



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

Financial statements
for the nine months ended
30 September 2024

Deutsche Bank AG, Pakistan Operations
(Incorporated in the Federal Republic of Germany with limited liability)
Condensed Interim Statement of Financial Position
As at 30 September 2024

| | 30 September 2024 | 31 December 2023 |
|--|-----------------------------------|-----------------------------|
| <i>Note</i> | (Un-audited) | (Audited) |
| | ----- Rupees in '000 ----- | |
| ASSETS | | |
| Cash and balances with treasury banks | 6 16,983,329 | 14,125,650 |
| Balances with other banks | 7 2,062,560 | 2,612,845 |
| Lendings to financial institutions | 8 43,075,305 | 17,397,321 |
| Investments | 9 15,130,149 | 14,787,480 |
| Advances | 10 3,201,396 | 7,971,805 |
| Property and Equipment | 11 649,793 | 740,723 |
| Right-of-use assets | 12 345,848 | 387,386 |
| Intangible assets | - | - |
| Deferred tax assets | 13 227,629 | 218,459 |
| Other assets | 14 1,921,027 | 2,591,339 |
| | 83,597,036 | 60,833,008 |
| LIABILITIES | | |
| Bills payable | 15 818,177 | 832,304 |
| Borrowings | - | - |
| Deposits and other accounts | 16 58,479,641 | 36,431,582 |
| Lease Liabilities | 17 453,356 | 468,322 |
| Subordinated debt | - | - |
| Deferred tax liabilities | - | - |
| Other liabilities | 18 8,928,533 | 7,731,997 |
| | 68,679,707 | 45,464,205 |
| NET ASSETS | 14,917,329 | 15,368,803 |
| REPRESENTED BY | | |
| Head office capital account | 9,957,299 | 9,984,045 |
| Reserves | - | - |
| Surplus / (Deficit) on revaluation of assets | 19 9,773 | (5,366) |
| Unremitted profit | 4,950,257 | 5,390,124 |
| | 14,917,329 | 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

Chief Financial 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 nine months period ended 30 September 2024

| | Note | Three months period ended 30 September 2024 | Three months period ended 30 September 2023 | Nine months period ended 30 September 2024 | Nine months period ended 30 September 2023 |
|--|------|--|--|---|---|
| ----- Rupees in '000 ----- | | | | | |
| Mark-up / return / interest earned | 21 | 2,546,826 | 2,110,206 | 7,377,735 | 6,532,897 |
| Mark-up / return / interest expensed | 22 | 1,170,496 | 426,908 | 2,890,485 | 2,107,867 |
| Net mark-up / interest income | | 1,376,330 | 1,683,298 | 4,487,250 | 4,425,030 |
| NON MARK-UP / INTEREST INCOME | | | | | |
| Fee and commission income | 23 | 152,046 | 93,002 | 389,352 | 254,787 |
| Dividend income | | - | - | - | - |
| Foreign exchange income | | 283,518 | 268,335 | 849,293 | 701,722 |
| Income / (loss) from derivatives | | - | - | - | - |
| Gain on securities | 24 | - | - | 390 | - |
| Other (loss) / income | 25 | - | 34 | (536) | 7,344 |
| Total non-markup / interest Income | | 435,564 | 361,371 | 1,238,499 | 963,853 |
| Total Income | | 1,811,894 | 2,044,669 | 5,725,749 | 5,388,883 |
| NON MARK-UP / INTEREST EXPENSES | | | | | |
| Operating expenses | 26 | 582,541 | 621,823 | 1,544,748 | 1,452,544 |
| Workers Welfare Fund | | 25,024 | 28,580 | 84,319 | 79,258 |
| Other charges | 27 | 1,064 | - | 1,064 | 2 |
| Total non-markup / interest expenses | | 608,629 | 650,403 | 1,630,131 | 1,531,804 |
| Profit before credit loss allowance | | 1,203,265 | 1,394,266 | 4,095,618 | 3,857,079 |
| Credit loss reversal and write offs - net | 28 | (1,008) | - | 4,038 | - |
| Extra ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION | | 1,202,257 | 1,394,266 | 4,099,656 | 3,857,079 |
| Taxation | 29 | (577,063) | (669,172) | (2,105,510) | (1,841,766) |
| PROFIT AFTER TAXATION | | 625,194 | 725,094 | 1,994,146 | 2,015,313 |

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

Chief Country Officer
Pakistan

Chief Financial 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 nine months period ended 30 September 2024

| | Three months period ended 30 September 2024 | Three months period ended 30 September 2023 | Nine months period ended 30 September 2024 | Nine months period ended 30 September 2023 |
|--|--|--|---|---|
| | ------(Rupees in '000)----- | | | |
| Profit after taxation for the period | 625,194 | 725,094 | 1,994,146 | 2,015,313 |
| Other comprehensive income | | | | |
| Items that may be reclassified to profit and loss account in subsequent periods: | | | | |
| Movement in surplus / (deficit) on revaluation of investments - net of tax | 4,584 | - | 15,139 | 4,367 |
| Items that will not be reclassified to profit and loss account in subsequent periods: | | | | |
| Remeasurement gain on defined benefit obligations - net of tax | - | - | - | (3,208) |
| Total comprehensive income for the period | 629,778 | 725,094 | 2,009,285 | 2,016,472 |

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

Chief Country Officer
Pakistan

Chief Financial 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 nine months period ended 30 September 2024

| | Head office capital account | Deficit on revaluation of investments | Unremitted profit | Total |
|--|--------------------------------|---|-------------------|-------------------|
| | ------(Rupees in '000) ----- | | | |
| Balance as at 01 January 2023 | 7,734,312 | (4,367) | 3,393,816 | 11,123,761 |
| Profit for the nine months period ended 30 September 2023 | - | - | 2,015,313 | 2,015,313 |
| Other comprehensive income - net of tax | - | 4,367 | (3,208) | 1,159 |
| | - | 4,367 | 2,012,105 | 2,016,472 |
| Transactions with owners, recorded directly in equity | | | | |
| Exchange adjustments on revaluation of capital | 1,959,457 | - | - | 1,959,457 |
| Remittance made to Head office | - | - | - | - |
| | 1,959,457 | - | - | 1,959,457 |
| Opening balance as at 01 October 2023 | 9,693,769 | - | 5,405,921 | 15,099,690 |
| Profit after taxation for the three months period ended 31 December 2023 | - | - | (26,449) | (26,449) |
| Other comprehensive income - net of tax | - | (5,366) | 10,652 | 5,286 |
| | - | (5,366) | (15,797) | (21,163) |
| Transactions with owners, recorded directly in equity | | | | |
| Exchange adjustments on revaluation of capital | 290,276 | - | - | 290,276 |
| Remittance made to Head office | - | - | - | - |
| | 290,276 | - | - | 290,276 |
| Balance as at 01 January 2024 - as reported | 9,984,045 | (5,366) | 5,390,124 | 15,368,803 |
| Change in accounting policy as at January 01, 2024 - note 3.2.2 | - | - | 5,588 | 5,588 |
| Balance as at 01 January 2024 - as restated | 9,984,045 | (5,366) | 5,395,712 | 15,374,391 |
| Profit after taxation for the nine months period ended 30 September 2024 | - | - | 1,994,146 | 1,994,146 |
| Other comprehensive income - net of tax | - | 15,139 | - | 15,139 |
| | - | 15,139 | 1,994,146 | 2,009,285 |
| Transactions with owners, recorded directly in equity | | | | |
| Exchange adjustments on revaluation of capital | (26,746) | - | - | (26,746) |
| Remittance made to Head office | - | - | (2,439,601) | (2,439,601) |
| | (26,746) | - | (2,439,601) | (2,466,347) |
| Balance as at 30 September 2024 | 9,957,299 | 9,773 | 4,950,257 | 14,917,329 |

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

Chief Country Officer
Pakistan

Chief Financial 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 nine months period ended 30 September 2024

| | Note | 30 September 2024 | 30 September 2023 |
|--|------|--------------------------|--------------------------|
| ----- (Rupees in '000) ----- | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 4,099,656 | 3,857,079 |
| Adjustments for: | | | |
| Depreciation | | 148,965 | 79,993 |
| Reversals in ECLs | | (4,039) | - |
| Loss / (gain) on disposal of Property and equipment - net | 25 | 1,197 | (1,481) |
| Finance costs of lease liability | | 45,701 | 46,797 |
| | | <u>191,824</u> | <u>125,309</u> |
| | | 4,291,480 | 3,982,388 |
| (Increase) / decrease in operating assets | | | |
| Lendings to financial institutions | | (25,677,984) | (23,406,464) |
| Advances | | 4,777,986 | (543,657) |
| Others assets (excluding advance taxation) | | 580,698 | (660,775) |
| | | <u>(4,275,084,870)</u> | <u>(24,610,896)</u> |
| Decrease / (increase) in operating liabilities | | | |
| Bills payable | | (14,127) | (530,584) |
| Borrowings from financial institutions | | - | - |
| Deposits and other accounts | | 22,048,059 | (13,091,608) |
| Other liabilities | | 1,198,587 | 1,475,772 |
| | | <u>23,232,519</u> | <u>(12,146,420)</u> |
| Income tax paid | | (2,039,613) | (1,980,121) |
| Net cash used in operating activities | | <u>(4,249,600,484)</u> | <u>(34,755,049)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net investments in FVOCI securities | | 4,254,452,586 | 32,016,427 |
| Investments in Property and equipment | | (18,040) | (195,173) |
| Proceeds from sale of Property and equipment | | 346 | 4,985 |
| Net cash generated from investing activities | | <u>4,254,434,892</u> | <u>31,826,239</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Payment of lease liabilities | | (60,667) | (55,152) |
| Remittance made to Head office | | (2,439,601) | - |
| Net cash used in financing activities | | <u>(2,500,268)</u> | <u>(55,152)</u> |
| Effects of exchange rate changes on cash and cash equivalents | | <u>(26,746)</u> | 1,959,457 |
| Increase in cash and cash equivalents during the period | | <u>2,307,394</u> | <u>(1,024,505)</u> |
| Cash and cash equivalents at beginning of the period | | <u>16,738,495</u> | <u>14,420,212</u> |
| Cash and cash equivalents at end of the period | | <u><u>19,045,889</u></u> | <u><u>13,395,707</u></u> |

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

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan

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

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;
- 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 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.

SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Further, SBP vide its BPRD Circular No. 03 of 2022 dated 05 July 2022 directed the banks in Pakistan having asset size of less than Rs. 500 billion to implement IFRS 9 'Financial Instruments' with effect from 01 January 2024. SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

- 2.2** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No.2 dated February 09, 2023 and IAS34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited financial statements of the Pakistan Operations for the year ended December 31, 2023, except for IFRS 9 Financial Instruments adopted with effect from January 01, 2024.

2.3 Credit Ratings

The credit rating provided by Standard & Poor's on 18 June 2024 is A for long-term and A-1 for short-term, rating by Fitch on 25 October 2024 is A- for long-term and F2 for short-term; and rating by Moody's on 23 October 2024 is A1 for long-term.

2.4 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in

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 (refer note 3.1), the Pakistan Operations expects that amendments to existing accounting and reporting standards are either considered not relevant or do not have any significant impact on its financial statements in the period of initial application.

2.5 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 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, except as disclosed in note 3.1 and 3.2.

3.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for interim financial statements of banking companies. The new format has revised the disclosure requirements of the Pakistan Operations for the half year ended June 30, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Right-of-use assets and Lease liabilities on the face of Statement of Financial Position out of Property and equipment and Other liabilities, respectively in these financial statements.

3.2 IFRS 9 'Financial Instruments'

3.2.1 Transitional disclosures

The Pakistan operations adopted IFRS9 (read with IFRS9 instructions issued by SBP) and 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

The following table reconciles the carrying amounts of financial assets, from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024:

| | Carrying amount as per current accounting policy as at Dec 31, 2023 | At FVTPL | At FVOCI - with recycling | At Amortized Cost | Remeasurement under IFRS 9 | IFRS 9 carrying amount as at Jan 01, 2024 |
|---|---|---------------|---------------------------|-------------------|----------------------------|---|
| ----- (Rupees in '000) ----- | | | | | | |
| Cash and cash equivalents | 14,125,650 | - | - | 14,125,650 | - | 14,125,650 |
| Balances with other banks | 2,612,845 | - | - | 2,612,845 | - | 2,612,845 |
| Lendings to financial institutions | 17,397,321 | - | - | 17,397,321 | - | 17,397,321 |
| Investments in financial assets | | | | | | |
| - Held for trading | - | - | - | - | - | - |
| - Available for sale | 14,787,480 | - | 14,787,480 | - | - | 14,787,480 |
| Advances | 7,971,805 | - | - | 7,971,805 | 5,316 | 7,977,121 |
| Other assets | 2,566,251 | - | - | 2,566,251 | - | 2,566,251 |
| - Forward foreign exchange contracts | 25,088 | 25,088 | - | - | - | 25,088 |
| Total Financial assets | 59,486,440 | 25,088 | 14,787,480 | 44,673,872 | 5,316 | 59,491,756 |
| Bills payable | 832,304 | - | - | 832,304 | - | 832,304 |
| Deposits and other accounts | 36,431,582 | - | - | 36,431,582 | - | 36,431,582 |
| Other liabilities | 8,200,299 | - | - | 8,200,299 | (272) | 8,200,027 |
| - Forward foreign exchange contracts | 20 | 20 | - | - | - | 20 |
| Total Financial Liabilities | 45,464,205 | 20 | - | 45,464,185 | (272) | 45,463,933 |
| Net Financial Assets | 14,022,235 | 25,068 | 14,787,480 | (790,313) | 5,588 | 14,027,823 |
| Effect on net financial assets on adoption of IFRS 9 | | | | | 5,588 | |

3.2.2 Reconciliation of retained earnings and surplus on revaluation of investments

The impact of transition to IFRS 9 on unappropriated profit and surplus on revaluation of investments is as follows:

| | Retained Earnings | Surplus / (Deficit) on revaluation of assets | Total |
|---|-------------------|--|------------------|
| ----- Rupees in '000 ----- | | | |
| Balance as at 31 December, 2023 | 5,390,124 | (5,366) | 5,384,758 |
| Recognition of IFRS 9 ECL - net of tax | 5,588 | - | 5,588 |
| Balance under IFRS 9 as at 01 January, 2024 - as restated | 5,395,712 | (5,366) | 5,390,346 |

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, except for the adoption of IFRS 9 with effect from 01 January, 2024. These are disclosed in note 4.1.

4.1 Impairment / Expected Credit Losses on financial assets

Determination of expected credit losses is a significant estimate and involves the following judgments:

- The segmentation of financial assets when their ECL is assessed on a collective basis
- The Bank's internal credit grading model based on which PDs are assigned to the individual grade
- Qualitative and quantitative indicators
- The definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated
- Selection of forward-looking macroeconomic scenarios and their probability weighting
- Determination of economic inputs

The calculations are carried centrally by the group IFRS 9 team

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 | <i>Note</i> | 30 September 2024 | 31 December 2023 |
|--|-------------|------------------------------|-----------------------------|
| | | ----- (Rupees in '000) ----- | |
| In hand | | | |
| Local currency | | 43,645 | 34,924 |
| Foreign currency | | 17,541 | 20,790 |
| | | 61,186 | 55,714 |
| With State Bank of Pakistan in | | | |
| Local currency current account | 6.1 | 6,177,535 | 3,536,354 |
| Foreign currency current account | 6.2 | 237,110 | 48,897 |
| Foreign currency deposit account | | | |
| Special cash reserve account | 6.3 | 452,522 | 444,496 |
| Local US Dollar collection account | 6.4 | 97,678 | 56,144 |
| Foreign currency capital account | | 9,957,298 | 9,984,045 |
| | | 16,922,143 | 14,069,936 |
| | | 16,983,329 | 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 4.20% 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 | <i>Note</i> | 30 September 2024 | 31 December 2023 |
|------------------------------------|-------------|------------------------------|-----------------------------|
| | | ----- (Rupees in '000) ----- | |
| In Pakistan | | | |
| Current account | | 1,000 | 1,500 |
| Outside Pakistan | | | |
| Current account | | | |
| Interbranch | 7.1 | 2,056,398 | 2,604,761 |
| Others | | 5,162 | 6,584 |
| | | 2,061,560 | 2,611,345 |
| | | 2,062,560 | 2,612,845 |

7.1 This includes Rs. 1,066 million with Deutsche Bank New York, Rs. 808 million with Deutsche Bank Frankfurt, Rs. 176 million with Deutsche Bank Mumbai and various others (31 December 2023: Rs. 1,515 million with Deutsche Bank New York, Rs. 840 million with Deutsche Bank Frankfurt, Rs. 136 million with Deutsche Bank Mumbai and various others).

| 8 LENDINGS TO FINANCIAL INSTITUTIONS | <i>Note</i> | 30 September 2024 | 31 December 2023 |
|--|-------------|------------------------------|-----------------------------|
| | | ----- (Rupees in '000) ----- | |
| Repurchase agreement lendings (Reverse Repo) | 8.1 | 43,075,305 | 17,397,321 |

8.1 Reverse repo transaction has been made with State Bank of Pakistan and commercial bank at a rate of 16.50% and 17.60 p.a respectively (2023: 21.00% to 22.39%) maturing by 03 October, 2024. The market value of these securities at 30 September 2024 amounted to Rs. 43,076 million (2023: Rs. 17,972 million).

| 9 INVESTMENTS | 30 September 2024 | | | | 31 December 2023 | | | |
|--------------------------|------------------------------|-----------------------|---------------------|-------------------|-----------------------|--------------------------|---------------------|-------------------|
| | Cost / Amortised cost | Credit loss allowance | Surplus / (Deficit) | Carrying Value | Cost / Amortised cost | Provision for diminution | Surplus / (Deficit) | Carrying Value |
| 9.1 Investments by type: | ----- (Rupees in '000) ----- | | | | | | | |
| FVOCI | | | | | | | | |
| -Treasury bills | 15,110,986 | - | 19,163 | 15,130,149 | - | - | - | - |
| | 15,110,986 | - | 19,163 | 15,130,149 | - | - | - | - |
| AFS | | | | | | | | |
| -Treasury bills | - | - | - | - | 14,798,002 | - | (10,522) | 14,787,480 |
| | - | - | - | - | 14,798,002 | - | (10,522) | 14,787,480 |
| Total Investments | 15,110,986 | - | 19,163 | 15,130,149 | 14,798,002 | - | (10,522) | 14,787,480 |

| 10 ADVANCES | Performing | | Non Performing | | Total | |
|---|------------------------------|------------------|-------------------|------------------|-------------------|------------------|
| | 30 September 2024 | 31 December 2023 | 30 September 2024 | 31 December 2023 | 30 September 2024 | 31 December 2023 |
| | ----- (Rupees in '000) ----- | | | | | |
| Loans, cash credits, running finances, etc. | 3,201,817 | 7,979,803 | 30,885 | 30,885 | 3,232,702 | 8,010,688 |
| Bills discounted and purchased | - | - | 65,626 | 65,626 | 65,626 | 65,626 |
| Advances - gross | 3,201,817 | 7,979,803 | 96,511 | 96,511 | 3,298,328 | 8,076,314 |
| Credit loss allowance against advances | | | | | | |
| -Stage 1 | (421) | (7,998) | - | - | (421) | (7,998) |
| -Stage 2 | - | - | - | - | - | - |
| -Stage 3 | - | - | (96,511) | (96,511) | (96,511) | (96,511) |
| | (421) | (7,998) | (96,511) | (96,511) | (96,932) | (104,509) |
| Advances - net of credit loss allowance | 3,201,396 | 7,971,805 | - | - | 3,201,396 | 7,971,805 |

| 10.1 Particulars of advances (gross) | 30 September 2024 | 31 December 2023 |
|--------------------------------------|-------------------|------------------|
| | In local currency | 3,232,702 |
| In foreign currencies | 65,626 | 65,626 |
| | 3,298,328 | 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 | 30 September 2024 | | 31 December 2023 | |
|----------------------------|----------------------------|-----------------------|----------------------|-----------------------|
| | Non performing loans | Credit loss allowance | Non performing loans | Credit loss allowance |
| | ----- Rupees in '000 ----- | | | |
| Domestic Loss Stage 3 | 96,511 | 96,511 | 96,511 | 96,511 |

| 10.3 Particulars of credit loss allowance against advances | 30 September 2024 | | | | 31 December 2023 | | |
|--|----------------------------|---------|---------|---------|------------------|----------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Total | General | Specific | Total |
| | ----- Rupees in '000 ----- | | | | | | |
| Opening balance | 7,998 | - | 96,511 | 104,509 | 7,998 | 96,511 | 104,509 |
| Impact of adotpn of IFRS 9 | (5,317) | - | - | (5,317) | - | - | - |
| Charge for the period / year | - | - | - | - | - | - | - |
| Reversals | (2,260) | - | - | (2,260) | - | - | - |
| Closing balance | 421 | - | 96,511 | 96,932 | 7,998 | 96,511 | 104,509 |

| 10.4 Advances - Particlurs of credit loss allowance | 30 September 2024 | | |
|---|----------------------------|---------|---------|
| | Stage 1 | Stage 2 | Stage 3 |
| | ----- Rupees in '000 ----- | | |
| 10.4.1 Opening balance | 7,998 | - | 96,511 |
| Impact of adotpn of IFRS 9 | (5,317) | - | - |
| New Advances | (2,260) | - | - |
| | 421 | - | 96,511 |

| 10.4.2 Advances - Category of classification | Domestic | | 30 September 2024 | |
|--|----------|--|--------------------|----------------------------|
| | | | Outstanding amount | Credit loss allowance Held |
| | | | | |
| Performing | Stage 1 | | 3,201,817 | (421) |
| Underperforming | Stage 2 | | - | - |
| Non-Performing | Stage 3 | | - | - |
| Loss | | | 96,511 | (96,511) |
| | | | 3,298,328 | (96,932) |

| 11 | PROPERTY AND EQUIPMENT | Note | 30 September 2024 | 31 December 2023 |
|-------------|--|------|----------------------------|---------------------|
| | | | ----- Rupees in '000 ----- | |
| | Capital work-in-progress | 11.1 | 17,785 | 24,091 |
| | Property and equipment | | <u>632,008</u> | <u>716,632</u> |
| | | | <u>649,793</u> | <u>740,723</u> |
| 11.1 | Capital work-in-progress | | | |
| | Advances to suppliers | | <u>17,785</u> | <u>24,091</u> |
| 12 | RIGHT-OF-USE ASSETS | | | |
| | Buildings | | | |
| | At 01 January | | | |
| | Cost | | 494,434 | 494,434 |
| | Accumulated Depreciation | | <u>(107,048)</u> | <u>(51,664)</u> |
| | Net Carrying amount at 01 January | | 387,386 | 442,770 |
| | Depreciation Charge for the period / year | | <u>(41,538)</u> | <u>(55,384)</u> |
| | Net Carrying amount at the end of the period / year | | <u>345,848</u> | <u>387,386</u> |
| 13 | DEFERRED TAX ASSETS | | | |
| | Deductible Temporary Differences on | | | |
| | - Deficit on revaluation of investments | | (9,389) | 5,156 |
| | - Accelerated tax depreciation | | 2,425 | 40,364 |
| | - Workers' Welfare Fund | | <u>271,029</u> | <u>209,375</u> |
| | | | 264,065 | 254,895 |
| | Taxable Temporary Differences on | | | |
| | - Post retirement employee benefits | | (36,436) | (36,436) |
| | | | <u>227,629</u> | <u>218,459</u> |
| 14 | OTHER ASSETS | | | |
| | Income / Mark-up accrued in local currency | | 268,024 | 425,772 |
| | Income / Mark-up accrued in foreign currency | | 28,712 | 13,020 |
| | Advances, deposits, advance service charges / rent and other prepayments | | 29,881 | 72,607 |
| | Advance taxation (payments less provisions) | | 1,211,824 | 1,301,438 |
| | Receivable from defined benefit plan | | 35,471 | 55,803 |
| | Marked to market gains on forward foreign exchange contracts | | 187 | - |
| | Acceptances | | 325,380 | 713,103 |
| | Others | | <u>26,222</u> | <u>14,270</u> |
| | | | 1,925,701 | 2,596,013 |
| | Less: Credit loss allowance held against other assets | 14.1 | <u>(4,674)</u> | <u>(4,674)</u> |
| | | | <u>1,921,027</u> | <u>2,591,339</u> |
| 14.1 | Credit loss allowance held against other assets | | | |
| | Advances, deposits, advance rent & other prepayments | | <u>4,674</u> | <u>4,674</u> |
| 15 | BILLS PAYABLE | | | |
| | In Pakistan | | <u>818,177</u> | <u>832,304</u> |

16 DEPOSITS AND OTHER ACCOUNTS

| | 30 September 2024 | | | 31 December 2023 | | |
|--|-------------------|-----------------------|-------------------|-------------------|-----------------------|-------------------|
| | In Local Currency | In Foreign currencies | Total | In Local Currency | In Foreign currencies | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Customers | | | | | | |
| Non-Remunerative | | | | | | |
| Current deposits | 27,750,871 | 2,873,394 | 30,624,265 | 18,777,805 | 3,371,169 | 22,148,974 |
| Others | 1,234,470 | - | 1,234,470 | 562,427 | - | 562,427 |
| Remunerative | | | | | | |
| Savings deposits | 21,182,944 | 66 | 21,183,010 | 9,389,472 | 213 | 9,389,685 |
| Term deposits | 5,435,000 | - | 5,435,000 | 4,330,000 | - | 4,330,000 |
| | 55,603,285 | 2,873,460 | 58,476,745 | 33,059,704 | 3,371,382 | 36,431,086 |
| Financial Institutions | | | | | | |
| Non-remunerative deposits - inter branch | 2,896 | - | 2,896 | 496 | - | 496 |
| | <u>55,606,181</u> | <u>2,873,460</u> | <u>58,479,641</u> | <u>33,060,200</u> | <u>3,371,382</u> | <u>36,431,582</u> |

17 LEASE LIABILITIES

| | Note | 30 September 2024 | 31 December 2023 |
|---|------|-------------------|------------------|
| ----- Rupees in '000 ----- | | | |
| Outstanding amount at the start of the year | | 468,322 | 479,598 |
| Lease payments including interest | | (60,667) | (73,535) |
| Interest expense | | 45,701 | 62,259 |
| Outstanding amount at the end of the year | | <u>453,356</u> | <u>468,322</u> |
| Liabilities Outstanding | | | |
| Not later than one year | | 12,721 | 20,230 |
| Later than one year and upto five years | | 160,522 | 150,053 |
| Over five years | | 280,114 | 298,038 |
| Total at the year end | | <u>453,356</u> | <u>468,322</u> |

18 OTHER LIABILITIES

| | | 30 September 2024 | 31 December 2023 |
|---|------|-------------------|------------------|
| ----- Rupees in '000 ----- | | | |
| Mark-up/ Return/ Interest payable in local currency | | 918,570 | 33,368 |
| Unearned commission and income on bills discounted | | 38,397 | 50,473 |
| Accrued expenses | | 586,797 | 364,631 |
| Acceptances | | 325,380 | 713,103 |
| Dividends received for Custodial clients | | 384,030 | 31,241 |
| Marked to market loss on forward foreign exchange contracts | | 68 | 20 |
| Payable to Deutsche Bank Singapore | | 6,195 | 6,195 |
| Unremitted head office expenses | | 6,109,527 | 5,884,649 |
| Credit loss allowance against off-balance sheet obligations | 18.1 | 4,071 | 6,121 |
| Workers Welfare Fund | | 511,614 | 427,295 |
| Others | | 43,884 | 214,901 |
| | | <u>8,928,533</u> | <u>7,731,997</u> |

18.1 Credit loss allowance against off-balance sheet obligations

| | | | |
|------------------------------|--|----------------|--------------|
| Opening balance | | 6,121 | 6,121 |
| Impact of adoption of IFRS 9 | | (272) | - |
| Charge for the period / year | | - | - |
| Reversals | | (1,778) | - |
| | | <u>(1,778)</u> | <u>-</u> |
| Closing balance | | <u>4,071</u> | <u>6,121</u> |

19 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

| | | | |
|--|--|--------------|----------------|
| Deficit on revaluation of: | | | |
| - FVOCI securities - debt | | 19,163 | - |
| - Available for sale securities | | - | (10,522) |
| Deferred tax on deficit on revaluation of: | | | |
| - FVOCI securities - debt | | (9,390) | - |
| - Available for sale securities | | - | 5,156 |
| | | <u>9,773</u> | <u>(5,366)</u> |

20 CONTINGENCIES AND COMMITMENTS

| | | 30 September 2024 | 31 December 2023 |
|----------------------------|------|-------------------|-------------------|
| ----- Rupees in '000 ----- | | | |
| -Guarantees | 20.1 | 12,650,279 | 13,761,195 |
| -Commitments | 20.2 | 32,261,100 | 20,547,832 |
| | | <u>44,911,379</u> | <u>34,309,027</u> |

| | | | |
|--|--------|---|--|
| 20.1 Guarantees | | | |
| Financial guarantees | | <u>12,650,279</u> | <u>13,761,195</u> |
| 20.2 Commitments | | | |
| Documentary credits and short-term trade-related transactions | | | |
| - letters of credit | | 3,418,364 | 6,246,964 |
| Commitments in respect of: | | | |
| - forward foreign exchange contracts | 20.2.1 | 103,851 | 25,108 |
| - forward lending | 20.2.2 | 28,730,392 | 14,267,267 |
| Commitments for acquisition of: | | | |
| - operating fixed assets | | 8,493 | 8,493 |
| Forward sale of investments | | - | - |
| | | <u>32,261,100</u> | <u>20,547,832</u> |
| 20.2.1 Commitments in respect of forward foreign exchange contracts | | 30 September 2024 | 31 December 2023 |
| | | ----- Rupees in '000 ----- | |
| Purchase | | <u>27,645</u> | <u>25,108</u> |
| 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 amended 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. | | | |
| 21 MARK-UP / RETURN / INTEREST EARNED | | Nine months period ended 30 September 2024 | Nine months period ended 30 September 2023 |
| | | ----- Rupees in '000 ----- | |
| On: | | | |
| Loans and advances | | 821,557 | 809,597 |
| Investments | | 824,148 | 1,084,477 |
| Lendings to financial institutions | | 5,654,638 | 4,543,696 |
| Balances with banks | | 77,269 | 95,109 |
| Others | | 123 | 18 |
| | | <u>7,377,735</u> | <u>6,532,897</u> |
| 21.1 Interest income recognised on: | | | |
| Financial assets measured at amortised cost | | 6,553,587 | 5,448,420 |
| Financial assets measured at FVOCI | | 824,148 | 1,084,477 |
| | | <u>7,377,735</u> | <u>6,532,897</u> |
| 22 MARK-UP / RETURN / INTEREST EXPENSED | | | |
| On: | | | |
| Deposits | | 2,840,994 | 2,061,069 |
| Borrowings | | 3,790.00 | 1 |
| Finance cost of lease liability | | 45,701 | 46,797 |
| | | <u>2,890,485</u> | <u>2,107,867</u> |
| 23 FEE & COMMISSION INCOME | | | |
| Commission on trade | | 209,319 | 157,736 |
| Commission on guarantees | | 59,287 | 58,122 |
| Commission on cash management | | 24,678 | 3,164 |
| Commission on remittances including home remittances | | 297 | 3,092 |
| Commission on custodial services | | 95,771 | 32,673 |
| | | <u>389,352</u> | <u>254,787</u> |

| | Note | Nine months period ended 30 September 2024 ----- Rupees in '000 ----- | Nine months period ended 30 September 2023 |
|---|------|---|---|
| 24 GAIN ON SECURITIES | | | |
| Realised loss | 24.1 | <u>390</u> | <u>-</u> |
| 24.1 Realised loss on: | | | |
| Federal Government Securities | | <u>390</u> | <u>-</u> |
| 25 OTHER (LOSS) / INCOME | | | |
| (Loss) / gain on sale of fixed assets - net | | (1,197) | 1,481 |
| Prior years refunds on utilities costs | | - | 5,829 |
| Others | | <u>661</u> | <u>34</u> |
| | | <u>(536)</u> | <u>7,344</u> |
| 26 OPERATING EXPENSES | | | |
| Total compensation expense | | 557,015 | 479,190 |
| Property expense | | | |
| Rent & taxes | | 1,203 | 38,818 |
| Insurance | | 8,550 | 7,678 |
| Utilities cost | | 14,403 | 15,018 |
| Security (including guards) | | 10,120 | 7,792 |
| Repair & maintenance (including janitorial charges) | | 40,529 | 24,805 |
| Depreciation | | 41,486 | 8,839 |
| Depreciation on right-of-use assets | | 41,538 | 41,538 |
| | | <u>157,829</u> | <u>144,488</u> |
| Information technology expenses | | | |
| Software maintenance | | 6,009 | 1,507 |
| Hardware maintenance | | 40,097 | 14,436 |
| Depreciation | | 31,670 | 15,775 |
| Network charges | | 30,685 | 29,979 |
| | | <u>108,461</u> | <u>61,697</u> |
| Other operating expenses | | | |
| Legal & professional charges | | 21,153 | 14,153 |
| Outsourced services costs | | 86,780 | 57,391 |
| Travelling & conveyance | | 4,101 | 5,640 |
| NIFT clearing charges | | 476 | 1,136 |
| Depreciation | | 34,271 | 13,841 |
| Training & development | | 84 | 615 |
| Postage & courier charges | | 2,221 | 1,904 |
| Communication | | 3,124 | 4,812 |
| Head office / regional office expenses | | 549,046 | 637,334 |
| Stationery & printing | | 14,961 | 19,455 |
| Marketing, advertisement & publicity | | 620 | 273 |
| Auditors Remuneration | | 5,929 | 2,348 |
| Others | | (1,323) | 8,267 |
| | | <u>721,443</u> | <u>767,169</u> |
| | | <u>1,544,748</u> | <u>1,452,544</u> |
| 27 OTHER CHARGES | | | |
| Others | | <u>1,064</u> | <u>2</u> |
| | | <u>1,064</u> | <u>2</u> |
| 28 REVERSALS OF CREDIT LOSS ALLOWANCE | | | |
| Credit loss allowance against loans & advances | | (2,260) | - |
| Credit loss allowance against off-balance sheet obligations | | (1,778) | - |
| | | <u>(4,038)</u> | <u>-</u> |
| 29 TAXATION | | | |
| Current | | 2,129,227 | 1,941,823 |
| Deferred | | (23,717) | (100,057) |
| | | <u>2,105,510</u> | <u>1,841,766</u> |

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:

| 30 September 2024 | | | |
|---|----------------|----------------|--------------|
| Fair 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 | 15,130,149 | - | 15,130,149 |
| Off-balance sheet financial instruments measured at fair value | | | |
| Forward purchase of foreign exchange | 27,832 | - | 27,832 |
| 31 December 2023 | | | |
| Fair 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 | 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.

| | Nine months period ended 30 September 2024 | | | |
|--|---|--------------------|--|-------------|
| | Corporate Bank | Investment Bank | Infrastructure & Regional Management | Total |
| | ----- (Rupees in '000) ----- | | | |
| Profit & Loss | | | | |
| Net mark-up / return | (2,026,024) | (1,478) | 6,514,752 | 4,487,250 |
| Inter segment revenue - net | 5,148,102 | (4,937) | (5,143,165) | - |
| Non mark-up / return / interest income | 511,606 | 757,191 | (30,298) | 1,238,499 |
| Total Income | 3,633,684 | 750,776 | 1,341,289 | 5,725,749 |
| Segment direct expenses | (1,117,834) | (182,881) | (329,416) | (1,630,131) |
| Inter segment expense allocation | - | - | - | - |
| Total expenses | (1,117,834) | (182,881) | (329,416) | (1,630,131) |
| Reversals / (Provisions) | 4,038 | - | - | 4,038 |
| Profit before tax | 2,515,850 | 567,895 | 1,011,873 | 4,099,656 |
| | | | | |
| | 30 September 2024 | | | |
| | Corporate Bank | Investment Bank | Infrastructure & Regional Management | Total |
| | ----- (Rupees in '000) ----- | | | |
| Balance Sheet | | | | |
| Cash & Bank balances | - | - | 19,045,889 | 19,045,889 |
| Net inter segment lending | 41,862,358 | - | - | 41,862,358 |
| Lendings to financial institutions | - | - | 43,075,305 | 43,075,305 |
| Investments | - | - | 15,130,149 | 15,130,149 |
| Advances - performing | 3,209,394 | - | - | 3,209,394 |
| - non-performing | 96,511 | - | - | 96,511 |
| - provision against advances | (104,509) | - | - | (104,509) |
| Others | 948,937 | 187 | 2,195,173 | 3,144,297 |
| Total Assets | 46,012,691 | 187 | 79,446,516 | 125,459,394 |
| | | | | |
| Borrowings | - | - | - | - |
| Deposits & other accounts | 58,476,745 | - | 2,896 | 58,479,641 |
| Net inter segment borrowing | - | - | 41,862,358 | 41,862,358 |
| Others | 2,872,722 | 68 | 7,327,276 | 10,200,066 |
| Total Liabilities | 61,349,467 | 68 | 49,192,530 | 110,542,065 |
| Equity | - | - | 14,917,329 | 14,917,329 |
| Total Equity & liabilities | 61,349,467 | 68 | 64,109,859 | 125,459,394 |
| | | | | |
| Contingencies & Commitments | 44,799,035 | 103,851 | 8,493 | 44,911,379 |

| | Nine months period ended 30 September 2023 | | | |
|--|---|--------------------|--|--------------------|
| | Corporate Bank | Investment Bank | Infrastructure & Regional Management | Total |
| | ----- (Rupees in '000) ----- | | | |
| Profit & Loss | | | | |
| Net mark-up / return | (1,234,948) | (1,390) | 5,661,368 | 4,425,030 |
| Inter segment revenue - net | 4,913,884 | (386) | (4,913,498) | - |
| Non mark-up / return / interest income | 415,048 | 639,597 | (90,792) | 963,853 |
| Total Income | 4,093,984 | 637,821 | 657,078 | 5,388,883 |
| Segment direct expenses | (686,056) | (66,437) | (779,311) | (1,531,804) |
| Inter segment expense allocation | (410,835) | (55,230) | 466,065 | - |
| Total expenses | (1,096,891) | (121,667) | (313,246) | (1,531,804) |
| Reversals / (Provisions) | - | - | - | - |
| Profit before tax | 2,997,093 | 516,154 | 343,832 | 3,857,079 |
| | | | | |
| | 31 December 2023 | | | |
| | Corporate Bank | Investment Bank | Infrastructure & Regional Management | Total |
| | ----- (Rupees 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:

| | 30 September 2024 | | | 31 December 2023 | | |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------|
| | Head office and branches | Key management personnel | Other related parties | Head office and branches | Key management personnel | Other related parties |
| ----- (Rupees in '000) ----- | | | | | | |
| Balances with other banks | | | | | | |
| In current accounts | 2,056,361 | - | - | 2,604,761 | - | - |
| Advances | | | | | | |
| Opening balance | - | 10,103 | - | - | 34,775 | - |
| Addition during the period | - | - | - | - | 5,117 | - |
| Repaid during the period | - | (5,605) | - | - | (6,578) | - |
| Transfer in / (out) - net | - | (2,647) | - | - | (23,211) | - |
| Closing balance | - | 1,851 | - | - | 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 | 2,400 | 77,531 | 817,852 | 5,012 | 131,152 | 1,381,655 |
| Withdrawn during the period | - | (73,236) | (781,263) | (4,938) | (128,487) | (1,403,174) |
| Transfer in / (out) - net | - | (5,142) | - | - | 3,283 | - |
| Closing balance | 2,896 | 7,180 | 46,555 | 496 | 8,027 | 9,966 |
| Other Liabilities | | | | | | |
| Other liabilities | 6,109,527 | - | - | 5,884,649 | - | - |
| Contingencies and Commitments | | | | | | |
| Other contingencies | 4,570,638 | - | - | 4,482,520 | - | - |
| Nine months period ended | | | | | | |
| | 30 September 2024 | | 30 September 2023 | | | |
| | Head office and branches | Key management personnel | Head office and branches | Key management personnel | | |
| ----- (Rupees in '000) ----- | | | | | | |
| Income | | | | | | |
| Mark-up / return / interest earned | | 62,699 | 57 | 79,816 | | 660 |
| Expense | | | | | | |
| Mark-up / return / interest paid | | | 487 | - | | 703 |
| Operating expenses | | 549,046 | 55,259 | 637,334 | | 91,024 |

| | 2024 (Un-audited) | 2023 (Audited) |
|---|------------------------------|-------------------|
| | ----- (Rupees in '000) ----- | |
| 33 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS | | |
| Minimum Capital Requirement (MCR): | | |
| Paid-up capital (net of losses) | 14,885,917 | 15,334,763 |
| Capital Adequacy Ratio (CAR): | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | 14,885,917 | 15,334,763 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 14,885,917 | 15,334,763 |
| Eligible Tier 2 Capital | 14,266 | 14,119 |
| Total Eligible Capital (Tier 1 + Tier 2) | 14,900,184 | 15,348,882 |
| Risk Weighted Assets (RWAs): | | |
| Credit Risk | 15,694,229 | 15,776,672 |
| Market Risk | 471,194 | 123,705 |
| Operational Risk | 8,557,996 | 8,557,996 |
| Total | 24,723,419 | 24,458,373 |
| Common Equity Tier 1 Capital Adequacy Ratio | 60.21% | 62.70% |
| Tier 1 Capital Adequacy Ratio | 60.21% | 62.70% |
| Total Capital Adequacy Ratio | 60.27% | 62.76% |
| Leverage Ratio (LR): | | |
| Eligible Tier-1 Capital | 14,885,917 | 15,334,763 |
| Total Exposure | 92,298,540 | 87,648,999 |
| Leverage Ratio | 16.13% | 17.50% |
| Liquidity Coverage Ratio (LCR): | | |
| Total High Quality Liquid Assets | 45,962,366 | 40,219,051 |
| Total Net Cash Outflow | 14,885,132 | 12,776,366 |
| Liquidity Coverage Ratio | 309% | 315% |
| Net Stable Funding Ratio (NSFR): | | |
| Total Available Stable Funding | 41,401,504 | 37,205,116 |
| Total Required Stable Funding | 13,439,611 | 13,818,088 |
| Net Stable Funding Ratio | 308% | 269% |

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 30 October, 2024.

Chief Country Officer
Pakistan

Chief Financial Officer
Pakistan