

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

# **Financial statements**

for the period ended

30 September 2022

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

# Condensed Interim Statement of Financial Position

As at 30 September 2022

		30 September 2022	31 December 2021
	Note	(Un-audited)	(Audited)
	11010	Rupees	· /
ASSETS		Rupoor	
Cash and balances with treasury banks	6	11,487,135	9,550,738
Balances with other banks	7	1,750,742	5,334,868
Lendings to financial institutions	8	-	4,431,289
Investments	9	36,736,334	14,352,092
Advances	10	3,119,514	4,339,519
Fixed assets	11	756,081	277,998
Intangible assets		-	-
Deferred tax assets	12	2,335	5,395
Other assets	13	1,448,476	1,573,195
		55,300,617	39,865,094
LIABILITIES			
Bills payable	14	1,633,190	775,747
Borrowings	15	-	9,334
Deposits and other accounts	16	37,825,923	25,879,216
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	17	5,468,243	4,335,438
		44,927,356	30,999,735
NET ASSETS		10,373,261	8,865,359
REPRESENTED BY			
Head office capital account		7,196,693	6,398,696
Reserves		-	-
Deficit on revaluation of assets		(4,421)	(2,730)
Unremitted profit		3,180,989	2,469,393
		10,373,261	8,865,359
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

(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 2022

	Note	Three months period ended 30 September 2022	Nine months period ended 30 September 2022	Three months period ended 30 September 2021	Nine months period ended 30 September 2021
			Rupees i	n '000	
Mark-up / return / interest earned Mark-up / return / interest expensed	19 20	1,492,212 832,198	3,248,440 1,649,519	1,351,404 726,233	1,967,805 1,099,943
Net mark-up / interest income		660,014	1,598,921	625,171	867,862
NON MARK-UP / INTEREST INCOME					
Fee and commission income Dividend income	21	61,244 -	238,735	200,574	284,819 -
Foreign exchange income		453,789	860,845	285,351	502,578
(Loss) / gain on sale of securities	22	-	(4,412)	8,952	(1,151)
Other income	23	-	127	32	7,470
Total non-markup / interest Income		515,033	1,095,295	494,909	793,716
Total Income		1,175,047	2,694,216	1,120,080	1,661,578
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	24	306,555	1,037,078	679,063	950,270
Workers Welfare Fund		17,370	33,122	8,820	14,226
Other charges	25	-	1,030	-	-
Total non-markup / interest expenses		323,925	1,071,230	687,883	964,496
Profit before provisions		851,122	1,622,986	432,197	697,082
Reversal and write offs - net Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		851,122	1,622,986	432,197	697,082
Taxation	26	(486,872)	(909,710)	(156,783)	(284,880)
PROFIT AFTER TAXATION		364,250	713,276	275,414	412,202

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

(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 2022

	Three months period ended 30 September 2022	Nine months period ended 30 September 2022 (Rupee	Three months period ended 30 September 2021 s in '000)	Nine months period ended 30 September 2021
Profit after taxation for the period	364,250	713,276	275,414	412,202
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	-	(1,691)	-	-
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations - net of tax	-	(1,680)	-	
Total comprehensive income for the period	364,250	711,596	275,414	412,202

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

## (Incorporated in the Federal Republic of Germany with limited liability) Condensed Interim Cash Flow Statement (Un-audited) For nine months period ended 30 September 2022

	30 September 2022	30 September 2021	
	(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation			
	1,622,986	697,082	
Adjustments for:			
Depreciation	80,318	85,163	
Gain on disposal of operating fixed assets	(127)	(7,438)	
Finance costs against lease	27,147	111	
	107,338	77,836	
	1,730,324	774,918	
Decrease / (Increase) in operating assets			
Lendings to financial institutions	4,431,289	(3,239,368)	
Net investments in held-for-trading securities	441,458	-	
Advances	1,220,005	234,766	
Others assets (excluding advance taxation)	23,893	203,773	
	6,116,645	(2,800,829)	
Increase / (decrease) in operating liabilities			
Bills payable	857,443	(194,561)	
Borrowings from financial institutions	(9,334)	(223,574)	
Deposits and other accounts	11,946,707	8,206,479	
Other liabilities	687,318	870,500	
	13,482,134	8,658,844	
Income tax paid	(805,914)	(360,985)	
Net cash generated from operating activities	20,523,189	6,271,948	
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in securities - net	(22,828,281)		
Investments in operating fixed assets	(103,198)	(101,654)	
Proceeds from sale of operating fixed assets	300	58,171	
Net cash used in investing activities	(22,931,179)	(43,483)	
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities	(28,402)	(11,220)	
Net cash used in financing activities	(28,402)	(11,220)	
Effects of exchange rate changes on cash and cash equivalents	797,997	46,363	
Increase in cash and cash equivalents	(1,638,395)	6,263,608	
Cash and each any inclusts at heringing of the named			
Cash and cash equivalents at beginning of the period	14,876,272	13,850,400	
Cash and cash equivalents at end of the period	13,237,877	20,114,008	

The annexed notes 1 to 32 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 nine months period ended 30 September 2022

	Head office capital account	Deficit on revaluation of investments	Unremitted profit	Total
		(Rupee	s in '000)	-
Balance as at 01 January 2021	6,302,781	-	1,918,567	8,221,348
Profit for the nine months period ended 30 September 2021	-	-	412,202	412,202
Other comprehensive income - net of tax	-	-	_	-
	-	-	412,202	412,202
Transactions with owners, recorded directly in equity				
Exchange adjustments on revaluation of capital	46,363	-	-	46,363
Remittance made to Head office	-	-	_	-
	46,363	-	-	46,363
Opening balance as at 01 October 2021	6,349,144	-	2,330,769	8,679,913
Profit after taxation for the three months period ended 31 December 2021	-	-	104,027	104,027
Other comprehensive income - net of tax	-	(2,730)	34,597	31,867
Transactions with owners, recorded directly in equity	-	(2,730)	138,624	135,894
Exchange adjustments on revaluation of capital	49,552	-	- ] [	49,552
Remittance made to Head office	_	-	_	-
	49,552	-	-	49,552
Balance as at 01 January 2022	6,398,696	(2,730)	2,469,393	8,865,359
Profit after taxation for the nine months period ended 30 September 2022	-	-	713,276	713,276
Other comprehensive income - net of tax	-	(1,691)	(1,680)	(3,371)
Transactions with owners, recorded directly in equity	-	(1,691)	711,596	709,905
Exchange adjustments on revaluation of capital	797,997	_		797,997
	151,551	-		181,881
Remittance made to Head office	- 797,997	-		- 797,997
		_		,
Balance as at 30 September 2022	7,196,693	(4,421)	3,180,989	10,373,261

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

Chief Country Officer Pakistan

(Incorporated in the Federal Republic of Germany with limited liability) Notes to the Condensed Interim Financial Information (Un-audited)

For nine months period ended 30 September 2022

### 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 24 May 2022 is A- for long-term and A-2 for short-term, rating by Fitch on 29 September 2022 is BBB+ for long-term and F2 for short-term; and rating by Moody's on 12 October 2022 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;
- 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 22 March 2019 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 2021.

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. 3 dated July 05, 2022 directed the banks in Pakistan to implement IFRS 9 'Financial Instruments' with effect from 01 January 2023 (for banks having asset size of Rs. 500 billion or above) and January 01, 2024 for all other banks. 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.

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered not to be relevant or do not have any significant impact and accordingly, have not been detailed in these condensed interim financial statements.

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

As per the SBP's BPRD Circular no. 3 dated July 05, 2022, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2023 (for banks having asset size of Rs. 500 billion or above) and January 01, 2024 for all other banks. The bank complies with the requirement of submitting IFRS 9 Pro-forma financial statements of the said circular.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these condensed interim financial statements.

### 3 SIGNIFICANT 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 2021.

### 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 2021.

### 5 FINANCIAL RISK MANAGEMENT

The Pakistan Operations continue to follow its current policies for managing credit, liquidity and market as disclosed in the annual financial statement for the period ended 31 December 2021.

6 CAS	SH AND BALANCES WITH TREASURY BANKS	Note	30 September 2022 (Rupees	31 December 2021 in '000)
ln h	and		· ·	,
Lo	cal currency		26,477	18,808
	preign currency		65,824	80,163
			92,301	98,971
With	h State Bank of Pakistan in			
Lo	cal currency current account	6.1	3,789,307	2,706,971
Fo	preign currency current account	6.2	121,308	67,252
Fo	preign currency deposit account			
:	Special cash reserve account	6.3	262,539	202,455
	Local US Dollar collection account	6.4	24,971	76,377
	Foreign currency capital account		7,196,693	6,398,696
			11,394,818	9,451,751
With	h National Bank of Pakistan in			
Lo	cal currency current account		16	16
			11,487,135	9,550,738

**6.1** This represents current account maintained with SBP that includes requirements of section 22 (Cash Reserve Requirement) of the Banking Companies Ordinance, 1962.

- 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 issued by the SBP. Profit rates on these deposits are fixed by SBP on a monthly basis and were 1.55% p.a (31 December 2021: 0.00% p.a).
- 6.4 This represents US Dollar settlement account opened with the SBP in accordance with FE Circular No. 2.

7	BALANCES WITH OTHER BANKS	30 September 31 Decemb 2022 2021 (Rupees in '000)			
	In Pakistan				
	Current account	2,000	1,500		
	Outside Pakistan Current account Interbranch Others	1,745,622 3,120 1,748,742 1,750,742	5,331,327 2,041 5,333,368 5,334,868		
8	LENDINGS TO FINANCIAL INSTITUTIONS	30 September 2022 (Rupees	31 December 2021 in '000)		
	Repurchase agreement lendings (Reverse Repo)		4,431,289		

9	INVESTMENTS	Note		30 September 2022			31 December 2021	
			Cost	Deficit	Total	Cost	Deficit	Total
					(Rupees	in '000)		
9.1	Investments by type:							
	Held-for-Trading Securities -Treasury bills		_	-	-	-	-	-
	-Pakistan Investment Bonds		-	-	-	441,458	(699)	440,759
	Available-for-Sale Securities						<i></i>	
	-Treasury bills		36,744,090	(7,756)	36,736,334	13,915,809	(4,476)	13,911,333
	Total investments	-	36,744,090	(7,756)	36,736,334	14,357,267	(5,175)	14,352,092
9.2	Investments by segments:	-		30 September 2022			31 December 2021	
		-	Cost	Deficit	Total	Cost	Deficit	Total
					(Rupees	in '000)		
	Federal Government Securities						<i>(, ,</i> <b>, , , , , , , , , ,</b>	
	Treasury Bills		36,744,090	(7,756)	36,736,334	13,915,809	(4,476)	13,911,333
	Pakistan Investment Bonds	-	26 744 000	(7.756)		441,458	(699)	440,759
		=	36,744,090	(7,756)	36,736,334	14,357,267	(5,175)	14,352,092

#### 9.3 Quality of Available-for-Sale Securities

Details regarding quality of Available-for-Sale (AFS) securities are as follows:

	Details regarding quality of Available-for-s	bale (Ar	(S) securilies are as	S IOIIOWS.			Cos	st
	Federal Government Securities - Government g -Market Treasury Bills						(Rupees 36,744,090	in '000) 13,915,809
	-Pakistan Investment Bonds						-	441,458
							36,744,090	14,357,267
10	ADVANCES		Perfor	ming	Non Per	forming	Tot	tal
			30 September	31 December	30 September	31 December	30 September	31 December
			2022	2021	2022	2021	2022	2021
					(Rupees	in '000)		
	Loans, cash credits, running finances, etc		3,127,512	4,347,517	30,885	30,885	3,158,397	4,378,402
	Bills discounted and purchased		-	-	65,626	65,626	65,626	65,626
	Advances - gross	10.1	3,127,512	4,347,517	96,511	96,511	3,224,023	4,444,028
	Provision against advances							
	- Specific		-	-	(96,511)	(96,511)	(96,511)	(96,511)
	- General		(7,998)	(7,998)	-	-	(7,998)	(7,998)
		10.3	(7,998)	(7,998)	(96,511)	(96,511)	(104,509)	(104,509)
	Advances - net of provision		3,119,514	4,339,519	-		3,119,514	4,339,519
10.1	Particulars of advances (Gross)						30 September	31 December
							2022	2021
							Rupees	in '000
	In local currency						3,158,397	4,378,402
	In foreign currencies						65,626	65,626
							3,224,023	4,444,028

10.2 Advances include Rs.96.511 million (31 December 2021: Rs. 96.511 million) which have been placed under non-performing status as detailed below:

Category of Classification	30 Septem	31 December 2021				
• •	Non		Non			
	Performing	Provision	Performing	Provision		
	Loans		Loans			
		Rupees in '000				
Domestic						
Other Assets Especially Mentioned	-	-	-	-		
Substandard	-	-	-	-		
Doubtful	-	-	-	-		
Loss	96,511	96,511	96,511	96,511		
	96,511	96,511	96,511	96,511		

#### 10.3 Particulars of provision against advances 30 September 2022 31 December 2021 -- Rupees in '000 -----Specific Total Total General General 104,509 Opening balance 96,511 7,998 104,509 96,511 7,998 Charge for the period / year -----Reversals 96,511 7,998 104,509 96,511 7,998 104,509 Closing balance

10.3.1 General provision represents amount recognized in line with the instructions received from the Head office.

11	FIXED ASSETS	Note	30 September 2022 Rupees	31 December 2021 in '000
	Capital work-in-progress Property and equipment	11.1 11.2	86,016 670,065 756,081	143,230 134,768 277,998
11.1	Capital work-in-progress			
	Advances to suppliers		86,016	143,230

**11.2** During the period, the Pakistan Operations has entered into a lease agreement for new office premises and the related Right of Use Asset for such lease amounts to Rs. 250 million which has been recognised during the period.

			2022	Audited 2021
12	DEFERRED TAX ASSETS			
	Deductible Temporary Differences on - Deficit on revaluation of investments - Accelerated tax depreciation		3,335 17,057 20,392	1,746 20,023 21,769
	Taxable Temporary Differences on - Post retirement employee benefits		(18,057)	(16,374)
			2,335	5,395
13	OTHER ASSETS			
	Income / Mark-up accrued in local currency Income / Mark-up accrued in foreign currency		129,502 10,605	101,636 37,386
	Advances, deposits, advance service charges / rent and other prepayments Advance taxation (payments less provisions)		66,987 1,076,973	26,118 1,177,799
	Receivable from defined benefit plan Marked to market gains on forward foreign exchange contracts		9,450 389	9,450 36,121
	Acceptances Others		153,688 5,556	184,988 4,371
	Less: Provision held against other assets 13 Other Assets (Net of Provision)	2.1	1,453,150 (4,674) 1,448,476	1,577,869 (4,674) 1,573,195
13.1	Provision held against other assets			
	Advances, deposits, advance rent & other prepayments		4,674	4,674
14	BILLS PAYABLE			
	In Pakistan		1,633,190	775,747

 30 September
 31 December

 2022
 2021

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

## Unsecured

Overdrawn nostro accounts - Interbranch

#### 16

- 9,334

16	DEPOSITS AND OTHER ACCOUNTS						
		30	) September 202	22	3	1 December 202	:1
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
				Rupees	in '000		
	Customers						
	Current deposits	8,281,250	1,199,198	9,480,448	9,257,542	966,184	10,223,726
	Savings deposits	23,552,556	3,501	23,556,057	11,571,572	35,982	11,607,554
	Term deposits	1,106,500	-	1,106,500	3,019,500	-	3,019,500
	Others	3,680,931	-	3,680,931	1,028,436	-	1,028,436
		36,621,237	1,202,699	37,823,936	24,877,050	1,002,166	25,879,216
	Financial Institutions	4 007		4 0 0 7			
	Non-remunerative deposits - inter branch	1,987	-	1,987	-	-	-
		36,623,224	1,202,699	37,825,923	24,877,050	1,002,166	25,879,216
17	OTHER LIABILITIES					30 September 2022	31 December 2021
						Rupee	s in '000
	Mark-up/ Return/ Interest payable in local currency	/				457,917	12,358
	Unearned commission and income on bills discour					37,084	26,060
	Accrued expenses					105,502	129,037
	Acceptances					153,688	184,988
	Dividends payable					94,567	56,675
	Marked to market loss on forward foreign exchang	e contracts				159,121	36,708
	Payable to DB Singapore					6,195	6,195
	Unremitted head office expenses					3,534,027	3,290,170
	Provision against off-balance sheet obligations					6,121	6,121
	Workers Welfare Fund				11.2	327,877	294,755
	Lease liability				11.2	480,613 105,531	34,029 258,342
	Others					5,468,243	4,335,438
						0,400,240	4,000,400
18	CONTINGENCIES AND COMMITMENTS					30 September 2022	31 December 2021
							s in '000
						Kupee	5 11 000
	-Guarantees				18.1	13,907,599	13,910,081
	-Commitments				18.2	22,573,170	30,784,166
						36,480,769	44,694,247
18.1	Guarantees						
10.1							
	Financial guarantees					13,907,599	13,910,081
18.2	Commitments						
	Documentary credits and short-term trade-related	transactions					
	- letters of credit Commitments in respect of:					937,517	2,848,779
	- forward foreign exchange contracts				18.2.1	1,065,268	12,296,671
	- forward lending				18.2.2	19,983,003	15,072,227
	- forward sale of investments					-	440,759
	Commitments for acquisition of:						-,
	- operating fixed assets					469,230	
	Other commitments				18.2.3	118,152	125,730
						22,573,170	30,784,166

18.2.1	Commitments in respect of forward foreign exchange contracts	30 September 2022 (Un-audited) Rupees	31 December 2021 (Audited) s in '000
	Purchase Sale	41,837 1,023,431 1,065,268	3,879,298 8,417,373 12,296,671
	The maturities of above contracts are spread over a period of six months.		
18.2.2	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	19,983,003	20,720,534
18.2.3	Cheques in clearing	118,152	125,730

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#### 18.3 Other contingent liabilities

Appeals for various assessment years are pending before Income Tax Appealate Authorities / High Court. Out of these appeals, decisions against demands of Rs. 638 million (31 December 2021: Rs. 638 million) have been made by the Commissioner Inland Revenue Appeals (CIRA) in favor of Pakistan Operations in respect of tax years 2011 to 2014. However, the tax department has filed appeals against the decisions of CIRA for tax years 2013 and 2014 involving demand of Rs. 513 million while no appeal effect orders have been passed by taxation officer for the remaining years. Further, Pakistan Operations are vigorously contesting the appeals for additional demands of Rs. 45 million against various issues (31 December 2021: Rs. 45 million) and the Pakistan Operations are confident that no additional liability would arise. An income tax order was issued dated June 30, 2022 though which a demand of Rs. 12 million, including penalty and default surcharge, was raised in respect of monitoring of withholding taxes for tax year 2016. An appeal has been filed before the CIRA against the said order.

Nine months Nine months

#### MARK-UP / RETURN / INTEREST EARNED 19

MARK-UP / RETURN / INTEREST EARNED	Nine monuter inditute			
	period ended period ended			
	30 September 3			
	2022	2021		
	Rupees	s in '000		
On:				
Loans and advances	374,183	197,839		
Investments	1,928,573	34,483		
		,		
Lendings to financial institutions	945,178	1,735,483		
Others	8	-		
	3,248,440	1,967,805		
		.,		
MARK-UP / RETURN / INTEREST EXPENSED				
On:				
Deposits	1,616,506	1,097,777		
•	5,866	2,055		
Borrowings		,		
Finance cost of lease liability	27,147	111		
	1,649,519	1,099,943		
FEE & COMMISSION INCOME				
Commission on trade				
Commission on guarantees	76.041	72,945		

	10,041	12,010
Commission on cash management	50,269	55,392
Commission on remittances including home remittances	396	4,308
Commission on bancassurance	57,921	37,626
Commission on custodial services	-	-
Others	54,108	114,548
	-	-
	238,735	284,819

22         LOSS ON SALE OF SECURITIES           Realised loss on sale of government securities - net         (4.412)         (1.151)           23         OTHER INCOME         127         7.433           24         OPERTING EXPENSES         127         7.430           24         OPERTING EXPENSES         93.066         65.232           27         Property expense         93.066         65.232           28         Property expense         93.066         65.232           29         Property expense         93.066         65.232           20         Property expense         93.057         15.137			Nine months period ended 30 September 2022 Rupee	Nine months period ended 30 September 2021 s in '000
20         OTHER INCOME           Gain on sale of fixed assets - net Others         127         7,439           21         OPERATING EXPENSES	22	LOSS ON SALE OF SECURITIES		
Gain on sale of fixed assets - net Others         127         7,438           127         7,430         127         7,430           127         7,430         127         7,430           127         7,430         127         7,430           127         7,430         127         7,430           127         7,430         127         7,430           127         7,430         127         7,430           127         7,430         127         7,430           127         7,430         127         7,430           120         OPERATING EXPENSES         90,060         55,328           Property expense         90,060         55,328           Solution cost         13,433         14,444         14,440           Properiotion on right-of-use assets         192,019         151,847           Information technology expenses         192,019         151,847           Other overting expenses         193,031         14,052           Outsource services costs         193,031         14,052           Outsource services costs         14,123         14,237           Outsource services costs         14,133         14,237           Outsource services co		Realised loss on sale of government securities - net	(4,412)	(1,151)
Others         - 2 127         - 2 7,470           24         OPERATING EXPENSES           Total compensation expense         468,520         390,527           Property expense Rent & taxes Insurance Utilities cost         93,060 5,326         55,326 5,326           Securit (including juards) Repair & maintenance Utilities cost         93,060 2,538         55,326 1,91,144           Depreciation on right-of-use assets         93,060 2,538         65,326 1,91,144         66,454 6,454           Schware maintenance Pareciation on right-of-use assets         93,060 2,63,91         15,1871           Information technology expenses Schware maintenance Depreciation (harges)         93,051 2,63,91         42,23,78 1,03,03         42,83,33           Other operating expenses Legal & professional charges         93,051 2,63,91         14,052 4,41,723         14,529 4,530         14,529 1,571           Other operating expenses Legal & professional charges Outsource services costs Traveling & conveyance NIFT clearing charges Depreciation         14,529 1,63,51         14,529 1,63,51         21,851 1,63,11           Other operating expenses Legal & professional charges Outsource services costs Traveling & conveyance NIFT clearing charges Depreciation         14,529 1,63,51         34 2,643         34 2,634           Other operating expenses Depreciation         1,030,772         350,723         350,723         360,273         360,273	23	OTHER INCOME		
127         7,470           24         OPERATING EXPENSES           Total compensation expense         468,520         390,527           Property expense Ran & taxes Insurance Utilities cost Security (including guards) Repark analytance (including janitorial charges) Depreciation         93,060         55,326           Perpentities cost Solution on right-of-use assets         93,060         55,326           Depreciation on right-of-use assets         19,035         40,827           Information technology expenses         4,055         426           Software maintenance Hardware maintenance         20,376         4263           Depreciation Network charges         4,055         44,123           Other operating expenses         19,901         65,515         44,1123           Other operating expenses         19,901         66,951         4,057           Upperciation Network charges         19,901         66,951         4,123           Other operating expenses         19,901         66,951         4,123           Outer operating expenses         19,901         66,951         14,923           Outer operating expenses         19,901         66,951         14,923           Outer operating expenses         19,901         66,951         16,971         14,923 <t< td=""><td></td><td>Gain on sale of fixed assets - net</td><td>127</td><td>7,438</td></t<>		Gain on sale of fixed assets - net	127	7,438
24         OPERATING EXPENSES           Total compensation expense         468,520         390,527           Property expense Rent & taxes Insurance Utilities cost         93,060 (1,5,12)         55,326 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         25,858 (1,9,184)         27,920 (1,9,2019)         115,1871           Depreciation on right-of-use assets         20,378 (1,9,2019)         426,221 (1,9,2019)         44,123           Other operating expenses         19,901         44,123         44,123         44,123           Other operating charges         14,629 (1,9,81)         14,549 (1,9,12)         14,629 (1,9,12)         14,549 (1,9,12)         44,123           Other operating charges         17,7025 (1,9,12)         14,549 (2,9,15)         14,549 (2,9,15)         14,549 (2,9,15)         14,549 (2,9,15)         14,549 (2,9,15)         14,549 (2,9,15)         14,549 (2,9,15)		Others	- 127	
Total compensation expense       468,520       300,527         Property expense Rent & taxes Insurance Utilities cost       93,060 (1,51,52)       55,326 (1,51,62)         Security (including guards) Repair & maintenance (including janitorial charges) Depreciation       93,061 (1,51,647)       55,326 (1,51,647)         Depreciation       19,035 (1,52,019)       13,483 (2,9,861)       14,052 (1,51,71)         Information technology expenses       4,085 (1,6,73)       426 (1,723)         Software maintenance       4,085 (1,6,73)       427 (1,52,79)         Hardware maintenance       4,085 (1,6,73)       426 (1,6,73)         Depreciation       16,873 (1,6,73)       14,052 (1,6,73)         Network charges       14,123         Uter operating expenses       1,901 (1,6,73)       14,052 (1,6,73)         Legial R parting expenses       1,901 (1,6,73)       14,052 (1,6,73)         Usiourced services costs       1,901 (1,6,73)       14,052 (1,6,73)         NFT clearing charges Outsourced services costs       1,901 (1,6,73)       14,052 (1,6,29)         Others of the operating expenses Stationery & printing Marketing adventisement & publicity       3,812 (1,6,83)       1,822 (1,6,83)         NFT clearing charges Outber of the openses Stationery & printing Marketing adventisement & publicity       1,822 (1,6,83)       1,822 (1,6,83)         Audit				
Property expense Rent & taxes Insurance         93,061 (5,452)         55,52 (5,52)           Security (including junitorial charges) Depreciation         93,061 (5,444)         52,526 (5,452)         25,586 (5,454)         25,586 (5,454)         25,586 (5,454)         25,586 (5,454)         25,586 (5,454)         25,586 (5,454)         46,454 (4,44)         37,371           Depreciation         19,035         19,035         13,483 (40,827)         13,483 (40,827)         13,483 (40,827)         13,483 (40,827)         13,483 (40,827)         13,483 (40,827)         13,483 (40,827)         13,543 (40,827)         13,543 (40,827)         13,543 (40,827)         13,543 (40,827)         13,543 (40,827)         14,552 (42,827)         14,552 (42,945)         14,552 (42,945)         14,552 (42,945)         14,552 (42,945)         14,552 (42,945)         14,552 (42,945)         14,552 (45,515)         14,123           Other operating expenses Usioured services costs Traveling & courey charges Outsourced services costs Communication NFT clearing charges Communication Head office / regional office expenses Stationery & printing Marketing, advertisement & publicity Auditors Remuneration Others         14,052 (4,613)         15,633 (4,533)         15,841 (4,532)         15,841 (4,533)         13,013 (4,552)         13,013 (4,553)         13,013 (4,552)         13,013 (4,552)         13,013 (4,552)         13,013 (4,552)         13,013 (4,552)         14,552 (4,616)         15,841 (5,653)	24			
Pent & laxes         93,060         65,326           Insurance         13,144         64,542           Security (including juridor)         84,400         3,737           Pepterciation         13,443         64,544           Depreciation         13,443         64,544           Scality (including juridor)         13,463         29,861         40,827           Information technology expenses         20,376         19,033         13,483           Depreciation         20,376         19,723         8,903           Depreciation         22,037         19,723         8,903           Depreciation         26,265         422         19,723         8,903           Depreciation         26,265         44,123         44,823         8,903           Vetwork charges         26,265         14,123         44,625         44,64           Other operating expenses         14,052         66,515         44,123           Outsource services costs         14,649         21,951         44,123           Other operating expenses         21,951         44,513         16,671         44,551           Outsource dervices costs         14,649         21,951         16,613         16,613         16,613		Total compensation expense	468,520	390,527
Insurance         6,045         6,152           Utilities cost         5,244         6,254         6,258           Rapair & maintenance (including jaintorial charges)         13,403         13,403         13,403           Depreciation         13,031         13,403         13,403         13,403           Depreciation on right-of-use assets         23,861         40,827         19,273         15,1,647           Information tachnology exponses         40,955         426         13,577         19,273         19,723           Bopreciation         14,873         20,378         19,273         19,723         15,071           Depreciation         14,673         44,123         44,123         44,123         44,123           Other operating exponses         14,675         44,556         16,171         14,052         42,691         14,052         42,691         14,052         42,691         14,052         42,691         14,052         42,691         14,952         14,652         16,171         14,554         16,171         14,554         16,171         14,554         16,171         14,554         16,171         14,554         16,171         14,554         16,171         14,554         16,171         1617         14,554         16,16			03.060	55 326
Security (including guards)         6.344         6.344         6.344           Repair & maintenance (including janitorial charges)         19.035         13.035           Depreciation         19.035         29.861         40.827           Information technology expenses         40.055         426           Software maintenance         40.055         426           Hardware maintenance         20.378         19.203           Depreciation         66.515         44.123           Other operating expenses         66.515         44.123           Unscored services costs         16.873         8.903           Outsourced services costs         16.17         14.052           Training & development         907         445           NFT clearing charges         16.873         2.944           Outsourced services costs         16.97         16.92           Outsourced services costs         19.702         6.637         1.9470           Outsource				
Repair & maintenance (including janitorial charges)         19,490         3,737           Depreciation         19,095         13,433           Depreciation on right-of-use assets         29,861         40,827           Information technology expenses         20,978         192,019         426           Software maintenance         4,055         426         19,723         19,723           Depreciation         19,901         14,802         19,723         19,723           Network charges         19,723         15,071         19,723         15,071           Other operating expenses         16,515         441,123         44,123           Other operating expenses         14,569         14,569         14,569           Utsourced services costs         14,599         14,052         62,945           Other operating expenses         19,901         14,052         62,945           Utsourced services costs         14,549         13,193         343           Postage & courier charges         6,613         5,633         199,013         14,659           Communication         16,773         16,677         9,470         14,859         16,821         18           Auditors Remuneration         10,802         16,821			· · · ·	
Depreciation         19.035         13.483           Depreciation on right-of-use assets         29.861         40.827           Information technology expenses         40.555         426           Software maintenance         4.055         426           Hardware maintenance         4.055         426           Depreciation         29.378         19.233           Network charges         16.873         8.903           Other operating expenses         19.901         14.052           Legal & professional charges         19.901         14.052           Other operating expenses         4.356         1.617           Unscored services costs         19.901         14.052           Traivelling & conveyance         14.549         21.951           NIFT of charing charges         9.071         445           Depreciation         14.549         21.951           Taining & development         19.901         14.052           Communication         6.616         5.633           Head office / regional office expenses         19.970.25         227.152           Stationery & printing         Marketing, advertisement & publicity         1.821         16.831           Auditors Remuneration         0.1032         <				
Depreciation on right-of-use assets         29.861         40.827           Information technology expenses         192,019         151,847           Software maintenance         4,056         20,378         192,723           Depreciation         16,873         8,903         15,071           Network charges         66,515         44,123           Other operating expenses         15,071         66,515         44,123           Other operating expenses         19,901         14,052         62,945         1,617           Outsourced services costs         16,275         62,945         1,617         1,617         1,622         1,621         1,622         1,621         1,622         1,621         1,622         1,621         1,625         1,617         1,625         1,617         1,31         3,4         1,622         1,621         1,617         3,907         4,45         1,617         3,907         4,45         1,617         3,31         3,4         1,622         1,617         3,31         3,4         1,622         1,617         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517         1,517 <td></td> <td></td> <td></td> <td></td>				
Information technology expenses         4,055         426           Software maintenance         20,375         49,055         426           Hardware maintenance         20,375         19,723         8,903           Depreciation         8,903         15,071         66,515         44,123           Other operating expenses         19,001         14,052         62,945         14,052           Legal & professional charges         14,052         62,945         14,052         62,945           Outworded services costs         14,052         62,945         14,052         62,945         14,052           Depreciation         14,549         21,951         14,052         62,945         14,459         21,951         14,452           Outworded services costs         14,549         14,549         21,951         14,549         21,951         14,549         21,951         14,549         21,951         14,549         21,951         14,549         21,951         14,549         21,951         14,549         21,951         14,549         22,7152         14,559         14,559         14,559         227,152         16,533         16,533         16,533         16,533         16,533         15,581         17,523         15,581         15,541 <td></td> <td></td> <td></td> <td></td>				
Software maintenance         4,055         426           Hardware maintenance         19,723         16,873         28,003           Depreciation         26,209         15,071         44,123           Other operating expenses         66,515         44,123           Useourced services costs         19,901         14,052           Outsourced services costs         44,123           NFT clearing charges         44,123           Depreciation         45,536         1,617           NFT clearing charges         44,123           Depreciation         45,536         1,617           NFT clearing charges         44,123         62,945           Depreciation         45,536         1,617           NFT clearing charges         4,536         1,617           Depreciation         907         445           Training & development         907         445           Postage & courier charges         6,163         5,633           Communication         16,873         2,844         1,602           Communication         1,852         19,702         18,523         18,852           Viters         1,852         18,852         18,852         18,852           Station				
Hardware maintenance Depreciation Network charges         20,378 (16,873) (25,209)         19,723 (16,873) (25,209)           Other operating expenses Legal & professional charges Outsourced services costs Travelling & conveyance NIFT clearing charges         19,901 (4,525)         14,052 (6,515)           Outsourced services costs Travelling & conveyance NIFT clearing charges Depreciation         19,901 (4,536)         14,052 (6,294)           Travelling & conveyance NIFT clearing charges         14,052 (4,536)         16,117 (14,549)         14,052 (14,549)           Depreciation Training & development Postage & courier charges Communication Head office / regional office expenses Stationery & printing Marketing, advertisement & publicity Additors Remuneration Others         331 (197,025)         342 (27,152)           25         OTHER CHARGES         1,030         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         1,030         -           Current Prior period Deferred         903,558 (279,930) (3,162)         279,930 (3,162)         -		Information technology expenses		
Depreciation Network charges         16,873 25,209         8,903 15,071           Other operating expenses Legal & professional charges Outsourced services costs         19,901         14,052           Outsourced services costs         46,257         62,945           Travelling & conveyance         16,163         05,901           NFT clearing charges         44,123         44,523           Depreciation         45,36         16,171           NFT clearing charges         46,257         62,945           Depreciation         44,539         1,459           Outsourced services costs         14,549         21,951           Training & development         331         34           Postage & courier charges         6,615         5,633           Communication         6,6163         5,633           Head office / regional office expenses         197,025         227,152           Stationery & printing         4,0024         3,033           Others         3,034         3,034           Joar,078         950,270         1,037,078           25         OTHER CHARGES         1,030         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         3,				
Network charges         25,209         15,071           Other operating expenses         66,515         44,123           Legal & professional charges         19,901         14,052           Outsourced services costs         46,257         62,945           Traivelling & conveyance         907         445           Depreciation         14,549         21,951           Training & development         34         7445           Postage & courier charges         2,844         1,602           Communication         6,163         5,633         197,025           Nettorery & printing         46,267         9,470         34           Aditors Remuneration         6,163         5,633         197,025         227,152           Stationery & pinting         4,852         18         18,52         18         3,013           Others         19,30,024         363,773         950,270         25         15,841         300         -           25         OTHER CHARGES         1,030         -         -         -           Penalties imposed by State Bank of Pakistan         1,030         -         -           26         TAXATION         3,182         -         3,182         -     <				
Other operating expenses         44,123           Legal & professional charges         19,901         14,052           Outsourced services costs         16,515         14,052           Travelling & conveyance         46,257         62,945           NIFT clearing charges         907         445           Depreciation         907         445           Training & development         331         34           Postage & courier charges         6,613         5,633           Communication         6,6143         5,633           Head office / regional office expenses         197,025         227,152           Stationery & printing         6,697         9,470           Marketing, advertisement & publicity         18,822         18           Auditors Remuneration         5,965         15,841           Others         10,024         363,773           25         OTHER CHARGES         10,030           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         903,558         279,930           Prior period         3,182         -         -           Prior period         3,182         -         -           279,930				
Legal & professional charges         19,901         14,052           Outsourced services costs         46,257         62,945           Travelling & conveyance         43,536         16,17           NIFT clearing charges         445         14,549         21,951           Depreciation         13,13         34           Postage & courier charges         2,844         1,602           Communication         6,163         5,633           Head office / regional office expenses         19,901         14,859           Stationery & printing         Avelopment         6,697         9,470           Marketing, advertisement & publicity         1,852         18         18           Auditors Remuneration         5,965         15,841         310,024         363,773           Others         1,037,078         950,270         15,841         310,024         363,773           1,037,078         950,270         1,581         310,024         363,773         950,270           25         OTHER CHARGES         1,030         -         -         26           Penalties imposed by State Bank of Pakistan         1,030         -         -           Current         903,558         279,930         3,182				
Legal & professional charges         19,901         14,052           Outsourced services costs         46,257         62,945           Travelling & conveyance         43,536         16,17           NIFT clearing charges         445         14,549         21,951           Depreciation         13,13         34           Postage & courier charges         2,844         1,602           Communication         6,163         5,633           Head office / regional office expenses         19,901         14,859           Stationery & printing         Avelopment         6,697         9,470           Marketing, advertisement & publicity         1,852         18         18           Auditors Remuneration         5,965         15,841         310,024         363,773           Others         1,037,078         950,270         15,841         310,024         363,773           1,037,078         950,270         1,581         310,024         363,773         950,270           25         OTHER CHARGES         1,030         -         -         26           Penalties imposed by State Bank of Pakistan         1,030         -         -           Current         903,558         279,930         3,182		Other operating expenses		
Travelling & conveyance         4,536         1,617           NIFT clearing charges         907         445           Depreciation         14,549         21,951           Training & development         331         34           Postage & courier charges         2,844         1,602           Communication         6,163         5,633           Head office / regional office expenses         197,025         227,152           Stationery & printing         6,697         9,470           Marketing, advertisement & publicity         1,852         18           Auditors Remuneration         2,997         3,013           Others         310,024         363,773           310,024         363,773         950,270           25         OTHER CHARGES         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         903,558         279,930           Current         903,558         279,930         3,182         -           Prior period         3,182         -         -           Deferred         3,182         -         -			19,901	14,052
NIFT clearing charges         907         445           Depreciation         14,549         21,951           Training & development         331         331           Postage & courier charges         2,844         1,602           Communication         6,163         5,633           Head office / regional office expenses         197,025         227,152           Stationery & printing         6,697         9,471           Marketing, advertisement & publicity         1,852         18           Auditors Remuneration         2,997         3,013           Others         2,997         3,013           Stationery & printing         1,037,078         950,270           25         OTHER CHARGES         1,030         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         903,558         279,930           Current         903,558         279,930         3,182         -           Deferred         3,182         -         -			· · · ·	
Depreciation         14,549         21,951           Training & development         331         34           Postage & courier charges         2,844         1,602           Communication         6,163         5,633           Head office / regional office expenses         197,025         227,152           Stationery & printing         6,697         9,470           Marketing, advertisement & publicity         1,852         18           Auditors Remuneration         2,997         3,013           Others         5,965         15,841           310,024         363,773         950,270           25         OTHER CHARGES         1,030         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         203,558         279,930           Prior period         3,182         -           Deferred         2,970         4,950				
Training & development       331       34         Postage & courier charges       331       34         Communication       6,613       5,602         Head office / regional office expenses       197,025       2227,152         Stationery & printing       6,697       9,470         Marketing, advertisement & publicity       1,852       18         Auditors Remuneration       2,997       3,013         Others       310,024       363,773         950,270       310,024       363,773         25       OTHER CHARGES       1,030       -         Penalties imposed by State Bank of Pakistan       1,030       -         26       TAXATION       903,558       279,930         Prior period       3,182       -         Deferred       2,970       4,950				
Postage & courier charges Communication         2,844         1,602           Communication         6,163         5,633           Head office / regional office expenses Stationery & printing Marketing, advertisement & publicity         197,025         227,152           Marketing, advertisement & publicity         1,852         18           Auditors Remuneration Others         1,852         18           310,024         363,773         350,270           25         OTHER CHARGES         1,030         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         903,558         279,930           Prior period Deferred         3,182         -           20         2,970         4,950				
Communication         6,163         5,633           Head office / regional office expenses         197,025         227,152           Stationery & printing         9,470         1,852         18           Auditors Remuneration         2,997         3,013         2,997         3,013           Others         310,024         363,773         950,270           25         OTHER CHARGES         1,030         -           Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         903,558         279,930           Prior period         3,182         -           Deferred         2,970         4,950				
Stationery & printing Marketing, advertisement & publicity Auditors Remuneration Others         6,697 1,852 2,997 3,013 3,01		Communication	6,163	5,633
Marketing, advertisement & publicity Auditors Remuneration Others         1,852 2,997 3,013 5,965 15,841 310,024 363,773 950,270           25         OTHER CHARGES Penalties imposed by State Bank of Pakistan         1,030 -         -           26         TAXATION Current Prior period Deferred         903,558 279,930 3,182 -         279,930 2,970 4,950				
Auditors Remuneration Others         2,997 5,965         3,013 15,841           310,024         363,773           303,024         363,773           950,270         950,270           25         OTHER CHARGES           Penalties imposed by State Bank of Pakistan         1,030           26         TAXATION           Current Prior period Deferred         903,558         279,930           3,182         -           2,970         4,950				
Others         5,965         15,841           310,024         363,773           1,037,078         950,270           25         OTHER CHARGES           Penalties imposed by State Bank of Pakistan         1,030           26         TAXATION           Current         903,558         279,930           Prior period         3,182         -           Deferred         2,970         4,950				
310,024         363,773           1,037,078         950,270           25         OTHER CHARGES           Penalties imposed by State Bank of Pakistan         1,030           26         TAXATION           Current Prior period Deferred         903,558         279,930           3,182         -           2,970         4,950				
25       OTHER CHARGES         Penalties imposed by State Bank of Pakistan       1,030         26       TAXATION         Current       903,558       279,930         Prior period       3,182       -         Deferred       2,970       4,950			310,024	363,773
Penalties imposed by State Bank of Pakistan         1,030         -           26         TAXATION         903,558         279,930           Current Prior period Deferred         903,558         279,930         3,182         -           2,970         4,950         4,950         3,182         -			1,037,078	950,270
26         TAXATION           Current         903,558         279,930           Prior period         3,182         -           Deferred         2,970         4,950	25	OTHER CHARGES		
Current         903,558         279,930           Prior period         3,182         -           Deferred         2,970         4,950		Penalties imposed by State Bank of Pakistan	1,030	
Prior period         3,182         -           Deferred         2,970         4,950	26	TAXATION		
Prior period         3,182         -           Deferred         2,970         4,950		Current	903.558	279 930
Deferred 4,950				-
<b>909,710</b> 284,880			2,970	
			909,710	284,880

26.1 During the period, the tax rate has been revised from 35% to 39%. Further, a Super Tax of 10% has been levied for the tax year 2023. Accordingly, the impact of these changes in tax rates has been incorporated in these condensed interim financial statements.

### 27 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.

#### 27.1 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 2022				
	Fair Value				
	Level 1	Level 2	Level 3	Total	
		(Rupees	s in '000)		
On balance sheet financial instruments					
Financial assets measured at fair value Investments					
- Federal Government Securities Other Assets	-	36,736,334	-	36,736,334	
- Unrealized gain on forward foreign exchange contracts	-	389	-	389	
Financial Liabilities measured at fair value Other Liabilities					
- Unrealized loss on forward foreign exchange contracts	-	159,121	-	159,121	
Off-balance sheet financial instruments measured at fair value					
Forward purchase of foreign exchange	-	42,226	-	42,226	
Forward sale of foreign exchange	-	1,182,552	-	1,182,552	
		31 Decemb	-		
	<u> </u>	Fair V			
	Level 1	Level 2	Level 3	Total	
		(Rupees	s in '000)		
On balance sheet financial instruments					
Financial assets measured at fair value Investments					
- Federal Government Securities Other Assets	-	14,352,092	-	14,352,092	
- Unrealized gain on forward foreign exchange contracts	-	36,121	-	36,121	
Financial Liabilities measured at fair value Other Liabilities					
- Unrealized loss on forward foreign exchange contracts	-	36,708	-	36,708	
Off-balance sheet financial instruments measured at fair value					
Forward purchase of foreign exchange	-	3,915,419	-	3,915,419	
Forward sale of foreign exchange		8,454,081	-	8,454,081	

#### 28 SEGMENT INFORMATION

#### 28.1 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 offices which are responsible to provide support services to the businesses. The Treasury business is also a part of Infrastructure and Regional Management.

	Nine months period ended 30 September 2022				
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total	
		(Rupees	s in '000)		
Profit & Loss Net mark-up / return Inter segment revenue - net Non mark-up / return / interest income	(1,250,424) 2,336,942 327,534	46,785 (87,888) 776,384	2,802,560 (2,249,054) (8,623)	1,598,921 - 1,095,295	
Total Income	1,414,052	735,281	544,883	2,694,216	
Segment direct expenses Inter segment expense allocation Total expenses	(64,965) (726,342) (791,307)	(39,546) (106,940) (146,486)	(966,719) <u>833,282</u> (133,437)	(1,071,230) - (1,071,230)	
Reversals / (Provisions)	-	(140,400)	-	-	
Profit before tax	622,745	588,795	411,446	1,622,986	
	30 September 2022				
	Corporate Bank	Investment Bank	Infrastructure & Regional Management	Total	
		(Rupees	s in '000)		
Balance Sheet Cash & Bank balances	-	-	, 13,237,877	13,237,877	
Net inter segment lending	37,044,249	-	-	37,044,249	
Investments	-	1,988,419	34,747,915	36,736,334	
Advances - performing	3,127,512	-	-	3,127,512	
- non-performing - provision against advances	96,511 (104,509)	-	-	96,511 (104,509)	
Others	296,428	389	1,910,075	2,206,892	
Total Assets	40,460,191	1,988,808	49,895,867	92,344,866	
				-	
Borrowings	-	-	-	-	
Deposits & other accounts	37,823,936	-	1,987	37,825,923	
Net inter segment borrowing	-	1,829,687	35,214,562	37,044,249	
Others Total liabilities	2,636,255	159,121	4,306,057	7,101,433	
Total liabilities Equity	40,460,191	1,988,808 -	39,522,606 10,373,261	81,971,605 10,373,261	
Total Equity & liabilities	40,460,191	1.988.808	49,895,867	92,344,866	
· · ···· ····· · · · · · · · ·		.,,			
Contingencies & Commitments	30,663,447	5,348,092	469,230	36,480,769	

		Nine months period ended 30 September 2021			
	Corporate Bank	Investment Bank	Infrastructure & Regional	Total	
	Bank	Dank	Management		
		(Rupee	s in '000)		
Profit & Loss					
Net mark-up / return	(895,816)	31,577	1,732,101	867,862	
Inter segment revenue - net	1,612,572	(72,089)	(1,540,483)	-	
Non mark-up / return / interest income	398,536	335,191	59,989	793,716	
Total Income	1,115,292	294,679	251,607	1,661,578	
Segment direct expenses	(297,554)	(32,399)	(634,543)	(964,496)	
Inter segment expense allocation	(714,592)	(40,078)	754,670	-	
Total expenses	(1,012,146)	(72,477)	120,127	(964,496)	
Reversals / (Provisions)	-	-	-	-	
Profit before tax	103,146	222,202	371,734	697,082	
		31 Dece	mber 2021		
	Corporate	Investment	Infrastructure &	Total	
	Bank	Bank	Regional		
		-	Management		
		(Rupee	s in '000)		
Balance Sheet					
Cash & Bank balances	-	-	14,885,606	14,885,606	
Net inter segment lending	22,333,256	-	-	22,333,256	
Lendings to financial institutions	-	-	4,431,289	4,431,289	
Investments	-	440,759	13,911,333	14,352,092	

Cash & Bank balances	-	-	14,885,606	14,885,606
Net inter segment lending	22,333,256	-	-	22,333,256
Lendings to financial institutions	-	-	4,431,289	4,431,289
Investments	-	440,759	13,911,333	14,352,092
Advances - performing	4,347,517	-	-	4,347,517
- non-performing	96,511	-	-	96,511
- provision against advances	(104,509)	-	-	(104,509)
Others	324,874	36,121	1,495,593	1,856,588
Total Assets	26,997,649	476,880	34,723,821	62,198,350
Borrowings	-	-	9,334	9,334
Deposits & other accounts	25,879,216	-	-	25,879,216
Net inter segment borrowing		440,172	21,893,084	22,333,256
Others	1,118,433	36,708	3,956,044	5,111,185
Total liabilities	26,997,649	476,880	25,858,462	53,332,991
Head office account	-	-	8,865,359	8,865,359
Total Equity & liabilities	26,997,649	476,880	34,723,821	62,198,350
Contingencies & Commitments	32,271,846	12,422,401	-	44,694,247

#### 29 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 2022		3	31 December 2021			
	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	1,745,622	-	-	5,331,327	-	-	
Advances							
Opening balance	-	27,123	-	-	73,105	-	
Addition during the period	-	14,268	-	-	38,950	-	
Repaid during the period	-	(4,933)	-	-	(84,932)	-	
Closing balance		36,458	-	-	27,123	-	
Other Assets							
Receivable from staff retirement fund	-	-	9,450	-	-	9,450	
Borrowings							
Opening balance	9,334	-	-	20,819	-	-	
Borrowings during the period	162,977	-	-	29,141,085	-	-	
Settled during the period	(172,311)	-	-	(29,152,570)	-	-	
Closing balance		-	-	9,334	-	-	
Deposits and other accounts							
Opening balance	_	7,163	20,184	89	12,345	26,220	
Received during the period	197,487	133,700	1,223,317	1,208,401	349,497	3,798,474	
Withdrawn during the period	(195,500)	(125,018)	(1,227,159)	(1,208,490)	(354,679)	(3,804,510)	
Closing balance	1,987	15,845	16,342	-	7,163	20,184	
Other Liabilities							
Other liabilities	3,540,222	-	-	3,296,365	-	-	
Contingencies and Commitments							
Other contingencies	7,232,730	-	-	6,733,125	-	-	
			30 Sente	Nine months mber 2022	period ended	nber 2021	
			Head office	Key	Head office	Key	
			and	management	and branches	management	
			branches	personnel		personnel	
				(Rupees	in '000)		
Income				470		1.670	
Mark-up / return / interest earned			-	473	-	1,676	
Expense							
Operating expenses			197,025	-	227,152	-	
Compensation Expenses			-	100,978	-	92,587	

30	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	30 September 2022 (Rupees	31 December 2021 5 <b>in '000)</b>
	Minimum Capital Requirement (MCR): Paid-up capital (net of losses)	10,373,261	8,868,089
	<b>Capital Adequacy Ratio (CAR):</b> Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital Total Eligible Tier 1 Capital	10,373,266 	8,855,909 - 8,855,909
	Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2)	<u>14,119</u> 10,387,385	14,119 8,870,028
	Risk Weighted Assets (RWAs): Credit Risk Market Risk Operational Risk Total	10,798,797 388,750 4,837,150 16,024,697	11,227,480 280,222 4,837,150 16,344,852
	Common Equity Tier 1 Capital Adequacy Ratio Tier 1 Capital Adequacy Ratio Total Capital Adequacy Ratio	64.73% 64.73% 64.82%	54.18% 54.18% 54.27%
	<b>Leverage Ratio (LR):</b> Eligible Tier-1 Capital Total Exposure Leverage Ratio	10,373,266 71,003,607 14.61%	8,855,909 71,027,492 12.47%
	Liquidity Coverage Ratio (LCR): Total High Quality Liquid Assets Total Net Cash Outflow Liquidity Coverage Ratio	21,578,064 7,520,776 287%	27,565,828 8,763,782 315%
	Net Stable Funding Ratio (NSFR): Total Available Stable Funding Total Required Stable Funding Net Stable Funding Ratio	28,675,238 7,434,814 386%	27,057,001 9,422,550 287%

## 31 GENERAL

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

## 32 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on 28 Oct 2022.

Chief Country Officer Pakistan