



Bank for Life



FIRST QUARTERLY
REPORT
MARCH 31, 2024

Vision

To be the leading financial services provider, partnering with our customers for a more prosperous and secure future.

Mission

We are a team of committed professionals, providing innovative and efficient financial solutions to create and nurture long-term relationships with our customers. In doing so, we ensure that our shareholders can invest with confidence in us.

Core Values

The standards and principles which determine our behavior and how we interact with our customers and each other.

Credit Rating
Long-Term AAA (Triple A)
Short –Term A1+ (A one plus)
By PACRA

Corporate Profile

Board of Directors:

Mian Mohammad Mansha	Chairman
Mr. Muhammad Tariq Rafi	Director
Mian Umer Mansha	Director
Mrs. Iqraa Hassan Mansha	Director
Mr. Muhammad Ali Zeb	Director
Mr. Mohd Suhail Amar Suresh bin Abdullah	Director
Mr. Yahya Saleem	Director
Mr. Salman Khalid Butt	Director
Mr. Shahzad Hussain	Director
Mr. Masood Ahmed Puri	Director
Mr. Shariffuddin Bin Khalid	Director
Shaikh Muhammad Jawed	Director
Mr. Shoaib Mumtaz	President & CEO

Audit Committee:

Mr. Shahzad Hussain	Chairman
Mian Umer Mansha	Member
Mr. Muhammad Ali Zeb	Member
Mr. Shariffuddin Bin Khalid	Member

Chief Financial Officer:	Mr. Hammad Khalid
Company Secretary:	Mr. Farid Ahmad
Auditors:	M/s. A. F. Ferguson & Co. Chartered Accountants
Legal Advisors:	M/s. Khalid Anwer & Co. Advocates & Legal Consultants
Registered /Principal Office:	MCB House,15-Main Gulberg, Jail Road, Lahore, Pakistan.
Contact us:	UAN: + 92 42 111 000 622 E-mail: investor.relations@mcb.com.pk Visit us: www.mcb.com.pk
Registrar's and Share Registration Office(s):	Head Office: M/s. THK Associates (Pvt.) Limited Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, Pakistan. Branch Office: M/s. THK Associates (Pvt.) Limited Office No. 309, 3rd Floor, North Tower, LSE Building, 19-Shahrah-e-Aiwan-e-Iqbal, Lahore, Pakistan.



On behalf of the Board of Directors, we are pleased to present the financial statements of MCB Bank Limited (MCB) for the three months period ended March 31, 2024.

Performance Review

On a standalone basis, the profit before and after taxation for the period ended March 31, 2024 together with appropriations is as under:

	Rs. in Million
Profit Before Taxation	32,542
Taxation	15,987
Profit After Taxation	16,555
Un-appropriated Profit Brought Forward	96,040
Impact of adoption of IFRS 9	554
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	38
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	38
	96,670
Profit Available for Appropriation	113,225
Appropriations:	
Statutory Reserve	(1,656)
Final Cash Dividend at Rs. 9.0 per share - December 2023	(10,666)
Total Appropriations	(12,322)
Un-appropriated Profit Carried Forward	100,903

Through focused efforts of the Bank's management in maintaining no-cost deposits base and optimizing its earning assets mix, MCB's Profit Before Tax (PBT) for the first quarter of 2024 increased to Rs 32.5 billion with an impressive growth of 41%. Profit After Tax (PAT) posted a growth of 27% to reach Rs. 16.6 billion; translating into Earning Per Share (EPS) of Rs. 13.97 compared to an EPS of Rs. 11.02 reported in the corresponding period last year.

On the back of strong volumetric growth in average current deposits (+13% on a YoY basis) and timely repositioning within the asset book, net interest income for 1Q'24 increased by 27% over corresponding period last year.

Non-markup income increased to Rs. 9.1 billion (+54%) against Rs. 5.9 billion in the corresponding period last year with major contributions coming in from fee commission income of Rs. 6.1 billion (+46%), income from dealing in foreign currency of Rs. 1.9 billion (+97%) and dividend income of Rs. 1.0 billion (+55%).

Improving customer and interbank flows, diversification of revenue streams through continuous enrichment of service suite, investments towards digital transformation and an unrelenting focus on upholding high standards of service delivery supplemented a broad-based growth in income from fee commission; with trade and guarantee related business income growing by 100%, cards related income by 48%, branch banking customer fees by 17% and income from home remittance by 55%.

The Bank continues to manage an efficient operating expense base and monitor costs prudently. Amidst a persistently high inflationary environment, rapidly escalating commodity prices and continued investments in human resources and technological upgradation, the operating expenses of the Bank were reported at Rs. 13.9



billion (+18%). The cost to income ratio of the Bank improved to 29.50% from 32.77% reported in the corresponding period last year.

Navigating a challenging operating and macroeconomic environment, the Bank has been addressing asset quality issues by maintaining discipline in management of its risk return decisions. Diversification of the loan book across customer segments and a robust credit underwriting framework that encompasses structured assessment models, effective pre-disbursement evaluation tools and an array of post disbursement monitoring systems has enabled MCB to effectively manage its credit risk; the Non-performing loan (NPLs) base of the Bank was reported at Rs. 55.4 billion as at March 31, 2024. The coverage and infection ratios of the Bank were reported at 92.67% and 8.56% respectively.

On the financial position side, the total asset base of the Bank was reported at Rs. 2.41 trillion with nominal decrease of 1% over Dec 2023. Analysis of the assets mix highlights that net investments and gross advances have increased by Rs. 39 billion (+3%) and Rs. 25 billion (+4%) over December 31, 2023 respectively whereas Lending to Financial Institutions decreased by Rs. 46 billion (-48%).

The Bank's total deposits crossed Rs. 1.85 trillion while the domestic market share improved to 6.05% compared to 5.92% as at December 31, 2023. The domestic cost of deposits was contained at 10.70% as compared to 7.15% in the corresponding period of last year despite the significant increase in average policy rate during the period.

Return on Assets and Return on Equity improved to 2.74% and 31.54% respectively, whereas the book value per share was reported at Rs. 180.02.

During the period under review, MCB attracted home remittance inflows of USD 892 million (+13%) to consolidate its position as an active participant in SBP's cause for improving flow of remittances into the country through banking channels.

While complying with the regulatory capital requirements, the Bank's total Capital Adequacy Ratio (CAR) is 19.62% against the requirement of 11.5% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020). Quality of the capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 16.50% against the requirement of 6%. Bank's capitalization also resulted in a Leverage Ratio of 6.5% which is well above the regulatory limit of 3.0%. The Bank reported Liquidity Coverage Ratio (LCR) of 263.47% and Net Stable Funding Ratio (NSFR) of 160.47% against requirement of 100%.

The Board of Directors has declared first interim cash dividend of Rs. 9.0 per share i.e. 90% for the quarter ended March 31, 2024.

Ratings

Pakistan Credit Rating Agency re-affirmed credit ratings of MCB at "AAA / A1+" for long term and short term respectively, through its notification dated June 23, 2023.

Economy Review

In Pakistan, the economy has shown signs of improvement, with the successful completion of the IMF's Stand-By Arrangement (SBA) program and the implementation of ongoing policy and reform efforts. However, sustaining this recovery will require continued fiscal consolidation, a prudent policy stance, timely and adequate financial inflows to meet gross financing needs, and stability in the external sector.

Headline inflation is on a downward trajectory, decreasing to 23.1% in February 2024 from 31.5% in February 2023. Despite this, the State Bank of Pakistan (SBP) opted to maintain the policy rate at 22% on March 18, 2024, citing risks to inflation outlook amidst elevated inflation expectations. The SBP had previously raised the average inflation forecast to 23%-25% in the fiscal year ending June 2024, up from the earlier estimate of 20%-22%.

On the fiscal front, the primary surplus increased to Rs 1,939 billion during Jul-Jan FY2024 from Rs 945 billion in the previous year. However, the fiscal deficit expanded to 2.6% of GDP during Jul-Jan FY2024, compared to 2.3% recorded last year.

The current account registered a deficit of USD 508 million for Jul-Mar FY 2024, reflecting an improvement in the trade balance compared to the previous year. In March 2024, the current account posted a surplus of USD619million, a positive increase from the surplus of USD 537 million in the same month last year.

Foreign Direct Investment (FDI) inflows amounted to USD 258 million in March 2024, improving from an inflow of USD 136 million the preceding month. Remittances also exhibited an upward trend, increasing by 16.44% in March 2024 (USD 2.954 billion) compared to March 2023 (USD 2.537 billion).

Future Outlook

Two key external factors that could impact Pakistan's economic performance in 2024 are global energy prices influenced by geopolitical tensions and climate change. Concerns regarding Pakistan's foreign debt obligations persist, especially given challenges in increasing export earnings and a negative trade balance. Addressing these issues will require crucial support from the IMF's Extended Funding Facility (EFF) and external inflows from friendly nations. However, achieving these objectives will entail rigorous fiscal and monetary adjustments to meet IMF requirements, including reducing gas and power circular debts, adopting a flexible exchange rate, and enhancing tax revenue collection. These adjustments may exert further inflationary pressures and significantly dampen aggregate demand.

Appreciation and Acknowledgements

The Board of Directors of MCB Bank Limited would like to extend their sincere gratitude towards the Government of Pakistan, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory bodies for their continued support and guidance, all shareholders and customers of the Bank for their trust, and our employees for their continuous dedication and commitment.

For and on behalf of the Board of Directors,



Shoab Mumtaz
President & CEO
MCB Bank Limited
April 24, 2024



Mian Umer Mansha
Director
MCB Bank Limited

معاشی جائزہ :

آئی ایم ایف کے اسٹیٹمنٹ (ایس بی اے) پروگرام کی کامیاب تکمیل اور مروجہ پالیسی اور اصلاحات کے نفاذ کی کوششوں کے بعد پاکستان کی معیشت بہتری کے اشاریے ظاہر کر رہی ہے۔ تاہم، بحالی کے عمل کو پائیدار بنانے کے لیے مالیاتی جامعیت، دانشمندانہ پالیسی بیانیے، بروقت اور مناسب مالی وصولیاں، جو قرض کی کل طلب کو پورا کرنے کے لیے کافی ہوں اور بیرونی شعبے کے استحکام جیسے عوامل کا تسلسل برقرار رہنا ضروری ہے۔

ہیڈلائن افراط زر اس وقت تنزیلی کی راہ پر گامزن ہے۔ جس کی شرح فروری 2023ء کی 31.5 فیصد کی سطح سے فروری 2024ء تک کم ہو کر 23.1 فیصد پر پہنچ گئی۔ اس کے باوجود، اسٹیٹ بینک آف پاکستان نے افراط زر میں اضافے کی توقعات کی بناء پر افراط زر کی پیش بینی میں انہی خدشات کا تذکرہ کرتے ہوئے 18 مارچ 2024ء کو پالیسی ریٹ کو 22 فیصد کی شرح پر برقرار رکھا۔ اسٹیٹ بینک آف پاکستان نے جون 2024ء کو اختتام پذیر مالی سال کے لیے اوسط افراط زر کے 20 تا 22 فیصد کے اپنے سابقہ تخمینے میں اضافہ کرتے ہوئے اس کی شرح 23 تا 25 فیصد پر رہنے کی توقع کا اظہار کیا ہے۔

مالیاتی حوالے سے، مالی سال 2024ء کے جولائی تا جنوری کے عرصے کے دوران بنیادی سرپلس پچھلے سال کے 945 بلین روپے سے بڑھ کر 1,939 بلین روپے پر پہنچ گیا۔ تاہم، مالی خسارہ گزشتہ سال کی 2.3 فیصد کی شرح کے مقابلے میں مالی سال 2024ء کے جولائی تا جنوری کے عرصے میں پھیلتے ہوئے جی ڈی پی کی 2.6 فیصد کی شرح پر درج ہوا۔

کرنٹ اکاؤنٹ میں مالی سال 2024ء کی جولائی تا مارچ کی مدت میں 508 بلین امریکی ڈالر کا خسارہ دیکھا گیا۔ جو کہ گزشتہ سال کی نسبت تجارت کے توازن میں ہونے والی بہتری کا آئینہ دار ہے۔ مارچ 2024ء کے دوران، کرنٹ اکاؤنٹ میں 619 بلین امریکی ڈالر کا سرپلس درج کیا گیا۔ جو کہ گزشتہ سال کے اسی مہینے کے 537 بلین امریکی ڈالر کے سرپلس کے مقابلے میں ایک مثبت پیش رفت ہے۔

غیر ملکی براہ راست سرمایہ کاری کے تحت ہونے والی وصولیوں کا حجم مارچ 2024ء میں پچھلے مہینے کی 136 بلین امریکی ڈالر کی سطح سے بڑھتا ہوا 258 بلین امریکی ڈالر پر ریکارڈ ہوا۔ ترسیلات زر بھی مارچ 2023ء (2.537 بلین امریکی ڈالر) کے مقابلے میں بڑھتی کے رجحان کو ظاہر کرتے ہوئے مارچ 2024ء تک 16.44 فیصد (2.954 بلین امریکی ڈالر) تک بڑھ گئیں۔

مستقبل کی پیش بینی :

توانائی کی عالمی قیمتیں جو جغرافیائی و سیاسی تنازعات کے باعث دہاؤ کا شکار ہیں اور ماحولیاتی تبدیلی، دو نہایت اہمیت کے حامل بیرونی عوامل ہیں جو پاکستان کی معاشی کارکردگی کو سال 2024ء میں متاثر کر سکتے ہیں۔ پاکستان کے بیرونی قرضوں اور ذمہ داریوں کی ادائیگی کے بارے میں، خاص طور پر برآمدات کے فروغ میں حائل رکاوٹوں اور دشواریوں اور ایک منفی تجارتی توازن کی موجودگی میں، خدشات کا تسلسل برقرار ہے۔ ان معاملات سے نمٹنے کے لیے آئی ایم ایف کی ایکسٹینڈڈ فنڈنگ فسیٹی (ای ایف ایف) (Extended Funding Facility) اور دوست ممالک سے بیرونی وصولیوں کی اعانت نہایت ضروری عمل ہے۔ تاہم، ان مقاصد کا حصول اور آئی ایم ایف کے مطالبات کی تقیل کے لیے مضبوط و کڑی مالیاتی اور انضباطی ایڈجسٹمنٹ (مطابقت) ناگزیر ہے۔ جس میں گیس اور بجلی کے شعبوں میں موجود سرکڑ ڈیبٹ (گردشی قرضے) میں کمی، ایک کلیدار ایکٹیو ریٹ کو اختیار کرنے اور ٹیکس کی وصولیوں میں اضافہ کرنا شامل ہے۔ اس مطابقت سے افراط زر کے دہاؤ میں اضافہ اور مجموعی طلب میں مزید کمی واقع ہو سکتی ہے۔

تحسین و شکر:

ایم سی بی بینک کے بورڈ آف ڈائریکٹرز؛ حکومت پاکستان، اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انضباطی اداروں کا ان کی جاری معاونت کے لیے، بینک کے شیئر ہولڈرز اور صارفین کا ان کے بھرپور اعتماد کے لیے اور اپنے ملازمین کا ان کی مسلسل لگن اور مخلصانہ خدمات پر شکریہ ادا کرتے ہیں۔

منجانب و برائے بورڈ آف ڈائریکٹرز

شعیب ممتاز

پریزیڈنٹ اور سی ای او

ایم سی بی بینک لمیٹڈ

24 اپریل 2024ء

میاں عمر منشاء

ڈائریکٹر

ایم سی بی بینک لمیٹڈ

صارفین اور بینکوں کے مابین کاروباری لین دین کے بہاؤ میں اضافے، اپنی خدمات کے معیار میں مسلسل بہتری کی بناء پر آمدنی کی نوعیت میں تنوع، ڈیجیٹل منتقلی میں سرمایہ کاری اور اپنی خدمات کی فراہمی کے بلند معیار پر مرکوز خصوصی توجہ کے ذریعے فیس و کمیشن کی آمدنی میں بڑھوتی ہوئی جس میں ٹریڈ اور گارنٹی سے متعلقہ کاروباری آمدنی میں 100 فیصد، کارڈ سے متعلقہ آمدنی میں 48 فیصد، برانچ بینکنگ کی کسٹمر فیس میں 17 فیصد اور گھریلو ترسیلات زر کی آمدنی میں 55 فیصد کی وسیع الہیاد نمو شامل ہے۔

بینک نے اپنے کاروباری اخراجات کا موزوں انتظام جاری رکھا اور لاگت کے انصرام میں بھی دانشمندی کا مظاہرہ کیا۔ مسلسل بڑھتے بلند افراط زر کے ماحول، اشیاء خورد و نوش کی مسلسل بلند ہوتی قیمتیں اور افرادی وسائل و ٹیکنالوجی اپ گریڈیشن میں جاری سرمایہ کاری کے ماحول کے درمیان بینک کے کاروباری اخراجات 13.9 بلین روپے (+18%) پر درج ہوئے۔ بینک کی لاگت اور آمدنی کی شرح گزشتہ تقابلی عرصہ کی 32.77 فیصد کی شرح کے تناسب میں بہتری کا مظاہرہ کرتے ہوئے 29.50 فیصد پر رپورٹ ہوئی۔

ایک چیلنجنگ کاروباری اور میکرو اکنامک دور سے گزرتے ہوئے بینک، اپنی آمدنی کے خدشات سے متعلقہ فیصلوں کے انتظام میں نظم و ضبط کو برقرار رکھتے ہوئے اثاثہ جات کے معیار کے معاملات کو حل کرنے کی راہ پر گامزن ہے۔ اپنے قرضہ جات کی صارفین کے تمام شعبوں کے لیے فراہمی، قرضہ جات کے اجراء سے پہلے جانچ کے موزوں اصولوں اور انکی تقسیم کے بعد گرانے کے مسلسل اور موثر نظام کے باعث ایم سی بی نے اپنے کریڈٹ رسکو کا نہایت کامیابی سے تدارک کیا۔ بینک کے غیر فعال قرضہ جات کا حجم 31 مارچ 2024ء تک 55.4 بلین روپے پر رپورٹ ہوا۔ بینک کی کوریج اور انفیکشن کی شرحیں بالترتیب 92.67 فیصد اور 8.56 فیصد پر درج کی گئیں۔

مالیاتی صورتحال کی مدین، بینک کے گُل اثاثہ جات 2.41 ٹریلین روپے پر رپورٹ کیے گئے جو کہ دسمبر 2023ء کی سطح سے محض 1 فیصد کی کمی ہے۔ اثاثہ جات کی ترکیب کا جائزہ اس امر کو نمایاں کرتا ہے کہ خالص سرمایہ کاری اور گُل قرضہ جات میں، دسمبر 2023ء کے حجم کی نسبت 39 بلین روپے (+3%) اور 25 بلین روپے (+4%) کا بالترتیب اضافہ درج ہوا۔ جبکہ، مالیاتی اداروں کو فراہم کیے گئے قرضوں میں 46 بلین روپے (-48%) کی کمی ہوئی۔

بینک کے گُل ڈیپازٹس 1.85 ٹریلین روپے سے تجاوز کر گئے۔ جبکہ ڈومیسٹک مارکیٹ شیئر 31 دسمبر 2023ء کی 5.92 فیصد کی نسبت بہتر ہوتے ہوئے 6.05 فیصد پر رپورٹ ہوا۔ اس عرصے کے دوران، اوسط پالیسی ریٹس میں غیر معمولی اضافے کے باوجود، ڈیپازٹس کی لاگت کو گزشتہ سال کی اسی تقابلی مدت کی 7.15 فیصد کی شرح کے مقابلے میں 10.70 فیصد پر محدود رکھا گیا۔

اثاثہ جات کی آمدنی اور سرمائے (ایکویٹی) کی آمدنی کی شرحیں بہتری کے ساتھ بالترتیب 2.74 فیصد اور 31.54 فیصد کی سطح پر درج کی گئیں۔ جبکہ، بک ویلیو نی حصص 180.02 پر رپورٹ ہوئی۔

اس زیر تجزیہ عرصہ کے دوران، ایم سی بی نے 892 ملین امریکی ڈالرز (+13%) کی ترسیلات زر کو راغب کیا تاکہ ملک میں بینکنگ چینلز کے ذریعے ترسیلات زر کے بہاؤ میں بہتری کے اثاثہ بینک آف پاکستان کے مقصد میں ایک فعال شراکت دار کے اپنے کردار کو مضبوط بنایا جاسکے۔

سرمائے کے ضوابط کی تعمیل کرتے ہوئے بینک کے کل سرمائے کی معقولیت (کیپٹل ایڈیکویسی) 11.5 فیصد کی مطلوبہ شرح کی نسبت 19.62 فیصد پر رہی (جس میں 2020ء کے بی پی آر ڈی (BPRD) سرکلر لیٹر نمبر 12 کے تحت سرمایہ کو محفوظ دینے کے لیے 1.50 فیصد کی تحلیل کی شرح شامل ہے)۔ سرمایہ کے اعلیٰ معیار کا اظہار بینک کی کامن اکیویٹی ٹائر 1 - Common Equity Tier 1 (CET1) سے کل رسک ویٹیزڈ اسٹس (Risk Weighted Assets) کی شرح سے ہوتا جو کہ 6.0 فیصد کی مطلوبہ حد کے مقابلے میں 16.50 فیصد کی شرح پر درج کی گئی۔ بینک کی کیپٹل ریشیو کے نتیجے میں لیوریج (Leverage) کی شرح بھی 3.0 فیصد کی ضوابط کی حد سے نمایاں اضافہ کے ساتھ 6.5 فیصد پر جانچئی۔ بینک نے لیکویڈٹی کوریج ریشیو (LCR - Liquidity Coverage Ratio) کو 263.47 فیصد اور نیٹ سٹیبل فنڈنگ ریشیو (NSFR - Net Stable Funding Ratio) کو 100 فیصد کی مطلوبہ شرح کی نسبت 160.47 فیصد پر رپورٹ کیا۔

بورڈ آف ڈائریکٹرز نے 31 مارچ 2024ء کو اختتام پذیر سرمایہ کے لیے 9 روپے فی حصص یعنی 90 فیصد، کے پہلے عبوری کیش ڈیویڈنڈ کا اعلان کیا ہے۔

ریٹنگ:

پاکرا (PACRA) کے نوٹیفیکیشن بتاریخ 23 جون 2023ء کی بنیاد پر بینک، طویل اور قلیل مدت کی بالترتیب AAA اور A1+ کی بلند ترین کریڈٹ ریٹنگ سے مستفید ہو رہا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے ہم، ایم سی بی بینک لمیٹڈ (ایم سی بی) کے 31 مارچ 2024ء کو اختتام پذیر سرمایہ کے مالیاتی گوشواروں کو آپ کے سامنے پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کارکردگی کا جائزہ

31 مارچ 2024ء کو اختتام پذیر مدت تک کے بینک کے افرادی منافع قبل و بعد از ٹیکس اور تخصیص، مندرجہ ذیل ہے:

ملین روپے
32,542
15,987
16,555
96,040
554
38
38
96,670
113,225
(1,656)
(10,666)
(12,322)
100,903

منافع قبل از ٹیکس

ٹیکس

منافع بعد از ٹیکس

افتتاحی غیر تخصیص شدہ منافع

آئی ایف آر ایس (IFRS-9) کے اطلاق کے اثرات
ایف دی اوی آئی (FVOCI) کے ذریعے ایکویٹی انشورمنٹس
کی فروخت سے حاصل شدہ سرپلس - خالص از ٹیکس
از سر نو تخمینہ شدہ معین اثاثوں کے سرپلس سے اضافی فرسودگی
کی غیر تخصیص شدہ منافع میں منتقلی (خالص از ٹیکس)

تخصیص کیلئے دستیاب منافع

تخصیص:

قانونی ریزرو

حتی کیش ڈیویڈنڈ 9 روپے فی شیئر - برائے دسمبر 2023ء

کل تخصیص

اختتامی غیر تخصیص شدہ منافع

بینک کی انتظامیہ کے بغیر لاگت کے اپنے ڈیپازٹس کی تعمیر اور پیداواری اثاثہ جات کی ترکیب کو مزید موزوں کرنے کی مسلسل کاوشوں کے ذریعے، سال 2024ء کی پہلی سرمایہ کے دوران، ایم سی بی کا منافع قبل از ٹیکس 41 فیصد کی متاثرگن نمو کے ساتھ 32.5 بلین روپے پر درج ہوا۔ منافع بعد از ٹیکس، 27 فیصد کے اضافے کے ساتھ 16.6 بلین روپے پر جانچیا۔ جس کے اثرات فی حصص آمدنی پر بھی مرتب ہوئے اور انکی سطح گزشتہ سال کے تقابلی عرصے کی 11.02 روپے فی حصص کی نسبت بڑھتے ہوئے 13.97 روپے فی حصص پر رپورٹ ہوئی۔

اس زیر تجزیہ عرصہ کے دوران، انتظامیہ کی مربوط کوششوں سے اوسط کرنٹ ڈیپازٹس میں ہونے والی نمایاں مقدار کی نمو (سال بہ سال کی بنیاد پر +13%) اور اثاثہ جات کی معیار سے متعلقہ بروقت فیصلوں کی بناء پر سال 2024ء کی پہلی سرمایہ کے دوران، خالص انٹرسٹ آمدنی میں گزشتہ سال کی تقابلی مدت کی نسبت 27 فیصد کا اضافہ ہوا۔

فیس و کمیشن کی 6.1 بلین روپے (+46%) کی آمدنی، غیر ملکی کرنسیوں میں ڈیٹنگ کی 1.9 بلین روپے (+97%) کی آمدنی اور ڈیویڈنڈ کی مدین 1.0 بلین روپے کی آمدنی (+55%) کی نمایاں شمولیت کے باعث نان مارک اپ آمدنی، گزشتہ سال کے ممالی عرصہ کے 5.9 بلین روپے کے مقابلے میں 9.1 بلین روپے (+54%) تک بڑھ گئی۔



Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
ASSETS		
Cash and balances with treasury banks	7 189,658,456	170,716,648
Balances with other banks	8 38,350,567	35,073,136
Lendings to financial institutions	9 50,042,175	96,213,400
Investments	10 1,288,592,435	1,249,439,347
Advances	11 596,041,680	577,863,329
Property and equipment	12 78,220,015	76,943,546
Right-of-use assets	13 5,643,123	5,877,865
Intangible assets	14 1,426,376	1,035,483
Deferred tax assets	15 9,645,417	-
Other assets	16 151,338,140	214,016,002
	2,408,958,384	2,427,178,756
LIABILITIES		
Bills payable	18 11,415,713	25,095,911
Borrowings	19 153,091,210	216,611,046
Deposits and other accounts	20 1,851,330,160	1,805,387,294
Lease liabilities	21 8,475,361	8,686,003
Subordinated debt	-	-
Deferred tax liabilities	15 -	100,718
Other liabilities	22 152,708,888	140,590,915
	2,177,021,332	2,196,471,887
	231,937,052	230,706,869
NET ASSETS		
REPRESENTED BY		
Share capital	11,850,600	11,850,600
Reserves	23 100,583,200	98,723,536
Surplus on revaluation of assets	24 18,600,132	24,093,197
Unappropriated profit	100,903,120	96,039,536
	231,937,052	230,706,869
CONTINGENCIES AND COMMITMENTS	25	

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



Note	Three Months Ended	
	January 01 to March 31, 2024	January 01 to March 31, 2023
-----Rupees in '000-----		
Mark-up / return / interest earned	27 89,009,290	63,854,845
Mark-up / return / interest expensed	28 50,937,794	33,785,112
Net mark-up / interest income	38,071,496	30,069,733
NON MARK-UP / INTEREST INCOME		
Fee and commission income	29 6,086,353	4,172,386
Dividend income	1,003,781	648,654
Foreign exchange income	1,934,095	982,687
Income from derivatives	397	12,056
Gain / (loss) on securities	30 (522)	51,885
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	-
Other Income	31 99,669	54,030
Total non-markup / interest Income	9,123,773	5,921,698
Total Income	47,195,269	35,991,431
NON MARK-UP / INTEREST EXPENSES		
Operating expenses	32 13,920,740	11,792,822
Workers Welfare Fund	650,833	460,318
Other charges	33 150,894	98,162
Total non-markup / interest expenses	14,722,467	12,351,302
Profit before credit loss allowance	32,472,802	23,640,129
Credit loss allowance and write offs - net	34 (68,831)	624,254
PROFIT BEFORE TAXATION	32,541,633	23,015,875
Taxation	35 15,986,315	9,960,162
PROFIT AFTER TAXATION	16,555,318	13,055,713
-----Rupees -----		
Basic and diluted earnings per share	36 13.97	11.02

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

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Shoaib Mumtaz
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Director

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Director

Muhammad Ali Zeb
Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (un-audited)
For The Three Months Period Ended March 31, 2024



Profit after taxation for the period

Other comprehensive income / (loss)

Items that may be reclassified to profit and loss account in subsequent periods:

Effect of translation of net investment in foreign branches

Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS - net of tax

Items that will not be reclassified to profit and loss account in subsequent periods:

Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax

Total comprehensive income

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

	Three Months Ended	
	January 01 to March 31, 2024	January 01 to March 31, 2023
	-----Rupees in '000-----	
Profit after taxation for the period	16,555,318	13,055,713
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	204,132	4,820,570
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS - net of tax	(580,243)	(8,101,169)
	(376,111)	(3,280,599)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	95,532	-
	95,532	-
Total comprehensive income	16,274,739	9,775,114

Unconsolidated Condensed Interim Statement of Changes In Equity (un-audited)
For The Three Months Period Ended March 31, 2024



	Rupees in '000										
	Share capital	Share premium	Capital reserve	Exchange translation reserve	Statutory reserve	General reserve	Revenue reserve	Surplus/(deficit) on revaluation of investments	Property and equipment / non-banking assets	Unappropriated profit	Total
Balance as at December 31, 2022 (Audited)	11,850,600	23,751,114	908,317	4,402,973	40,915,620	18,600,000	18,600,000	(19,082,376)	37,723,027	70,425,375	189,494,650
Profit after taxation for the period ended March 31, 2023	-	-	-	4,820,570	-	-	-	(8,101,169)	-	-	13,055,713
Other comprehensive loss - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	-	4,820,570	-	-	-	(8,101,169)	-	-	4,820,570
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax	-	-	-	-	-	-	-	(6,101,169)	-	(1,305,571)	(8,101,169)
Transfer to statutory reserve	-	-	-	-	1,305,571	-	-	-	-	42,246	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	(42,246)	-
Transactions with owners: recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Final cash dividend at Rs. 6.0 per share - December 31, 2022	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023 (Un-audited)	11,850,600	23,751,114	908,317	9,223,543	42,221,191	18,600,000	18,600,000	(27,183,545)	37,860,781	75,07,403	192,159,404
Profit after taxation for the nine months period ended December 31, 2023	-	-	-	(638,168)	-	-	-	-	-	46,575,394	46,575,394
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	(254,301)	-	(638,168)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(163,876)	-	(163,876)
Reassessment gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-	2,668,656	2,668,656
Movement in surplus on revaluation of AFS investments - net of tax	-	-	-	(638,168)	-	-	-	15,244,830	-	-	15,244,830
Transfer to statutory reserve	-	-	-	-	4,657,259	-	-	-	-	(4,657,259)	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(108,948)	108,948	-
Surplus realized on disposal of revalued fixed assets - net of tax	-	-	-	-	-	-	-	-	(1,097,114)	1,097,114	-
Surplus realized on disposal of non-banking assets - net of tax	-	-	-	-	-	-	-	-	(24,630)	24,630	-
Transactions with owners: recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend at Rs. 6.0 per share - March 31, 2023	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend at Rs. 7.0 per share - June 30, 2023	-	-	-	-	-	-	-	-	-	-	-
Interim cash dividend at Rs. 8.0 per share - September 30, 2023	-	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2023 (Audited)	11,850,600	23,751,114	908,317	8,585,375	46,878,730	18,600,000	18,600,000	(11,988,715)	36,031,912	96,039,638	230,706,869
Impact of adoption of FRS 9 (note 4.2)	-	-	-	-	-	-	-	-	-	-	-
Effect of reclassification of impairment charged against equity instruments through FVOCI - net of tax	-	-	-	-	-	-	-	-	(5,113,861)	5,113,861	-
Effect of reclassification of unrealized gain on units of open end mutual funds - FYTPL	-	-	-	-	-	-	-	-	(7,327)	7,327	-
Effect of recognition of expected credit losses on adoption of FRS 9 - net of tax	-	-	-	-	-	-	-	-	44,566,809	(44,566,809)	-
Opening balance as at January 01, 2024	11,850,600	23,751,114	908,317	8,585,375	46,878,730	18,600,000	18,600,000	(16,871,910)	36,031,912	96,589,715	226,327,853
Profit after taxation for the period ended March 31, 2024	-	-	-	-	-	-	-	-	-	16,555,318	16,555,318
Other comprehensive loss - net of tax	-	-	-	-	-	-	-	-	-	-	-
Effect of translation of net investment in foreign branches	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	-	-	-	204,132	-	-	-	-	-	-	204,132
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	-	-	-	95,532	-	-	95,532
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	204,132	-	-	-	(580,243)	-	-	(380,243)
Transfer to statutory reserve	-	-	-	-	1,655,632	-	-	-	-	(1,655,632)	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	(37,732)	37,732	-
Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax	-	-	-	-	-	-	-	-	(37,427)	37,427	-
Transactions with owners: recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-
Final cash dividend at Rs. 9.0 per share - December 31, 2023	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024 (Un-audited)	11,850,600	23,751,114	908,317	8,789,507	48,534,262	18,600,000	18,600,000	(17,934,048)	35,964,180	100,903,120	231,937,052

The annexed notes 1 to 45 form an integral part of these unconsolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoab Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Hammad Khalid
Chief Financial Officer

Shoab Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



Note	Three Months Ended	
	January 01 to March 31, 2024	January 01 to March 31, 2023
-----Rupees in '000-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	32,541,633	23,015,875
Less: Dividend income	(1,003,781)	(648,654)
	31,537,852	22,367,221
Adjustments:		
Depreciation on property and equipment	32 824,593	654,433
Depreciation on right-of-use assets	32 316,344	339,047
Depreciation on non-banking assets acquired in satisfaction of claims	32 4,669	5,970
Amortization	32 129,046	83,873
Credit loss allowance and write offs - net	34 (68,831)	624,254
Gain on sale of property and equipment - net	31 (48,398)	(5,053)
Finance charges on lease liability against right-of-use assets	28 281,269	271,941
Workers Welfare Fund	650,833	460,318
Charge for defined benefit plans - net	(103,383)	74,065
Gain on termination of lease liability against right-of-use assets	31 (15,999)	(9,733)
Unrealized (gain) / loss on revaluation of investments classified as FVTPL	30 (6,139)	(59)
	1,964,004	2,499,056
	33,501,856	24,866,277
Decrease / (increase) in operating assets		
Lendings to financial institutions	46,155,843	(70,685,772)
Securities classified as FVTPL	14,778	-
Advances	(24,917,926)	96,478,153
Others assets (excluding advance taxation)	61,659,890	(2,917,529)
Increase / (decrease) in operating liabilities	82,912,585	22,874,852
Bills Payable	(13,680,198)	(27,614,208)
Borrowings from financial institutions	(63,480,391)	(110,212,903)
Deposits	45,942,866	161,040,720
Other liabilities (excluding current taxation)	11,878,238	(14,188,543)
	(19,339,485)	9,025,066
Defined benefits paid	(67,436)	(55,789)
Income tax paid	(22,797,625)	(10,158,040)
Net cash flow from operating activities	74,209,895	46,552,366
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in securities classified as FVOCI	(38,388,650)	18,290,695
Net investment in securities classified as amortized cost	(766,193)	(698,939)
Dividends received	863,987	488,034
Investments in property and equipment	(2,103,431)	(1,092,446)
Proceeds from sale of property and equipment	63,103	6,934
Investments in Intangible assets	(646,128)	(71,170)
Investment in subsidiary	(1,000,000)	-
Effect of translation of net investment in foreign branches	204,132	4,820,570
Net cash flow (used in) / from investing activities	(41,773,180)	21,743,678
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use-assets	(557,514)	(517,224)
Dividend paid	(9,177,277)	(7,047,487)
Net cash flow used in financing activities	(9,734,791)	(7,564,711)
Effects of credit loss allowance changes on cash and cash equivalents	75,655	-
Effects of exchange rate changes on cash and cash equivalents	(487,304)	10,636,374
Increase in cash and cash equivalents	22,290,275	71,367,707
Cash and cash equivalents at beginning of the period	204,663,387	109,790,967
Cash and cash equivalents at end of the period	226,953,662	181,158,674

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



1. STATUS AND NATURE OF BUSINESS

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB -15 Main Gulberg, Lahore. The Bank operates 1,429 branches (2023: 1,430 branches) within Pakistan and 08 branches (2023: 08 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

2. BASIS OF PREPARATION

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

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

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

2.4 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 and derivative financial instruments 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.

3. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and

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

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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

3.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34, Interim Financial Reporting. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the financial year ended December 31, 2023.

3.5 Standards, Interpretations of and Amendments to Approved Accounting Standards That are Effective in the Current Period

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements except for IFRS 9 'Financial Instruments', the impact of which is disclosed under note 4.2.

3.6 Standards, Interpretations of and Amendments to Approved Accounting Standards That are not yet Effective

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

4 MATERIAL ACCOUNTING POLICIES

The material accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2023 except for changes mentioned in notes 4.1 and 4.2.

4.1 Adoption of New Forms for the Preparation of Unconsolidated Condensed Interim Financial Statements

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of the unconsolidated condensed interim financial statements of the Banks. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. Right of use assets and corresponding lease liability are now presented separately on the face of the Statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements.

4.2 Impact of IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard introduces a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk.

In preparation of these financial statements, the Bank has applied requirements of IFRS 9 and application instructions issued by SBP with the date of initial application of January 01, 2024 with modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Bank has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

CLASSIFICATION AND MEASUREMENT

The classification and measurement of financial assets is based on the business model within which they are held and their contractual cash flow characteristics. Financial assets that do not meet the solely payments of principal and interest (SPPI) criteria are measured at fair value through profit or loss ('FVTPL') regardless of the business model in which they are held. The Bank's business model in which financial assets are held determines whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Financial assets can only be held at amortized cost if the instruments are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Assets may be sold out of 'hold to collect' portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Debt instruments where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are held at FVOCI, with unrealized gains or losses deferred in reserves until the asset is derecognized.

The classification of equity instruments is generally measured at FVTPL unless the Bank, at initial recognition, irrevocably designates as FVOCI but both unrealized and realized gains or losses are recognized in reserves and no amounts other than dividends received are recognized in the income statement.

All other financial assets will mandatorily be held at FVTPL. Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

The Requirements of IFRS 9 Led to Changes In Classification of Certain Financial Assets Held by the Bank Which are Explained as Follows:

Equity instruments previously classified as available for sale (AFS)

The Bank has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds amounting to Rs. 115.98 million classified as FVTPL. The fair value gain or losses recognized in OCI will not be recycled to profit and loss account on derecognition of these securities.

Debt instruments previously classified as available for sale (AFS)

Debt instruments previously classified as AFS upon passing the SPPI test have been designated as fair value through OCI under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and realized and unrealized gain/loss under IFRS 9.

Debt instruments previously classified as held to maturity (HTM)

Debt instruments currently classified as HTM upon passing the SPPI test have been designated as amortized cost under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows. There is no change to their measurement basis.

4.2.1 TRANSITION TO IFRS 9 FINANCIAL INSTRUMENTS - STATEMENT OF FINANCIAL POSITION

	Audited December 31, 2023	Classification & Measurement	Expected Credit Losses	IFRS 9 January 01, 2024
-----Rupees in '000-----				
Cash and balances with treasury banks	170,716,648	-	-	170,716,648
Balances with other banks	35,073,136	-	(518,896)	34,554,240
Lendings to financial institutions	96,213,400	-	(136,363)	96,077,037
Investments	1,249,439,347	368,223	(400,736)	1,249,406,834
Advances	577,863,329	-	(6,087,425)	571,775,904
Property and equipment	76,943,546	-	-	76,943,546
Right-of-use assets	5,877,865	-	-	5,877,865
Intangible assets	1,035,483	-	-	1,035,483
Deferred tax assets	-	4,639,017	4,387,718	9,026,735
Other assets	214,016,002	-	(267,587)	213,748,415
Total Assets	2,427,178,756	5,007,240	(3,023,289)	2,429,162,707
Bills payable	25,095,911	-	-	25,095,911
Borrowings	216,611,046	-	-	216,611,046
Deposits and other accounts	1,805,387,294	-	-	1,805,387,294
Lease liabilities	8,686,003	-	-	8,686,003
Subordinated debt	-	-	-	-
Deferred tax liabilities	100,718	(100,718)	-	-
Other liabilities	140,590,915	4,920,165	1,543,520	147,054,600
Total Liabilities	2,196,471,887	4,819,447	1,543,520	2,202,834,854
Share capital	11,850,600	-	-	11,850,600
Reserves	98,723,536	-	-	98,723,536
Surplus on revaluation of assets	24,093,197	(4,933,195)	-	19,160,002
Unappropriated profit	96,039,536	5,120,988	(4,566,809)	96,593,715
Total Equity	230,706,869	187,793	(4,566,809)	226,327,853
Total Equity and Liabilities	2,427,178,756	5,007,240	(3,023,289)	2,429,162,707

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2023.

6 FINANCIAL RISK MANAGEMENT

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



	Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----			
7. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		35,783,937	33,955,027
Foreign currencies		8,256,162	8,187,466
		44,040,099	42,142,493
With State Bank of Pakistan in			
Local currency current accounts		97,585,590	74,211,050
Foreign currency current accounts		2,284,329	1,524,981
Foreign currency deposit accounts		12,716,501	12,812,091
		112,586,420	88,548,122
With other central banks in			
Foreign currency current accounts		9,709,239	7,618,129
With National Bank of Pakistan in			
Local currency current accounts		23,160,329	32,236,362
Prize bonds		162,369	171,542
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
		189,658,456	170,716,648
8. BALANCES WITH OTHER BANKS			
Outside Pakistan			
In current accounts	8.1	13,166,528	9,196,853
In deposit accounts		25,637,318	25,886,504
		38,803,846	35,083,357
Less: Credit loss allowance held against balances with other banks		(453,279)	(10,221)
		38,350,567	35,073,136
8.1 It includes an amount of USD 3.852 million pledged as collateral for a standby letter of credit issued on behalf of the Bank.			
9. LENDINGS TO FINANCIAL INSTITUTIONS			
Call / clean money lendings		40,460,057	74,714,000
Repurchase agreement lendings (Reverse Repo)		9,597,500	21,499,400
		50,057,557	96,213,400
Less: Credit loss allowance held against lending to financial institutions	9.1	(15,382)	-
		50,042,175	96,213,400
9.1 Particulars of credit loss allowance			
The following table sets out analysis of credit loss allowance held against lendings to financial institutions as at March 31, 2024.			
		Lending	Credit loss allowance held
-----Rupees in '000-----			
Domestic			
Performing	Stage 1	11,528,150	(15,382)
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
		-	-
Total		11,528,150	(15,382)
Overseas			
Performing	Stage 1	38,529,407	-
Under performing	Stage 2	-	-
Non-performing	Stage 3	-	-
Substandard		-	-
Doubtful		-	-
Loss		-	-
		-	-
Total		38,529,407	-



		Unaudited March 31, 2024			
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----					
10. INVESTMENTS					
10.1 Investments by type:	Note				
FVTPL					
Federal Government Securities		71,865	-	(46)	71,819
Shares and units		314,210	-	6,185	320,395
		386,075	-	6,139	392,214
FVOCI					
Federal Government Securities		1,197,712,269	(735,815)	(30,019,630)	1,166,956,824
Shares		31,655,265	-	(4,154,004)	27,501,261
Non Government Debt Securities		2,953,840	(8,402)	5,452	2,950,890
Foreign Securities		48,406,892	-	62,205	48,469,097
		1,280,728,266	(744,217)	(34,105,977)	1,245,878,072
Amortised Cost					
Federal Government Securities		14,762,320	(259,582)	-	14,502,738
Provincial Government Securities		118	(118)	-	-
Non Government Debt Securities		8,869,357	(550,410)	-	8,318,947
Foreign Securities		831,826	-	-	831,826
		24,463,621	(810,110)	-	23,653,511
Associates		700,401	-	-	700,401
Subsidiaries	10.5	17,968,237	-	-	17,968,237
Total Investments		1,324,246,600	(1,554,327)	(34,099,838)	1,288,592,435
		Audited December 31, 2023			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----					
Held-for-trading securities					
Shares		292,517	-	(7,644)	284,873
		292,517	-	(7,644)	284,873
Available-for-sale securities					
Federal Government Securities		1,164,709,805	(414,772)	(29,273,303)	1,135,021,730
Shares and units		30,789,895	(10,026,787)	5,773,217	26,536,325
Non Government Debt Securities		2,953,840	-	(2,950)	2,950,890
Foreign Securities		43,963,271	-	93,789	44,057,060
		1,242,416,811	(10,441,559)	(23,409,247)	1,208,566,005
Held-to-maturity securities					
Federal Government Securities		14,788,331	(260,316)	-	14,528,015
Provincial Government Securities		118	(118)	-	-
Non Government Debt Securities		8,869,357	(477,541)	-	8,391,816
Foreign Securities		-	-	-	-
		23,657,806	(737,975)	-	22,919,831
Associates		700,401	-	-	700,401
Subsidiaries	10.5	16,968,237	-	-	16,968,237
Total Investments		1,284,035,772	(11,179,534)	(23,416,891)	1,249,439,347
		Unaudited March 31, 2024	Audited December 31, 2023		
-----Rupees in '000-----					
10.1.1 Investments given as collateral					
- Market Treasury Bills		21,764,028		30,763,692	
- Pakistan Investment Bonds		26,655,986		75,842,086	
		48,420,014		106,605,778	
10.2 Credit loss allowance for diminution in value of investments					
Opening balance		11,179,534		10,330,107	
Reversal of impairment charged against equity instruments through FVOCI on adoption of IFRS 9		(10,026,787)		-	
Impact of ECL on debt securities on adoption of IFRS 9		400,736		-	
Exchange and other adjustments		(9,343)		54,762	
Charge / (reversals)		-		-	
Charge for the period / year		54,834		1,744,532	
Reversals for the period / year		(44,647)		-	
Reversal on disposals		-		(949,867)	
		10,187		794,665	
Amounts written off		-		-	
Closing Balance		1,554,327		11,179,534	

10.3 Particulars of credit loss allowance against debt securities

The following table sets out analysis of credit loss allowance held against debt securities as at March 31, 2024.

		Unaudited March 31, 2024	
		Outstanding amount	Credit loss allowance held
		-----Rupees in '000-----	
Domestic			
Performing	Stage 1	1,209,450,830	24,357
Under performing	Stage 2	4,058,069	378,607
Non-performing - loss	Stage 3	477,659	477,659
		1,213,986,558	880,623
Overseas			
Performing	Stage 1	49,238,718	-
Under performing	Stage 2	10,383,211	673,703
Non-performing	Stage 3	-	-
		59,621,929	673,703
Total		1,273,608,487	1,554,326

10.4 Summarized financial information of associates and subsidiaries

		Unaudited March 31, 2024				
Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
-----Rupees in '000-----						

Associates

Euronet Pakistan (Private) Limited (unaudited based on March 31, 2024)	Pakistan	30%	399,789	18,577	18,577	1,857,513	1,818,627
Adamjee Insurance Company Limited (audited based on December 31, 2023)	Pakistan	20%	41,976,789	2,716,915	7,247,972	172,799,968	141,015,250

Subsidiaries

MCB Islamic Bank Limited (unaudited based on March 31, 2024)	Pakistan	100.00%	11,985,024	1,156,047	983,824	268,845,626	245,883,515
MCB Exchange Company (Private) Limited (unaudited based on March 31, 2024)	Pakistan	100.00%	21,363	8,286	8,286	1,027,328	19,042
MCB Investment Management Limited (formerly MCB - Arif Habib Savings and Investment Limited) (unaudited based on March 31, 2024)	Pakistan	81.42%	1,272,750	672,964	672,964	2,908,953	1,143,280
MCB Non-Bank Credit Organization Closed Joint Stock Company (unaudited based on March 31, 2024)	Azerbaijan	99.94%	187,309	61,972	61,972	4,626,974	3,420,548

		Audited December 31, 2023				
Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
-----Rupees in '000-----						

Associates

Euronet Pakistan (Private) Limited (unaudited based on December 31, 2023)	Pakistan	30%	1,474,982	(1,915)	(1,915)	1,553,014	1,526,982
Adamjee Insurance Company Limited (unaudited based on September 30, 2023)	Pakistan	20%	31,207,110	2,167,872	4,467,753	168,919,609	139,946,503

Subsidiaries

MCB Islamic Bank Limited (audited based on December 31, 2023)	Pakistan	100.00%	35,942,266	5,153,335	5,689,370	266,999,705	244,963,453
MCB Investment Management Limited (formerly MCB - Arif Habib Savings and Investment Limited) (audited based on June 30, 2023)	Pakistan	81.42%	1,200,663	378,218	378,218	2,711,449	970,740
MCB Non-Bank Credit Organization Closed Joint Stock Company (audited based on December 31, 2023)	Azerbaijan	99.94%	617,756	182,559	182,559	4,122,446	2,961,675

10.5 During the period, the Bank injected share capital of Rs 1.0 billion into MCB Exchange Company (Private) Limited, a wholly owned subsidiary.

Note	Performing		Non Performing		Total	
	Unaudited March 31, 2024	Audited December 31, 2023	Unaudited March 31, 2024	Audited December 31, 2023	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----						
Loans, cash credits, running finances, etc.	573,761,960	547,237,076	54,548,133	53,000,544	628,310,093	600,237,620
Bills discounted and purchased	18,219,896	21,305,091	868,727	882,051	19,088,623	22,187,142
Advances - gross	591,981,856	568,542,167	55,416,860	53,882,595	647,398,716	622,424,762
Credit loss allowance against advances	(7,670,389)	(2,624,303)	(43,686,647)	(41,937,130)	(51,357,036)	(44,561,433)
Advances - net of credit loss allowance	584,311,467	565,917,864	11,730,213	11,945,465	596,041,680	577,863,329
-----Rupees in '000-----						
	4,390,172	4,390,172	-	-	-	4,390,172
	3,280,217	3,280,217	-	-	-	3,280,217
	-	-	43,686,647	-	43,686,647	43,686,647
	7,670,389	7,670,389	43,686,647	-	43,686,647	51,357,036
-----Rupees in '000-----						
	589,208,032	589,208,032	58,190,684	58,190,684	589,208,032	545,801,761
	58,190,684	58,190,684	647,398,716	647,398,716	647,398,716	76,623,001
	647,398,716	647,398,716	-	-	-	622,424,762

11. ADVANCES

11.1 The following table sets out staging analysis of credit loss allowance held against loans & advances as at March 31, 2024.

Credit loss allowance against advances

- Stage 1
- Stage 2
- Stage 3

11.2 Particulars of advances (Gross)

In local currency
In foreign currencies

11.3 Advances include Rs. 55,416,860 million (2023:Rs. 53,882,595 million) which have been placed under the non-performing / Stage 3 statuses detailed below:

Category of Classification	Note	Unaudited March 31, 2024		Audited December 31, 2023	
		Non Performing Loans	Credit loss allowance	Non Performing Loans	Provision
Domestic					
Other Assets Especially Mentioned	11.3.1	1,642,321	867,945	1,517,142	1,684
Substandard		200,930	151,273	834,737	46,687
Doubtful		2,393,961	1,255,660	224,303	111,716
Loss		36,684,655	35,749,721	36,557,845	36,043,900
		40,921,867	38,024,599	39,134,027	36,203,987
Overseas					
Upto 90 Days		-	-	2,902	726
91 to 180 days		2,163	987	24,898	6,225
180 to 365 days		1,361	1,361	1,297	1,297
> 365 days		14,491,489	5,659,700	14,719,471	5,724,895
		14,494,993	5,662,048	14,748,568	5,733,143
Total		55,416,860	43,686,647	53,882,595	41,937,130

11.3.1 This includes non-performing portfolio of agricultural, small enterprise and Infrastructure Project Financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.

11.4 Particulars of credit loss allowance against advances

	Unaudited March 31, 2024		Audited December 31, 2023	
	Stage 3	Stage 1 & stage 2	Specific	General
Opening balance	41,937,130	2,624,303	41,947,778	2,224,575
Impact of ECL on adoption of IFRS 9	1,633,585	4,453,840	-	-
Exchange adjustments	(29,090)	39,837	1,230,321	236,763
Charge for the period / year	1,169,439	2,806,006	3,108,219	382,213
Reversals	(1,024,417)	(2,253,597)	(3,570,328)	(219,248)
Amounts written off	145,022	552,409	(462,109)	162,965
Closing balance	43,686,647	7,670,389	(778,860)	2,624,303
			41,937,130	44,561,433

11.4.1 An analysis of changes in the ECL allowances in relation to loans & advances of the Bank as at March 31, 2024 is as follows:

	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000			
Opening balance	2,624,303	-	41,937,130	44,561,433
Impact of ECL on adoption of IFRS 9	1,262,384	3,191,456	1,633,585	6,087,425
Exchange adjustments	39,837	-	(29,090)	10,747
New Advances	174,579	190,501	15	365,095
Advances derecognized or repaid	(96,142)	(37,736)	(241,240)	(375,118)
Transfer to stage 1	503,163	(503,163)	-	-
Transfer to stage 2	(50,912)	64,716	(13,804)	-
Transfer to stage 3	(3,341)	(76,655)	79,996	-
	527,347	(362,337)	(175,033)	(10,023)
Amounts written off / charged off	-	-	-	-
Changes in risk parameters	(63,699)	451,098	320,055	707,454
Closing balance	4,390,172	3,280,217	43,686,647	51,357,036

11.4.2 An analysis of the categories of classification of loans & advances of the Bank as at March 31, 2024 is as follows:

		Outstanding amount	Credit loss allowance Held
		Rupees in '000	
Domestic			
Performing	Stage 1	512,525,564	4,272,834
Under performing	Stage 2	57,285,610	2,823,710
Non-performing	Stage 3		
		1,642,321	867,945
Substandard		200,930	151,273
Doubtful		2,393,961	1,255,660
Loss		36,684,655	35,749,721
		40,921,867	38,024,599
Total		610,733,041	45,121,143
Overseas			
Performing	Stage 1	15,596,542	117,338
Under performing	Stage 2	6,574,140	456,507
Non-performing	Stage 3		
		2,163	987
Doubtful		420,549	217,634
Loss		14,072,281	5,443,427
		14,494,993	5,662,048
Total		36,665,675	6,235,893

11.4.3 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against Non Performing Loans (NPLs) for five years from the date of classification. However, management has not taken the FSV benefit in calculation of specific provision.

12. PROPERTY AND EQUIPMENT	Note	Unaudited	Audited				
		March 31, 2024	December 31, 2023				
-----Rupees in '000-----							
Capital work-in-progress	12.1	2,919,371	1,696,937				
Property and equipment		75,300,644	75,246,609				
		<u>78,220,015</u>	<u>76,943,546</u>				
12.1 Capital work-in-progress							
Civil works		1,930,097	1,335,418				
Equipment		675,476	26,012				
Advances to suppliers		290,668	330,898				
Others		23,130	4,609				
		<u>2,919,371</u>	<u>1,696,937</u>				
		Unaudited	Audited				
		Three Months ended March 31, 2024	Three Months ended March 31, 2023				
-----Rupees in '000-----							
12.2 Additions to property and equipment							
The following additions have been made to property and equipment during the period:							
Capital work-in-progress - net additions		1,222,434	439,688				
Property and equipment							
Building on freehold land		24,870	30,725				
Building on leasehold land		2,185	2,639				
Electrical office and computer equipment		551,639	471,888				
Furniture and fixture		97,225	54,569				
Leasehold Improvements		53,890	60,805				
Vehicles		151,188	32,132				
		<u>880,997</u>	<u>652,758</u>				
		<u>2,103,431</u>	<u>1,092,446</u>				
12.3 Disposal of property and equipment							
The net book value of property and equipment disposed off during the period is as follows:							
Vehicles		12,456	-				
Furniture and fixture		430	161				
Electrical office and computer equipment		1,819	1,720				
		<u>14,705</u>	<u>1,881</u>				
		Unaudited	Audited				
		March 31, 2024	December 31, 2023				
-----Rupees in '000-----							
13. RIGHT-OF-USE ASSETS							
Right-of-use assets	13.1	<u>5,643,123</u>	<u>5,877,865</u>				
		Unaudited March 31, 2024	Audited December 31, 2023				
		Buildings	Others	Total	Buildings	Others	Total
-----Rupees in '000-----							
13.1 At January 1,							
Cost		11,457,135	-	11,457,135	10,191,155	-	10,191,155
Accumulated depreciation		(5,579,270)	-	(5,579,270)	(4,476,309)	-	(4,476,309)
Net carrying amount at January 1,		<u>5,877,865</u>	-	<u>5,877,865</u>	<u>5,714,846</u>	-	<u>5,714,846</u>
Additions / adjustments during the period / year		98,339	-	98,339	1,725,069	-	1,725,069
Deletions during the period / year		(23,034)	-	(23,034)	(151,124)	-	(151,124)
Exchange Impact		6,297	-	6,297	110,412	-	110,412
Depreciation charge for the period / year		(316,344)	-	(316,344)	(1,521,338)	-	(1,521,338)
Closing net carrying amount		<u>5,643,123</u>	-	<u>5,643,123</u>	<u>5,877,865</u>	-	<u>5,877,865</u>

14. INTANGIBLE ASSETS	Note	Unaudited	Audited
		March 31, 2024	December 31, 2023
-----Rupees in '000-----			
Computer software		1,034,255	515,528
Capital work-in-progress		392,121	519,955
		<u>1,426,376</u>	<u>1,035,483</u>
		Unaudited Three Months ended March 31, 2024	Unaudited Three Months ended March 31, 2023
-----Rupees in '000-----			
14.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Computer software		646,128	71,170
		<u>646,128</u>	<u>71,170</u>
		Unaudited	Audited
		March 31, 2024	December 31, 2023
-----Rupees in '000-----			
15. DEFERRED TAX ASSET / (LIABILITY) - NET			
Deductible Temporary Differences on			
- Credit loss allowance against financial assets		4,738,810	201,520
- Deficit on revaluation of investments		16,711,929	11,470,532
		<u>21,450,739</u>	<u>11,672,052</u>
Taxable Temporary Differences on			
- Surplus on revaluation of property & equipment		(3,572,561)	(3,608,814)
- Surplus on revaluation of non-banking assets		(297,334)	(297,334)
- Accelerated tax depreciation		(3,457,539)	(3,521,615)
- Receivable from pension fund		(3,772,670)	(3,639,789)
- Business combination		(705,218)	(705,218)
		<u>(11,805,322)</u>	<u>(11,772,770)</u>
		<u>9,645,417</u>	<u>(100,718)</u>
16. OTHER ASSETS			
Income / Mark-up accrued in local currency		65,746,934	62,017,227
Income / Mark-up accrued in foreign currencies		687,413	503,365
Advances, deposits, advance rent and other prepayments		4,669,572	4,753,438
Non-banking assets acquired in satisfaction of claims		1,633,215	1,637,884
Compensation for delayed income tax refunds		133,809	133,809
Mark to market gain on forward foreign exchange contracts		1,628,936	2,348,323
Unrealized gain on derivative financial instruments		35,232	73,852
Acceptances	22	39,673,858	40,966,674
Receivable from the pension fund		7,699,328	7,428,142
Clearing and settlement accounts		28,523,743	25,796,177
Receivable from the Government of Pakistan		-	67,187,000
Claims receivable against fraud and forgeries		577,987	607,980
Others		3,316,864	3,325,471
		<u>154,326,891</u>	<u>216,779,342</u>
Less: Credit loss allowance held against other assets	16.1	3,595,556	3,370,145
Other Assets net of credit loss allowance		<u>150,731,335</u>	<u>213,409,197</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	606,805	606,805
Other Assets - total		<u>151,338,140</u>	<u>214,016,002</u>

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
16.1 Credit loss allowance held against other assets		
Non banking assets acquired in satisfaction of claims	88,083	88,083
Claims receivable against fraud and forgeries	577,987	607,980
Mark-up accrued	279,720	4,972
Others	2,649,766	2,669,110
	3,595,556	3,370,145
16.1.1 Movement in credit loss allowance held against other assets		
Opening balance	3,370,145	3,066,275
Impact of ECL on adoption of IFRS 9	267,587	-
Charge for the period / year	27,509	36,184
Reversals	(49,776)	(8,080)
	(22,267)	28,104
Amounts written off	(256)	(2,062)
Exchange and other adjustments	(19,653)	277,828
Closing balance	3,595,556	3,370,145

17. CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2024 (2023: NIL).

18. BILLS PAYABLE

In Pakistan
Outside Pakistan

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
In Pakistan	11,305,337	24,832,685
Outside Pakistan	110,376	263,226
	11,415,713	25,095,911

19. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

Under export refinance scheme
Under long term financing facility
Under renewable energy performance platform
Under temporary economic refinance facility
Under financing facility for storage of agricultural produce
Under Refinance and Credit Guarantee Scheme
for Women Entrepreneurs

	43,140,983	47,943,376
	18,622,146	19,511,569
	2,116,078	2,126,104
	37,623,189	38,160,612
	226,467	239,697
	5,883	6,272
	101,734,746	107,987,630

Repurchase agreement borrowings
Total secured

	47,138,817	106,366,325
	148,873,563	214,353,955

Unsecured

Call borrowings
Overdrawn nostro accounts
Others

	3,000,000	1,000,000
	1,055,361	1,094,805
	162,286	162,286
	4,217,647	2,257,091
	153,091,210	216,611,046

	Unaudited March 31, 2024		Audited December 31, 2023	
	In Local Currency	In Foreign currencies	In Local Currency	In Foreign currencies
20. DEPOSITS AND OTHER ACCOUNTS				
-----Rupees in '000-----				
Customers				
Current deposits	677,445,462	822,793,267	636,394,833	162,616,011
Savings deposits	839,770,157	877,288,352	820,048,373	42,644,437
Term deposits	32,567,828	53,403,945	21,590,642	20,254,444
Others	35,469,151	40,109,179	45,309,420	4,930,851
	1,585,252,598	1,793,594,743	1,523,343,268	230,445,743
Financial Institutions				
Current deposits	17,998,787	22,074,645	17,560,771	3,717,302
Savings deposits	26,703,059	27,377,030	14,020,325	488,698
Term deposits	422,168	8,283,742	8,489,897	7,216,607
Others	-	-	-	104,683
	45,124,014	57,735,417	40,070,993	11,527,290
	1,630,376,612	1,851,330,160	1,563,414,261	241,973,033
	8,475,361	8,475,361	8,475,361	8,475,361
21. LEASE LIABILITIES				
Lease Liabilities				
-----Rupees in '000-----				
21.1 At January 1,				
Additions / adjustments during the period / year	8,686,003	8,686,003	7,943,593	7,943,593
Less payments including interest	80,036	80,036	1,612,638	1,612,638
Interest expense	(557,514)	(557,514)	(2,082,123)	(2,082,123)
Deletions during the period / year	281,269	281,269	1,360,534	1,360,534
Exchange difference / adjustments	(39,033)	(39,033)	(215,423)	(215,423)
Closing Balance	8,475,361	8,475,361	66,784	66,784
21.2 Liabilities Outstanding				
Not later than one year	1,056,970	1,056,970	988,860	988,860
Later than one year and upto five years	3,566,704	3,566,704	3,645,351	3,645,351
Over five years	3,851,687	3,851,687	4,051,792	4,051,792
Total at the year end	8,475,361	8,475,361	8,686,003	8,686,003

Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
22. OTHER LIABILITIES		
Mark-up/ return/ interest payable in local currency	19,579,232	3,926,926
Mark-up/ return/ interest payable in foreign currencies	708,530	562,509
Unearned commission and income on bills discounted	2,407,692	2,024,523
Accrued expenses	6,093,542	7,856,382
Current taxation (provisions less payments)	18,335,096	20,150,115
Workers' welfare fund	14,461,417	13,810,584
Acceptances	39,673,858	40,966,674
Unclaimed / dividends payable	3,908,280	2,420,017
Mark to market loss on forward foreign exchange contracts	1,226,617	996,797
Unrealised loss on derivative financial instruments	35,232	73,848
Branch adjustment account	29,528	240,409
Provision for employees' compensated absences	1,305,526	1,266,190
Provision for post retirement medical benefits	2,185,198	2,121,129
Provision for employees' contributory benevolent scheme	137,808	140,847
Insurance payable against consumer assets	550,073	586,691
Unclaimed balances	508,648	508,115
Duties and taxes payable	4,317,802	10,955,674
Credit loss allowance against off-balance sheet obligations	1,112,541	78,807
Security deposits against lease	2,374,770	2,068,373
Clearing and settlement accounts	26,492,995	24,223,005
Others	7,264,503	5,613,300
	<u>152,708,888</u>	<u>140,590,915</u>

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

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

22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations as at March 31, 2024 is as follows:

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Opening balance	78,807	48,403
Impact of ECL on adoption of IFRS 9	1,543,520	-
Exchange adjustment	2,479	8,449
Charge for the period / year	-	21,955
Reversals	(512,265)	-
	(512,265)	21,955
Amount written off	-	-
Closing balance	<u>1,112,541</u>	<u>78,807</u>

23. RESERVES

Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Share premium	23,751,114	23,751,114
Non- distributable capital reserve - gain on bargain purchase option	908,317	908,317
Exchange translation reserve	8,789,507	8,585,375
Statutory reserve	48,534,262	46,878,730
General reserve	18,600,000	18,600,000
	<u>100,583,200</u>	<u>98,723,536</u>

23.1 Under IFRS-3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain was not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions/deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

23.2 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
24. SURPLUS ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI - Debt / AFS securities	10.1 (29,951,973)	(29,182,464)
- Securities measured at FVOCI - Equity / AFS securities	10.1 (4,154,004)	5,773,217
- Property and equipment	39,257,269	39,331,254
- Non-banking assets acquired in satisfaction of claims	16 606,806	606,806
	<u>5,758,098</u>	<u>16,528,813</u>
Deferred tax on (surplus) / deficit on revaluation of:		
- Securities measured at FVOCI - Debt / AFS securities	15 14,676,467	14,299,408
- Securities measured at FVOCI - Equity / AFS securities	15 2,035,462	(2,828,876)
- Property and equipment	15 (3,572,561)	(3,608,814)
- Non-banking assets acquired in satisfaction of claims	15 (297,334)	(297,334)
	<u>12,842,034</u>	<u>7,564,384</u>
	<u>18,600,132</u>	<u>24,093,197</u>
25. CONTINGENCIES AND COMMITMENTS		
-Guarantees	25.1 252,130,066	302,480,219
-Commitments	25.2 458,045,940	477,719,622
-Other contingent liabilities	25.3 31,817,228	33,273,187
	<u>741,993,234</u>	<u>813,473,028</u>
25.1 Guarantees:		
Financial guarantees	139,816,457	126,410,819
Performance guarantees	111,987,776	169,265,393
Other guarantees	325,833	6,804,007
	<u>252,130,066</u>	<u>302,480,219</u>
25.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	240,580,593	303,775,804
Commitments in respect of:		
- forward foreign exchange contracts	25.2.1 175,539,484	153,858,023
- forward government securities transactions	25.2.2 33,578,690	15,220,315
- derivatives	25.2.3 5,639,884	1,595,548
Commitments for acquisition of:		
- property and equipment	1,901,552	2,023,934
- intangible assets	805,737	1,245,998
	<u>458,045,940</u>	<u>477,719,622</u>
25.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	98,889,101	82,635,941
Sale	76,650,383	71,222,082
	<u>175,539,484</u>	<u>153,858,023</u>
25.2.2 Commitments in respect of forward government securities transactions		
Purchase	33,003,690	15,197,000
Sale	575,000	23,315
	<u>33,578,690</u>	<u>15,220,315</u>
25.2.3 Commitments in respect of derivatives		
FX options		
Purchase	2,819,942	736,983
Sale	2,819,942	736,983
	<u>5,639,884</u>	<u>1,473,966</u>
Cross Currency Swaps		
Purchase	-	60,791
Sale	-	60,791
	-	<u>121,582</u>
	<u>5,639,884</u>	<u>1,595,548</u>

25.2.4 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

25.3 Other contingent liabilities

	Note	Unaudited March 31, 2024 -----Rupees in '000-----	Audited December 31, 2023 -----Rupees in '000-----
Claims against the Bank not acknowledged as debts	25.3.1	31,817,228	33,273,187

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

25.4 Taxation

For assessment year 1999-2000 through tax year 2023, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 2,239,380 million (2023: 5,902.495 million). Such issues inter alia principally include disallowance of expenses for non deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in these unconsolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

25.5 Amortization of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Bank's favour at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

	Unaudited March 31, 2024					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
	-----Rupees in '000-----					
Total						
Hedging	-	-	-	-	2,819,942	35,232
Market Making	-	-	-	-	2,819,942	(35,232)
	-----Rupees in '000-----					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
	-----Rupees in '000-----					
Total						
Hedging	60,791	62,365	-	-	736,983	11,487
Market Making	60,791	(62,361)	-	-	736,983	(11,487)

	Note	Unaudited Three Months ended March 31, 2024 -----Rupees in '000-----	Unaudited Three Months ended March 31, 2023 -----Rupees in '000-----
27. MARK-UP/RETURN/INTEREST EARNED			
Loans and advances		26,334,971	25,994,974
Investments		59,844,508	35,595,220
Lendings to financial institutions		2,280,415	1,906,370
Balances with banks		549,396	358,281
		<u>89,009,290</u>	<u>63,854,845</u>
27.1 Interest income recognised on:			
Financial assets measured at amortised cost		29,867,010	-
Financial assets measured at FVOCI		59,100,172	-
Financial assets measured at FVTPL		42,108	-
		<u>89,009,290</u>	<u>-</u>
28. MARK-UP/RETURN/INTEREST EXPENSED			
Deposits		45,049,271	24,899,248
Borrowings		4,809,681	8,168,491
Cost of foreign currency swaps against foreign currency deposits / borrowings		797,573	445,432
Finance charges on lease liability against right-of-use assets		281,269	271,941
		<u>50,937,794</u>	<u>33,785,112</u>
29. FEE & COMMISSION INCOME			
Branch banking customer fees		985,425	845,039
Consumer finance related fees		172,259	185,665
Card related fees (debit and credit cards)		1,851,672	1,251,707
Credit related fees		350,940	115,806
Investment banking fee		3,450	11,100
Commission on trade		977,484	585,141
Commission on guarantees		548,244	178,780
Commission on cash management		245,040	210,323
Commission on remittances including home remittances		528,388	375,389
Commission on bancassurance		171,609	230,954
Rent on lockers		61,434	60,841
Commission on utility bills		24,445	19,333
Commission on investments services		119,287	66,638
Others		46,676	35,670
		<u>6,086,353</u>	<u>4,172,386</u>
30. GAIN / (LOSS) ON SECURITIES			
Realised	30.1	(6,661)	51,826
Unrealised - Measured at FVTPL	10.1	6,139	59
		<u>(522)</u>	<u>51,885</u>
30.1 Realised gain / (loss) on:			
Federal Government Securities		16,951	36,408
Non Government debt securities		58	-
Shares		(23,670)	15,418
		<u>(6,661)</u>	<u>51,826</u>
30.2 Realised gain / (loss) on:			
Financial assets measured at FVTPL			
Designated upon initial recognition		(5,509)	15,418
Mandatorily measured at FVPL		-	-
		<u>(5,509)</u>	<u>15,418</u>
Financial assets measured at FVOCI		(1,152)	36,408
		<u>(1,152)</u>	<u>36,408</u>
		<u>(6,661)</u>	<u>51,826</u>

	Unaudited Three Months ended March 31, 2024	Unaudited Three Months ended March 31, 2023
-----Rupees in '000-----		
31. OTHER INCOME		
Rent on property	35,272	39,244
Gain on termination of lease liability against right of use assets	15,999	9,733
Gain / (Loss) on sale of property and equipment - net	48,398	5,053
	<u>99,669</u>	<u>54,030</u>
32. OPERATING EXPENSES		
Total compensation expense	6,371,598	5,473,797
Property expense		
Rent and taxes	76,699	75,075
Insurance	6,549	6,084
Utilities cost	554,421	504,060
Fuel expense generators	252,655	309,836
Security (including guards)	518,908	438,423
Repair and maintenance (including janitorial charges)	288,244	255,439
Depreciation on right-of-use assets	316,344	339,047
Depreciation	245,905	214,066
	<u>2,259,725</u>	<u>2,142,030</u>
Information technology expenses		
Software maintenance	415,640	384,468
Hardware maintenance	79,295	78,720
Depreciation	261,231	175,910
Amortization	129,046	83,873
Network charges	158,668	153,419
Insurance	1,725	985
	<u>1,045,605</u>	<u>877,375</u>
Other operating expenses		
Directors' fees and allowances	8,460	9,160
Legal and professional charges	120,672	101,407
Outsourced services costs	251,799	219,279
Travelling and conveyance	143,844	90,151
NIFT clearing charges	51,726	52,772
Depreciation	317,457	264,457
Depreciation on non-banking assets acquired in satisfaction of claims	4,669	5,970
Training and development	19,142	14,597
Postage and courier charges	67,340	61,066
Communication	402,953	228,567
Stationery and printing	299,837	244,303
Marketing, advertisement & publicity	320,866	209,351
Donations	10,000	-
Auditors' remuneration	20,996	15,118
Cash transportation charges	308,283	254,514
Repair and maintenance	169,698	151,960
Subscription	10,956	2,929
Entertainment	106,318	93,100
Remittance charges	52,943	58,445
Brokerage expenses	12,164	10,166
Card related expenses	750,184	563,897
CNIC verification charges	97,567	71,366
Insurance	575,109	484,663
Others	120,829	92,382
	<u>4,243,812</u>	<u>3,299,620</u>
	<u>13,920,740</u>	<u>11,792,822</u>

	Note	Unaudited Three Months ended March 31, 2024	Unaudited Three Months ended March 31, 2023
-----Rupees in '000-----			
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		59,815	13,421
VAT & National Building tax & Crop Insurance Levy		67,279	77,741
Education cess		23,800	7,000
		<u>150,894</u>	<u>98,162</u>
34. PROVISIONS / (REVERSALS) & WRITE OFFS - NET			
Credit loss allowance against balance with Banks		(75,655)	8,613
Credit loss allowance for diminution in value of investments	10.2	10,187	938,454
Credit loss allowance against loans and advances	11.4	697,431	(293,025)
Credit loss allowance against lending's to Financial Institutions	9.1	(120,981)	-
Credit loss allowance against off balance sheet items		(512,265)	(4,065)
Credit loss allowance against other assets	16.1.1	(22,267)	15,034
Recovery of written off / charged off bad debts		(45,281)	(40,757)
		<u>(68,831)</u>	<u>624,254</u>
35. TAXATION			
Current		16,103,334	10,066,383
Prior years		-	-
Deferred		(117,019)	(106,221)
		<u>15,986,315</u>	<u>9,960,162</u>
36. BASIC AND DILUTED EARNINGS PER SHARE			
-----Rupees in '000-----			
Profit after tax		<u>16,555,318</u>	<u>13,055,713</u>
-----Number-----			
Weighted average number of ordinary shares		<u>1,185,060,006</u>	<u>1,185,060,006</u>
-----Rupees-----			
Basic and diluted earnings per share		<u>13.97</u>	<u>11.02</u>

37. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'amortized cost'. Quoted securities classified as amortized cost are carried at cost. Fair value of unquoted equity investments other than investments in associates and subsidiaries is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of 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 financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 FAIR VALUE OF FINANCIAL ASSETS

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Unlisted Shares	Breakup value determined on the basis of NAV of the company using the latest available audited financial statements.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Operating fixed assets (land and building) & Non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, Term Finance certificates, FX Options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building & non-banking assets acquired in satisfaction of claims.

	Unaudited March 31, 2024				
	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	1,167,028,643	-	1,167,028,643	-	1,167,028,643
Shares and units	26,390,883	26,276,750	114,133	-	26,390,883
Non-Government Debt Securities	2,950,890	-	2,950,890	-	2,950,890
Foreign Securities	48,469,097	-	48,469,097	-	48,469,097
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost, unlisted ordinary shares, subsidiaries and associates)					
	43,752,922	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)					
	64,802,263	-	64,802,263	-	64,802,263
Non-banking assets					
	2,151,937	-	2,151,937	-	2,151,937
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange					
	98,889,101	-	1,075,786	-	1,075,786
Forward sale of foreign exchange					
	76,650,383	-	1,478,105	-	1,478,105
Derivatives purchase					
	2,819,942	-	35,232	-	35,232
Derivatives sale					
	2,819,942	-	35,232	-	35,232
-----Rupees in '000-----					
Audited December 31, 2023					
	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	1,135,021,730	-	1,135,021,730	-	1,135,021,730
Shares and units	25,390,592	25,283,009	107,583	-	25,390,592
Non-Government Debt Securities	2,950,890	-	2,950,890	-	2,950,890
Foreign Securities	44,057,060	-	44,057,060	-	44,057,060
Financial assets - disclosed but not measured at fair value					
Investments (HTM, unlisted ordinary shares, subsidiaries and associates)					
	42,019,075	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)					
	64,936,842	-	64,936,842	-	64,936,842
Non-banking assets					
	2,156,606	-	2,156,606	-	2,156,606
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange					
	82,635,941	-	504,883	-	504,883
Forward sale of foreign exchange					
	71,222,082	-	1,856,409	-	1,856,409
Derivatives purchase					
	797,774	-	73,852	-	73,852
Derivatives sale					
	797,774	-	73,848	-	73,848

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

	Un audited Three months ended March 31, 2024						
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Others	Total
Profit & Loss							
Net mark-up/return/profit	(36,248,148)	923,407	14,792,226	56,516,928	2,087,083	-	38,071,496
Inter segment revenue - net	69,270,480	(236,494)	(12,142,884)	(62,453,377)	(102,963)	5,665,238	-
Non mark-up / return / interest income	3,572,373	667,940	2,563,667	2,112,092	503,141	(295,440)	9,123,773
Total Income	36,594,705	1,354,853	5,213,009	(3,824,357)	2,487,261	5,369,798	47,195,269
Segment direct expenses	9,675,920	657,051	539,983	228,618	719,210	2,901,685	14,722,467
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	9,675,920	657,051	539,983	228,618	719,210	2,901,685	14,722,467
Credit loss allowance	804,040	18,573	331,855	(142,496)	(798)	(1,080,005)	(68,831)
Profit before tax	26,114,745	679,229	4,341,171	(3,910,479)	1,768,849	3,548,118	32,541,633
Balance Sheet							
Cash & Bank balances	66,177,971	935,106	318,407	123,253,219	37,765,457	(441,137)	228,009,023
Investments	-	-	11,329,945	1,218,438,312	58,488,704	335,474	1,288,592,435
Net inter segment lending	1,368,228,399	-	-	-	252,739,213	252,739,213	1,620,967,612
Lendings to financial institutions	-	-	-	11,528,150	38,529,407	(15,382)	50,042,175
Advances - performing	104,307,881	36,509,109	428,323,456	-	21,071,771	(5,900,750)	584,311,467
- non performing	961,082	318,631	1,667,407	-	8,840,752	(57,659)	11,730,213
Others	58,570,308	4,523,722	57,571,656	45,427,993	1,919,220	78,260,172	246,273,071
Total Assets	1,598,245,641	42,286,568	499,210,871	1,398,647,674	166,615,311	324,919,931	4,029,925,996
Borrowings	6,510,239	35,473	95,351,320	49,909,940	1,284,238	-	153,091,210
Deposits & other accounts	1,564,236,526	29,287,639	121,237,263	-	136,509,425	59,307	1,851,330,160
Net inter segment borrowing	-	7,714,112	238,803,931	1,348,737,734	25,711,835	-	1,620,967,612
Others	27,498,876	5,249,344	43,818,357	-	3,109,813	92,923,572	172,599,962
Total liabilities	1,598,245,641	42,286,568	499,210,871	1,398,647,674	166,615,311	92,982,879	3,797,988,944
Equity	-	-	-	-	-	231,937,052	231,937,052
Total Equity & liabilities	1,598,245,641	42,286,568	499,210,871	1,398,647,674	166,615,311	324,919,931	4,029,925,996
Contingencies & Commitments	75,715,523	-	401,717,119	214,758,058	14,979,013	34,823,521	741,993,234

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

	Un audited Three months ended March 31, 2023						
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Others	Total
Profit & Loss							
Net mark-up/return/profit	(19,167,127)	1,181,182	17,670,204	28,929,300	1,456,174	-	30,069,733
Inter segment revenue - net	46,362,786	(618,049)	(15,024,016)	(34,165,416)	(74,775)	3,519,470	-
Non mark-up / return / interest income	2,717,898	671,508	1,719,390	(48,356)	532,760	328,498	5,921,698
Total Income	29,913,557	1,234,641	4,365,578	(5,284,472)	1,914,159	3,847,968	35,991,431
Segment direct expenses	8,310,065	681,800	320,313	196,198	602,880	2,240,046	12,351,302
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	8,310,065	681,800	320,313	196,198	602,880	2,240,046	12,351,302
Provisions	(9,586)	16,917	(26,618)	422,136	723,323	(501,918)	624,254
Profit before tax	21,613,078	535,924	4,071,883	(5,902,806)	587,956	2,109,840	23,015,875
Balance Sheet							
Cash & Bank balances	73,010,365	1,075,800	286,062	90,718,130	40,699,427	-	205,789,784
Investments	-	-	11,329,945	1,185,533,827	52,575,575	-	1,249,439,347
Net inter segment lending	1,323,367,835	-	-	-	-	249,763,494	1,573,131,329
Lendings to financial institutions	-	-	-	33,703,733	62,509,667	-	96,213,400
Advances - performing	93,175,361	36,852,172	410,689,401	-	25,200,930	-	565,917,864
- non performing	892,197	213,265	1,318,978	-	9,015,426	505,599	11,945,465
Others	58,036,413	4,929,573	59,669,219	108,819,168	1,977,880	64,440,643	297,872,896
Total Assets	1,548,482,171	43,070,810	483,293,605	1,418,774,858	191,978,905	314,709,736	4,000,310,085
Borrowings	7,854,875	28,071	100,265,851	105,313,558	3,148,691	-	216,611,046
Deposits & other accounts	1,502,187,242	26,053,661	119,652,517	-	157,493,874	-	1,805,387,294
Net inter segment borrowing	-	12,006,350	220,902,573	1,313,185,790	27,036,616	-	1,573,131,329
Others	38,440,054	4,982,728	42,472,664	275,510	4,299,724	84,002,867	174,473,547
Total liabilities	1,548,482,171	43,070,810	483,293,605	1,418,774,858	191,978,905	84,002,867	3,769,603,216
Equity	-	-	-	-	-	230,706,869	230,706,869
Total Equity & liabilities	1,548,482,171	43,070,810	483,293,605	1,418,774,858	191,978,905	314,709,736	4,000,310,085
Contingencies & Commitments	91,494,401	-	499,006,135	170,673,896	15,455,739	36,842,867	813,473,028

Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at bank level and are not allocated to operating segments.

The Bank has related party relationship with its subsidiaries, associates, employee benefit plans, its directors and key management personnel and their close family members.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	Unaudited March 31, 2024				Audited December 31, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
------(Rupees in '000)-----										
Lendings to Financial Institutions										
Opening balance	-	-	9,000,000	-	-	-	-	-	-	-
Addition during the period / year	-	-	37,600,000	-	-	-	-	78,200,000	-	-
Repaid during the period / year	-	-	(44,789,350)	-	-	-	-	(69,200,000)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	1,830,650	-	-	-	-	9,000,000	-	-
Credit loss allowance held against lending to financial institutions	-	-	(13,198)	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	16,988,237	700,401	249,253	-	-	16,318,312	700,401	249,253
Investment made during the period / year	-	-	1,000,000	-	-	-	-	649,925	-	-
Investment disposed off during the period / year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	17,988,237	700,401	249,253	-	-	16,968,237	700,401	249,253
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	1,436	339,386	581,933	-	1,509,280	1,543	281,237	1,039,898	-	4,445,292
Addition / exchange adjustment during the period / year	1,434	54,039	-	-	334,149	5,963	95,327	-	-	914,191
Repaid / exchange adjustment during the period / year	(2,520)	(27,164)	(26,039)	-	(256,465)	(6,070)	(85,184)	(457,965)	-	(3,850,203)
Transfer in / (out) - net	-	1,650	-	-	-	-	48,006	-	-	-
Closing balance	350	367,911	555,894	-	1,586,964	1,436	339,386	581,933	-	1,509,280
Credit loss allowance against advances	-	-	(10,605)	-	(4,679)	-	-	-	-	-
Fixed Assets										
Purchase of fixed assets	-	-	-	3,327	48,466	-	-	-	7,533	191,247

	Unaudited March 31, 2024				Audited December 31, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
------(Rupees in '000)-----										
Other Assets										
Markup receivable	-	4,529	93,439	-	17,747	-	4,302	22,354	-	26,675
Advances, deposits, advance rent and other prepayments	1	-	33,593	642,364	51,856	-	-	25,663	573,809	25,884
Receivable from Pension Fund	-	-	-	-	7,699,328	-	-	-	-	7,428,143
Closing balance	1	4,529	127,032	642,364	7,768,931	-	4,302	48,017	573,809	7,480,502
Credit loss allowance held against other assets	-	-	(787)	-	(34)	-	-	-	-	-
Borrowings										
Opening balance	-	-	71,914	-	-	-	-	5,146	-	-
Borrowings / exchange adjustment during the period / year	-	-	1,263,821	-	-	-	-	4,468,449	-	-
Settled during the period / year	-	-	(1,165,050)	-	-	-	-	(4,391,661)	-	-
Closing balance	-	-	170,685	-	-	-	-	71,914	-	-
Deposits and other accounts										
Opening balance	3,034,686	200,484	102,012	8,321,464	10,033,148	193,547	184,112	187,369	5,623,897	5,594,903
Received during the period / year	395,911	766,240	2,947,465	15,683,846	37,926,552	4,574,426	1,701,687	9,730,003	90,801,961	108,421,525
Withdrawn during the period / year	(3,143,075)	(680,389)	(2,846,247)	(15,009,611)	(32,075,861)	(1,733,287)	(1,718,969)	(9,815,360)	(88,104,394)	(103,993,441)
Transfer in / (out) - net	-	355	1,018,159	-	254,118	-	33,644	-	-	10,161
Closing balance	287,522	286,690	1,221,389	8,995,699	16,137,957	3,034,686	200,484	102,012	8,321,464	10,033,148
Other Liabilities										
Markup payable	-	3,148	-	168,149	4,451	-	2,009	-	121,341	5,268
Accrued expenses and other payable	-	-	27,117	49,191	829	-	-	24,157	47,714	168
Advance received against sale of property	-	-	20,000	-	-	-	-	20,000	-	-
Closing balance	-	3,148	47,117	217,340	5,280	-	2,009	44,157	169,055	5,436
Credit loss allowance against off-balance sheet obligations	-	-	-	170	7,201	-	-	-	-	-
Contingencies and Commitments										
Letter of Credit	-	-	-	-	6,784,637	-	-	-	-	5,009,367
Bank guarantee	-	-	164,401	8,716,022	1,894,285	-	-	174,196	8,839,177	1,722,909
	-	-	164,401	8,716,022	8,678,922	-	-	174,196	8,839,177	6,732,276



	Unaudited March 31, 2024				Unaudited March 31, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
Income										
Markup / return / interest earned	-	8,067	309,946	-	17,762	13	6,826	48,732	-	31,673
Fee and commission income	1	-	74,729	219,059	4,037	-	-	34,037	175,206	2,616
Dividend income	-	-	205,173	59,325	59,325	-	-	-	9,704	42,236
Gain / (loss) on forward foreign exchange contracts matured	-	(5)	-	(199)	(199)	-	-	-	-	-
Net gain / (loss) on sale of securities	-	69	-	877	877	-	-	-	31	176
Gain on sale of fixed assets	-	-	21,951	2,737	1,552	-	10	-	-	-
Rent income	-	-	-	-	-	-	-	16,410	2,582	960
Expense										
Markup / return / interest expensed	24,694	3,878	21,985	193,600	556,083	3,834	2,018	1,503	125,856	138,389
Other Operating expenses										
Clearing expenses paid to NIFT	-	-	-	-	51,726	-	-	-	-	52,772
Contribution to provident fund	-	-	-	-	154,345	-	-	-	-	134,351
Rent expenses	-	-	-	20,597	14,560	-	-	-	18,780	13,554
Cash sorting expenses	-	-	-	-	32,205	-	-	-	-	34,135
Stationery expenses	-	-	-	-	115,736	-	-	-	-	90,031
Security guards expenses	-	-	-	-	1,289	-	-	-	-	37,010
Remuneration to key executives and non-executive directors fee	107,003	52,1716	-	32,855	-	74,234	404,063	-	36,351	-
Outsourcing service expenses	-	-	-	-	-	-	-	-	-	-
Donation during the period	-	-	-	-	-	-	-	-	-	1,391
E-dividend processing fee and CDC charges	-	-	-	-	1,760	-	-	-	-	2,762
Travelling Expenses	-	-	-	-	39,097	-	-	-	-	888
Hotel stay expenses	-	-	-	-	11,907	-	-	-	-	1,077
Repair & Maintenance Charges	-	-	-	-	1,140	-	-	-	-	-
Advertisement Expenses	-	-	-	-	602	-	-	-	-	143
Utility expenses	-	-	-	-	1,192	-	-	-	-	251
Miscellaneous expenses and payments	-	-	-	320,520	-	-	-	-	312,237	-
Insurance premium-net of refund	-	-	-	11,457	-	-	-	-	4,955	-
Insurance claim settled	-	-	-	-	-	-	-	-	-	-
Other Transactions										
Proceeds from sale of fixed assets	-	69	-	-	-	-	10	-	-	-
Sale of foreign currency	-	-	461,829	-	-	-	-	4,044,515	-	-
Purchase of foreign currency	-	-	1,156,829	-	-	-	-	5,678,433	-	-
Payments against home remittances	-	-	1,010,603	-	-	-	-	1,417,656	-	-
Reimbursement of other expenses	-	-	21,645	-	-	-	-	15,814	-	-
Sale of government securities	30,935	24,388	-	833,045	18,932,693	12,964	25,250	-	4,274,423	5,176,076
Purchase of government securities	-	18,312	-	418,713	11,684,996	-	42,596	-	2,257,926	22,603,871
Forward exchange contracts matured during the period	-	-	-	-	263,000	-	-	-	-	36,000

The Chairman has been provided with free use of the Bank maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.



	Unaudited March 31, 2024	Audited December 31, 2023
40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
40.1 Capital Adequacy		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,850,600	11,850,600
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	195,836,926	189,956,074
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	195,836,926	189,956,074
Eligible Tier 2 Capital	37,035,213	34,993,403
Total Eligible Capital (Tier 1 + Tier 2)	232,872,139	224,949,477
Risk Weighted Assets (RWAs):		
Credit Risk	796,403,700	710,062,627
Market Risk	155,499,261	158,148,274
Operational Risk	235,260,192	235,260,192
Total	1,187,163,153	1,103,471,093
Common Equity Tier 1 Capital Adequacy ratio	16.50%	17.21%
Tier 1 Capital Adequacy Ratio	16.50%	17.21%
Total Capital Adequacy Ratio	19.62%	20.39%
The Bank has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.		
40.2 Leverage Ratio (LR):		
Eligible Tier-1 Capital	195,836,926	189,956,074
Total Exposures	3,014,625,318	3,079,976,278
Leverage Ratio	6.50%	6.17%
40.3 Liquidity Requirements		
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,356,080,171	1,122,745,627
Total Net Cash Outflow	514,705,521	447,994,607
Liquidity Coverage Ratio	263.47%	250.62%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,563,996,713	1,534,467,842
Total Required Stable Funding	974,620,799	1,040,919,407
Net Stable Funding Ratio	160.47%	147.41%



41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on April 24, 2024 has announced an interim cash dividend in respect of quarter ended March 31, 2024 of Rs. 9.00 per share (March 31, 2023: Rs. 6.00 per share). These unconsolidated condensed interim financial statements for the period ended March 31, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been reclassified, rearranged or additionally incorporated in these unconsolidated condensed interim financial statements for the purposes of better presentation.

The Bank has not restated comparative information for 2024 for financial instruments in the scope of IFRS9. Therefore, the comparative information for 2024 is reported under previous local regulatory requirements and is not comparable with the information presented for 2023.

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

43 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held April 24, 2024.



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Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



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MCB BANK LIMITED

Consolidated Condensed Interim Financial Statements for the Three Months Period Ended March 31, 2024

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Statement of Financial Position
As At March 31, 2024



Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
ASSETS		
Cash and balances with treasury banks	7 209,122,539	190,245,798
Balances with other banks	8 40,338,667	37,806,854
Lendings to financial institutions	9 49,224,581	89,713,400
Investments	10 1,393,339,062	1,372,343,715
Advances	11 707,512,085	670,673,495
Property and equipment	12 82,342,736	80,736,669
Right-of-use assets	13 7,659,149	8,001,881
Intangible assets	14 2,411,909	1,859,032
Deferred tax assets	15 6,362,899	-
Other assets	16 169,165,130	228,704,335
	2,667,478,757	2,680,085,179
LIABILITIES		
Bills payable	18 13,044,026	27,271,384
Borrowings	19 183,267,210	235,664,480
Deposits and other accounts	20 2,054,114,663	2,009,828,619
Lease liabilities	21 11,107,507	11,429,243
Subordinated debt	-	-
Deferred tax liabilities	15 -	3,552,321
Other liabilities	22 161,898,936	150,588,030
	2,423,432,342	2,438,334,077
NET ASSETS		
	244,046,415	241,751,102
REPRESENTED BY		
Share capital	11,850,600	11,850,600
Reserves	23 103,199,143	101,129,809
Surplus on revaluation of assets	24 20,139,296	25,740,282
Unappropriated profit	108,528,553	102,689,217
	243,717,592	241,409,908
Non-controlling interest	328,823	341,194
	244,046,415	241,751,102
CONTINGENCIES AND COMMITMENTS		
25		

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Profit & Loss Account (un-audited)
For The Three Months Period Ended March 31, 2024



Note	Three Months Ended	
	January 01 to March 31, 2024	January 01 to March 31, 2023
-----Rupees in '000-----		
Mark-up / return / interest earned	27 100,641,557	70,233,790
Mark-up / return / interest expensed	28 58,193,819	37,191,367
Net mark-up / interest income	42,447,738	33,042,423
NON MARK-UP / INTEREST INCOME		
Fee and commission income	29 6,795,932	4,648,625
Dividend income	798,608	654,182
Foreign exchange income	1,926,077	1,036,088
Income from derivatives	397	12,056
Gain / (loss) on securities	30 6,128	84,343
Net gains / (loss) on derecognition of financial assets measured at amortised cost	-	-
Other Income	31 100,845	51,901
Total non-markup / interest Income	9,627,987	6,487,195
Total Income	52,075,725	39,529,618
NON MARK-UP / INTEREST EXPENSES		
Operating expenses	32 16,314,880	13,558,076
Workers Welfare Fund	705,030	496,158
Other charges	33 151,111	98,167
Total non-markup / interest expenses	17,171,021	14,152,401
Share of profit of associates	416,515	3,757
Profit before credit loss allowance	35,321,219	25,380,974
Credit loss allowance and write offs - net	34 (27,955)	739,955
PROFIT BEFORE TAXATION	35,349,174	24,641,019
Taxation	35 17,495,021	10,661,773
PROFIT AFTER TAXATION	17,854,153	13,979,246
Less: Profit attributable to non-controlling interest	(34,464)	(51,226)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE BANK	17,819,689	13,928,020
-----Rupees in '000-----		
Basic and diluted earnings per share	36 15.04	11.75

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



Note	Three Months Ended	
	January 01 to March 31, 2024	January 01 to March 31, 2023
-----Rupees in '000-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	35,349,174	24,641,019
Less: Dividend income and share of profit of associates	(1,215,123)	(657,939)
	34,134,051	23,983,080
Adjustments:		
Depreciation on property and equipment	32 956,836	770,627
Depreciation on right-of-use assets	32 472,110	466,482
Depreciation on non-banking assets acquired in satisfaction of claims	32 4,669	5,970
Amortization	32 180,896	133,959
Credit loss allowance and write offs - net	34 (27,955)	739,955
Gain on sale of property and equipment - net	31 (48,398)	(5,235)
Finance charges on lease liability against right-of-use assets	28 372,601	347,268
Gain on conversion of Ijarah agreements	(2,559)	(5,785)
Workers Welfare Fund	705,030	496,158
Charge for defined benefit plans - net	(103,383)	74,065
Gain on termination of lease liability against right-of-use assets	31 (15,999)	(10,248)
Unrealized (gain) / loss on revaluation of investments - FVTPL	30 (6,139)	(40,795)
	2,487,709	2,972,421
	36,621,760	26,955,501
Decrease / (increase) in operating assets		
Lendings to financial institutions	40,488,562	(69,430,511)
Securities classified as FVTPL	2,222,140	(11,816)
Advances	(43,686,568)	92,454,921
Others assets (excluding advance taxation)	57,552,740	(6,792,982)
	56,576,874	16,219,612
Increase / (decrease) in operating liabilities		
Bills Payable	(14,227,358)	(28,398,952)
Borrowings from financial institutions	(52,294,641)	(108,014,675)
Deposits	44,286,044	170,043,773
Other liabilities (excluding current taxation)	11,945,822	(13,930,151)
	(10,290,133)	19,699,995
Defined benefits paid	(67,436)	(55,789)
Income tax paid	(24,058,343)	(10,754,247)
Net cash flow from operating activities	58,782,722	52,065,072
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in securities classified as FVOCI	(23,364,161)	18,294,586
Net investment in securities classified as amortized cost	(825,850)	(701,301)
Dividends received	658,840	493,562
Investments in property and equipment	(2,579,274)	(1,239,253)
Proceeds from sale of property and equipment	64,416	8,337
Investments in Intangible assets	(859,963)	(103,299)
Net investment in associates	(51,264)	-
Effect of translation of net investment in foreign branches and subsidiary	187,823	5,010,114
Net cash flow (used in) / from investing activities	(26,769,433)	21,762,746
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use-assets	(830,395)	(714,769)
Dividend paid	(9,223,809)	(7,047,487)
Net cash flow used in financing activities	(10,054,204)	(7,762,256)
Effects of credit loss allowance changes on cash and cash equivalents		
Effects of exchange rate changes on cash and cash equivalents	75,833	-
	(487,304)	10,636,374
Increase in cash and cash equivalents	21,547,614	76,701,936
Cash and cash equivalents at beginning of the period	226,996,354	124,994,173
Cash and cash equivalents at end of the period	248,543,968	201,696,109

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



1. STATUS AND NATURE OF BUSINESS

The Group consists of:

- Holding Company - MCB Bank Limited

Subsidiary Companies

- MCB Investment Management Limited
- MCB Non-Bank Credit Organization Closed Joint Stock Company
- MCB Islamic Bank Limited
- MCB Exchange Company (Private) Limited *

"Percentage holding of
MCB Bank Limited"

81.42%
99.94%
100%
100%

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB -15 Main Gulberg, Lahore. The Bank operates 1,429 branches (2023: 1,430 branches) within Pakistan and 08 branches (2023: 08 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

*During the period, the Holding company injected share capital of Rs 1.0 billion into MCB Exchange Company (Private) Limited, a wholly owned subsidiary.

2. BASIS OF PREPARATION

2.1 These consolidated financial statements include the financial statements of MCB Bank Limited and its subsidiary companies and share of the profit / reserves of associates (the "Group").

a. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based on the financial statements for the three months period ended March 31, 2024 and the carrying value of investments held by the parent is eliminated against the subsidiaries' shareholders' equity in these consolidated condensed interim financial statements. Material intra-Group balances and transactions have also been eliminated.

b. Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter adjusted for the post-acquisition change in the Group's share of net assets of the associates. The cumulative post-acquisition movements are adjusted in the carrying amount of the investment. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group's share in associates have been accounted for based on the financial statements for the three months period ended March 31, 2024.

c. Non-controlling interest is that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the Group.

2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

The financial results of the Group's Islamic Banking business have been consolidated in these financial statements for reporting purposes, after eliminating material inter-group transactions / balances.

2.3 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency of its primary economic environment. The amounts are rounded off to the nearest thousand.

2.4 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 and derivative financial instruments 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.

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024

3. STATEMENT OF COMPLIANCE

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

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

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 IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standards 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS 7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

3.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular No. 02 of 2023 dated February 09, 2023 and IAS 34, Interim Financial Reporting. These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the financial year ended December 31, 2023.

3.5 Standards, Interpretations of and Amendments to Approved Accounting Standards That are Effective in the Current Period

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements except for IFRS 9 "Financial Instruments", the impact of which is disclosed under note 4.2.

3.6 Standards, Interpretations of and Amendments to Approved Accounting Standards That are not yet Effective

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Group for the year ended December 31, 2023 except for changes mentioned in notes 4.1 and 4.2.

4.1 Adoption of New Forms for the Preparation of Consolidated Condensed Interim Financial Statements

The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of the consolidated condensed interim financial statements of the Banks. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. Right of use assets and corresponding lease liability are now presented separately on the face of the Statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the consolidated condensed interim financial statements.

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024

4.2 Impact of IFRS 9 Financial Instruments

IFRS 9, Financial Instruments addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard introduces a new impairment model for financial assets which requires recognition of impairment charge based on an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Group which are exposed to credit risk.

In preparation of these financial statements, the Group has applied requirements of IFRS 9 and application instructions issued by SBP with the date of initial application of January 01, 2024 with modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Group has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

CLASSIFICATION AND MEASUREMENT

The classification and measurement of financial assets is based on the business model within which they are held and their contractual cash flow characteristics. Financial assets that do not meet the solely payments of principal and interest (SPPI) criteria are measured at fair value through profit or loss ('FVTPL') regardless of the business model in which they are held. The Group's business model in which financial assets are held determines whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Financial assets can only be held at amortized cost if the instruments are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Assets may be sold out of 'hold to collect' portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Debt instruments where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are held at FVOCI, with unrealized gains or losses deferred in reserves until the asset is derecognized.

The classification of equity instruments is generally measured at FVTPL unless the Group, at initial recognition, irrevocably designates as FVOCI but both unrealized and realized gains or losses are recognized in reserves and no amounts other than dividends received are recognized in the income statement.

All other financial assets will mandatorily be held at FVTPL. Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

The Requirements of IFRS 9 Led to Changes in Classification of Certain Financial Assets Held By The Group Which are Explained as Follows:

Equity Instruments Previously Classified as Available for Sale (AFS)

The Group has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds amounting to Rs. 115.98 million classified as FVTPL. The fair value gain or losses recognized in OCI will not be recycled to profit and loss account on derecognition of these securities.

Debt Instruments Previously Classified as Available for Sale (AFS)

Debt instruments previously classified as AFS upon passing the SPPI test have been designated as fair value through OCI under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and realized and unrealized gain/loss under IFRS 9.

Debt Instruments Previously Classified as Held to Maturity (HTM)

Debt instruments currently classified as HTM upon passing the SPPI test have been designated as amortized cost under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows. There is no change to their measurement basis.

4.2.1 Transition to IFRS 9 Financial Instruments - Statement Of Financial Position

	Audited December 31, 2023	Classification & Measurement	Expected Credit Losses	IFRS 9 January 01, 2024
-----Rupees in '000-----				
Cash and balances with treasury banks	190,245,798	-	-	190,245,798
Balances with other banks	37,806,854	-	(523,736)	37,283,118
Lendings to financial institutions	89,713,400	-	(136,480)	89,576,920
Investments	1,372,343,715	368,223	(400,736)	1,372,311,202
Advances	670,673,495	-	(6,081,602)	664,591,893
Property and equipment	80,736,669	-	-	80,736,669
Right-of-use assets	8,001,881	-	-	8,001,881
Intangible assets	1,859,032	-	-	1,859,032
Deferred tax assets	-	1,187,414	4,443,410	5,630,824
Other assets	228,704,335	-	(267,587)	228,436,748
Total Assets	2,680,085,179	1,555,637	(2,966,731)	2,678,674,085
Bills payable	27,271,384	-	-	27,271,384
Borrowings	235,664,480	-	-	235,664,480
Deposits and other accounts	2,009,828,619	-	-	2,009,828,619
Lease liabilities	11,429,243	-	-	11,429,243
Subordinated debt	-	-	-	-
Deferred tax liabilities	3,552,321	(3,552,321)	-	-
Other liabilities	150,588,030	4,920,165	1,658,043	157,166,238
Total Liabilities	2,438,334,077	1,367,844	1,658,043	2,441,359,964
Share capital	11,850,600	-	-	11,850,600
Reserves	101,129,809	-	-	101,129,809
Surplus on revaluation of assets	25,740,282	(4,933,195)	-	20,807,087
Unappropriated profit	102,689,217	5,120,988	(4,624,774)	103,185,431
Non-controlling interest	341,194	-	-	341,194
Total Equity	241,751,102	187,793	(4,624,774)	237,314,121
Total Equity and Liabilities	2,680,085,179	1,555,637	(2,966,731)	2,678,674,085

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

6. FINANCIAL RISK MANAGEMENT

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

7. CASH AND BALANCES WITH TREASURY BANKS

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
In hand		
Local currency	39,545,864	37,437,971
Foreign currencies	9,001,595	8,807,239
	48,547,459	46,245,210
With State Bank of Pakistan in		
Local currency current accounts	110,834,065	88,108,940
Foreign currency current accounts	3,328,065	2,454,172
Foreign currency deposit accounts	12,716,501	12,812,091
	126,878,631	103,375,203
With other central banks in		
Foreign currency current accounts	9,709,239	7,618,129
With National Bank of Pakistan in		
Local currency current accounts	23,824,818	32,835,691
Prize bonds	162,392	171,565
Less: Credit loss allowance held against cash and balances with treasury banks	-	-
	209,122,539	190,245,798

8. BALANCES WITH OTHER BANKS

Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
In Pakistan		
In current account	35,521	17,842
In deposit account	1,613	7,886
	37,134	25,728
Outside Pakistan		
In current accounts	15,119,849	11,901,017
In deposit accounts	25,637,819	25,869,888
	40,757,668	37,770,905
Less: Credit loss allowance held against balances with other banks	(456,135)	(10,221)
	40,338,667	37,806,854

8.1 It includes an amount of USD 3.852 million pledged as collateral for a standby letter of credit issued on behalf of the the Holding company.

9. LENDINGS TO FINANCIAL INSTITUTIONS

Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Call / clean money lendings	38,629,407	65,714,000
Repurchase agreement lendings (Reverse Repo)	9,597,500	21,499,400
Musharaka arrangements	1,000,000	2,500,000
	49,226,907	89,713,400
Less: Credit loss allowance held against lending to financial institutions	(2,326)	-
	49,224,581	89,713,400

9.1 Particulars of credit loss allowance

The following table sets out analysis of credit loss allowance held against lendings to financial institutions as at March 31, 2024.

	Lending	Credit loss allowance held
-----Rupees in '000-----		
Domestic		
Performing	Stage 1	10,697,500
Under performing	Stage 2	-
Non-performing	Stage 3	-
Substandard		-
Doubtful		-
Loss		-
		-
Total		10,697,500
Overseas		
Performing	Stage 1	38,529,407
Under performing	Stage 2	-
Non-performing	Stage 3	-
Substandard		-
Doubtful		-
Loss		-
		-
Total		38,529,407

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024



10. INVESTMENTS

10.1 Investments by type:

FVTPL

Federal Government Securities
Shares and units

FVOCI

Federal Government Securities
Shares
Non Government Debt Securities
Foreign Securities

Amortised Cost

Federal Government Securities
Provincial Government Securities
Non Government Debt Securities
Foreign Securities

Associates

Total Investments

	Unaudited March 31, 2024			Carrying Value
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	
-----Rupees in '000-----				
	71,865	-	(46)	71,819
	314,210	-	6,185	320,395
	386,075	-	6,139	392,214
	1,275,361,128	(735,815)	(29,433,441)	1,245,191,872
	31,655,530	-	(4,154,004)	27,501,526
	3,723,840	(8,402)	(603)	3,714,835
	48,406,892	-	62,205	48,469,097
	1,359,147,390	(744,217)	(33,525,843)	1,324,877,330
	50,966,772	(259,582)	-	50,707,190
	118	(118)	-	-
	8,869,357	(550,410)	-	8,318,947
	831,826	-	-	831,826
	60,668,073	(810,110)	-	59,857,963
	8,211,555	-	-	8,211,555
	1,428,413,093	(1,554,327)	(33,519,704)	1,393,339,062

Audited December 31, 2023

Held-for-trading securities

Federal Government Securities
Shares

Available-for-sale securities

Federal Government Securities
Shares
Non Government Debt Securities
Foreign Securities

Held-to-maturity securities

Federal Government Securities
Provincial Government Securities
Non Government Debt Securities
Foreign Securities

Associates

Total Investments

	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----				
	2,202,756	-	4,606	2,207,362
	292,517	-	(7,644)	284,873
	2,495,273	-	(3,038)	2,492,235
	1,257,348,552	(414,772)	(28,348,868)	1,228,584,912
	30,790,160	(10,026,787)	5,773,217	26,536,590
	3,723,840	-	(9,560)	3,714,280
	43,963,271	-	93,789	44,057,060
	1,335,825,823	(10,441,559)	(22,491,422)	1,302,892,842
	51,005,261	(260,316)	-	50,744,945
	118	(118)	-	-
	8,869,357	(477,541)	-	8,391,816
	-	-	-	-
	59,874,736	(737,975)	-	59,136,761
	7,821,877	-	-	7,821,877
	1,406,017,709	(11,179,534)	(22,494,460)	1,372,343,715

10.1.1 Investments given as collateral

- Market Treasury Bills
- Pakistan Investment Bonds

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
	21,764,028	30,763,692
	26,655,986	75,842,086
	48,420,014	106,605,778

10.2 Credit loss allowance for diminution in value of investments

Opening balance
Reversal of impairment charged against equity instruments through FVOCI on adoption of IFRS 9
Impact of ECL on debt securities on adoption of IFRS 9
Exchange and other adjustments
Charge / (reversals)
Charge for the period / year
Reversals for the period / year
Reversal on disposals
Amounts written off
Closing Balance

	11,179,534	10,330,107
	(10,026,787)	-
	400,736	-
	(9,343)	54,762
	54,834	1,744,532
	(44,647)	-
	-	(949,867)
	10,187	794,665
	-	-
	11,581,114	11,179,534

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024



10.3 Particulars of credit loss allowance against debt securities

The following table sets out analysis of credit loss allowance held against debt securities as at March 31, 2024.

		Unaudited March 31, 2024	
		Outstanding amount	Credit loss allowance held
-----Rupees in '000-----			
Domestic			
Performing	Stage 1	1,209,450,830	24,357
Under performing	Stage 2	4,058,069	378,607
Non-performing - loss	Stage 3	477,659	477,659
		1,213,986,558	880,623
Overseas			
Performing	Stage 1	49,238,718	-
Under performing	Stage 2	10,383,211	673,703
Non-performing	Stage 3	-	-
		59,621,929	673,703
Total		1,273,608,487	1,554,326

10.4 Summarized financial information of associates

Unaudited March 31, 2024							
Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities	
----- Rupees in '000 -----							
Associates							
Euronet Pakistan (Private) Limited (unaudited based on March 31, 2024)	Pakistan	30%	399,789	18,577	18,577	1,857,513	1,818,627
Adamjee Insurance Company Limited (audited based on December 31, 2023)	Pakistan	20%	41,976,789	2,716,915	7,247,972	172,799,968	141,015,250

Audited December 31, 2023							
Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities	
----- Rupees in '000 -----							
Associates							
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2023)	Pakistan	30%	1,474,982	(1,915)	(1,915)	1,553,014	1,526,982
Adamjee Insurance Company Limited (unaudited based on September 30, 2023)	Pakistan	20%	31,207,110	2,167,872	4,467,753	168,919,609	139,946,503

10.5 Investment in Adamjee Insurance Company Limited under equity method - holding 20.00% (2023: 20.00%)

Investment of the Group in Adamjee Insurance Company Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'. The market value of the investment in Adamjee Insurance Company Limited as at March 31, 2024 amounted to Rs. 2,410.800 million. (2023: Rs. 2,391.900 million).

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Opening balance	6,578,813	5,393,123
Share of profit for the period / year before tax	336,553	912,280
Dividend from associate	-	(210,000)
Share of tax	(187,671)	(425,830)
	148,882	276,450
Share of other comprehensive income	116,915	909,240
Closing balance	6,844,610	6,578,813
Share of other comprehensive income / (loss)		
Share of unrealized surplus on assets-net of tax	122,145	787,716
Share of exchange translation reserve of associate	(5,230)	121,524
	116,915	909,240

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
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10.6 Investment in Euronet Pakistan Private Limited under equity method - holding 30% (2023: 30.00%)

Investment of the Group in Euronet Pakistan Private Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'.

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Opening balance	8,361	9,356
Share of profit for the period / year before tax	10,623	20,401
Share of tax	(7,319)	(21,396)
	3,304	(995)
Closing balance	11,665	8,361

10.7 Investment in units of funds under management of MCB Investment Management Limited

Investment of the Group in units of funds under management of MCB Investment Management Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'.

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Investment at the beginning of the period / year	1,234,703	1,105,496
Investment / (redemptions) during the period / year	51,264	(267,428)
Share of profit for the period / year	69,339	415,827
Dividend Income	(26)	(19,192)
	120,577	129,207
Closing balance	1,355,280	1,234,703

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024



11. ADVANCES

	Performing		Non Performing		Total	
	Unaudited March 31, 2024	Audited December 31, 2023	Unaudited March 31, 2024	Audited December 31, 2023	Unaudited March 31, 2024	Audited December 31, 2023
Loans, cash credits, running finances, etc.	577,558,569	550,702,472	54,548,133	53,000,544	632,106,702	603,703,016
Islamic financing and related assets	106,840,769	88,677,808	2,232,665	1,957,808	109,073,434	90,635,616
Bills discounted and purchased	18,219,896	21,305,091	868,727	882,051	19,088,623	22,187,142
Advances - gross	702,619,234	660,685,371	57,649,525	55,840,403	760,268,759	716,525,774
Credit loss allowance against advances	(8,319,838)	(3,169,899)	(44,436,836)	(42,682,380)	(52,756,674)	(45,852,279)
Advances - net of provision	694,299,396	657,515,472	13,212,689	13,158,023	707,512,085	670,673,495

11.1 The following table sets out staging analysis of credit loss allowance held against loans & advances as at March 31, 2024.

	Performing		Non Performing		Total	
	Unaudited March 31, 2024	Audited December 31, 2023	Unaudited March 31, 2024	Audited December 31, 2023	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----						
Credit loss allowance against advances	4,619,513	4,619,513	-	-	4,619,513	4,619,513
- Stage 1	3,700,325	3,700,325	-	-	3,700,325	3,700,325
- Stage 2	-	-	44,436,836	44,436,836	44,436,836	44,436,836
- Stage 3	8,319,838	8,319,838	44,436,836	44,436,836	44,436,836	44,436,836
	16,430,676	16,430,676	44,436,836	44,436,836	44,436,836	44,436,836
-----Rupees in '000-----						
Particulars of advances (Gross)	698,312,190	698,312,190	636,444,276	636,444,276	636,444,276	636,444,276
In local currency	61,956,569	61,956,569	80,081,498	80,081,498	80,081,498	80,081,498
In foreign currencies	760,268,759	760,268,759	760,268,759	760,268,759	760,268,759	760,268,759

11.3 Advances include Rs. 57,649,525 million (2023: Rs. 55,840,403 million) which have been placed under the non-performing / Stage 3 status as detailed below:

Category of Classification	Unaudited March 31, 2024		Audited December 31, 2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
-----Rupees in '000-----				
Domestic	1,642,321	867,945	1,517,142	1,684
Other Assets Especially Mentioned	511,853	155,748	1,056,913	52,169
Substandard	2,711,632	1,261,075	382,282	114,909
Doubtful	36,288,726	36,490,020	38,135,498	36,780,475
Loss	43,154,532	38,774,788	41,091,835	36,949,237



Category of Classification	Unaudited March 31, 2024		Audited December 31, 2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
Overseas	-	-	2,902	726
Upto 90 Days	2,163	987	24,898	6,225
91 to 180 days	1,361	1,361	1,297	1,297
180 to 365 days	14,491,469	5,659,700	14,719,471	5,724,895
> 365 days	14,494,993	5,662,048	14,748,568	5,733,143
Total	57,649,525	44,436,836	55,840,403	42,682,380

11.3.1 This includes non-performing portfolio of agricultural, small enterprise and Infrastructure Project Financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.

11.4 Particulars of credit loss allowance against advances

Category of Classification	Unaudited March 31, 2024		Audited December 31, 2023	
	Stage 3	Stage 1 & stage 2	Specific	General
Opening balance	42,682,380	3,167,254	42,122,972	2,638,230
Impact of ECL on adoption of IFRS 9	1,633,585	4,448,017	-	-
Exchange adjustments	(29,090)	42,872	1,230,321	237,236
Charge for the period / year	1,174,378	2,811,257	3,685,905	531,609
Reversals	(1,024,417)	(2,149,562)	(3,576,979)	(237,176)
Amounts written off	149,961	661,695	108,926	294,433
Closing balance	44,436,836	8,319,838	42,682,380	3,169,899



11.4.1 An analysis of changes in the ECL allowances in relation to loans & advances of the Group as at March 31, 2024 is as follows

	Rupees in '000			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	2,626,770	543,129	42,682,380	45,852,279
Impact of ECL on adoption of IFRS 9	1,441,066	3,006,951	1,633,585	6,081,602
Exchange adjustments	40,270	(43)	(29,090)	11,137
New Advances	221,881	247,234	15	469,130
Advances derecognised or repaid	(95,685)	(37,736)	(241,240)	(374,661)
Transfer to stage 1	503,163	(503,163)	-	-
Transfer to stage 2	(50,912)	69,511	(18,599)	-
Transfer to stage 3	(3,341)	(76,656)	79,997	-
Amounts written off / charged off	575,106	(300,810)	(179,827)	94,469
Changes in risk parameters	(63,699)	451,098	329,788	717,187
Closing balance	4,619,513	3,700,325	44,436,836	52,756,674

11.4.2 An analysis of the categories of classification of loans & advances of the Group as at March 31, 2024 is as follows

	Domestic	Overseas	Outstanding amount	Credit loss allowance Held
			Rupees in '000	
Performing	Stage 1		612,860,976	4,498,819
Under performing	Stage 2		63,821,691	3,238,888
Non-performing	Stage 3			
Other Assets Especially Mentioned			1,642,321	867,945
Substandard			511,853	155,748
Doubtful			2,711,632	1,261,075
Loss			38,288,726	36,490,020
Total			43,154,532	38,774,788
			719,837,199	46,512,495
Performing	Stage 1		19,355,530	120,694
Under performing	Stage 2		6,581,037	461,437
Non-performing	Stage 3			
Substandard			2,163	987
Doubtful			420,549	217,634
Loss			14,072,281	5,443,427
Total			14,494,993	5,662,048
			40,431,560	6,244,179

11.4.3 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of Forced Sale Value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against Non Performing Loans (NPLs) for five years from the date of classification. The Bank (holding company) has not taken the FSV benefit in calculation of specific provision. However, one of the subsidiary of the Bank has availed benefit of forced sale values amounting to Rs. 1,091.322 million (December 31, 2023: Rs. 967.863 million) in determining the provisioning against non-performing Islamic financing and related assets as at March 31, 2024. The additional benefit arising from availing the FSV benefit - net of tax amounts to Rs. 556.574 million as at March 31, 2024 (December 31, 2023: Rs. 493.610 million) and is not available for payment of cash or stock dividends to shareholders.



12. PROPERTY AND EQUIPMENT	Note	Unaudited	Audited
		March 31, 2024	December 31, 2023
-----Rupees in '000-----			
Capital work-in-progress	12.1	3,837,980	2,191,569
Property and equipment		78,504,756	78,545,100
		<u>82,342,736</u>	<u>80,736,669</u>
12.1 Capital work-in-progress			
Civil works		1,943,125	1,348,446
Equipment		1,085,308	101,966
Advances to suppliers		786,417	736,548
Others		23,130	4,609
		<u>3,837,980</u>	<u>2,191,569</u>

12.2 Additions to property and equipment	Note	Unaudited	Audited
		Three Months ended March 31, 2024	Three Months ended March 31, 2023
-----Rupees in '000-----			
Capital work-in-progress - net additions		1,646,411	440,923
Property and equipment			
Building on freehold land		24,870	30,988
Building on leasehold land		2,185	2,639
Electrical office and computer equipment		572,845	591,845
Furniture and fixture		97,453	69,436
Leasehold Improvements		54,283	71,290
Vehicles		181,227	32,132
		932,863	798,330
		<u>2,579,274</u>	<u>1,239,253</u>

The following additions have been made to property and equipment during the period:

Capital work-in-progress - net additions	Unaudited	Audited
	1,646,411	440,923
Property and equipment		
Building on freehold land	24,870	30,988
Building on leasehold land	2,185	2,639
Electrical office and computer equipment	572,845	591,845
Furniture and fixture	97,453	69,436
Leasehold Improvements	54,283	71,290
Vehicles	181,227	32,132
	932,863	798,330
	<u>2,579,274</u>	<u>1,239,253</u>

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

	Unaudited	Audited
Vehicles	13,531	482
Furniture and fixture	441	184
Electrical office and computer equipment	2,028	1,886
Leasehold Improvements	19	-
	<u>16,018</u>	<u>2,552</u>

13. RIGHT-OF-USE ASSETS	Note	Unaudited	Audited
		March 31, 2024	December 31, 2023
-----Rupees in '000-----			
Right-of-use assets	13.1	<u>7,659,149</u>	<u>8,001,881</u>

13.1 At January 1	Unaudited March 31, 2024			Audited December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
	-----Rupees in '000-----					
Cost	15,874,370	-	15,874,370	13,758,044	-	13,758,044
Accumulated Depreciation	(7,870,345)	-	(7,870,345)	(6,094,319)	-	(6,094,319)
Net carrying amount at January 1,	8,004,025	-	8,004,025	7,663,725	-	7,663,725
Additions / adjustments during the period / year	143,971	-	143,971	2,449,562	-	2,449,562
Deletions during the period / year	(23,034)	-	(23,034)	(173,181)	-	(173,181)
Exchange Impact	6,297	-	6,297	110,412	-	110,412
Depreciation charge for the period / year	(472,110)	-	(472,110)	(2,048,637)	-	(2,048,637)
Closing net carrying amount	<u>7,659,149</u>	<u>-</u>	<u>7,659,149</u>	<u>8,001,881</u>	<u>-</u>	<u>8,001,881</u>



14. INTANGIBLE ASSETS	Note	Unaudited	Audited
		March 31, 2024	December 31, 2023
-----Rupees in '000-----			
Computer software		1,425,146	969,440
Goodwill		82,127	82,127
Management rights		192,000	192,000
Capital work-in-progress		712,636	615,465
		<u>2,411,909</u>	<u>1,859,032</u>

Unaudited Three Months ended March 31, 2024	Audited Three Months ended March 31, 2023
-----Rupees in '000-----	
762,792	103,299
97,171	-
<u>859,963</u>	<u>103,299</u>

14.1 Additions to intangible assets

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

Computer software	Unaudited	Audited
	762,792	103,299
Capital work-in-progress - net additions	97,171	-
	<u>859,963</u>	<u>103,299</u>

15. DEFERRED TAX ASSET / (LIABILITY) - NET	Note	Unaudited	Audited
		March 31, 2024	December 31, 2023
-----Rupees in '000-----			
Deductible Temporary Differences on			
- Credit loss allowance against financial assets		4,820,463	204,206
- Workers Welfare Fund		178,174	154,378
- Deficit on revaluation of investments		16,427,663	11,020,798
		21,426,300	11,379,382
Taxable Temporary Differences on			
- Surplus on revaluation of property & equipment		(3,667,757)	(3,704,544)
- Surplus on revaluation of non-banking assets		(297,334)	(297,334)
- Accelerated tax depreciation		(3,584,026)	(3,678,662)
- Receivable from pension fund		(3,772,670)	(3,639,789)
- Business combination		(705,218)	(705,218)
- Investments in associated undertaking		(3,036,396)	(2,906,156)
		(15,063,401)	(14,931,703)
		<u>6,362,899</u>	<u>(3,552,321)</u>

16. OTHER ASSETS	Note	Unaudited	Audited
		March 31, 2024	December 31, 2023
Income / Mark-up accrued in local currency		79,624,507	71,559,030
Income / Mark-up accrued in foreign currencies		687,413	503,365
Advances, deposits, advance rent and other prepayments		5,625,950	5,429,263
Non-banking assets acquired in satisfaction of claims		1,633,215	1,637,884
Compensation for delayed income tax refunds		133,809	133,809
Mark to market gain on forward foreign exchange contracts		1,707,004	2,596,164
Unrealized gain on derivative financial instruments		35,232	73,852
Acceptances	22	40,311,456	42,551,113
Receivable from the pension fund		7,699,328	7,428,142
Clearing and settlement accounts		29,477,945	27,296,155
Receivable from the Government of Pakistan		-	67,187,000
Claims receivable against fraud and forgeries		577,987	607,980
Others		4,640,035	4,463,918
		172,153,881	231,467,675
Less: Credit loss allowance held against other assets	16.1	3,595,556	3,370,145
Other Assets net of Credit loss allowance		168,558,325	228,097,530
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	606,805	606,805
Other Assets - total		<u>169,165,130</u>	<u>228,704,335</u>



	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
16.1 Credit loss allowance held against other assets		
Non banking assets acquired in satisfaction of claims	88,083	88,083
Claims receivable against fraud and forgeries	577,987	607,980
Mark-up accrued	279,720	4,972
Others	2,649,766	2,669,110
	3,595,556	3,370,145
16.1.1 Movement in credit loss allowance held against other assets		
Opening balance	3,370,145	3,066,275
Impact of ECL on adoption of IFRS 9	267,587	-
Charge for the period / year	27,509	36,184
Reversals	(49,776)	(8,080)
	(22,267)	28,104
Amounts written off	(256)	(2,062)
Exchange and other adjustments	(19,653)	277,828
Closing balance	3,595,556	3,370,145

17. CONTINGENT ASSETS

There were no contingent assets of the Group as at March 31, 2024 (2023: NIL).

18. BILLS PAYABLE

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
In Pakistan	12,933,650	27,008,158
Outside Pakistan	110,376	263,226
	13,044,026	27,271,384

19. BORROWINGS

Secured

	Unaudited March 31, 2024	Audited December 31, 2023
Borrowings from State Bank of Pakistan		
Under export refinance scheme	46,677,202	51,576,669
Under long term financing facility	20,527,602	21,441,512
Under renewable energy performance platform	2,402,708	2,445,557
Under temporary economic refinance facility	41,617,896	42,326,816
Under financing facility for storage of agricultural produce	226,467	239,697
Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs	5,883	6,272
	111,457,758	118,036,523
Repurchase agreement borrowings	47,138,817	106,366,325
Total secured	158,596,575	224,402,848

Unsecured

Call borrowings	3,000,000	1,000,000
Borrowings from other financial institution	2,584,039	2,314,827
Overdrawn nostro accounts	917,238	1,019,866
Musharaka Arrangements	18,007,072	6,764,653
Others	162,286	162,286
	24,670,635	11,261,632
Total unsecured	183,267,210	235,664,480



	Audited December 31, 2023			Audited December 31, 2023						
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total				
							Unaudited March 31, 2024	Audited December 31, 2023		
-----Rupees in '000-----										
20. DEPOSITS AND OTHER ACCOUNTS										
Customers										
Current deposits	726,817,007	148,310,802	875,127,809	689,410,951	165,889,903	855,300,854				
Savings deposits	924,543,620	39,033,225	963,576,845	888,371,233	44,118,221	932,489,454				
Term deposits	78,048,387	22,762,586	100,810,973	70,574,277	22,114,167	92,688,444				
Others	41,670,526	4,640,028	46,310,554	52,203,271	4,930,851	57,134,122				
	1,771,079,540	214,746,641	1,985,826,181	1,700,559,732	237,053,142	1,937,612,874				
Financial Institutions										
Current deposits	18,231,704	4,076,062	22,307,766	17,749,339	3,717,505	21,466,844				
Savings deposits	33,421,192	673,782	34,094,974	32,272,124	488,590	32,760,714				
Term deposits	4,024,168	7,861,574	11,885,742	10,666,897	7,216,607	17,883,504				
Others	-	-	-	-	104,683	104,683				
	55,677,064	12,611,418	68,288,482	60,688,360	11,527,385	72,215,745				
	1,826,756,604	227,358,059	2,054,114,663	1,761,248,092	248,580,527	2,009,828,619				
-----Rupees in '000-----										
			<table border="1"> <thead> <tr> <th>Unaudited March 31, 2024</th> <th>Audited December 31, 2023</th> </tr> </thead> <tbody> <tr> <td>21.1</td> <td>11,429,243</td> </tr> </tbody> </table>				Unaudited March 31, 2024	Audited December 31, 2023	21.1	11,429,243
Unaudited March 31, 2024	Audited December 31, 2023									
21.1	11,429,243									
21. LEASE LIABILITIES										
Lease Liabilities										
-----Rupees in '000-----										
21.1 At January 1										
Additions / adjustments during the period / year	11,428,536	-	11,428,536	10,432,368	-	10,432,368				
Lease payments including interest	151,201	-	151,201	2,348,050	-	2,348,050				
Interest expense	(830,395)	-	(830,395)	(2,844,026)	-	(2,844,026)				
Deletions during the period / year	372,601	-	372,601	1,669,866	-	1,669,866				
Exchange difference / adjustments	(39,033)	-	(39,033)	(243,799)	-	(243,799)				
Closing Balance	24,597	-	24,597	66,784	-	66,784				
	11,107,507	-	11,107,507	11,429,243	-	11,429,243				
21.2 Liabilities Outstanding										
Not later than one year	1,591,982	-	1,591,982	1,676,146	-	1,676,146				
Later than one year and upto five years	5,172,149	-	5,172,149	5,209,616	-	5,209,616				
Over five years	4,343,376	-	4,343,376	4,543,481	-	4,543,481				
Total at the year end	11,107,507	-	11,107,507	11,429,243	-	11,429,243				



Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
22. OTHER LIABILITIES		
Mark-up/ return/ interest payable in local currency	23,300,785	7,032,232
Mark-up/ return/ interest payable in foreign currencies	736,200	579,109
Unearned commission and income on bills discounted	2,492,374	2,119,095
Accrued expenses	7,596,190	9,446,800
Current taxation (provisions less payments)	18,393,331	21,099,089
Workers' welfare fund	22.1 14,548,997	13,892,531
Acceptances	15 40,311,456	42,551,113
Unclaimed / dividends payable	3,914,312	2,425,756
Mark to market loss on forward foreign exchange contracts	1,226,617	1,202,115
Unrealised loss on derivative financial instruments	35,232	73,848
Branch adjustment account	29,528	28,696
Provision for employees' compensated absences	1,305,526	1,266,190
Provision for post retirement medical benefits	2,185,198	2,121,129
Provision for employees' contributory benevolent scheme	137,808	140,847
Insurance payable against consumer assets	550,073	586,691
Unclaimed balances	508,648	508,115
Duties and taxes payable	4,955,841	11,440,990
Charity fund balance	26,393	23,238
Credit loss allowance against off-balance sheet obligations	1,169,134	78,807
Security deposits against lease	3,261,082	3,020,407
Clearing and settlement accounts	27,257,422	24,223,005
Others	7,956,789	6,728,227
	<u>161,898,936</u>	<u>150,588,030</u>

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

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

22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations as at March 31, 2024 is as follows:

	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Opening balance	78,807	48,403
Impact of ECL on adoption of IFRS 9	1,658,043	-
Exchange adjustment	2,479	8,449
Charge for the period / year	-	21,955
Reversals	(570,195)	-
	(570,195)	21,955
Amount written off	-	-
Closing balance	<u>1,169,134</u>	<u>78,807</u>

23. RESERVES

Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
Share premium	23,973,024	23,973,024
Non- distributable capital reserve - gain on bargain purchase option	23.1 908,317	908,317
Exchange translation reserve	9,523,846	9,341,253
Statutory reserve	23.2 50,193,956	48,307,215
	<u>103,199,143</u>	<u>101,129,809</u>

23.1 Under IFRS-3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain was not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions/deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

23.2 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.



Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----		
24. SURPLUS ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of:		
- Securities measured at FVOCI - Debt / AFS securities	10.1 (29,371,839)	(28,264,639)
- Securities measured at FVOCI - Equity / AFS securities	10.1 (4,154,004)	5,773,217
- Property and equipment	40,108,143	40,183,217
- Non-banking assets acquired in satisfaction of claims	606,806	606,806
- Associated undertaking	1,372,213	1,250,067
	<u>8,561,319</u>	<u>19,548,668</u>
Deferred tax on (surplus) / deficit on revaluation of:		
- Securities measured at FVOCI - Debt / AFS securities	15 14,392,201	13,849,674
- Securities measured at FVOCI - Equity / AFS securities	15 2,035,462	(2,828,876)
- Property and equipment	15 (3,667,757)	(3,704,544)
- Non-banking assets acquired in satisfaction of claims	15 (297,334)	(297,334)
- Associated undertaking	(884,595)	(827,306)
	<u>11,577,977</u>	<u>6,191,614</u>
	<u>20,139,296</u>	<u>25,740,282</u>
25. CONTINGENCIES AND COMMITMENTS		
-Guarantees	25.1 269,168,356	318,643,498
-Commitments	25.2 492,518,913	512,200,312
-Other contingent liabilities	25.3 32,907,556	34,363,515
	<u>794,594,825</u>	<u>865,207,325</u>
25.1 Guarantees:		
Financial guarantees	139,651,744	126,236,623
Performance guarantees	119,315,671	176,196,192
Other guarantees	10,200,941	16,210,683
	<u>269,168,356</u>	<u>318,643,498</u>
25.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	254,611,375	318,590,512
Commitments in respect of:		
- forward foreign exchange contracts	25.2.1 194,573,572	171,638,288
- forward government securities transactions	25.2.2 33,578,690	15,220,315
- derivatives	25.2.3 5,639,884	1,595,548
- commitments to extent credit	25.2.4 694,984	1,128,247
Commitments for acquisition of:		
- property and equipment	2,270,585	2,390,799
- intangible assets	1,149,823	1,636,603
	<u>492,518,913</u>	<u>512,200,312</u>
25.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	110,278,182	93,150,006
Sale	84,295,390	78,488,282
	<u>194,573,572</u>	<u>171,638,288</u>
25.2.2 Commitments in respect of forward government securities transactions		
Purchase	33,003,690	15,197,000
Sale	575,000	23,315
	<u>33,578,690</u>	<u>15,220,315</u>
25.2.3 Commitments in respect of derivatives		
FX options		
Purchase	2,819,942	736,983
Sale	2,819,942	736,983
	<u>5,639,884</u>	<u>1,473,966</u>
Cross Currency Swaps		
Purchase	-	60,791
Sale	-	60,791
	<u>-</u>	<u>121,582</u>
	<u>5,639,884</u>	<u>1,595,548</u>

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024



25.2.4 The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

25.3 Other contingent liabilities

	Note	Unaudited March 31, 2024	Audited December 31, 2023
-----Rupees in '000-----			
Claims against the Group not acknowledged as debts	25.3.1	32,907,556	34,363,515

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

25.4 Taxation

For assessment year 1999-2000 through tax year 2023, the tax department disputed Group's treatment on certain issues, where the Group's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 2,239.380 million (2023: 5,902.495 million). Such issues inter alia principally include disallowance of expenses for non deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Group has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Group are being contested by the department at higher forums. No provision has been made in these consolidated condensed interim financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Group's favour as and when these are taken up by the Appellate Authorities.

25.5 Amortisation of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Holding company at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

	Unaudited March 31, 2024					
	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
-----Rupees in '000-----						
Total						
Hedging	-	-	-	-	2,819,942	35,232
Market Making	-	-	-	-	2,819,942	(35,232)
Audited December 31, 2023						
-----Rupees in '000-----						
Total						
Hedging	60,791	62,365	-	-	736,983	11,487
Market Making	60,791	(62,361)	-	-	736,983	(11,487)

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024



	Note	Unaudited Three Months ended March 31, 2024	Unaudited Three Months ended March 31, 2023
-----Rupees in '000-----			
27. MARK-UP/RETURN/INTEREST EARNED			
Loans and advances		31,334,927	29,431,663
Investments		66,713,304	38,497,870
Lendings to financial institutions		2,048,100	1,947,694
Balances with banks		545,226	356,563
		100,641,557	70,233,790
27.1	Interest income recognised on:		
	Financial assets measured at amortised cost	36,623,901	-
	Financial assets measured at FVOCI	63,974,388	-
	Financial assets measured at FVTPL	43,268	-
		100,641,557	-
28. MARK-UP/RETURN/INTEREST EXPENSED			
Deposits		50,689,174	27,812,928
Borrowings		6,334,471	8,585,739
Cost of foreign currency swaps against foreign currency deposits / borrowings		797,573	445,432
Finance charges on lease liability against right-of-use assets		372,601	347,268
		58,193,819	37,191,367
29. FEE & COMMISSION INCOME			
Branch banking customer fees		991,907	849,558
Consumer finance related fees		174,461	188,450
Card related fees (debit and credit cards)		1,938,647	1,295,290
Credit related fees		353,178	120,036
Investment banking fee		3,450	11,100
Commission on trade		1,030,081	633,605
Commission on guarantees		566,067	196,673
Commission on cash management		251,225	228,752
Commission on remittances including home remittances		538,551	385,363
Commission on bancassurance		183,268	237,380
Rent on lockers		67,284	65,263
Commission on utility bills		24,445	19,333
Commission on investments services		578,495	329,161
Others		94,873	88,661
		6,795,932	4,648,625
30. GAIN / (LOSS) ON SECURITIES			
Realised	30.1	(11)	43,548
Unrealised - Measured at FVTPL	10.1	6,139	40,795
		6,128	84,343
30.1	Realised gain / (loss) on:		
	Federal Government Securities	18,832	36,362
	Non Government debt securities	58	-
	Shares	(18,901)	7,186
		(11)	43,548
30.2	Realised gain / (loss) on:		
	Financial assets measured at FVTPL		
	Designated upon initial recognition	3,441	15,418
	Mandatorily measured at FVPL	-	-
		3,441	15,418
	Financial assets measured at amortised cost	(2,300)	-
	Financial assets measured at FVOCI	(1,152)	28,130
		(3,452)	28,130
		(11)	43,548



	Unaudited Three Months ended March 31, 2024	Unaudited Three Months ended March 31, 2023
	-----Rupees in '000-----	
31. OTHER INCOME		
Rent on property	33,889	30,633
Gain on termination of lease liability against right of use assets	15,999	10,248
Gain / (Loss) on sale of property and equipment - net	48,398	5,235
Gain on conversion of Ijarah agreements	2,559	5,785
	<u>100,845</u>	<u>51,901</u>
32. OPERATING EXPENSES		
Total compensation expense	7,676,761	6,439,033
Property expense		
Rent and taxes	83,833	101,665
Insurance	17,615	14,961
Utilities cost	650,826	543,143
Fuel expense generators	252,655	326,840
Security (including guards)	632,207	510,830
Repair and maintenance (including janitorial charges)	306,675	291,228
Depreciation on right-of-use assets	472,110	466,482
Depreciation	337,913	282,739
	<u>2,753,834</u>	<u>2,537,888</u>
Information technology expenses		
Software maintenance	478,241	445,342
Hardware maintenance	89,093	83,463
Depreciation	293,862	204,694
Amortization	180,896	133,959
Network charges	214,917	181,377
Insurance	2,397	1,561
	<u>1,259,406</u>	<u>1,050,396</u>
Other operating expenses		
Directors' fees and allowances	8,460	9,160
Fees and allowances to Sharia Board members	5,062	4,166
Legal and professional charges	144,827	114,103
Outsourced services costs	293,592	256,103
Travelling and conveyance	188,132	101,346
NIFT clearing charges	60,023	60,322
Depreciation	325,061	283,194
Depreciation on non-banking assets acquired in satisfaction of claims	4,669	5,970
Training and development	22,215	15,717
Postage and courier charges	79,880	70,065
Communication	433,704	240,547
Stationery and printing	343,174	267,726
Marketing, advertisement & publicity	340,772	210,025
Donations	10,000	-
Auditors' remuneration	27,379	19,238
Cash transportation charges	308,283	254,514
Repair and maintenance	170,545	154,432
Subscription	21,573	12,571
Entertainment	131,738	110,170
Remittance charges	52,943	58,445
Brokerage expenses	21,932	21,000
Card related expenses	750,184	563,897
CNIC verification charges	97,567	71,366
Insurance	618,426	514,585
Others	164,738	112,097
	<u>4,624,879</u>	<u>3,530,759</u>
	<u>16,314,880</u>	<u>13,558,076</u>



	Note	Unaudited Three Months ended March 31, 2024	Unaudited Three Months ended March 31, 2023
		-----Rupees in '000-----	
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		60,032	13,426
VAT & National Building tax & Crop Insurance Levy		67,279	77,741
Education cess		23,800	7,000
		<u>151,111</u>	<u>98,167</u>
34. PROVISIONS / (REVERSALS) & WRITE OFFS - NET			
Credit loss allowance against balance with Banks		(75,833)	8,741
Credit loss allowance for diminution in value of investments	10.2	10,187	938,454
Credit loss allowance against loans and advances	11.4	811,656	(177,451)
Credit loss allowance against lending's to Financial Institutions	9.1	(136,223)	-
Credit loss allowance against off balance sheet items		(570,195)	(4,065)
Credit loss allowance against other assets	16.1.1	(22,267)	15,034
Recovery of written off / charged off bad debts		(45,280)	(40,758)
		<u>(27,955)</u>	<u>739,955</u>
35. TAXATION			
Current		17,402,287	10,825,460
Prior years		20,000	-
Deferred		(122,256)	(233,090)
Share of tax of associates		194,990	69,403
		<u>17,495,021</u>	<u>10,661,773</u>
36. BASIC AND DILUTED EARNINGS PER SHARE			
		-----Rupees in '000-----	
Profit after tax attributable to Equity Shareholders of the Bank		<u>17,819,689</u>	<u>13,928,020</u>
		-----Number-----	
Weighted average number of ordinary shares		<u>1,185,060,006</u>	<u>1,185,060,006</u>
		-----Rupees-----	
Basic and diluted earnings per share		<u>15.04</u>	<u>11.75</u>



37. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Group as 'amortized cost'. Quoted securities classified as amortized cost are carried at cost. Fair value of unquoted equity investments other than investments in associates is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of 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 financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 Fair value of financial assets

The 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 for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Unlisted Shares	Breakup value determined on the basis of NAV of the company using the latest available audited financial statements.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Operating fixed assets (land and building) & Non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, Term Finance certificates, FX Options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.



The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Group essentially carries its investments in debt and equity securities at fair values. In case of non-financial assets, the Group has adopted revaluation model (as per IAS 16) in respect of land and building & non-banking assets acquired in satisfaction of claims.

	Unaudited March 31, 2024				
	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	1,245,263,691	-	1,245,263,691	-	1,245,263,691
Shares and units	29,252,694	29,138,561	114,133	-	29,252,694
Non-Government Debt Securities	3,714,835	-	3,714,835	-	3,714,835
Foreign Securities	48,469,097	-	48,469,097	-	48,469,097
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost, unlisted ordinary shares and associates)	66,638,745	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	64,802,263	-	64,802,263	-	64,802,263
Non-banking assets	2,151,937	-	2,151,937	-	2,151,937
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	110,278,182	-	997,718	-	997,718
Forward sale of foreign exchange	84,295,390	-	1,478,105	-	1,478,105
Derivatives purchase	2,819,942	-	35,232	-	35,232
Derivatives sale	2,819,942	-	35,232	-	35,232
Audited December 31, 2023					
	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	1,230,792,274	-	1,230,792,274	-	1,230,792,274
Shares and units	25,390,857	25,283,009	107,848	-	25,390,857
Non-Government Debt Securities	3,714,280	-	3,714,280	-	3,714,280
Foreign Securities	44,057,060	-	44,057,060	-	44,057,060
Financial assets - disclosed but not measured at fair value					
Investments (HTM, unlisted ordinary shares and associates)	68,389,244	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	66,321,263	-	66,321,263	-	66,321,263
Non-banking assets	2,156,606	-	2,156,606	-	2,156,606
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	93,150,006	-	752,724	-	752,724
Forward sale of foreign exchange	78,488,282	-	2,146,773	-	2,146,773
Derivatives purchase	797,774	-	73,852	-	73,852
Derivatives sale	797,774	-	73,848	-	73,848



38.1 Segment details with respect to business activities

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

	Unaudited Three months ended March 31, 2024										
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Profit & Loss											
Net mark-up/return/profit	(36,248,148)	923,407	14,792,226	56,519,929	2,087,083	4,240,281	(2,540)	138,500	42,447,738	-	42,447,738
Inter segment revenue - net	69,270,481	(236,494)	(12,142,884)	(62,453,377)	(102,964)	-	-	5,665,238	-	-	-
Non mark-up / return / interest income	3,572,373	667,940	2,563,667	1,909,919	503,141	223,782	537,497	69,183	10,044,502	-	10,044,502
Total Income	36,594,706	1,354,853	5,213,009	(4,029,529)	2,487,260	4,464,063	534,967	5,872,921	52,492,240	-	52,492,240
Segment direct expenses	9,675,920	657,051	539,983	228,618	719,210	2,148,095	239,988	2,962,156	17,171,021	-	17,171,021
Inter segment expense allocation											
Total expenses	9,675,920	657,051	539,983	228,618	719,210	2,148,095	239,988	2,962,156	17,171,021	-	17,171,021
Credit loss allowance	804,040	18,573	331,855	(142,496)	(798)	49,000	-	(1,088,129)	(27,955)	-	(27,955)
Profit before tax	26,114,746	679,229	4,341,171	(4,115,651)	1,768,848	2,266,968	294,969	3,988,894	35,349,174	-	35,349,174
Balance Sheet											
Cash & Bank balances	66,177,971	935,106	316,407	123,253,217	37,765,457	21,544,886	102,327	(636,165)	249,461,206	-	249,461,206
Investments	-	-	11,329,945	1,200,470,076	58,488,704	115,203,445	1,355,546	6,491,346	1,393,339,082	-	1,393,339,082
Net inter segment lending	-	-	-	-	-	-	-	260,192,780	1,628,421,179	(1,628,421,179)	-
Lendings to financial institutions	-	-	-	9,897,500	38,529,407	999,858	-	(2,184)	49,224,581	-	49,224,581
Advances - performing	104,307,881	36,509,109	427,767,562	-	21,071,770	106,199,606	30,724	(1,587,256)	694,299,396	-	694,299,396
Advances - non performing	961,082	318,631	1,667,407	-	8,840,752	1,482,476	-	(57,659)	13,212,689	-	13,212,689
Others	58,570,306	4,523,722	58,127,550	45,427,994	1,919,221	23,270,113	1,303,235	74,799,882	267,941,823	-	267,941,823
Total Assets	1,598,245,639	42,286,568	499,210,871	1,378,848,787	166,615,311	268,700,384	2,791,832	339,200,544	4,295,899,936	(1,628,421,179)	2,667,478,757
Borrowings	6,510,239	35,473	95,351,320	47,385,272	1,284,238	29,560,734	-	3,139,934	183,267,210	-	183,267,210
Deposits & other accounts	1,563,151,840	29,287,639	121,237,263	-	136,509,426	203,869,187	-	59,308	2,054,114,663	-	2,054,114,663
Net inter segment borrowing	-	7,714,112	238,803,931	1,331,463,515	25,711,835	22,962,111	1,766,675	-	1,628,421,179	(1,628,421,179)	-
Others	28,583,560	5,249,344	43,819,357	-	3,109,812	12,308,352	1,026,157	91,954,887	186,050,469	-	186,050,469
Total liabilities	1,598,245,639	42,286,568	499,210,871	1,378,848,787	166,615,311	268,700,384	2,791,832	339,200,544	4,295,899,936	(1,628,421,179)	2,667,478,757
Equity	-	-	-	-	-	-	-	244,046,415	244,046,415	-	244,046,415
Total Equity & liabilities	1,598,245,639	42,286,568	499,210,871	1,378,848,787	166,615,311	268,700,384	2,791,832	339,200,544	4,295,899,936	(1,628,421,179)	2,667,478,757
Contingencies & Commitments	73,715,523	-	401,717,119	214,593,345	14,979,013	52,766,304	-	34,823,521	794,594,825	-	794,594,825



38.2

	Unaudited Three months ended March 31, 2023										
	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Profit & Loss											
Net mark-up/return/profit	(19,167,127)	1,181,182	17,670,204	28,929,300	1,456,174	2,917,426	(2,917)	58,181	33,042,423	-	33,042,423
Inter segment revenue - net	46,362,786	(618,049)	(15,024,016)	(34,165,416)	(74,775)	-	-	3,519,470	-	-	-
Non mark-up / return / interest income	2,717,898	671,508	1,719,390	(48,356)	532,760	238,447	317,113	342,192	6,490,952	-	6,490,952
Total Income	29,913,557	1,234,641	4,365,578	(5,284,472)	1,914,159	3,155,873	314,196	3,919,843	39,533,375	-	39,533,375
Segment direct expenses	8,310,065	681,800	320,313	196,198	602,880	1,590,196	170,978	2,279,971	14,152,401	-	14,152,401
Inter segment expense allocation											
Total expenses	8,310,065	681,800	320,313	196,198	602,880	1,590,196	170,978	2,279,971	14,152,401	-	14,152,401
Credit loss allowance	(9,566)	16,917	(26,618)	422,136	723,323	115,609	-	(501,826)	739,955	-	739,955
Profit before tax	21,613,078	535,924	4,071,883	(5,902,806)	587,956	1,450,068	143,218	2,141,698	24,641,019	-	24,641,019
Balance Sheet											
Cash & Bank balances	73,010,365	1,075,800	286,062	90,718,130	40,699,427	22,277,334	42,703	(57,169)	228,052,682	-	228,052,682
Investments	-	-	11,329,945	1,168,355,590	52,575,575	132,544,302	1,441,530	6,096,773	1,372,343,715	-	1,372,343,715
Net inter segment lending	1,323,367,835	-	-	-	-	-	-	257,092,572	1,580,460,407	(1,580,460,407)	-
Lendings to financial institutions	93,175,361	36,862,172	410,107,466	-	25,200,930	88,134,857	25,113	4,019,573	657,515,472	-	657,515,472
Advances - performing	892,197	213,265	1,318,978	-	9,015,426	1,212,568	-	505,599	13,158,023	-	13,158,023
Advances - non performing	58,036,413	4,929,573	60,251,154	108,819,168	1,977,880	20,118,941	1,332,202	63,836,586	319,301,917	-	319,301,917
Others	1,548,482,171	43,070,810	483,293,605	1,392,596,621	191,978,905	266,787,992	2,841,548	331,493,934	4,260,545,586	(1,580,460,407)	2,680,085,179
Total Assets	1,548,482,171	43,070,810	483,293,605	1,392,596,621	191,978,905	266,787,992	2,841,548	331,493,934	4,260,545,586	(1,580,460,407)	2,680,085,179
Borrowings	7,854,875	28,071	100,265,851	96,674,898	3,148,691	25,813,546	-	2,876,548	235,664,480	-	235,664,480
Deposits & other accounts	1,502,168,409	26,053,661	119,652,517	-	157,493,874	204,460,158	-	-	2,009,828,619	-	2,009,828,619
Net inter segment borrowing	-	12,006,350	220,902,573	1,296,646,213	27,036,616	22,036,252	1,882,403	-	1,500,460,407	(1,500,460,407)	-
Others	38,458,887	4,982,728	42,472,664	275,510	4,299,724	14,478,036	1,009,145	86,864,284	192,840,978	-	192,840,978
Total liabilities	1,548,482,171	43,070,810	483,293,605	1,392,596,621	191,978,905	266,787,992	2,841,548	331,493,934	4,260,545,586	(1,580,460,407)	2,680,085,179
Equity	-	-	-	-	-	-	-	241,751,102	241,751,102	-	241,751,102
Total Equity & liabilities	1,548,482,171	43,070,810	483,293,605	1,392,596,621	191,978,905	266,787,992	2,841,548	331,493,934	4,260,545,586	(1,580,460,407)	2,680,085,179
Contingencies & Commitments	91,494,401	-	499,006,135	170,499,690	15,455,739	51,908,493	-	36,842,867	865,207,325	-	865,207,325

Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head Office. Income taxes are managed at bank level and are not allocated to operating segments.

Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024

39 RELATED PARTY TRANSACTIONS
The Group has related party relationship with its associates, employee benefit plans, its directors and key management personnel and their close family members. The Groups enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.
Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	Unaudited March 31, 2024			Audited December 31, 2023				
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel	Associates	Other Related Parties
------(Rupees in '000)-----								
Investments								
Opening balance	-	-	7,821,877	249,253	-	-	6,507,975	249,253
Equity method adjustments	-	-	338,414	-	-	-	919,807	-
Investment / (redemptions) during the period / year	-	-	51,264	-	-	-	394,095	-
Closing balance	-	-	8,211,555	249,253	-	-	7,821,877	249,253
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-
Advances								
Opening balance	1,436	339,386	-	1,509,280	1,543	281,237	-	4,445,292
Addition / exchange adjustment during the period / year	1,434	54,039	-	334,149	5,963	95,327	-	914,191
Repaid / exchange adjustment during the period / year	(2,520)	(27,164)	-	(256,465)	(6,070)	(85,184)	-	(3,850,203)
Transfer in / (out)	-	1,650	-	-	-	48,006	-	-
Closing balance	350	367,911	-	1,586,964	1,436	339,386	-	1,509,280
Credit loss allowance against advances	-	-	-	(4,679)	-	-	-	-
Fixed Assets								
Purchase of fixed assets	-	-	3,327	48,466	-	-	7,633	191,247
Other Assets								
Markup receivable	-	4,529	-	17,747	-	4,302	-	26,675
Advances, deposits, advance rent and other prepayments	1	-	642,364	51,656	-	-	573,809	25,684
Receivable from Pension Fund	1	4,529	642,364	7,768,931	-	4,302	573,809	7,428,143
Credit loss allowance held against other assets	-	-	-	(34)	-	-	-	-
Deposits and other accounts								
Opening balance	3,034,686	200,484	8,321,464	10,033,148	193,547	184,112	5,623,897	5,594,903
Received during the period / year	395,911	766,240	15,683,846	37,926,552	4,574,426	1,701,697	90,801,961	108,421,525
Withdrawn during the period / year	(3,143,075)	(680,389)	(15,009,611)	(32,075,861)	(1,733,287)	(1,718,969)	(88,104,394)	(103,993,441)
Transfer in / (out) - net	-	355	-	254,118	-	33,644	-	10,161
Closing balance	287,522	296,690	8,995,699	16,137,957	3,034,686	200,484	8,321,464	10,033,148
Other Liabilities								
Markup payable	-	3,148	168,149	4,451	-	2,009	121,341	5,268
Accrued expenses and other payable	-	-	49,191	829	-	-	47,714	168
Credit loss allowance against off-balance sheet obligations	-	-	217,340	5,280	-	2,009	169,055	5,436
Contingencies and Commitments								
Letter of Credit	-	-	170	7,201	-	-	-	-
Bank guarantee	-	-	8,716,022	1,894,285	-	-	8,899,177	1,722,909
	-	-	8,716,022	8,678,922	-	-	8,839,177	6,732,276



Notes to the Consolidated Condensed Interim Financial Statements (un-audited)
For The Three Months Period Ended March 31, 2024

	Unaudited March 31, 2024			Unaudited March 31, 2023				
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel	Associates	Other Related Parties
------(Rupees in '000)-----								
Income								
Markup / return / interest earned	-	8,667	-	17,762	13	6,826	-	31,673
Fee and commission income	1	-	219,059	4,037	-	-	175,206	2,616
Dividend income	-	-	-	59,325	-	-	9,704	42,236
Gain / (loss) on forward foreign exchange contracts matured during the period	-	-	-	(199)	-	-	-	-
Net gain / (loss) on sale of securities	-	(5)	-	877	-	10	31	176
Gain on sale of fixed assets	-	69	-	-	-	-	-	-
Rent income	-	-	2,737	1,552	-	-	2,582	960
Expense								
Markup / return / interest expensed	24,694	3,878	193,600	556,083	3,834	2,018	125,856	138,389
Other Operating expenses								
Cleaning expenses paid to NIFT	-	-	-	51,726	-	-	-	52,772
Contribution to provident fund	-	-	-	154,345	-	-	-	134,351
Rent expenses	-	-	20,597	14,560	-	-	18,780	13,554
Cash sorting expenses	-	-	-	32,205	-	-	-	34,135
Stationery expenses	-	-	-	115,736	-	-	-	90,031
Security guards expenses	-	-	-	1,289	-	-	-	37,010
Remuneration to key executives and non-executive directors fee	107,003	521,716	-	-	74,234	404,063	-	-
Outsourcing service expenses	-	-	32,855	-	-	-	36,351	-
E-dividend processing fee and CDC charges	-	-	-	1,760	-	-	-	1,391
Travelling Expenses	-	-	-	39,097	-	-	-	2,762
Hotel stay expenses	-	-	-	11,907	-	-	-	888
Repair & Maintenance Charges	-	-	-	1,140	-	-	-	1,077
Utility expenses	-	-	-	602	-	-	-	143
Miscellaneous expenses and payments	-	-	-	1,192	-	-	-	251
Insurance premium-net of refund	-	-	320,520	-	-	-	312,237	-
Insurance claim settled	-	-	11,457	-	-	-	4,955	-
Other Transactions								
Proceeds from sale of fixed assets	-	69	-	-	-	10	-	-
Sale of government securities	30,935	24,588	833,045	18,932,693	12,964	25,250	4,274,423	5,176,076
Purchase of government securities	-	18,312	418,713	11,684,996	-	42,596	2,257,926	22,603,871
Forward exchange contracts matured during the period	-	-	-	263,000	-	-	-	36,000

The Chairman has been provided with free use of the Bank maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.





Unaudited Audited
March 31, 2024 December 31, 2023
-----Rupees in '000-----

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

40.1 Capital Adequacy

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

11,850,600	11,850,600
------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

197,976,067	191,312,686
-------------	-------------

Eligible Additional Tier 1 (ADT 1) Capital

-	-
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Total Eligible Tier 1 Capital

197,976,067	191,312,686
-------------	-------------

Eligible Tier 2 Capital

39,709,435	37,941,962
------------	------------

Total Eligible Capital (Tier 1 + Tier 2)

237,685,502	229,254,648
-------------	-------------

Risk Weighted Assets (RWAs):

Credit Risk

828,461,166	736,886,134
-------------	-------------

Market Risk

160,722,721	164,887,944
-------------	-------------

Operational Risk

257,825,971	257,825,971
-------------	-------------

Total

1,247,009,858	1,159,600,049
---------------	---------------

Common Equity Tier 1 Capital Adequacy ratio

15.88%	16.50%
--------	--------

Tier 1 Capital Adequacy Ratio

15.88%	16.50%
--------	--------

Total Capital Adequacy Ratio

19.06%	19.77%
--------	--------

The Group has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.

40.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

197,976,067	191,312,686
-------------	-------------

Total Exposures

3,310,775,646	3,361,118,695
---------------	---------------

Leverage Ratio

5.98%	5.69%
-------	-------

40.3 Liquidity Requirements

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

1,444,993,124	1,206,951,258
---------------	---------------

Total Net Cash Outflow

594,111,045	499,477,977
-------------	-------------

Liquidity Coverage Ratio

243.22%	241.64%
---------	---------

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

1,719,974,443	1,699,651,967
---------------	---------------

Total Required Stable Funding

1,114,868,013	1,148,136,107
---------------	---------------

Net Stable Funding Ratio

154.28%	148.04%
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41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on April 24, 2024 has announced an interim cash dividend in respect of quarter ended March 31, 2024 of Rs. 9.00 per share (March 31, 2023: Rs. 6.00 per share). These consolidated condensed interim financial statements for the period ended March 31, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been rearranged wherever necessary for better presentation of the financial statements. There have been no significant reclassifications during the period.

The Group has not restated comparative information for 2024 for financial instruments in the scope of IFRS9. Therefore, the comparative information for 2024 is reported under previous local regulatory requirements and is not comparable with the information presented for 2023.

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held April 24, 2024.

Hammad Khalid
Chief Financial Officer

Shoab Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director