

## Deutsche Bank AG, Pakistan Operations (Incorporated in the Federal Republic of Germany with limited liability)

## **Financial statements**

for the period ended 31 March 2024

## Deutsche Bank AG, Pakistan Operations

(Incorporated in the Federal Republic of Germany with limited liability)

Condensed Interim Statement of Financial Position

As at 31 March 2024

		31 March 2024	31 December 2023
	Note	(Un-audited)	(Audited)
		Rupees	s in '000
ASSETS			
Cash and balances with treasury banks	6	12,903,178	14,125,650
Balances with other banks	7	2,975,598	2,612,845
Lendings to financial institutions	8	23,200,000	17,397,321
Investments	9	12,070,397	14,787,480
Advances	10	3,272,071	7,971,805
Fixed assets	11	691,674	740,723
Right-of-use assets	12	373,540	387,386
Intangible assets	10	-	-
Deferred tax assets	13	141,122	218,459
Other assets	14	3,105,969	2,591,339
		58,733,549	60,833,008
LIABILITIES			
Bills payable	15	1,211,019	832,304
Borrowings	10	1,211,013	- 002,004
Deposits and other accounts	16	33,615,951	36,431,582
Lease Liabilities	18	463,468	468,322
Subordinated debt			
Deferred tax liabilities		_	_
Other liabilities	18	8,810,843	7,731,997
	10	44,101,281	45,464,205
NET ASSETS		14,632,267	15,368,803
		14,002,201	
REPRESENTED BY			
Head office capital account		9,601,326	9,984,045
Reserves		-	-
Deficit on revaluation of assets	19	(782)	(5,366)
Unremitted profit		5,031,723	5,390,124
•		14,632,267	15,368,803
			-,,
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

# Deutsche Bank AG, Pakistan Operations (Incorporated in the Federal Republic of Germany with limited liability)

Condensed Interim Profit and Loss Account (Un-audited)

For three months period ended 31 March 2024

	Note	Three months period ended 31 March 2024	Three months period ended 31 March 2024	Three months period ended 31 March 2023	Three months period ended 31 March 2023
				n '000	
Mark-up / return / interest earned	21	2,285,770	2,285,770	2,185,158	2,185,158
Mark-up / return / interest expensed	22	664,594	664,594	1,262,065	1,262,065
Net mark-up / interest income		1,621,176	1,621,176	923,093	923,093
NON MARK-UP / INTEREST INCOME					
Fee and commission income	23	129,021	129,021	53,031	53,031
Dividend income		-	-	-	-
Foreign exchange income		278,500	278,500	274,139	274,139
Loss on securities	24	(24,729)	(24,729)	-	-
Other (loss) / income	25	(1,197)	(1,197)	6,796	6,796
Total non-markup / interest Income		381,595	381,595	333,966	333,966
Total Income		2,002,771	2,002,771	1,257,059	1,257,059
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	26	484,240	484,240	395,325	395,325
Workers Welfare Fund		30,466	30,466	17,443	17,443
Other charges	27	-	-	2	2
Total non-markup / interest expenses		514,706	514,706	412,770	412,770
Profit before provisions		1,488,065	1,488,065	844,289	844,289
Reversal and write offs - net	28	4,756	4,756	-	-
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,492,821	1,492,821	844,289	844,289
Taxation	29	(838,975)	(838,975)	(388,598)	(388,598)
PROFIT AFTER TAXATION		653,846	653,846	455,691	455,691

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

## Deutsche Bank AG, Pakistan Operations (Incorporated in the Federal Republic of Germany with limited liability)

Condensed Interim Statement of Comprehensive Income (Un-audited) For three months period ended 31 March 2024

	Three months period ended 31 March 2024 	Three months period ended 31 March 2024 (Rupee	Three months period ended 31 March 2023 s in '000)	Three months period ended 31 March 2023
Profit after taxation for the period	653,846	653,846	455,691	455,691
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods: Movement in deficit on revaluation of investments - net of tax	4,584	4,584	(615)	(615)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations - net of tax Total comprehensive income for the period	658,430	- 658,430	455,076	- 455,076

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

# Deutsche Bank AG, Pakistan Operations (Incorporated in the Federal Republic of Germany with limited liability)

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

For three months period ended 31 March 2024

Head office capital account	Deficit on revaluation of investments	Unremitted profit	Total
	(Rupee	s in '000)	-
7,734,312	(4,367)	3,393,816	11,123,761
-	- (615)	455,691	455,691 (615) 455,076
-	(013)	400,091	455,076
2,182,156 - 2,182,156	- - -	- -	2,182,156 - 2,182,156
9,916,468	(4,982)	3,849,507	13,760,993
-	(384)	1,533,173 7,444	1,533,173 7,060 1,540,233
-	(304)	1,540,017	1,540,255
67,577 - 67,577		- -	67,577 - 67,577
9,984,045	(5,366) -	5,390,124 5,588	15,368,803 5,588
9,984,045	(5,366)	5,395,712	15,374,391
-	- 4,584	653,846	653,846 4,584
-	4,304	055,640	658,430
(382,719)	-	-	(382,719)
- (382,719)	-	(1,017,835) (1,017,835)	(1,017,835) (1,400,554)
9,601,326	(782)	5,031,723	14,632,267
	capital account 7,734,312 7,734,312 7,734,312 7,734,312 7,7 7,7 7,7 7,7 7,7 7,7 7,7 7,7 7,7 7,	Head office capital account       revaluation of investments	Head office capital account       revaluation of investments       Unremitted profit         7,734,312       (4,367)       3,393,816 $ -$ (455,691) $-$ (615) $ -$ (615) $ -$ (615) $ -$ (615) $ -$ (615) $ -$ (615) $ -$ (615) $    2,182,156$ $     2,182,156$ $     2,182,156$ $                            -$

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

## Deutsche Bank AG, Pakistan Operations

(Incorporated in the Federal Republic of Germany with limited liability) Condensed Interim Cash Flow Statement (Un-audited) For three months period ended 31 March 2024

	31 March 2024	31 March 2023
	(Rupees	in '000)
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation	1,492,821	844,289
Adjustments for:		
Depreciation	49,603	26,515
Depreciation on right-of-use assets	-	-
Gain on government securities	-	-
Reversals in ECLs	(4,756)	-
Gain on sale of securities		
Gain on sale of securities	-	-
Gain on disposal of operating fixed assets - net	1,197	(967)
Unrealised loss on investments held as FVTPL	24,729	-
Finance costs of lease liability	15,368	15,666
	86,141	41,214
	1,578,962	885,503
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,802,679)	(24,619,209)
Net investments in FVTPL securities	(9,601,144)	-
Advances	4,707,428	(285,049)
Others assets (excluding advance taxation)	(241,099)	(153,691)
	(10,937,494)	(25,057,949)
(Decrease) / increase in operating liabilities	r	
Bills payable	378,715	(358,795)
Borrowings from financial institutions	-	-
Deposits and other accounts	(2,815,631)	(2,734,803)
Other liabilities	1,081,498	904,953
	(1,355,418)	(2,188,645)
Income tax paid	(1,039,574)	(444,764)
Net cash (used in) / generated from operating activities	(11,753,524)	(26,805,855)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in FVOCI securities	12,302,486	28,052,085
Investments in operating fixed assets	11,749	(52,264)
Proceeds from sale of operating fixed assets	346	4,650
Net cash generated from / (used in) investing activities	12,314,581	28,004,471
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(20,222)	(15,621)
Remittance made to Head office	(1,017,835)	(13,021)
Net cash used in financing activities	(1,038,057)	(15,621)
······································	(1,030,037)	(13,021)
Effects of exchange rate changes on cash and cash equivalents	(382,719)	2,182,156
Increase in cash and cash equivalents during the period	(859,719)	3,365,151
Cash and cash equivalents at beginning of the period	16,738,495	14,420,212
Cash and cash equivalents at end of the period	15,878,776	17,785,363

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

#### Deutsche Bank AG, Pakistan Operations

(Incorporated in the Federal Republic of Germany with limited liability) Notes to the Condensed Interim Financial Information (Un-audited) For three months period ended 31 March 2024

#### 1. STATUS AND NATURE OF BUSINESS

Deutsche Bank AG is a foreign banking company incorporated in the Federal Republic of Germany with limited liability. Its operations in Pakistan are carried out through two branches located at Karachi and Lahore ('the Pakistan Operations'). The Pakistan Operations are engaged in banking business as described in the Banking Companies Ordinance, 1962.

The credit rating provided by Standard & Poor's on 08 December 2023 is A for long-term and A-1 for short-term, rating by Fitch on 07 December 2023 is A- for long-term and F2 for short-term; and rating by Moody's on 04 December 2023 is A1 for long-term.

#### 2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These 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 comprise of:

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by 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 SBP and SECP differ with the requirements of the IFRS, the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 The disclosures made in these condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 09 February 2023 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Pakistan Operations for the year ended 31 December 2023.

#### 2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

As directed by SBP via BPRD Circular letter no. 7 of 2023, IFRS 9, Financial Instruments is effective for periods beginning on or after January 1, 2024. Except for the implementation of IFRS 9 in Pakistan, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

#### 2.4 Standards, interpretations of and amendments to approved accounting standards that are not yet effective in the current period

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

#### 3 MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Pakistan Operations for the year ended 31 December 2023.

#### 3.1 IFRS 9 'Financial Instruments'

#### 3.1.1 Transitional Impact

The Bank has elected to follow the modified retrospective approach for restatement i.e. comparative figures have not been restated on the initial application of IFRS 9. Instead, the cumulative impact has been recorded as an adjustment to equity as of January 01, 2024. Accordingly, the information presented as of December 31, 2023 and for the period ended March 31, 2023 does not reflect the requirements of IFRS 9.

The following table reconciles the original measurement and carrying amounts of financial instruments in accordance with the previous financial reporting framework with the new measurement categories:

Financail Assets / Liabilities	Previous classification	Classification under IFRS 9	Carrying amount as of December 31, 2023	ECL	Caryying amount as of January 01, 2024
				(Rupees in '000)	
Cash and balances with treasury banks	Cost	Ammortized Cost	14,125,650	-	14,125,650
Balances with other banks	Cost	Ammortized Cost	2,612,845	-	2,612,845
Lendings to financial institutions	Cost	Ammortized Cost	17,397,321	-	17,397,321
Investments	AFS	FVOCI	14,787,480	-	14,787,480
Advances	Cost	Ammortized Cost	7,971,805	5,316	7,977,121
Other assets	Cost	Ammortized Cost	2,566,251	-	2,566,251
- Forward foreign exchange contracts	Fair value	FVTPL	25,088	-	25,088
Total Financial Assets			59,486,440	5,316	59,491,756
Bills payable	Cost	Ammortized Cost	832,304	-	832,304
Deposits and other accounts	Cost	Ammortized Cost	36,431,582	-	36,431,582
Other liabilities	Cost	Ammortized Cost	8,200,299	(272)	8,200,027
- Forward foreign exchange contracts	Fair value	FVTPL	20	-	20
Total Financial Liabilities			45,464,205	(272)	45,463,933
Net Financial Assets			14,022,235	5,588	14,027,823
Net Non Financial Assets			1,346,568	-	1,346,568
Total Net Assets			15,368,803	5,588	15,374,391

#### 3.1.2 Reconciliation of retained earnings and surpluson revaluation of investments

The impact of the transition to IFRS 9 on the retained earnings and the surplus on revaluation of investments as at January 01, 2024 is as follows:

Retained Earnings	Rupees in '000
Closing balance as at December 31, 2023 - as reported	5,390,124
ECLs on adoption of IFRS 9 - net	5,588
Closing balance as at January 01, 2024 under IFRS 9 - as restated	5,395,712

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Pakistan Operations for the year ended 31 December 2023.

#### 5 FINANCIAL RISK MANAGEMENT

The Pakistan Operations continue to follow its current policies for managing credit, liquidity and market risks as disclosed in the annual financial statement for the period ended 31 December 2023.

6	CASH AND BALANCES WITH TREASURY BANKS	Note	31 March 2024 (Rupees	31 December 2023 5 <b>in '000)</b>	
	In hand				
	Local currency		42,447	34,924	
	Foreign currency		18,749	20,790	
			61,196	55,714	
	With State Bank of Pakistan in				
	Local currency current account	6.1	2,468,358	3,536,354	
	Foreign currency current account	6.2	237,310	48,897	
	Foreign currency deposit account				
	Special cash reserve account	6.3	443,009	444,496	
	Local US Dollar collection account	6.4	91,979	56,144	
	Foreign currency capital account		9,601,326	9,984,045	
			12,841,982	14,069,936	
			10.000.170	44 405 050	
			12,903,178	14,125,650	

- **6.1** This represents current account maintained with SBP that includes requirements of section 22 (Cash Reserve Requirement) of the Banking Companies Ordinance, 1962 at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by SBP.
- 6.2 This represents statutory cash reserve in the current account maintained with SBP under the requirements of SBP.
- **6.3** This represents statutory cash reserve maintained against foreign currency deposits mobilized under FE 25 Circular No. 20 of 2021 issued by the SBP. Profit rates on these deposits are fixed by SBP on a monthly basis and were 4.32% to 4.35% p.a during the period (31 December 2023: 3.39% to 4.34% p.a during 2023).
- 6.4 This represents US Dollar settlement account opened with the SBP in accordance with FE Circular No. 2 of 2004.

7	BALANCES WITH OTHER BANKS	Note	31 March 2024 (Rupee	31 December 2023 s in '000)
	In Pakistan			
	Current account		1,000	1,500
	Outside Pakistan			
	Current account			
	Interbranch	7.1	2,968,452	2,604,761
	Others		6,146	6,584
			2,974,598	2,611,345
			2,975,598	2,612,845

7.1 This includes Rs. 1,992 million with Deutsche Bank New York, Rs. 831 million with Deutsche Bank Frankfurt, Rs. 141 million with Deutsche Bank Mumbai and various others (31 December 2023: Rs. 1,515 million with Deutsche Bank New York, Rs. 949 million with Deutsche Bank Frankfurt, Rs. 136 million with Deutsche Bank Mumbai and various others).

8	LENDINGS TO FINANCIAL INSTITUTIONS	Note	31 March	31 December	
			2024	2023	
			(Rupees in '000)		
	Repurchase agreement lendings (Reverse Repo)	8.1	23,200,000	17,397,321	

**8.1** Reverse repo transaction has been made with State Bank of Pakistan at a rate of 21.00% p.a (2023: 21.00% to 22.39%) maturing within a week. The market value of this security at 31 March 2024 amounted to Rs. 23,186 million (2023: Rs. 17,972 million).

#### INVESTMENTS 9

9	INVESTMENTS		31 M 20				31 Dec 202		
		Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for dimunition	Surplus / (Deficit)	Carrying Value
9.1	Investments by type:								
					(Rupees ir	n '000)			
	FVTPL				(	,			
	-Treasury bills	9,601,144	-	(24,729)	9,576,415	-	-	-	-
		9,601,144	-	(24,729)	9,576,415	-	-	-	-
	FVOCI								
	-Treasury bills	2,495,516	-	(1,534)	2,493,982	-	-	-	-
		2,495,516	-	(1,534)	2,493,982	-	-	-	-
	AFS								
	-Treasury bills	-	-	-	-	14,798,002	-	(10,522)	14,787,480
		-	-			14,798,002	-	(10,522)	14,787,480
	Total Investments	12,096,660	-	(26,263)	12,070,397	14,798,002		(10,522)	14,787,480
10	ADVANCES			Perfo	rmina	Non Per	forming	To	tal
10	ADVANCES			31 March	31 December	31 March	31 December	31 March	31 December
				2024	2023	2024	2023	2024	2023
						(Rupees	in '000)		
	Loans, cash credits, running finances, etc.			3,272,375	7,979,803	30,885	30,885	3,303,260	8,010,688
	Bills discounted and purchased			-	-	65,626	65,626	65,626	65,626
	Advances - gross			3,272,375	7,979,803	96,511	96,511	3,368,886	8,076,314
	Credit loss allowance against advances								
	-Stage 1			(304)	(7,998)	- 1		(304)	(7,998)
	-Stage 2			- 1	-	-	-	`- ´	-
	-Stage 3					(96,511)	(96,511)	(96,511)	(96,511)
	Advances - net of credit loss allowance			(304) 3,272,071	(7,998)	(96,511)	(96,511)	(96,815) 3,272,071	(104,509) 7,971,805
	Auvances - net of credit loss allowance			3,272,071	1,911,005			3,272,071	1,911,005
								31 March	31 December

		31 March	31 December
		2024	2023
10.1	Particulars of advances (gross)	(Rupee	s in '000)
	In local currency	3,303,260	8,010,688
	In foreign currencies	65,626	65,626
		3,368,886	8,076,314

10.2 Advances include Rs.96,511 (December 31, 2023: Rs. 96,511) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification			31 March 2024		
		Non performing loans	Credit loss allowance Rupees	Non performing loans s in '000	Credit loss allowance
Domestic Loss	Stage 3	96,511	96,511	96,511	96,511

### 10.3 Particulars of credit loss allowance against advances

		31 M	larch			31 December	
	2024			2023			
	Stage 1	Stage 2	Stage 3	Total	General	Specific	Total
				Rupees in '0	00		
Opening balance	7,998	-	96,511	104,509	7,998	96,511	104,509
Impact of adotopn of IFRS 9	(5,316)	-		(5,316)	-		-
Charge for the period / year		-	-	-	-	-	-
Reversals	(2,378)	-	-	(2,378)	-	-	-
Closing balance	304	-	96,511	96,815	7,998	96,511	104,509

#### 10.4 Advances - Particlurs of credit loss allowance

10.4.1	Opening balance
	Impact of adotopn of IFRS 9
	New Advances

### 10.4.2 Advances - Category of classification

Domestic

Performing	Stage 1
Underperforming	Stage 2
Non-Performing	Stage 3
Loss	-

31 March	
2024	
Stage 2	Stage 3
pees in '000	
-	96,511
-	-
-	-
-	96,511
	2024 Stage 2

31 March 2024					
	Credit loss				
Outstanding	allowance				
amount	Held				
3,272,375	(304)				
-	-				
96,511	(96,511)				
3,368,886	(96,815)				

11	FIXED ASSETS	Note	31 March 2024 Rupees i	31 December 2023 n '000
	Capital work-in-progress Property and equipment	11.1	9,418 682,256 691,674	24,091 716,632 740,723
11.1	Capital work-in-progress			
	Advances to suppliers		9,418	24,091
12	RIGHT-OF-USE ASSETS			
	Buildings At 01 January Cost Accumulated Depreciation Net Carrying amount at 01 January Depreciation Charge for the period / year Net Carrying amount at the end of the period / year		494,434 (107,048) 387,386 (13,846) 373,540	494,434 (51,664) 442,770 (55,384) 387,386
13	DEFERRED TAX ASSETS			
	Deductible Temporary Differences on - Deficit on revaluation of investments - Accelerated tax depreciation - Workers' Welfare Fund Taxable Temporary Differences on - Post retirement employee benefits		753 (67,836) 244,641 177,558 (36,436) 141,122	5,156 40,364 209,375 254,895 (36,436) 218,459
14	OTHER ASSETS			
	Income / Mark-up accrued in local currency Income / Mark-up accrued in foreign currency Advances, deposits, advance service charges / rent and other prepayments Advance taxation (payments less provisions) Receivable from defined benefit plan Marked to market gains on forward foreign exchange contracts Acceptances Others		314,514 12,443 80,607 1,574,969 35,471 947 1,066,089 25,603	425,772 13,020 72,607 1,301,438 55,803 - 713,103 14,270 2,596,013
	Less: Credit loss allowance held against other assets	14.1	3,110,643 (4,674) <u>3,105,969</u>	2,590,013 (4,674) 2,591,339
14.1	Credit loss allowance held against other assets			
	Advances, deposits, advance rent & other prepayments		4,674	4,674
15	BILLS PAYABLE			
	In Pakistan		1,211,019	832,304

### 16 DEPOSITS AND OTHER ACCOUNTS

16	DEPOSITS AND OTHER ACCOUNTS		31 March 2024		2	1 December 202	2
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
				Rupees	in '000		
	Customers Non-Remunerative						
	Current deposits	15,392,520	3,243,172	18,635,692	18,777,805	3,371,169	22,148,974
	Others Remunerative	705,081	-	705,081	562,427	-	562,427
	Savings deposits	9,211,723	2,959	9,214,682	9,389,472	213	9,389,685
	Term deposits	5,060,000 30,369,324	3,246,131	5,060,000 33,615,455	4,330,000 33,059,704	3,371,382	4,330,000 36,431,086
	Financial Institutions	30,309,324	3,240,131	55,615,455	33,039,704	3,371,302	30,431,000
	Non-remunerative deposits - inter branch	496	-	496	496	-	496
		30,369,820	3,246,131	33,615,951	33,060,200	3,371,382	36,431,582
17	LEASE LIABILITIES				Note	31 March 2024	31 December 2023
	Outstanding amount at the start of the year					468,322	479,598
	Lease payments including interest					(20,222)	(73,535)
	Interest expense Outstanding amount at the end of the year					<u>15,368</u> 463,468	62,259 468,322
						400,400	400,022
	Liabilities Outstanding					22,832	20.220
	Not later than one year Later than one year and upto five years					160,522	20,230 150,053
	Over five years					280,114	298,038
	Total at the year end					463,468	468,322
18	OTHER LIABILITIES					31 March	31 December
						2024 Bunco	2023 s in '000
						Kupee	5 111 000
	Mark-up/ Return/ Interest payable in local currence					480,775	33,368
	Unearned commission and income on bills discou Accrued expenses	nted				44,178 355,626	50,473 364,631
	Acceptances					1,066,089	713,103
	Dividends received for Custodial clients	a contracto				364,420 93	31,241 20
	Marked to market loss on forward foreign exchange Payable to Deutsche Bank Singapore	je contracts				6,195	6,195
	Unremitted head office expenses					5,922,895	5,884,649
	Credit loss allowance against off-balance sheet of Workers Welfare Fund	oligations			18.1	3,471 457,761	6,121 427,295
	Others					109,340	214,901
		4 - h P 4				8,810,843	7,731,997
18.1	Credit loss allowance against off-balance shee	et obligations					
	Opening balance Impact of adotopn of IFRS 9					6,121 (272)	6,121 -
	Charge for the period / year						-
	Reversals					(2,378) (2,378)	-
	Closing balance					3,471	6,121
19	DEFICIT ON REVALUATION OF ASSETS						
	Deficit on revaluation of:						
	- FVOCI securities - debt - Available for sale securities					(1,534) -	- (10,522)
	Deferred tax on deficit on revaluation of: - FVOCI securities - debt					750	
	- EVOCI securities - debt - Available for sale securities						5,156
						(782)	(5,366)
20	CONTINGENCIES AND COMMITMENTS					31 March 2024	31 December 2023
							s in '000
	-Guarantees				20.1	13,500,208	13,761,195
	-Commitments				20.2	40,415,238	20,547,832
						53,915,446	34,309,027

#### 20.1 Guarantees

	Financial guarantees	13,500,208	13,761,195
20.2	Commitments		
	Documentary credits and short-term trade-related transactions - letters of credit Commitments in respect of:	5,211,215	6,246,964
	- forward foreign exchange contracts 20.2.1 - forward lending 20.2.2 Commitments for acquisition of:	703,204 24,908,277	25,108 14,267,267
	- operating fixed assets Forward sale of investments	8,493 9,584,049 40,415,238	8,493 - 20,547,832
20.04			
20.2.1	Commitments in respect of forward foreign exchange contracts	31 March 2024 (Un-audited)	31 December 2023 (Audited)
		-	s in '000
	Purchase Sale	146,310 <u>556,894</u> 703,204	25,108  
		103,204	23,100

The maturities of above contracts are spread over a period of six months.

#### 20.2.2 Commitments in respect of forward lending

These represent commitments that are revocable because these can be withdrawn at the discretion of the bank.

#### 20.3 Other contingent liabilities

The Pakistan Operations has Rs. 557 million as contingent tax liabilities (December 31, 2023: Rs. 557 million). During 2023, the Commissioner Appeals (CIRA) passed appellate order filed against the ammended assessment order for tax year 2017. The CIRA remanded back disallowances of head office expenses and depreciation, which had created a contingency of Rs. 357 million and decided various other issues in the same appellate order in favor of the bank reversing contingencies of Rs. 5 million. Other contingencies majorly include those for tax year 2012, 2013 and 2016. Primarily, these are disallowances made for unrealized exchange losses, mark up interest accrued and interest on loans to employees. The Pakistan Operations has filed appeals before the appellate forums against these amended assessment orders, where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate

forums. On the other hand, where the appellate authorities have not allowed relief, appeals are filed before higher appellate forums. The Pakistan Operations is vigorously contesting at different fora and confident that no additional liabilities would arise.

Three months Three months

#### MARK-UP / RETURN / INTEREST FARNED 21

21	MARK-UP / RETURN / INTEREST EARNED	Three months	I hree months
		period ended	period ended
		31 March	31 March
		2024	2023
		Rupee	
		Kupee	5 111 000
	On:		
	Loans and advances	289,279	220,908
	Investments	273,005	875,597
	Lendings to financial institutions	1,697,270	1,073,938
	Balances with banks	26,207	12,190
	Others	9	2,525
		2,285,770	2,185,158
21.1	Interest income recognised on:		
	Financial assets measured at amortised cost	2,012,765	
	Financial assets measured at anotised cost		-
	Financial assets measured at FVOCI	273,005	
		2,285,770	-
~~			
22	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	649,226	1,246,398
		049,220	1,240,390
	Borrowings	45 200	45.000
	Finance cost of lease liability	15,368	15,666
		664,594	1,262,065

#### 23 **FEE & COMMISSION INCOME**

Commission on trade 87,80 Commission on guarantees 17,67		30,953
Commission on guarantees 17.67	\$	40.000
		16,833
Commission on cash management 96	1	(3,059)
Commission on remittances including home remittances 8	1	34
Commission on custodial services 22,50	1	8,270
129,02	<u> </u>	53,031

Pages in '000         Pages in '000           24         LOSS ON SECURTIES           25         OTHER (LOSS) / IncOME           (Loss) / gain on sale of fixed assets - net         (1,197)           Property sears refunds on utilise costs         (1,197)           26         OFERATING EXPENSES           27         OFERATING EXPENSES           28         OFERATING EXPENSES           29         Total compensation segments           100 and fixed assets         3663           100 and fixed assets         3673           100 and fixed assets         36737           100 and fi			Three months period ended 31 March 2024	Three months period ended 31 March 2023
Unrealised bas on investments held as FVTPL			Kupee	5 111 000
25         OTHER (LOSS) / JNCOME           Loss) / gain on sale of fixed assets - net Proryean refunds on utilies costs         (1,197)         5,539           26         OPERATING EXPENSES	24	LOSS ON SECURITIES		
(Loss) / gain on sale of fixed assets - net Phor years refunds on utilise costs              (1.97) 5.229 (1.97) 5.229            26 <b>OPERATING EXPENSES</b> 7         Total compensation expense              93,670 148,170 <b>Propriy sepss</b> Ren & Kows Insurance Utilises cost Society (rickuling guards) Repark & maintenance (including janitorial charges) Bepere ation Depreciation Depreciation on right-of-use assets 50,380 04.977               51,398 22,831 22,831 22,831 22,831 22,831 22,831 22,831 22,831 22,831 22,831 22,831 33,640            Information technology expenses Software maintenance Charles sonial charges Other operating expenses Cutocurve forgonal office expenses Software maintenance Differ dentry charges NIFT clearly dentry charges Vinter operating expenses Software maintenance Differ dentry charges Vinter operating expenses Software maintenance Differ dentry charges Vinter operating expenses Software maintenance Differ dentry charges Vinter dentry charges Vintery dentry charges		Unrealised loss on investments held as FVTPL	(24,729)	
Prior years refunds on utilities costs         5.200           26         OPERATING EXPENSES           27         Total compensation expense         193,570         146,178           Property acpense         193,570         146,178           Ren & Sussa         5266         21,148           Society (including guards)         5269         2,238           Society (including guards)         5209         2,343           Depreciation or hight-of-use assets         13,640         13,640           13,640         13,640         13,640           13,640         13,640         13,640           13,640         13,640         13,640           13,640         13,640         13,640           13,640         13,640         13,640           13,640         13,640         13,640           148,777         16,543         5313           Depreciation in right-of-use assets         1198         5327           10,041         2,297         16,054           11,045         12,024         148,178           12,024         148,178         148,178           13,040         13,040         13,040           144,141         148,178         16,164	25	OTHER (LOSS) / INCOME		
Item         Item         Item           26         OPERATING EXPENSES           Total compensation expense         193,670         148,178           Program         500         30,640         30,640           Material Systems         500         30,640         30,640         30,640           Material Systems         500         30,640		(Loss) / gain on sale of fixed assets - net	(1,197)	967
26         OPERATING EXPENSES           Total compensation expense         193,670         148,178           Property expense Rent & laxes Insurance Users cost Users cost Users cost Users cost Depreciation on right-of-use assets         366 50,300         31,418 30,300         30,418 30,300           Property expense Rent & laxes Users cost Depreciation on right-of-use assets         366 50,360         31,418 40,31         32,421           Depreciation on right-of-use assets         11,951         60,221         33,460         2,2471           Software maintenance Hardware maintenance         11,955         60,22         3,3471         3,3461         3,3471           Depreciation Network charges         1,196         50,22         3,3471         3,3451         3,3471           Depreciation Hardware maintenance         2,5,633         3,3471         3,3451         3,3471         3,3451         3,3471           Network charges         11,954         60,021         16,118         3,3111 <t< td=""><td></td><td>Prior years refunds on utilities costs</td><td>- (1 197)</td><td></td></t<>		Prior years refunds on utilities costs	- (1 197)	
Total compensation expense         193,670         148,178           Property expense Rent & faxes Insurance Utilises coal Securit (ficulating gands) Securit (ficulating gands) Depreciation on right-of-use assets              366 40,001 22,833 32,8371 23,8371 23,8371 24,837 24,838 24,838 24,837 24,838			(1,101)	
Property expense Rent & taxes Insurance Utilities cost         366 31,419 4,003 2,231 4,003 2,231 4,003 2,231 1,1,051 2,237 1,3,846 2,247 1,3,846 0,4,677           Depreciation Depreciation on right-of-use assets         10,951 2,847 1,3,846 0,4,677           Information technology expenses Software maintenance Legal & profession Depreciation on right-of-use assets         11,951 2,853 1,3,846 0,4677           Information technology expenses Software maintenance Legal & profession Traveling expenses         11,951 1,950 1,950 1,950 0,4507         60,977 1,950 0,4507           Unter Operating expenses Legal & profession Traveling & conveyance NIFT clearly charges         11,951 1,950 1,955 1,950 0,531 1,950 1,955 1,950 0,531 1,950 1,955 1,957 1,957 1,957 1,957 1,957 1,957 1,957 1,957 1,957 1,957 1,957 1,957           27         Other Operating expenses Legal & profession Traveling & conveyance NIFT clearly charges Depreciation Traveling & conveyance NIFT clearly charges Depreciation NIFT clearly charges Depreciation NIFT clearly charges Depreciation NIFT clearly charges Depreciation NIFT clearly charges Depreciation NIFT clearly charges Depreciation NIFT clearly charges Depreciation NI	26	OPERATING EXPENSES		
Rent & izones         33.66         31.418           Insurance         40.03         2.933         3.054           Utilities cost         4.003         2.933         2.431         2.521           Repair & maintenance (including janitorial charges)         2.841         2.521         13.860         2.841         2.521           Depreciation         11.051         8.253         13.846         2.847           Depreciation on right-of-use assets         50.360         64.977         13.846         64.977           Information technology expenses         50.360         64.977         13.846         64.977           Hardware maintenance         1.956         502         2.535         3.537           Depreciation         1.936         4.652         10.843         6.104           Vibror operating expenses         1.935         4.652         13.946         64.247           Usourced services costs         1.935         4.652         13.946         4.251           Training & development         1.935         4.652         13.946         4.251           Training & development         1.288         1.288         1.288         2.253           Prostage & doutier charges         1.286         1.286 <t< td=""><td></td><td>Total compensation expense</td><td>193,670</td><td>148,178</td></t<>		Total compensation expense	193,670	148,178
Insurance         5,203         0.064           Villies cost         3.203         2.431         2.533           Repit & Mainteance (including janitorial charges)         2.631         3.460         2.533           Depreciation         13.460         2.647         13.846         5.6360         64.977           Information technology expenses         1.195         13.846         5.6360         64.977           Information technology expenses         1.195         13.846         3.837           Depreciation         1.195         10.641         5.11           Software maintenance         1.195         10.641         5.311           Depreciation         1.0041         10.641         4.662           Other operating expenses         1.195         10.641         4.662           Cutosurde services costs         1.1054         4.662         10.041         1.386           Travelling & conveyance         1.1054         4.662         1.035         4.662           Depreciation         1.1054         4.2507         11.644         4.411           Travelling & conveyance         1.1054         1.204         1.395         1.204         1.395         1.204         1.204         1.204         1.204				
Security (including guards)         2,431         2,521           Repare Amiltenance (including initional charges)         2,431         2,543           Depreciation on right-of-use assets         3,846         3,846           Information technology expenses         50,860         64,977           Information technology expenses         50,850         50,22           Software maintenance         1,196         50,22           Depreciation         1,016         5,012           Depreciation or right-of-use assets         50,22         5,883           Software maintenance         1,196         50,22           Depreciation         1,016         64,977           Other operating expenses         1,196         5,210           Legal & professional charges         1,196         1,61,98           Other operating expenses         1,210,4         1,61,98           Legal & professional charges         1,196         1,286           Outproversite         1,286         2,253           Other operating expenses         1,286         1,286           Legal & professional charges         1,196         1,286           Outproversite         1,286         2,253           Intraveling & dorwing nearth         2,263         <			1	
Repair & maintenance (including janitorial charges)         11,051         8.253           Depreciation         13,460         2.947           Depreciation on right-of-use assets         50,500         64.977           Information technology expenses         50,200         64.977           Software maintenance         1,966         50,200           Hardware maintenance         1,966         3.311           Pereciation         1,346         4.602           Other operating expenses         1,936         4.602           Legal & professional charges         1,006         10.051           Outsource services costs         1,105         11.326           Traveling & conveyance         1,106         1.326           NIFT clearing charges         216         11.484           Outsource services costs         11.484         14.11           Traveling & doveyance         1.226         11.484         14.11           Traveling & doveyance         1.298         12.024         10.051         13.206           Depreciation         1.298         1.202         14.44         14.51         12.024         13.050           Depreciation         1.298         1.208         1.208         12.028         13.050 <td></td> <td></td> <td></td> <td></td>				
Depreciation on right-of-use assets         13,846         14,411         15,55         14,844         14,111         13,856         14,766         13,386         14,766         13,386         14,766         13,386         14,766         13,386         14,556         14,846         14,111         155         14,846         14,111         155         14,846         14,111         155         14,846         14,556         12,256         14,846         14,556         12,256         14,866				
50,360         64,977           Information technology expenses         1,196         502           Software maintenance         25,853         3,837           Depreciation         1,943         6,404           Network charges         10,953         6,404           Other operating expenses         1,935         6,404           Legal & professional charges         10,054         45,207         10,054           Other operating expenses         1,935         4,662         13,396         2,1024         16,054           Utsourced services costs         7,164         13,996         2,1024         14,144         4,411           Traveling & conveyance         11,144,44         4,411         1356         4,253         4,0652           Depreciation         7,166         1,396         2,253         4,0652         13,049         4,253         4,0652         135,019         14,144         4,411         155         4,253         4,066         135,019         14,144         4,411         155         4,053         147,665         135,019         12,258         4,065         135,019         12,258         147,665         135,019         12,558         146,016         149,404         395,325         768         1				
Software maintenance         1,196         502           Hardware maintenance         25,863         3,837           Depreciation         1,196         502           Network charges         1,0843         5,311           Other operating expenses         4,007         10,054           Legal & professional charges         1,076         4,662           Other operating expenses         1,076         1,395           Legal & professional charges         21,024         1,194           Outsourced services costs         1,076         1,395           Travelling & conveyance         1,195         2,263           NFT clearing charges         216         4,251           Depreciation         1,155         98         4,662           Postage & courier charges         1,158         1,288         2,253           Others         1,288         2,253         4,661           Others         1,288         2,253         4,662           Others         2,263         166,116         155           Others         2,726         7,726         7,726           Others         2,272         7,726         7,726           Others         2,2         2         2 </td <td></td> <td>Depreciation on right-of-use assets</td> <td></td> <td></td>		Depreciation on right-of-use assets		
Hardware maintenance         25,853         3,837           Depreciation         10,813         7,345         6,404           Other operating expenses         45,207         16,054           Legal & professional charges         11,935         4,662           Other operating expenses         11,935         4,662           Legal & professional charges         11,936         4,662           Outsourced services costs         21,024         16,198           Traveling & conveyance         11,946         4,411           Training & development         20         155           Postage & courier charges         9,933         4,066           Communication         1,298         2,2233           Head office / regional office expenses         147,665         155,093           Stationery & printing         1956         2,558           Others         2,558         395,325           Others         -         2           Others         -		Information technology expenses		
Depreciation Network charges         10.813 5.311 6.404         5.311 6.404           Other operating expenses Legal & professional charges Outsourced services costs         1,935 1,024 1,076         4,662 1,024 1,076           Depreciation Training & development         21,024 1,076         4,662 1,026         4,622 1,026           Depreciation Depreciation Training & development         20 1,055         4,662 2,025         4,111 2,01         4,662 4,255           Depreciation Depreciation Training & development         20 1,936         4,662 2,025         11,844         4,411 2,01         13,96 1,936           Other operating supervision Communication         11,844         4,411         20 1,936         12,88 1,258         2,258 1,258           Others         1,288         2,253 1,258         135,099 1,956         2,558 2,258         2,568           Others				
Network charges         7,345         6,404           Other operating expenses         1,935         4,662           Legal & professional charges         1,036         18,054           Outsourced services costs         1,076         13,056           Travelling & conveyance         1,076         1,305           NIFT clearing charges         1,076         1,305           Depreciation         1,144         4,411           Training & development         20         36           Postage & courier charges         935         4,065           Communication         11,444         4,411         20           Head office / regional office expenses         11,47,665         12,283         4,662           Stationery & printing         147,665         2,558         612         2,266           Auditors Remuneration         2,124         44,401         146,116         444,240         395,325           Others         -         -         2         -         2         -         2           Communication         -         -         2         -         2         -         2         2         612         2,66         2,725         7,66         4,039         146,6116				
Other operating expenses         1,336         4,662           Utsourced services costs         1,336         4,662           Outsourced services costs         1,336         1,396           NIFT clearing charges         21,024         1,396           NIFT clearing charges         216         4,255           Depreciation         216         4,251           Training & development         20         155           Postage & courier charges         953         406           Communication         1,398         2,253           Head office / regional office expenses         147,665         135,099           Stationery & printing         147,665         135,099           Marketing, advertisement & publicity         2,558         612         266           2,725         768         612         266           2,725         768         448,240         395,325           Others         -         -         2         -           Others         -         -         2         -         2           Others         -         -         2         -         2           2         -         -         2         -         2      <		Network charges		
Legal & professional charges         1,935         4,662           Outsourced services costs         18,198         18,198           Travelling & conveyance         1,936         1,396           NIFT clearing charges         21,024         18,198           Depreciation         11,484         4,411           Training & development         2,024         155           Postage & courier charges         953         4,066           Communication         1,288         2,253           Head office / regional office expenses         1,396         2,558           Stationery & printing         1,956         2,558           Marketing, advertisement & publicity         1,956         2,558           Auditors Remuneration         2,725         668           Others         -         2           Credit loss allowance against loans & advances         (2,378)         -           Credit loss allowance against off-balance sheet o			45,207	10,054
Outsourced services costs         21,024         18,198           Travelling & conveyance         1,076         1,396           NIFT clearing charges         216         425           Depreciation         11,484         4,411           Training & development         20         18,50           Postage & courier charges         953         406           Communication         1,298         2,253           Head office / regional office expenses         147,665         155,09           Stationery & printing         147,665         12,268           Auditors Remuneration         1,956         2,558           Others         195,003         166,116           Others         -         2           Credit loss allowance against loans & advances         (2,378)         -           Credit loss allowance against off-balance sheet obligations         (2,378)         -           2         TAXATION         -         3,162           Deferred			1 935	4 662
NIFT clearing charges         216         425           Depreciation         11,484         4,411           Training & development         20         953         406           Postage & courier charges         953         406         11,55         425           Communication         423         155         953         406         135,099         2,253         147,665         135,099         135,099         135,099         135,099         147,665         135,099         195,03         166,116         448,240         305,325         768         44,411         166,116         448,240         395,325         768         44,411         147,665         135,099         147,665         135,099         147,665         135,099         147,665         135,099         147,665         135,099         147,665         142,000         166,116         448,2400         395,325         768         448,2400         395,325         768         448,2400         395,325         768         448,2400         395,325         768         448,2400         395,325         768         448,2400         395,325         768         448,2400         395,325         768         448,2400         395,325         768         47,756         -         2			21,024	18,198
Depreciation         11,484         4,411           Training & development         20           Postage & courier charges         953         406           Communication         1,298         2,253           Head office / regional office expenses         147,665         135,099           Stationery & printing         1956         2,558           Marketing, advertisement & publicity         612         266           Auditors Remuneration         2,725         768           Others         195,003         166,116           27         OTHER CHARGES         2           Others         -         2           Others         -         2           Credit loss allowance against bans & advances         (2,378)         -           Credit loss allowance against off-balance sheet obligations         (2,378)         -           29         TAXATION         -         3,182           Defered         766,043         371,846           Prior period         -         3,182           Defered         72,932         13,570				· · · ·
Postage & courier charges         953         406           Communication         1,298         2,253           Head office / regional office expenses         147,665         135,099           Stationery & printing         147,665         1,566         2,558           Marketing, advertisement & publicity         195,003         166,116         2,558           Auditors Remuneration         2,725         768         (4,481)           Others         195,003         166,116         395,325           Others         -         2         2           20         -         2         2           21         Others         -         2         2           0thers         -         2         2         2           22         REVERSALS OF CREDIT LOSS ALLOWANCE         -         2         2           23         REVERSALS OF CREDIT LOSS ALLOWANCE         -         -         2           23         Credit loss allowance against off-balance sheet obligations         -         -         2           24         -         -         -         -         -         -           29         TAXATION         -         3,182         -         3,182			1	
Communication         1,298         2,253           Head office (regional office expenses)         135,099         135,099           Stationery & printing         1,956         2,558           Marketing, advertisement & publicity         1,956         2,66           Auditors Remuneration         2,725         768           Others         195,003         166,116           Others         195,003         164,110           Others         -         2           Credit loss allowance against loans & advances         (2,378)           Credit loss allowance against off-balance sheet obligations         (2,378)           Current         766,043         371,846           <			1	
Stationery & printing Marketing, advertisement & publicity Auditors Remuneration Others         1,956 612 2,725 766 4,033         2,558 266 4,262 2,725 766,013           27         OTHER CHARGES         195,003 166,116 395,325         166,116 395,325           27         OTHER CHARGES         -         2 -         2           28         REVERSALS OF CREDIT LOSS ALLOWANCE         -         2 -         2           28         REVERSALS OF CREDIT LOSS ALLOWANCE         (2,378) -         -         -           29         TAXATION         (2,378) -         -         -           29         TAXATION         766,043 0 Eferred         371,846 72,932         3,182 72,932				
Marketing, advertisement & publicity         612         266           Auditors Remuneration         2,725         768           Others         4,039         166,116           27         OTHER CHARGES         195,003         166,116           Others         -         2         -           Others         -         2         -         2           28         REVERSALS OF CREDIT LOSS ALLOWANCE         -         2         -         2           Credit loss allowance against loans & advances         (2,378)         -         -         -         -         2           29         TAXATION         -         -         31,826         -         31,826           Deferred         766,043         371,846         -         3,182			· · · ·	
Auditors Remuneration       2,725       768         Others       4,039       (4,481)         195,003       166,116         484,240       395,325         Others       -       2         28       REVERSALS OF CREDIT LOSS ALLOWANCE       (2,378)         Credit loss allowance against loans & advances       (2,378)         Credit loss allowance against off-balance sheet obligations       (2,378)         (4,756)       -         29       TAXATION       -         Current       766,043       371,846         Prior period       -       3,182         Deferred       72,932       13,570				
27 OTHER CHARGES       195,003       166,116         28 REVERSALS OF CREDIT LOSS ALLOWANCE       -       2         Credit loss allowance against loans & advances       (2,378)       -         Credit loss allowance against off-balance sheet obligations       (2,378)       -         29 TAXATION       Current       766,043       371,846         Prior period       -       3,182         Deferred       72,932       13,570		Auditors Remuneration	2,725	768
27 OTHER CHARGES          484,240         395,325          Others          -         2          Others          -          28 REVERSALS OF CREDIT LOSS ALLOWANCE          -         2          Credit loss allowance against loans & advances          (2,378)         -         (2,378)         -         (4,756)         -         (4,756)         -         (4,756)         -         (2,378)         -         (4,756)         -         (2,378)         -         (2,378)         -         (3,182         Deferred		Others		
Others         -         2           -         2           -         2           28         REVERSALS OF CREDIT LOSS ALLOWANCE           Credit loss allowance against loans & advances Credit loss allowance against off-balance sheet obligations         -           29         TAXATION           Current Prior period Deferred         766,043 -         371,846 -           72,932         13,570				
-       2         28       REVERSALS OF CREDIT LOSS ALLOWANCE         Credit loss allowance against loans & advances       (2,378)         Credit loss allowance against off-balance sheet obligations       (2,378)         (4,756)       -         29       TAXATION         Current       766,043       371,846         Prior period       -       3,182         Deferred       72,932       13,570	27	OTHER CHARGES		
28       REVERSALS OF CREDIT LOSS ALLOWANCE         Credit loss allowance against loans & advances       (2,378)         Credit loss allowance against off-balance sheet obligations       (2,378)         (2,378)       -         (4,756)       -         29       TAXATION         Current Prior period Deferred       766,043       371,846         72,932       13,570		Others		
Credit loss allowance against loans & advances       (2,378)       -         Credit loss allowance against off-balance sheet obligations       (2,378)       -         (2,378)       -       -         (4,756)       -       -         29       TAXATION       766,043       371,846         Prior period       -       3,182         Deferred       72,932       13,570				Z
Credit loss allowance against off-balance sheet obligations (2,378) - (4,756	28	REVERSALS OF CREDIT LOSS ALLOWANCE		
(4,756)         -           29         TAXATION         766,043         371,846           Current         766,043         371,846         -         3,182           Deferred         72,932         13,570				-
29         TAXATION           Current         766,043         371,846           Prior period         -         3,182           Deferred         72,932         13,570		Credit loss allowance against off-balance sheet obligations		
Current         766,043         371,846           Prior period         -         3,182           Deferred         72,932         13,570				
Prior period         -         3,182           Deferred         72,932         13,570	29	TAXATION		
Deferred 72,932 13,570			766,043	
			- 72.932	

#### 30 FAIR VALUE MEASUREMENTS

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The fair value of other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

#### 30.1 Fair value of financial assets

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

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

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

	31 March 2024				
	Fair Value				
	Level 1	Level 2	Level 3	Total	
		(Rupee	es in '000)		
On balance sheet financial instruments					
Financial assets measured at fair value					
Investments - Federal Government Securities	-	2,493,982	-	2,493,982	
Off-balance sheet financial instruments measured at fair value					
Forward purchase of foreign exchange	-	147,257	-	147,257	
Forward sale of foreign exchange	-	556,894	-	556,894	
		31 Decen	nber 2023		
	Fair Value				
	Level 1	Level 2	Level 3	Total	
	(Rupees in '000)				
On balance sheet financial instruments					
Financial assets measured at fair value					
- Federal Government Securities	-	14,787,480	-	14,787,480	
Off-balance sheet financial instruments measured at fair value					
Forward purchase of foreign exchange	-	25,088	-	25,088	

### 30.2 Valuation techniques used in determination of fair values:

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

Item	Valuation approach and input used
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation
	rates announced by the State Bank of Pakistan.
Market Treasury Bills (MTB)	The fair value of MTBs are derived using PKRV rates.

#### 31 SEGMENT INFORMATION

#### 31.1 Segment Details with respect to Business Activities

DB Pakistan Operations operate under a transfer pricing framework that applies to all businesses and promotes pricing of :

- (i) assets in accordance with their underlying liquidity risk;
- (ii) liabilities in accordance with their funding maturity; and
- (iii) contingent liquidity exposures in accordance with the cost of providing for commensurate liquidity reserves to fund unexpected cash requirements.

Within this transfer pricing framework we allocate funding and liquidity risk costs and benefits to the business units and set financial incentives in line with the liquidity risk guidelines. Transfer prices are subject to liquidity (term) premiums depending on market conditions. Liquidity premiums are set by Treasury and picked up by a segregated liquidity account. The Treasury liquidity account is the aggregator of long- term liquidity costs. The management and cost allocation of the liquidity account is the key variable for transfer pricing funding costs within Deutsche Bank.

#### Corporate Bank

Corporate Bank provides commercial banking products and services for both corporates and financial institutions worldwide, including domestic and cross-border payments, cash management, international trade finance, depository, custody and related services.

#### Investment Bank

Global Emerging Markets provides Foreign Exchange services to clients in Pakistan on the back of cross-border payments, international trade, institutional flows and also engages in bond trading.

#### Infrastructure and Regional Management

It includes all the back office functions which are responsible for providing support services to the businesses. The Treasury business is also a part of Infrastructure and Regional Management.

	Three months period ended 31 March 2024			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
	(Rupees in '000)			
Profit & Loss	(255 200)	205	1 076 100	4 604 476
Net mark-up / return Inter segment revenue - net	(355,309) 1,661,525	385 (10,970)	1,976,100 (1,650,555)	1,621,176
Non mark-up / return / interest income	127,029	269,586	(1,030,333)	- 381,595
Total Income	1,433,245	259,001	310,525	2,002,771
i otal income	1,433,245	259,001	510,525	2,002,771
Segment direct expenses	(203,776)	(25,950)	(284,980)	(514,706)
Inter segment expenses allocation	(207,874)	(44,287)	252,161	(014,700)
Total expenses	(411,650)	(70,237)		(514,706)
Reversals / (Provisions)	4,756	(10,201)	(02,010)	4,756
Profit before tax	1,021,595	188.764	277,706	1,492,821
	.,02.,000			.,
		31 Mai	rch 2024	
	Corporate	Investment	Infrastructure	Total
	Bank	Bank	& Regional	
			Management	
	(Rupees in '000)			
Balance Sheet		• •	,	
Cash & Bank balances	-	-	15,878,776	15,878,776
Net inter segment lending	32,620,940	-	-	32,620,940
Lendings to financial institutions	-	-	23,200,000	23,200,000
Investments	-	-	12,070,397	12,070,397
Advances - performing	3,280,069	-	-	3,280,069
- non-performing	96,511	-	-	96,511
<ul> <li>provision against advances</li> </ul>	(104,509)	-	-	(104,509)
Others	1,729,554	947	2,581,804	4,312,305
Total Assets	37,622,565	947	53,730,977	91,354,489
				-
Borrowings	-	-	-	-
Deposits & other accounts	33,615,455	-	496	33,615,951
Net inter segment borrowing	-	854	32,620,086	32,620,940
Others	3,534,464	93	6,950,774	10,485,331
Total liabilities	37,149,919	947	39,571,356	76,722,222
Equity	-	-	14,632,267	14,632,267
Total Equity & liabilities	37,149,919	947	54,203,623	91,354,489
Contingencies & Commitments	53,203,749	703,204	8,493	53,915,446

		Three months period ended 31 March 2023				
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total		
		(Rupee:	s in '000)			
Profit & Loss						
Net mark-up / return	(1,026,684)	11,724	1,938,053	923,093		
nter segment revenue - net	1,665,787	387	(1,666,174)	-		
Non mark-up / return / interest income	66,353	263,368	4,245	333,966		
otal Income	705,456	275,479	276,124	1,257,059		
egment direct expenses	(129,238)	(10,303)	(273,229)	(412,770)		
nter segment expense allocation	(161,787)	(14,477)	176,264	-		
otal expenses	(291,025)	(24,780)	(96,965)	(412,770)		
eversals / (Provisions)	-	-	-	-		
Profit before tax	414,431	250,699	179,159	844,289		

	31 December 2023			
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total
		(Rupee	s in '000)	
Balance Sheet				
Cash & Bank balances	-	-	16,738,495	16,738,495
Net inter segment lending	29,001,696	-	-	29,001,696
Lendings to financial institutions	-	-	17,397,321	17,397,321
Investments		-	14,787,480	14,787,480
Advances - performing	7,979,803	-	-	7,979,803
- non-performing	96,511	-	-	96,511
- provision against advances	(104,509)	-	-	(104,509)
Others	1,124,194	-	2,813,713	3,937,907
Total Assets	38,097,695	-	51,737,009	89,834,704
Borrowings	-	-	-	-
Deposits & other accounts	36,431,085	-	497	36,431,582
Net inter segment borrowing		(20)	29,001,716	29,001,696
Others	1,666,610	20	7,365,993	9,032,623
Total liabilities	38,097,695	-	36,368,206	74,465,901
Head office account (Equity)	-	-	15,368,803	15,368,803
Total Equity & liabilities	38,097,695	-	51,737,009	89,834,704
Contingencies & Commitments	34,275,426	25,108	8,493	34,309,027

### 32 RELATED PARTY TRANSACTIONS

Related parties comprise of Head office, other branches of the Bank and employees' retirement benefit funds. The transactions with related parties are conducted under normal course of business at arm's length prices. The Pakistan Operations also provide advances to employees at reduced rate in accordance with their terms of employment. The transactions and balances with related parties, other than those under the terms of employment and those disclosed elsewhere are summarized as follows:

	31 March 2024		31 December 2023			
	Head office and branches	Key management personnel	Other related parties	Head office and branches in '000)	Key management personnel	Other related parties
Delevere with other beats			( <b>P</b>	<b>,</b>		
Balances with other banks In current accounts	2,968,453	-	-	2,604,761	_	-
	2,000,100			2,00 .,. 0 .		
Advances						
Opening balance	-	10,103	-	-	34,775	-
Addition during the period	-	-	-	-	5,117	-
Repaid during the period	-	(5,215)	-	-	(6,578)	-
Transfer in / (out) - net	-	(2,647)			(23,211)	
Closing balance		2,241	-	-	10,103	
Other Assets						
Receivable from staff retirement fund	-	-	55,803	-	-	55,803
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	496	8,027	9,966	423	2,079	31,485
Received during the period	450	61,851	140,306	5,012	131,152	1,381,655
Withdrawn during the period	-	(54,983)	(130,161)	(4,938)	(128,487)	(1,403,174)
Transfer in / (out) - net	-	(5,142)	(130,101)	(4,000)	3,283	(1,400,174)
Closing balance	496	9,753	20,111	496	8,027	9,966
Other Liabilities						
Other liabilities	5,922,895	-	-	5,884,649	-	-
Contingonaica and Commitmenta						
Contingencies and Commitments Other contingencies	4,218,932	-	-	4,482,520	-	-
			Three months period ended			ab 2022
			Head office	ch 2024 Key		<u>ch 2023</u> Key
			and	management	Head office and branches	management
			branches	personnel (Rupoos		personnel
				(Rupees		
<b>Income</b> Mark-up / return / interest earned			21,473	33	12,168	206
					, -	
Expense Mark-up / return / interest paid			-	-	-	-
Operating expenses			147,665	22,294	135,099	49,968

33	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	2024 (Un-audited) (Rupees	2023 (Audited) in '000)
	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	14,610,629	15,334,763
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	14,610,629	15,334,763
	Eligible Additional Tier 1 (ADT 1) Capital	-	-
	Total Eligible Tier 1 Capital	14,610,629	15,334,763
	Eligible Tier 2 Capital	3,776	14,119
	Total Eligible Capital (Tier 1 + Tier 2)	14,614,405	15,348,882
	Risk Weighted Assets (RWAs):		
	Credit Risk	15,637,338	15,776,673
	Market Risk	429,414	123,705
	Operational Risk	8,557,996	8,557,996
	Total	24,624,747	24,458,374
	Common Equity Tier 1 Capital Adequacy Ratio	50.22%	62.70%
	Tier 1 Capital Adequacy Ratio	<u> </u>	62.70%
	Total Capital Adequacy Ratio	59.35%	62.76%
	Leverage Ratio (LR):		
	Eligible Tier-1 Capital	14,610,629	15,334,763
	Total Exposure	84,531,067	87,648,999
	Leverage Ratio	17.28%	17.50%
	Liquidity Coverage Ratio (LCR):		
	Total High Quality Liquid Assets	39,667,482	40,219,051
	Total Net Cash Outflow	11,963,434	12,776,366
	Liquidity Coverage Ratio	332%	315%
	Net Stekle Funding Detic (NOCD):		
	Net Stable Funding Ratio (NSFR): Total Available Stable Funding	26 059 026	37 205 116
	Total Required Stable Funding	36,958,036 13,662,361	37,205,116
	Net Stable Funding Ratio	271%	<u>13,818,088</u> 269%
		21170	20070

## 34 GENERAL

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

## 35 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on May 06, 2024.

Chief Country Officer Pakistan