage 1	36,747	(86,660)	-
Transfer to stage 2	(131,816)	185,157	-
Transfer to stage 3	(3,521)	452,915	(452,822)
Changes in risk parameters	(588,540)	(1,528,924)	(792,170)
Closing balance	<u>1,995,835</u>	<u>6,251,458</u>	<u>31,787,992</u>

	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)		
	Loans Outstanding	Credit Loss Allowance Held	Loans Outstanding	Provision held	
10.5 Advances - category of classification					
	(Rupees in '000)				
Domestic					
Performing	Stage 1	379,942,170	1,995,835	629,255,462	2,512,841
Underperforming	Stage 2	87,162,801	6,244,650	-	-
Non-Performing	Stage 3				
Other assets specially mentioned		182,351	165,260	133,619	1,423
Substandard		3,040,390	2,444,740	2,112,910	523,884
Doubtful		4,945,149	3,970,773	1,301,511	599,345
Loss		25,609,100	25,207,219	25,515,547	24,512,043
		<u>33,776,990</u>	<u>31,787,992</u>	<u>29,063,587</u>	<u>25,636,695</u>
Sub Total		<u>500,881,961</u>	<u>40,028,477</u>	<u>658,319,049</u>	<u>28,149,536</u>
Overseas					
Underperforming	Stage 2	740,567	6,808	2,902,322	25,686
Total		<u>501,622,528</u>	<u>40,035,285</u>	<u>661,221,371</u>	<u>28,175,222</u>

	(Rupees in '000)	
	(Un-audited) September 30, 2024	(Audited) December 31, 2023
11. PROPERTY AND EQUIPMENT		
Capital work-in-progress - note 11.1	591,098	491,050
Property and equipment	<u>19,819,220</u>	<u>18,216,393</u>
	<u>20,410,318</u>	<u>18,707,443</u>

11.1 This represents advances to suppliers and contractors.

		(Un-audited)	
		Period ended September 30, 2024	Period ended September 30, 2023
		(Rupees in '000)	
11.2	Additions to property and equipment		
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	458,008	205,780
	Property and equipment		
	Leasehold Building	-	1,318
	Renovation of premises	558,735	264,857
	Furniture, fixtures and office equipment	352,264	162,343
	Machine and equipments	910,136	281,062
	Computer equipments	556,127	188,781
	Vehicles	47,012	25,592
		2,424,274	923,953
	Total	<u>2,882,282</u>	<u>1,129,733</u>
11.3	Disposal of property and equipment		
	The net book value of property and equipment disposed off during the period is as follows:		
	Renovation of premises	1,491	-
	Furniture, fixtures and office equipment	5,739	3,053
	Machine and equipments	2,386	1,132
	Computer equipments	49	-
	Vehicles	2,310	-
	Total	<u>11,975</u>	<u>4,185</u>
12.	RIGHT-OF-USE ASSETS	(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
		(Rupees in '000)	
	Net carrying amount at January 1,	8,312,812	6,891,568
	Additions during the period / year	3,335,145	3,227,516
	Depreciation for the period / year	(1,642,294)	(1,722,707)
	Deletions and other adjustments	(152,086)	(83,565)
	Net carrying amount at period / year end	<u>9,853,577</u>	<u>8,312,812</u>
13.	INTANGIBLE ASSETS		
	Computer software	1,340,734	1,501,272
	Capital work in progress	457,754	359,475
		<u>1,798,488</u>	<u>1,860,747</u>

		(Un-audited)	
		Period ended September 30, 2024	Period ended September 30, 2023
13.1	Additions to intangible assets	(Rupees in '000)	
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	170,521	226,399
	Directly purchased	105,919	280,885
		<u>276,440</u>	<u>507,284</u>

14. This represents carrying amount of land located at Haider Road, Rawalpindi, which was classified to non current asset held for sale in 2022 consequent to a sale agreement. The carrying amount includes revaluation surplus of Rs. 980,987 thousand at which amount the asset was transferred from property and equipment.

		(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
15.	DEFERRED TAX ASSETS	(Rupees in '000)	
	(Taxable) / deductible temporary differences on		
	- Accelerated tax depreciation	(291,612)	(205,456)
	- (Surplus) / deficit on revaluation of investments	(6,230,585)	6,115,338
	- Credit loss allowance / provision against advances	8,319,460	2,160,533
	- Others	(5,003)	(5,003)
		<u>1,792,260</u>	<u>8,065,412</u>

16. **OTHER ASSETS**

	Income / mark-up accrued in local currency	114,778,499	73,588,636
	Income / mark-up accrued in foreign currencies	1,205,272	2,134,035
	Advances, deposits, advance rent and other prepayments	1,164,705	1,064,788
	Advance taxation (payments less provisions)	6,658,463	3,966,205
	Deferred cost on recognition of loan at fair value - note 16.1	4,931,905	-
	Non-banking assets acquired in satisfaction of claims	392,988	406,862
	Trade debts - unsecured - considered good	609,198	461,827
	Receivable against trading of securities	378,781	46,245
	Stationary and stamps in hand	175,496	285,087
	Receivable from defined benefit plan	57,470	-
	Dividend receivable	70,735	4,453
	Margin against stand by letter of credit (SBLC)	820,535	-
	Acceptances	18,470,595	14,053,824
	Switch settlement accounts	181,009	-
	Others	1,024,370	425,248
		<u>150,920,022</u>	<u>96,437,210</u>
	Less: Credit loss allowance / provision held against other assets - note 16.1	(825,574)	(212,988)
	Other assets - net of credit loss allowance / provision	150,094,448	96,224,222
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	459,948	459,948
	Other assets - total	<u>150,554,396</u>	<u>96,684,170</u>

16.1 This represents deferred portion of fair value loss arisen on initial recognition of loan to PIA Holding Company Limited (PIAHCL). SBP through its circular BPRD/BRD/PIAHCL/733688-2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 6 years at rates of 5%, 10%, 15%, 20%, 25%, and 25% from year 1 to year 6, accordingly, the Group has amortized 5% in the current period.

		(Un-audited)	(Audited)
		September 30, 2024	December 31, 2023
16.2	Credit loss allowance / provision held against other assets	(Rupees in '000)	
	Advances, deposits, advance rent and other prepayments	4,838	4,838
	Acceptances	615,103	-
	Others	205,633	208,150
		<u>825,574</u>	<u>212,988</u>

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)		
16.2.1 Movement in credit loss allowance / provision against other assets		
Opening balance	212,989	182,608
Impact of ECL recognized on adoption of IFRS 9	383,971	-
	<u>596,960</u>	<u>182,608</u>
Charge for the period / year	228,614	2,756
Reversals for the period / year	-	(260)
	228,614	2,496
Transfers / other adjustments	-	27,885
Closing balance	<u>825,574</u>	<u>212,989</u>
17. BILLS PAYABLE		
In Pakistan	<u>9,567,108</u>	<u>12,394,336</u>
18. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	14,963,424	19,840,120
Long term financing facility	7,294,318	8,610,177
Financing facility for storage of agricultural produce	73,000	14,770
Renewable energy financing facility	3,784,055	3,905,513
Refinance from SBP		
Credit guarantee scheme for women entrepreneurs	34,964	12,700
Temporary Economic Relief	10,514,290	11,947,741
Modernization of SME	100,125	8,687
Combating COVID-19	315,553	400,459
Rupee based discounting of bills / receivable	2,948,868	3,707,901
Working Capital Financing	50,100	-
	<u>40,078,697</u>	<u>48,448,068</u>
Repurchase agreement borrowings		
State Bank of Pakistan	605,000,000	505,000,000
Financial institutions	28,187,248	86,921,724
	633,187,248	591,921,724
Refinance from Pakistan Mortgage Refinance Company	4,747,990	2,992,873
Unsecured		
Call borrowings	7,108,401	-
Overdrawn nostro accounts	12,835	-
	<u>685,135,171</u>	<u>643,362,665</u>

19. DEPOSITS AND OTHER ACCOUNTS	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current accounts	350,218,836	29,066,759	379,285,595	320,346,322	31,589,438	351,935,760
Savings deposits	767,874,354	72,414,000	840,288,354	667,642,523	61,519,218	729,161,741
Fixed deposits	116,900,621	32,477,044	149,377,665	160,821,348	30,642,438	191,463,786
	1,234,993,811	133,957,803	1,368,951,614	1,148,810,193	123,751,094	1,272,561,287
Financial institutions						
Current accounts	734,906	67,363	802,269	1,149,626	241,191	1,390,817
Savings deposits	14,812,396	-	14,812,396	2,144,906	-	2,144,906
Fixed deposits	20,640,500	-	20,640,500	16,697,696	-	16,697,696
	36,187,802	67,363	36,255,165	19,992,228	241,191	20,233,419
	<u>1,271,181,613</u>	<u>134,025,166</u>	<u>1,405,206,779</u>	<u>1,168,802,421</u>	<u>123,992,285</u>	<u>1,292,794,706</u>

20 LEASE LIABILITIES	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
	Rupees in '000	
Outstanding amount at the beginning of the period / year	9,699,474	8,084,073
Additions during the period / year	3,344,129	3,227,516
Lease payments including interest	(2,097,172)	(2,523,755)
Interest expense for the period / year	1,076,507	1,061,886
Termination and other adjustments	(314,198)	(150,246)
Outstanding amount at the end of the period / year	<u>11,708,740</u>	<u>9,699,474</u>
20.1 Liabilities Outstanding		
Not later than one year	1,077,893	1,143,794
Later than one year and upto five years	4,236,894	3,925,528
Over five years	6,393,953	4,630,152
Total at the end of the period / year	<u>11,708,740</u>	<u>9,699,474</u>

	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
21. SUBORDINATED DEBTS	(Rupees in '000)	
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	12,000,000	12,000,000

21.1 The Group has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Group's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Group including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109-120th month: 100%
Profit Rate	Base Rate plus 1.50%	Base Rate plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Group's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Group's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Group being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Group's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Group and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Group's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
22. OTHER LIABILITIES		
	(Rupees in '000)	
Mark-up / return / interest payable in local currency	15,728,042	22,119,508
Mark-up / return / interest payable in foreign currencies	908,134	1,267,444
Unearned commission and income on bills discounted	1,730,259	2,003,160
Accrued expenses	2,664,194	2,653,259
Advance payments	396,885	314,319
Acceptances	18,470,595	14,053,824
Dividend payable	231,582	193,493
Advance against sale of non-banking assets	462,850	461,535
Mark to market loss on forward foreign exchange contracts	300,815	1,322,589
Branch adjustment account	1,151,505	525,732
Payable to defined benefit plan	-	67,468
Provision for employees' compensated absences	792,355	724,890
Security deposit against lease / ljarah financing	3,549,462	3,485,208
Levies and taxes payable	1,087,321	2,087,179
Workers' Welfare Fund	1,706,596	1,301,596
Trade Payables	1,301,827	1,461,674
Switch settlement accounts	-	1,375,528
Credit loss allowance / provision against off-balance sheet obligations - note 22.1	408,938	160,558
Others	2,721,380	2,247,229
	<u>53,612,740</u>	<u>57,826,193</u>
22.1 Credit loss allowance / provision against off-balance sheet obligations		
Opening balance	160,558	134,767
Impact of ECL recognized on adoption of IFRS 9	226,837	-
	<u>387,395</u>	<u>134,767</u>
Exchange adjustment	-	133
Charge for the period / year	21,543	26,319
Reversal for the period / year	-	(661)
Net charge	21,543	25,658
Closing balance	<u>408,938</u>	<u>160,558</u>
23. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
(Deficit) / surplus on revaluation of:		
- Securities measured at FVOCI - Debt	10,620,521	-
- Securities measured at FVOCI - Equity	2,094,959	-
- Available for sale securities - Debt	-	(14,624,907)
- Available for sale securities - Equity	-	2,144,626
- Property and equipment	10,365,737	10,365,737
- Non-banking assets acquired in satisfaction of claims	459,948	459,948
	<u>23,541,165</u>	<u>(1,654,596)</u>
Deferred tax on deficit / (surplus) on revaluation of:		
- Securities measured at FVOCI - Debt	(5,204,055)	-
- Securities measured at FVOCI - Equity	(1,026,530)	-
- Available for sale securities - Debt	-	7,166,205
- Available for sale securities - Equity	-	(1,050,867)
	<u>(6,230,585)</u>	<u>6,115,338</u>
	<u>17,310,580</u>	<u>4,460,742</u>

	<u>(Un-audited)</u>	<u>(Audited)</u>
	September 30,	December 31,
	2024	2023
	(Rupees in '000)	
24. CONTINGENCIES AND COMMITMENTS		
- Guarantees - note 24.1	309,882,395	350,296,809
- Commitments - note 24.2	651,402,054	506,769,966
- Other contingent liabilities - note 24.3	1,295,285	1,429,701
	<u>962,579,734</u>	<u>858,496,476</u>
24.1 Guarantees		
Financial guarantees	5,780,810	7,400,327
Performance guarantees	181,396,247	188,322,832
Other guarantees	122,705,338	154,573,650
	<u>309,882,395</u>	<u>350,296,809</u>
24.2 Commitments		
Documentary credits and short-term trade-related transactions		
- letters of credit	219,120,640	226,655,650
Commitments in respect of:		
- forward foreign exchange contracts - note 24.2.1	421,637,692	276,444,892
- forward government securities transactions - note 24.2.2	10,000,000	2,000,000
- forward non-government securities transactions - note 24.2.3	10,037	1,174,056
Commitments for acquisition of:		
- property and equipment	273,634	255,774
- intangible assets	360,051	239,594
	<u>651,402,054</u>	<u>506,769,966</u>
24.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	236,358,395	153,115,769
Sale	185,279,297	123,329,123
	<u>421,637,692</u>	<u>276,444,892</u>
The above commitments have maturities falling within one year.		
24.2.2 Commitments in respect of government securities transactions		
Purchase	5,000,000	-
Sale	5,000,000	2,000,000
	<u>10,000,000</u>	<u>2,000,000</u>
24.2.3 Commitments in respect of non government securities transactions		
Purchase	-	1,168,290
Sale	10,037	5,766
	<u>10,037</u>	<u>1,174,056</u>
24.3 Other contingent liabilities		
These represent certain claims by third parties against the Group, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Group's favour and the possibility of any outcome against the Group is remote and accordingly no provision has been made in these condensed interim consolidated financial statements.		
	474,750	596,911
This represents stand by letters of credit issued by a correspondent bank on behalf of the Group.		
	820,535	832,790
	<u>1,295,285</u>	<u>1,429,701</u>

25. **DERIVATIVE INSTRUMENTS**

The Group does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Group's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Period ended	Period ended
		September 30,	September 30,
		2024	2023
26.	MARK-UP / RETURN / INTEREST EARNED	(Rupees in '000)	
	On:		
	Loans and advances	95,387,963	79,601,156
	Investments	209,186,235	134,667,841
	Lendings to financial institutions	1,149,936	216,191
	Balances with banks	880,188	472,868
	Securities purchased under resale agreements	3,318,357	1,882,056
		<u>309,922,679</u>	<u>216,840,112</u>
27.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	135,442,680	112,571,386
	Borrowings	123,750,061	58,031,799
	Subordinated debts	2,002,964	1,887,478
	Cost of FX swaps against foreign currency deposits / borrowings	4,016,553	3,067,098
	Interest expense on lease liability against ROU assets	1,076,507	763,481
	Fair value loss on recognition of financial asset at fair value - note 16.1	259,574	-
		<u>266,548,339</u>	<u>176,321,242</u>
28.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	693,115	594,158
	Consumer finance related fees	64,000	71,087
	Card related fees (debit and credit cards)	1,406,977	1,118,857
	Credit related fees	321,927	586,342
	Investment banking fees	257,484	213,148
	Commission on trade	981,501	1,407,571
	Commission on guarantees	1,049,217	971,980
	Commission on remittances including home remittances	174,392	111,585
	Commission on cash management	62,354	32,555
	Commission on bancassurance	20,164	24,221
	Brokerage revenue	340,614	-
	Others	33,553	141,611
		<u>5,405,298</u>	<u>5,273,115</u>
29.	GAIN ON SECURITIES - NET		
	Realised - note 29.1	809,552	209,871
	Unrealised gain on securities measured at FVTPL	517,234	8,210
		<u>1,326,786</u>	<u>218,081</u>
29.1	Realised gain / (loss) on:		
	Federal Government Securities	764,888	(121,254)
	Shares	44,664	280,448
	Non Government Debt Securities	-	49,986
	Others	-	691
		<u>809,552</u>	<u>209,871</u>

	(Un-audited)	
	Period ended September 30, 2024	Period ended September 30, 2023
30. OTHER INCOME	(Rupees in '000)	
Gain on sale of property and equipment	10,578	10,488
Rent of lockers	40,753	38,439
Recovery of expenses from customers	240,724	240,916
Termination of lease contracts under IFRS - 16 Leases	31,978	11,082
Others	42,126	45,283
	<u>366,159</u>	<u>346,208</u>
31. OPERATING EXPENSES		
Total compensation expenses - note 31.1	11,938,671	10,575,965
Property expense		
Rent and taxes	192,993	122,236
Insurance	84,493	74,139
Utilities cost	1,504,254	1,117,674
Security (including guards)	723,636	618,136
Repair & maintenance (including janitorial expenses)	406,814	346,562
Depreciation on right-of-use assets	1,642,294	1,254,440
Depreciation	235,352	183,435
	<u>4,789,836</u>	<u>3,716,622</u>
Information technology expenses		
Software maintenance	813,595	545,651
Hardware maintenance	156,541	118,684
Depreciation	279,134	172,629
Amortisation	163,773	129,720
Network charges	413,529	329,242
	<u>1,826,571</u>	<u>1,295,926</u>
Other operating expenses		
Directors' fees, allowances	33,360	26,000
Fees and allowances to shariah board	7,795	7,146
Rates, taxes, insurance etc.	110,562	129,223
Legal and professional charges	98,692	68,825
Brokerage and commission	254,147	155,764
NIFT clearing charges	77,269	66,980
Repair and maintenance	678,548	553,723
Communications	1,402,246	897,105
Stationery and printing	580,005	478,991
Marketing, advertisement and publicity	213,812	149,518
Donations	-	524,398
Auditors' remuneration	49,028	37,847
Travelling, conveyance and entertainment	405,316	308,810
Depreciation	481,785	362,911
Security service charges	530,218	495,970
Training and development	23,449	21,386
Deposit premium expense	643,203	526,740
Outsourced service cost	541,867	228,277
Other expenditure	400,915	283,014
	<u>6,532,216</u>	<u>5,322,628</u>
	<u>25,087,294</u>	<u>20,911,141</u>
31.1 Total compensation expense		
Managerial remuneration	9,341,253	7,940,233
Charge for defined benefit / contribution plan	751,160	633,868
Other staff cost - note 31.1.1	1,846,258	2,001,864
	<u>11,938,671</u>	<u>10,575,965</u>

31.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance, provision for severance etc.

32. This represents penalties imposed by the State Bank of Pakistan.

(Un-audited)	
Period ended September 30, 2024	Period ended September 30, 2023

33. **CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET**

(Rupees in '000)

(Reversal) of credit loss allowance / provision charge against investments	(493,489)	238,760
Credit loss allowance / provision charge against loans and advances	1,537,770	544,985
Credit loss allowance / (reversal of provision) against other assets	228,614	(112)
Reversal of credit loss allowance / provision against lendings to financial institutions	(22,013)	(22,291)
Credit loss allowance against off-balance sheet obligations	21,543	5,097
(Reversal) of credit loss allowance / provision charge against cash and bank balances	(13)	5
Recovery of written off / charged off bad debts	(39,684)	(76,067)
	<u>1,232,728</u>	<u>690,377</u>

34. **TAXATION**

Current	14,379,610	14,126,021
Deferred	(633,707)	(305,179)
	<u>13,745,903</u>	<u>13,820,842</u>

34.1 **Tax status and contingencies**

i Askari Bank Limited

a) During the year ended December 31 2023, the Federal Government issued S.R.O 1588 (I)/2023 on 21 November 2023 under section 99D of the Income Tax Ordinance 2001, whereby the banking sector was specified the sector for the payment of additional tax on windfall income. Through said S.R.O, the Federal Government also specified the method to determine windfall income, tax rate to be applied on such windfall income and tax years under scope. The Group has challenged the S.R.O through petition before the Honorable Islamabad High Court with regards to retrospective application of Section 99D of the Income Tax Ordinance, 2001 for tax years 2022 and 2023. The Honorable Islamabad High Court through its order dated 30 November 2023 has suspended the operation of S.R.O.1588 (I)/2023 and the said injunctive order continues to operate till date of next hearing for which no date has been fixed yet. Management based on the legal advisor opinion believes that the Group has reasonably good chance to succeed in this case and therefore has not recognized any provision in the financial statements. Additional tax on windfall income for tax years 2022 and 2023 is estimated to be Rs. 2,189 million.

b) The Group has filed tax returns for and up to tax year 2024. The assessments for and up to tax year 2023 were amended by the tax authorities creating accumulated additional tax demand, mainly in the matters of admissibility of recoveries against doubtful debts for Rs 1,119 million, provision for diminution in the value of investments for Rs 3,144.44 million, bad debts written off for Rs 242.892 million, provision for substandard advances for Rs 74.95 million, Provision against other assets/ fixed assets for Rs 145.81 million, disallowance of employee benefit expenses Rs 228.680 Million, disallowance of depreciation on lease assets Rs 773.88 and other disallowances of expenses/credits for Rs 551.78 million. Group's Appeals against these orders are currently pending before Commissioner Appeals, Appellate Tribunal and Islamabad High Court. The management and tax advisor of the Group are confident that these matters will be decided in favor of the Group and consequently no provision has been made thereon. Tax payments by the Group against certain matters are being carried forward as receivable, as management and tax advisor of the Group are confident of their realization.

c) Consequent upon the amalgamation with and into the Group, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re-assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re-assessment.

For and up to the assessment years 2002-2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However, the likelihood of an adverse decision is considered low due to a favorable decision of the High Court in a parallel case.

ii Subsidiaries

a) The Appellate Tribunal, Sindh Revenue Board (SRB) established Sindh Sales Tax liability of Rs. 34,225 million along with levy of default surcharge for the periods 2012-13 and 2013-14 on the basis of brokerage income disclosed in the financial statements of the aforesaid periods. The aforementioned tax demand represents the tax liability which the Company has already discharged with the other tax regulator i.e. Federal Board of Revenue and Punjab Revenue Authority during the periods 2011-12, 2012-13 and 2013-2014. The Company has filed reference and obtained stay order before the Sindh High Court, against the order passed by the Appellate Tribunal. The case was instituted on June 10, 2020. The legal advisor expects an equitable outcome of the cases.

Sales tax demand was raised on the similar basis in past pertaining to periods 2011-12 by Appellate Tribunal. The Company has already discharged the liability in accordance with the provisions of law and a reference has been filed in Sindh High Court. Based on this, the tax advisors of the Company are of the view that matter related to periods 2011-12, 2012-13 and 2013-2014 will hopefully be decided in the favour of the Company. The case was instituted on July 10, 2017. The legal advisor expects an equitable outcome of the cases.

Similar Case has filled against Islamabad Branch Office (Formally ASL) Sindh Revenue Board (SRB) has assessed demand of Rs 44.36 million on account of Sales Tax for the tax years 2015-2020. The tax was already deposited with Federal Board of Revenue (FBR) and the matter involves jurisdiction between SRB and FBR. The Company has filed an appeal against the demand and is confident to win the appeal. No tax provision has been recorded in this respect.

(Un-audited)	
Period ended September 30, 2024	Period ended September 30, 2023

35. **BASIC AND DILUTED EARNINGS PER SHARE**

Profit for the period - Rupees in '000	<u>14,158,476</u>	<u>14,585,204</u>
Weighted average number of Ordinary Shares - numbers	<u>1,449,299,207</u>	<u>1,449,299,207</u>
Basic earnings per share - Rupees	<u>9.77</u>	<u>10.06</u>

There is no dilutive effect on the basic earnings per share of the Group, therefore dilutive earnings per share have not been presented separately.

36. FAIR VALUE MEASUREMENTS

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

The fair value of unquoted debt securities, fixed term 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 consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

36.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) 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) available at MUFAP and Reuters page.

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

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	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
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 and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments 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.

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

	September 30, 2024 (Un-audited)				
	Carrying /	Level 1	Level 2	Level 3	Total
	Notional Value				
	(Rupees in '000)				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,419,845,127	6,938,105	1,412,907,022	-	1,419,845,127
Shares	7,441,051	7,441,051	-	-	7,441,051
Units of open end mutual funds	2,297,339	1,448,565	848,774	-	2,297,339
Fully paid preference shares	24,284	24,284	-	-	24,284
Non Government Debt Securities	15,066,607	-	15,066,607	-	15,066,607
	<u>1,444,674,408</u>	<u>15,852,005</u>	<u>1,428,822,403</u>	<u>-</u>	<u>1,444,674,408</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	49,795,150	2,603,499	47,191,651	-	49,795,150
Unlisted shares	350,000	-	-	-	-
Cash and balances with treasury banks	117,781,435	-	-	-	-
Balances with other banks	8,358,943	-	-	-	-
Advances	461,587,243	-	-	-	-
Other assets	137,010,362	-	-	-	-
	<u>774,883,133</u>	<u>2,603,499</u>	<u>47,191,651</u>	<u>-</u>	<u>49,795,150</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	236,358,395	-	(3,927,540)	-	(3,927,540)
Forward sale of foreign exchange	185,279,297	-	3,626,725	-	3,626,725

	December 31, 2023 (Audited)				
	Carrying /	Level 1	Level 2	Level 3	Total
	Notional Value				
	(Rupees in '000)				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,102,510,824	8,421,152	1,094,089,672	-	1,102,510,824
Shares	6,256,977	6,256,977	-	-	6,256,977
Units of open end mutual funds	960,596	149,958	810,638	-	960,596
Fully paid preference shares	28,150	28,150	-	-	28,150
Non Government Debt Securities	14,449,154	-	14,449,154	-	14,449,154
	<u>1,124,205,701</u>	<u>14,856,237</u>	<u>1,109,349,464</u>	<u>-</u>	<u>1,124,205,701</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	56,897,624	10,756,335	46,141,289	-	56,897,624
Unlisted Shares	350,000	-	-	-	-
Units of open end mutual funds	1,044,333	-	-	-	-
Cash and balances with treasury banks	160,087,394	-	-	-	-
Balances with other banks	14,761,177	-	-	-	-
Advances	633,046,149	-	-	-	-
Other assets	90,346,735	-	-	-	-
	<u>956,533,412</u>	<u>10,756,335</u>	<u>46,141,289</u>	<u>-</u>	<u>56,897,624</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	153,115,769	-	(2,798,564)	-	(2,798,564)
Forward sale of foreign exchange	123,329,123	-	1,475,975	-	1,475,975

The Group's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer to takes place. There were no transfers between levels 1 and 2 during the year.

36.2 Fair value of non-financial assets	(Un-audited)	(Audited)
	September 30, 2024	December 31, 2023
	(Rupees in '000)	
	Level 3	Level 3
Fixed assets		
Property and equipment (freehold and leasehold land)	13,238,392	13,238,392
Assets held for sale	1,750,000	1,750,000
Other assets		
Non-banking assets acquired in satisfaction of claims	852,936	866,810

37. Segment Information

37.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	September 30, 2024 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(89,610,300)	37,230,406	79,910,723	3,771,943	13,361,310	1,039,813	(2,329,555)	43,374,340
Inter segment revenue - net	114,112,610	(33,006,571)	(80,584,050)	(2,778,929)	(5,530,139)	(460,114)	8,247,193	-
Non mark-up / return / interest income	1,909,947	3,284,867	4,840,250	441,372	692,941	2,277	152,056	11,323,710
Total income	26,412,257	7,508,702	4,166,923	1,434,386	8,524,112	581,976	6,069,694	54,698,050
Segment direct expenses	13,544,579	936,718	352,141	1,330,444	3,053,197	182,006	6,161,858	25,560,943
Inter segment expense allocation	223,731	1,074,619	5,812	21,984	-	-	(1,326,146)	-
Total expenses	13,768,310	2,011,337	357,953	1,352,428	3,053,197	182,006	4,835,712	25,560,943
Credit loss allowance	(57,821)	980,831	(69,153)	(333,998)	933,733	(442,591)	221,727	1,232,728
Profit before tax	12,701,768	4,516,534	3,878,123	415,956	4,537,182	842,561	1,012,255	27,904,379
	September 30, 2024 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	35,329,449	-	75,090,067	-	14,810,029	9,706	901,127	126,140,378
Investments	-	14,871,705	1,417,722,226	-	52,366,827	9,541,604	444,919	1,494,947,281
Lendings to financial institutions	-	-	-	-	24,200,000	-	499,723	24,699,723
Advances - performing - net of loss allowance	13,164,336	346,627,358	-	22,828,295	66,669,043	733,464	9,575,943	459,598,439
Advances - non-performing - net of loss allowance	132,532	1,327,364	-	77,664	451,244	-	-	1,988,804
Others	1,959,426	40,791,584	85,251,351	1,806,496	13,830,909	381,176	42,138,098	186,159,039
Total Assets	50,585,743	403,618,011	1,578,063,644	24,712,455	172,328,052	10,665,950	53,559,810	2,293,533,664
Borrowings	1,329,892	34,141,968	640,308,482	4,747,990	4,606,839	-	-	685,135,171
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	1,015,264,766	249,615,293	-	3,200	139,326,504	997,016	-	1,405,206,779
Net inter segment balances - net	(983,354,976)	97,430,715	931,342,937	19,356,906	2,915,899	3,475,925	(71,167,406)	-
Others	17,346,061	22,430,035	6,412,225	604,359	8,643,433	6,193,009	13,259,466	74,888,588
Total liabilities	50,585,743	403,618,011	1,578,063,644	24,712,455	155,492,675	10,665,950	(45,907,940)	2,177,230,538
Equity	-	-	-	-	16,835,377	-	99,467,749	116,303,126
Total Equity and liabilities	50,585,743	403,618,011	1,578,063,644	24,712,455	172,328,052	10,665,950	53,559,810	2,293,533,664
Contingencies and commitments	6,008,635	500,857,613	427,270,987	820,535	26,571,689	-	1,050,275	962,579,734
	September 30, 2023 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(65,864,384)	19,827,597	74,279,459	3,354,457	9,437,527	1,663,458	(2,179,244)	40,518,870
Inter segment revenue - net	91,058,899	(15,489,260)	(79,072,653)	(2,563,652)	(2,528,526)	(1,178,314)	9,773,506	-
Non mark-up / return / interest income	1,298,346	3,572,066	3,665,456	555,762	566,327	22,896	335,553	10,016,406
Total income	26,492,861	7,910,403	(1,127,738)	1,346,567	7,475,328	508,040	7,929,815	50,535,276
Segment direct expenses	11,102,520	738,289	315,407	1,203,019	2,504,775	163,540	5,327,098	21,354,648
Inter segment expense allocation	992,924	735,708	17,022	36,789	-	-	(1,698,238)	84,205
Total expenses	12,095,444	1,473,997	332,429	1,239,808	2,504,775	163,540	3,628,860	21,438,853
Provisions	(214,263)	692,022	176,073	(25,236)	(4,663)	-	66,444	690,377
Profit before tax	14,611,680	5,744,384	(1,636,240)	131,995	4,975,216	344,500	4,234,511	28,406,046
	December 31, 2023 (Audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	33,208,938	-	129,715,500	832,790	10,058,919	60,278	972,219	174,848,644
Investments	-	9,252,065	1,102,004,077	-	51,493,187	19,177,486	570,843	1,182,497,658
Advances - performing - net of provision	13,991,028	469,036,336	-	20,306,104	114,745,256	2,876,637	8,663,896	629,619,257
Advances - non-performing - net of provision	259,102	2,237,228	-	74,662	855,900	-	-	3,426,892
Others	1,084,252	30,473,445	48,204,707	915,181	10,533,982	405,421	43,763,596	135,380,584
Total Assets	48,543,320	510,999,074	1,279,924,284	22,128,737	187,687,244	22,519,822	53,970,554	2,125,773,035
Borrowings	1,574,075	41,338,149	591,921,725	2,992,873	5,535,843	-	-	643,362,665
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	879,331,340	293,376,734	-	250	118,670,004	1,416,378	-	1,292,794,706
Net inter segment balances - net	(851,827,275)	149,905,856	677,830,555	18,475,360	38,253,559	16,939,831	(49,577,886)	-
Others	19,465,180	26,378,335	10,172,004	660,254	8,249,821	4,163,613	10,830,796	79,920,003
Total liabilities	48,543,320	510,999,074	1,279,924,284	22,128,737	170,709,227	22,519,822	(26,747,090)	2,028,077,374
Equity	-	-	-	-	16,978,017	-	80,717,644	97,695,661
Total Equity and liabilities	48,543,320	510,999,074	1,279,924,284	22,128,737	187,687,244	22,519,822	53,970,554	2,125,773,035
Contingencies and commitments	6,016,566	548,078,423	276,081,620	832,790	26,459,326	-	1,027,751	858,496,476

38. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Group's share capital at the period end. The Group has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

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

Details of transactions with related parties and balances are as follows:

	As at September 30, 2024 (Un-audited)				As at December 31, 2023 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
----- Rupees in '000 -----								
Investments								
Opening balance	-	-	-	1,420,051	-	-	-	1,159,768
Investment made during the period / year	-	-	-	-	-	-	-	-
Revaluation adjustment	-	-	-	(500,000)	-	-	-	262,947
Investment redeemed / disposed off during the period / year	-	-	-	193,118	-	-	-	(2,664)
Transfer in / (out) - net	-	-	-	750,000	-	-	-	-
Closing balance	-	-	-	1,863,169	-	-	-	1,420,051
Advances								
Opening balance	8,108,881	-	496,686	25,003,594	29,986,315	60	507,549	16,783,652
Addition during the period / year	518,368,836	16,380	340,028	250,374,581	1,377,976,167	15,000	533,437	209,693,144
Repaid during the period / year	(526,331,334)	(14,838)	(276,933)	(250,565,112)	(1,399,853,601)	(15,060)	(544,300)	(213,910,777)
Transfer in / (out) - net	-	-	-	(12,212,093)	-	-	-	12,437,575
Closing balance	146,384	1,542	559,781	12,600,970	8,108,881	-	496,686	25,003,594
Other Assets								
Interest / mark-up receivable	24,627	-	78,280	245,584	171,099	-	68,627	886,474
Advance rent	-	-	-	-	1,380	-	-	-
Acceptances	-	-	-	154,886	-	-	-	-
Receivable from staff retirement fund	-	-	-	57,470	-	-	-	-
Others	-	-	-	-	106	-	-	-
Borrowings								
Opening balance	-	-	-	2,992,873	-	-	-	3,366,079
Borrowings during the period	-	-	-	2,000,000	-	-	-	1,000,000
Settled during the period	-	-	-	(244,882)	-	-	-	(1,373,206)
Closing balance	-	-	-	4,747,991	-	-	-	2,992,873
Deposits and other accounts								
Opening balance	39,101,224	63,502	299,420	49,059,956	38,816,364	34,614	193,107	38,455,796
Received during the period / year	910,918,922	371,258	1,743,553	1,193,087,027	1,786,530,029	556,261	1,843,093	988,872,329
Withdrawn during the period / year	(914,824,205)	(296,683)	(1,660,718)	(1,210,887,783)	(1,786,245,169)	(521,157)	(1,707,626)	(978,274,385)
Transfer in / (out) - net	-	(42,028)	-	(93,187)	-	(6,216)	(29,154)	6,216
Closing balance	35,195,941	96,049	382,256	31,166,013	39,101,224	63,502	299,420	49,059,956
Other Liabilities								
Interest / mark-up payable	1,599,208	255	1,990	886,176	2,574,737	7	2,964	715,559
Payable to staff retirement fund	-	-	-	-	-	-	-	67,468
Acceptances	-	-	-	154,886	-	-	-	-
Security deposits payable	-	-	-	580,852	-	-	-	462,570
Others	-	-	78,149	118,364	25	1,667	58,608	71,818
Guarantees and Commitments								
Guarantees and Commitments	3,905,482	-	-	6,437,638	225,219	-	-	4,476,687
Others								
Dividend paid	2,605,478	-	-	-	-	-	-	-
Securities held as custodian	22,825,000	-	90,195	11,945,370	13,699,456	-	48,821	10,493,034

For the period ended September 30, 2024 (Un-Audited)				For the period ended September 30, 2023 (Un-Audited)			
Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties

----- Rupees in '000 -----

Income

Mark-up / return / interest earned	315,752	-	14,312	925,838	287,249	1,567	13,309	3,001,176
Fee and commission received	13,536	-	-	69,337	1,433	-	-	77,061
Dividend income	-	-	-	252,619	-	-	-	124,793

Expense

Mark-up / return / interest expensed	6,273,395	5,156	55,727	5,085,251	3,407,469	-	75,400	2,367,982
Charge to defined benefit plan	-	-	-	457,747	-	-	-	261,740
Contribution to defined contribution plan	-	-	-	293,413	-	-	-	254,193
Remuneration and allowances	-	-	881,522	7,795	-	-	788,125	7,146
Rent	2,349	-	-	-	2,099	-	-	-
Communications	-	-	-	151,793	-	-	-	90,336
Brokerage and Commission	-	-	-	80,090	-	-	-	66,023
Directors' Fee, Allowances	-	33,360	-	-	-	26,000	-	-
Donations	-	-	-	-	524,398	-	-	-
Others	1,175	-	-	-	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with Booths and ATMs).

The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

39. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2024	(Audited) December 31, 2023
(Rupees in '000)		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	14,492,992	14,492,992
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	96,322,389	88,193,637
Eligible Additional Tier 1 (ADT 1) Capital	5,835,000	5,649,000
Total Eligible Tier 1 Capital	102,157,389	93,842,637
Eligible Tier 2 Capital	25,608,010	13,220,036
Total Eligible Capital (Tier 1 + Tier 2)	127,765,399	107,062,673
Risk Weighted Assets (RWAs):		
Credit Risk	390,038,981	451,392,577
Market Risk	107,986,606	29,300,677
Operational Risk	102,809,844	102,809,844
Total	600,835,431	583,503,098
Common Equity Tier 1 Capital Adequacy ratio	16.03%	15.11%
Tier 1 Capital Adequacy Ratio	17.00%	16.08%
Total Capital Adequacy Ratio	21.26%	18.35%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	102,157,389	93,842,637
Total Exposures	2,946,262,450	2,611,849,837
Leverage Ratio	3.47%	3.59%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	880,729,416	649,069,790
Total Net Cash Outflow	384,069,463	322,740,993
Liquidity Coverage Ratio	229.32%	201.11%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,427,621,047	1,314,070,873
Total Required Stable Funding	576,861,092	610,829,100
Net Stable Funding Ratio	247.48%	215.13%

40. RECLASSIFICATION OF COMPARATIVE FIGURES

Where necessary, corresponding figures have been regrouped to conform to the presentation of current period amounts. Further, the regrouping does not have an impact on previously reported condensed interim consolidated statement of financial position or profit and loss account.

41. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on October 29, 2024.

-sd-
Chief Financial Officer / A. President & CE

-sd-
Director

-sd-
Director

-sd-
Chairman



ASKARI BANK LIMITED