

CORPORATE AFFAIRS GROUP

HO/CAG/CAU/2021/ 71

August 30, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Transmission of Quarterly Report for the Period Ended June 30, 2021

Dear Sir

We have to inform you that Quarterly Report of Allied Bank for the period ended June 30, 2021 has been transmitted through PUCARS and is also available on Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,



Muhammad Raffat
for **Company Secretary &
Chief, Corporate Affairs**



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Corporate Information

Vision

To become a dynamic and efficient bank providing integrated solutions in order to be the first choice bank for the customers.

Mission

- To provide value added services to our customers
- To provide high tech innovative solutions to meet customers' requirements
- To create sustainable value through growth, efficiency and diversity for all stakeholders
- To provide a challenging work environment and reward dedicated team members according to their abilities and performance
- To play a proactive role in contributing towards the society

Core Values

- Integrity
- High Performance
- Excellence in Service
- Innovation and Growth

Board of Directors

Mohammad Naeem Mukhtar
 Sheikh Mukhtar Ahmad
 Muhammad Waseem Mukhtar
 Abdul Aziz Khan
 Muhammad Akram Sheikh
 Zafar Iqbal
 Nazrat Bashir
 Aizid Razzaq Gill

Chairman / Non-Executive Sponsor Director
 Non-Executive Sponsor Director
 Non-Executive Sponsor Director
 Non-Executive Director
 Independent Director
 Independent Director
 Independent Director
 Chief Executive Officer

Audit Committee of the Board

Zafar Iqbal (Chairman)
 Muhammad Waseem Mukhtar
 Muhammad Akram Sheikh

Strategic Planning & Monitoring Committee

Muhammad Waseem Mukhtar (Chairman)
 Abdul Aziz Khan
 Nazrat Bashir
 Aizid Razzaq Gill

Board Risk Management Committee

Sheikh Mukhtar Ahmad (Chairman)
 Abdul Aziz Khan
 Muhammad Akram Sheikh
 Aizid Razzaq Gill

Human Resource & Remuneration Committee

Abdul Aziz Khan (Chairman)
 Muhammad Waseem Mukhtar
 Muhammad Akram Sheikh
 Aizid Razzaq Gill (Permanent Invitee)

e-Vision Committee

Mohammad Naeem Mukhtar (Chairman)
 Zafar Iqbal
 Nazrat Bashir
 Aizid Razzaq Gill

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Muhammad Raffat

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the half year ended June 30, 2021. The operating results and appropriations as recommended by the Board are included in the appended table:

	Half year ended June 30,		Growth
	2021	2020	
	(Rupees in million)		%
Profit after tax for the period	8,762	8,414	4
Accumulated profits brought forward	66,995	55,821	20
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	1	6	(83)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	320	75	327
Re-measurement gain on defined benefit obligation – net of tax	42	-	100
Profit available for appropriation	76,119	64,315	18
Final cash dividend for the year ended December 31, 2020: Rs. 6.00 per share (2020: Year ended December 31, 2019: Rs. 2.00 per share)	(6,870)	(2,290)	200
First interim cash dividend for the year ending at December 31, 2021: Rs. 2.00 per share (2020: year ended December 31, 2020: Rs. 2 per share)	(2,290)	(2,290)	-
Transfer to Statutory Reserves	(876)	(841)	4
Accumulated profits carried forward	66,083	58,894	12
Earnings Per Share (EPS) (Rs.)	7.65	7.35	4

The Board is pleased to announce an interim cash dividend of Rs. 2.00 per share in addition to first interim cash dividend of Rs. 2.00 per share, which has already been paid. Interim cash dividend for the Half Year ended June 30, 2021 is Rs 4.00 per share (June 30, 2020 Rs. 2.00 per share, consisting of Rs.2.00 per share for the quarter ending on March 31, 2021 and Rs. Nil for the quarter ending on June 30, 2020 due to dividend suspension advised by SBP amid Covid-19 pandemic).

Economic Review

During third wave of COVID-19 pandemic, effective vaccine rollout together with adaptation to pandemic lifestyle enabled higher-than-anticipated rebound despite subdued overall mobility and economic activity. International Monetary Fund (IMF) projects a strong global economic recovery of 6.0% for 2021 compared to contraction of 3.3% in 2020.

Pakistan's economy, despite facing challenges together with outbreak of new variants of Coronavirus, witnessed a V-shaped recovery, while maintaining internal and external stability. According to IMF, Pakistan's Real GDP growth is projected at 1.5% in 2021 as compared to contraction of 0.4% in 2020.

Large Scale Manufacturing (LSM) registered growth by 14.85% during Jul-Jun 2020-21 as compared to reduction of 10.17% during corresponding period last year. Accommodative policies for export-oriented industries, duty exemption under China-Pak Free Trade Agreement-II and electricity and gas subsidy for the export-oriented industries led towards aforementioned surge in LSM. The major escalation in LSM during Jul-Jun 2020-21 witnessed in refrigerators, woolen & carpet yarn, woolen blankets, paints & varnishes and air conditioners which increased by 86.83%, 182.34%, 157.04%, 73.53% and 133.67% respectively.

Agriculture sector rose by 2.8% on the back of higher production volumes in wheat, maize, rice and sugarcane by 8.1%, 7.4%, 13.6% and 22.0% respectively

Current account surplus accumulation during the first half of FY 2020-21 amounting to US\$1,247 million has been offset by subsequent higher trade deficit for both goods and services and lower current transfers. As a result, current account surplus turned into deficit of US\$ 1,852 million during FY Jul-Jun 2020-21 as compared to a deficit of US\$ 4,449 million during the corresponding period last year.

Exports of goods and services increased by 13% during FY Jul-Jun 2020-21 to US\$ 31,567 million against US\$ 27,973 million in FY Jul-Jun 2019-20. Export of Goods exhibited a rise of 14% and services increased by 9% to stand at US\$ 25,630 million and US\$ 5,937 million respectively during FY Jul-Jun 2020-21 as compared to US\$ 22,536 million and US\$ 5,437 million respectively in corresponding period last year.

Consequent to economic growth redemption together with ascent in international oil prices, imports of goods and services stood at US\$ 61,597 million during FY Jul-Jun 2020-21; posting a growth of 18%.

Accordingly, trade deficit soared by 23% to record at US\$ 30,030 million during Jul-Jun 2021 as compared to US\$ 24,425 million during the corresponding period last year.

Owing to formalized banking channels opted amid Covid-19 restrictions and measures undertaken as part of anti-money laundering regulations in accordance with The Financial Action Task Force (FATF) recommendations, remittances posted a remarkable growth of 27%. Workers' Remittances stood at US\$ 29,370 million during FY Jul-Jun 2020-21 as compared to US\$ 23,131 million during FY Jul-Jun 2019-20.

Foreign Exchange (FX) Reserves with State bank of Pakistan stood at US\$ 17,298 million as at June 30, 2021. Total FX Reserves have been above US\$ 20 billion mark since November 2020 and stood at US\$ 24,397 million as on June 30, 2021.

On account of elevated foreign exchange reserves followed by strong remittances and financial support from International Financial Institutions together with market-based exchange rate regime; Pakistani Rupee appreciated by 6.3% since June 30, 2020 to stand at Rs. 157.54 as on June 30, 2021.

Foreign Direct Investment (FDI) stood at US\$ 1,847 million during FY Jul-Jun 2020-21. Power sector contributed 49% of the total FDI in FY Jul-Jun 2020-21 as compared to 29% in the corresponding period last year. Similarly Financial Business, Oil and Gas Explorations and Trade attracted 13%, 13% and 8% of the total FDI mix.

On fiscal side, a considerable increase of 18.4% in tax collection and effective management of expenditures aided in containing the fiscal deficit as a percentage of GDP to 4.6% during Jul-May'21. Primary balance continued to sustain in surplus and recorded at 0.9% of GDP, highest level during first three quarters in 12 years.

Covid-19-induced measures halted the world economy and caused declines in international oil and food prices causing relatively lower CPI levels in Feb 2020. However, the base effect has partly reduced CPI Inflation to record at 9.7% in June 2021 after hitting a 14-month peak of 11.1% in April 2021.

Persisting positive growth momentum amid third wave of Covid-19 and vaccine rollout, together with upward revision in the FY21 growth forecast provided room to SBP to maintain the policy rate at 7% during the period under review.

Financial Review

Pakistan's Banking Sector remained resilient and performed well despite declining interest rate scenario, limited economic activity owing to implementation of safe workplace and social distancing measures and persistent decline in credit quality due to escalated business uncertainty amid new variants of Covid-19. Total Industry assets grew by 11.97% to stand at Rs. 27,197 billion as on June 30, 2021 as against Rs. 24,291 billion as at December 31, 2020.

Broad Money (M2) and Currency in Circulation stood at Rs. 23,767 billion and 6,998 billion respectively; registering a year-on-year growth of 13.7% and 13.9% respectively.

Your Bank remained fully aware of the high downside risks to the economic and operating environment and pursued its strategy of consistent growth through robust risk management framework, technology driven automation and enhanced digitization.

SBP's accommodative policy measures continued keeping average benchmark rate at 7% to curtail the adverse impact of Covid-19 pandemic as compared to 10.90% in June 2020. Consequently, yield on investments, advances and bank placements decreased as compared to the corresponding half year ended June 30, 2020. As a result, interest income decreased by 14% to reach at Rs. 53,337 million during half year ended June 30, 2021.

Similarly, Markup expense also decreased by 18% to reach at Rs. 30,319 million during half year ended June 30, 2021 as compared to 36,765 million during corresponding period last year. Resultantly, Net interest income (NIM) stood at Rs. 23,018 million during period under review, down by 9%.

Your Bank's constant emphasis of capitalizing on the emerging digital financial avenues together with maintaining diversification of revenue streams facilitated a robust fee income growth of 17% to reach at Rs. 3,256 million during half year ended June 30, 2021. Aforementioned surge is primarily driven by increased Card related fee from vigorous Debit card campaigns, income from branch banking and import commission.

Dividend income posted a growth of 53% to stand at Rs. 1,093 million during half year ended June 30, 2021 as compared to Rs. 712 million during corresponding period last year. The increase is attributable to higher dividend announced by Banking Institutions subsequent to end of restriction on dividend distribution for the two consecutive quarters of 2020 under SBP directives and the dividend announced by power sector companies.

Comparatively stable swap curve led to lower Foreign Exchange (FX) income by 4% to stand at Rs. 663 million during half year ended June 30, 2021.

Attributable to prudent disposal of equity portfolio and fixed income securities, Your Bank earned capital gain of Rs. 2,652 million during the period under review; registering a growth of 9%. Resultantly total non-markup income increased by 18% to reach at Rs. 7,933 million during the half year ended June 30, 2021 as against Rs. 6,698 million during corresponding period last year.

Despite multiple factors of inflationary pressure, increased spending focused towards technological transformation and Corporate Social Responsibility (CSR) measures amid Covid-19, Your Bank restricted non-markup expense growth at 10% which stood at Rs. 16,550 million during half year ended June 30, 2021.

Your Bank increased its focus towards catering to the evolving needs of "Digital Age" without compromising on branch banking operations. Resultantly Branch outreach was maintained at 1,402 including 1,278 conventional and 117 Islamic banking branches and 07 digital branches. Similarly, your bank exhibits robust ATM network of 1,559 machines including 1,238 on-site, 318 off-site and 03 Mobile Banking Units (MBU) with ATM uptime average of 97% during the period ended June 30, 2021.

Director's Review

Profit Before tax stood at Rs. 14,711 million during half year ended June 30, 2021. Profit after tax reached at Rs. 8,762 million as against Rs. 8,414 million during corresponding period last year; depicting a growth of 4%. Earnings per share (EPS) stood at Rs. 7.65 during period under review as compared to 7.35 during corresponding period last year.

Your Bank's asset base exhibits a healthy growth of 16% to stand at Rs. 1,845,063 million as on June 30, 2021. Asset growth is mainly driven by funds deployment in investments which were higher by 30% and stood at Rs. 1,074,807 million as on June 30, 2021. The escalation is attributable to liquidity placement in Government securities causing mix of government securities to total investments to increase to 96% in June 2021 as against 94% in December 2020.

Subsequent to the third wave of Covid-19, economic activity gained momentum thereby stimulating private sector credit offtake. Resultantly, Your Bank's Gross advances increased by 4% to reach at Rs. 530,063 million as on June 30, 2021. Net advances crossed Rs. 500 billion mark to reach at Rs. 516,723 million as on June 30, 2021.

Your Bank continued to pave the way for its low infection ratio and high overall coverage ratio which stood at 2.7% and 94.2% respectively, surpassing industry infection and ratio of 9.3% and 87.6% respectively. No FSV benefit was availed while determining the provision against non-performing loans, allowed under guidelines of SBP.

Lending to financial institutions contracted by 59% during half year ended June 30, 2021 to reach at Rs. 7,369 million due to decrease in call money lending.

Deposit base posted a growth of 8% to reach at Rs. 1,315,055 million as on June 30, 2021 as against Rs. 1,216,678 million as at December 31, 2020. Your Bank pivoted its concentration towards mobilization of low-cost deposits which resulted in increase of 11% in current deposits. Consequently, current deposit to total deposit mix increased to 42% in June 2021 from 40% in December 2020. Current Account Saving Account (CASA) stood at 86% as on June 30, 2021.

Your Bank's equity base stood at Rs. 128,516 million as at June 30, 2021. Return on equity (ROE) and return on asset (ROA) stood at a robust level of 17.2% and 1.0% respectively. Capital Adequacy ratio of the Bank stood at 25.74% against statutory requirement of 11.5% which is indicative of strong Capital positioning of the Your Bank.

Future Outlook

Looking ahead, Global economic recovery is gaining momentum. However, several downside risks of new delta variants of COVID-19 outbreaks along with shortage of vaccines weigh on the generally positive outlook. Consequently, International Monetary Fund (IMF) projects Global economic growth of 4.4% in 2022 and 3.3% in 2026.

Effective vaccine rollout and implementation of economic reforms under a stabilization program are supporting broad based economic recovery in Pakistan. Resultantly IMF projects the country's GDP growth to reach 4.0% and 5.0% in 2022 and 2026 respectively.

Fiscal incentives granted to key construction and export industries together with subsidized credit offered to protect employment will stimulate growth. However, agriculture sector growth targeted at 3.5 percent in FY 2022 would remain contingent upon revival of cotton production, consistent availability of water, pest control and availability of farm credit.

According to the latest Asian Development Outlook 2021, the current account deficit is projected to widen to 2.0% of GDP in FY 2022 on the back of higher import volumes as recovery strengthens and downward adjustment in remittances after removal of travel restrictions. IMF anticipates current account deficit at 1.8% and 2.9% of GDP in 2022 and 2026 respectively.

Going forward, the inflation trajectory will be affected by the path of domestic food and energy prices. Average inflation for FY 2020-21 closed at 8.9% in line with the previously announced range of 7%-9% by SBP. In medium term SBP anticipates average inflation to fall between 5%-7% target range. Similarly, IMF projects 8% inflation in 2022 and 6.5% in 2026.

According to the World Bank report on 'Global Social Protection Responses to Covid-19', Pakistan ranks 4th globally in terms of the number of people covered for vaccination and 3rd globally in terms of the percentage of population covered. Furthermore, World Bank has stated that only "select countries have attained impressive six-digit levels" for effective vaccination rollout. Aforementioned pace of vaccination and economic stabilization measures are key for restoring investor confidence and boosting economy going forward.

Your Bank is aimed towards technological enhancements to facilitate superior customer experience. Allied Phone Banking continued with innovative launch of advanced Interactive Voice Recorder (IVR) and call center solution with personalized value driven options and security. These solutions provide intelligent priority service selection, self-service banking, OTP generation, enhanced PIN management, self-service card activation and service menus for the valued customers.

Moreover, Self-service card activation enables customers to activate their debit cards conveniently without interacting with a phone banking agent. Technology communicated with the customers through the use of touch notes input via keypad. This top-notch initiative leads to simplistic service solutions aiming towards customer facilitation by saving their time.

After successful launch of Payday Loan in November 2020, Your Bank onboarded certain large organizations and disbursed 114 loans with 100% recovery.

With aim to target middle income segment that requires higher limits and discounts, Your Bank launched UnionPay and PayPak Gold Debit Card. This card is equipped with contactless payment technology. Moreover, it is issued in collaboration with Golootlo which provides nationwide discounts for over 22,000 merchants.

Entity Rating

Pakistan Credit Rating Agency (PACRA) maintained the Bank's long-term and short-term credit rating at the highest level of "AAA" (Triple A) and "A1+" (A One Plus) respectively. These ratings indicate highest credit quality and an exceptionally strong capacity for payment of financial commitments. Your Bank has consolidated its position as one of the only select group of financial institutions in the Country to maintain highest entity credit ratings.

Corporate Governance Rating

VIS Credit Rating Company Limited re-affirmed Allied Bank Limited's (ABL) Corporate Governance Rating of 'CGR-9+'. The rating indicates a 'very high level of corporate governance'; thus, depicting a strong commitment towards governance framework by the Board and Management of ABL.

Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report. Non-Executive Directors (excluding those who have opted not to receive meeting fee on voluntary basis) are paid a reasonable and appropriate remuneration for attending the Board and/or its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence and is within prescribed threshold defined by SBP. No fee is paid to the directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Acknowledgement

On behalf of Allied Bank, we would like to extend our acknowledgment to the valued customers for placing their trust in Allied Bank Limited. We would also like to express our gratitude to the worthy shareholders of the Bank for their support, State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies for their guidance and motivation.

We would especially like to recognize hard work and dedication of our employees who in these testing times have performed their duties with utmost commitment and discipline to ensure business continuity and provision of un-interrupted financial services to the customers and public at large

We wish and pray for health and safety of mankind against this pandemic.

For and on behalf of the Board of Directors.

Azid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: August 17, 2021

ڈائریکٹرز کا تجزیہ

معزز شیئر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2021ء کو اختتام پذیر ہونے والی تاج پینچ ٹیج کر کے ہونے نہایت مسرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور خصوصیات مندرجہ ذیل جدول میں درج ہے:

ششماہی مختتمہ 30 جون			
نمبرہ %	2020	2021	
%	ملین روپے		
4	8,414	8,762	بہداشتیج منافع
20	55,821	66,995	گزشتہ تاج شدہ منافع
(83)	6	1	غیر بینکاری اہلیت کی قدر پیکائش سے غیر تصرف شدہ منافع میں منتقلی خالص ازینکس
327	75	320	مہینہ اہلیت کی قدر پیکائش سے غیر تصرف شدہ منافع میں منتقلی خالص ازینکس
100	-	42	متعین فوائدی آمدنی کی دوبارہ پیکائش سے حاصل شدہ آمدنی خالص ازینکس
18	64,315	76,119	تصرف کے لیے دستیاب منافع
200	(2,290)	(6,870)	حتیٰ کیش ڈیویڈنڈ برائے سال مختتمہ 31 دسمبر 2020 - 6 روپے فی حصص (2020: سال مختتمہ 31 دسمبر 2019 - 2 روپے فی حصص)
-	(2,290)	(2,290)	سال کے اختتام کے لیے پہلا عبوری کیش ڈیویڈنڈ 2 روپے فی حصص (2020: سال مختتمہ 31 دسمبر 2020 - 2 روپے فی حصص)
4	(841)	(876)	ضوابطی ریزرو میں منتقلی
12	66,083	58,894	آگے منتقل کیا گیا جمع شدہ منافع
4	7.35	7.65	فی حصص آمدنی (EPS) روپے

بورڈ نہایت مسرت سے 2 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے جو کہ 2 روپے فی شیئر کے پہلے عبوری ڈیویڈنڈ کے علاوہ ہے جس کی پیشتر ادائیگی کی جا چکی ہے۔ 30 جون 2021ء کو اختتام پذیر ہونے والی ششماہی کے لیے عبوری کیش ڈیویڈنڈ 4 روپے فی شیئر سے (30 جون 2020ء 2 روپے فی شیئر برائے سال مختتمہ 31 مارچ 2020ء اور 30 جون 2020ء کو اختتام پذیر ہونے والی ششماہی کے لیے عبوری کیش ڈیویڈنڈ 2 روپے فی شیئر کی ماہگہ و باہ میں گھرے ہونے کی وجہ سے اسٹیٹ بینک آف پاکستان نے ڈیویڈنڈ کی ادائیگی معطل کر دی تھی)۔

معاشی شعبہ :

کوڈ - 19 کی ماہگہ و باہ کی تیسری اہر کے دوران، دیکھنے کے مناسب فروغ اور اس کے ساتھ ساتھ ماہگہ و باہ کے ساتھ زندگی گزارنے کے اسلوب کو اختیار کرنے باعث معیشت میں محدود معاشی سرگرمیوں اور نقل و حمل کے باوجود، توقع سے زیادہ بحالی رونما ہوئی عالمی مالیاتی فنڈ (آئی ایم ایف) نے سال 2020ء کے 3.3 فیصد کے سکڑاؤ کی نسبت سال 2021ء کے لیے 6.0 فیصد کی مضبوط عالمی معاشی نمو کی توقعات کا اظہار کیا ہے۔

پاکستان کی معیشت میں مختلف چیلنجز سے نمبر آ رہا ہونے اور اس کے ساتھ ساتھ کرونا وائرس کی نئی شکلوں اور لہروں سے پیدا ہوتی معاشی ترقی میں تاہم اور نازک رجحانات کے باوجود، ڈی-ہیکل (عمودی) کی بحالی دیکھی گئی جبکہ اندرونی اور بیرونی صورتحال میں بھی استحکام آیا۔ آئی ایم ایف کے مطابق سال 2021ء کے لیے پاکستان کے حقیقی جی ڈی پی کی نمو سال 2020ء میں 0.4 فیصد کے سکڑاؤ کے مقابلے میں 1.5 فیصد پر تخمینہ کی گئی ہے۔

بڑے پیمانے کی صنعت گزشتہ سال کے تقابلی عرصہ کے دوران 10.17 فیصد کی کمی کی نسبت مالی سال 2021 - 2020ء کے جولائی تا جون کے عرصہ کے دوران 14.85 فیصد کی نمو کو درج کیا۔ برآمدات پر منحصر اور متعلقہ صنعت کی مدد کے لیے مفاہمانہ پالیسیوں، پاک چین فری ٹریڈ معاہدے II کے تحت محصول اڈیٹی کی چھوٹ، برآمدات پر منحصر اور متعلقہ صنعت کے لیے بجلی اور گیس کی امدادی قیمتوں جیسے اقدامات سے بڑے پیمانے کی صنعت کو مندرجہ بالا ترقی حاصل کرنے میں کامیابی ہوئی۔ سال 2021 - 2020ء کی جولائی تا مئی کی مدت کے دوران بڑے پیمانے کی صنعت میں ریفریجریٹرز، اوئی اور تھیلین کے دھاگے، اوئی کپل، پیٹ اور ورائٹ اور ایئر کنڈیشنرز کے شعبوں میں ہالتریب 86.83 فیصد، 182.34 فیصد اور 157.04 فیصد، 73.53 فیصد اور 133.67 فیصد کا اضافہ دیکھا گیا۔

زرعی شعبہ، گندم، مکئی، چاول اور گنے کی ہالتریب 8.1 فیصد، 7.4 فیصد، 13.6 فیصد اور 22 فیصد کی نہایت مضبوط اور اضافی پیداوار کی بناء پر 2.8 فیصد کی ترقی حاصل کر سکا۔

مالی سال 2021 - 2020ء کی بجلی کشاہی کے دوران کرنٹ اکاؤنٹ سرپلس جو مجموعی طور پر 1,247 ملین امریکی ڈالرز پر پہنچ چکا تھا، وہ بعد میں ہونے والے اشیاء اور خدمات دونوں کے بڑھتے تھامز کے خسارے اور کم کرنٹ ڈانسٹریز انکمپنیوں کے باعث منہاں ہو گیا۔ جس کے نتیجے میں، کرنٹ اکاؤنٹ کا سرپلس مالی سال 2021 - 2020ء کے دوران، 1,852 ملین ڈالرز کے خسارے میں تبدیل ہو گیا جبکہ گزشتہ سال کے اسی مہینے کے عرصہ میں یہ خسارہ 4,449 ڈالرز تھا۔

اشیاء اور خدمات کی برآمدات مالی سال 2020 - 2019ء کے جولائی تا جون کی مدت کے دوران 27,973 ملین امریکی ڈالرز کے مقابلے میں مالی سال 2021 - 2020ء کے جولائی تا جون کے عرصہ میں 13 فیصد کے اضافے کے ساتھ 31,567 ملین امریکی ڈالرز پر چا پہنچیں۔ مالی سال 2021 - 2020ء کے جولائی تا جون کی مدت کے دوران اشیاء کی برآمدات میں 14 فیصد اور خدمات میں 9 فیصد کا اضافہ دیکھا گیا جس کے بعد ان کا حجم ہالتریب 25,630 ملین امریکی ڈالرز اور 5,937 امریکی ڈالرز پر درج ہوا۔ جبکہ اس کے تناسب سے گزشتہ سال کے تقابلی عرصہ میں ان کی سطح ہالتریب 22,536 ملین امریکی ڈالرز اور 5,437 ملین امریکی ڈالرز پر رہی تھی۔

معاشی نمو کے انکسار اور اس کے ساتھ ٹیل کی عالمی قیمتوں میں اضافے کی بدولت اشیاء اور خدمات کی درآمدات مالی سال 2021 - 2020ء کے جولائی تا جون کے عرصہ میں 18 فیصد کی افزائش کو درج کرتے ہوئے 61,597 ملین امریکی ڈالرز پر چا پہنچیں۔

چنانچہ، تھامز خسارہ گزشتہ تقابلی سال کے دوران کی 24,425 ملین امریکی ڈالرز کے حجم سے 23 فیصد کے نمایاں اضافے کے ساتھ سال 2021ء کے جولائی تا جون کے عرصہ میں 30,030 ملین امریکی ڈالرز پر ریکارڈ کیا گیا۔

کووڈ - 19 کی پانڈیوں اور فنانس ایکشن ٹاسک فورس (ایف ای ٹی ایف) کی تجاویز کی روشنی میں ایٹمی لاڈرنگ ریگولیشن کے ایک جزو کے طور پر اٹھائے گئے اقدامات کے مابین بینکنگ کے چھوٹے کو باضابطہ طور پر اختیار کرنے سے تریلات زرمیں 27 فیصد کی شاندار نمو حاصل ہوئی۔ افزائی تریلات زر مالی سال 2020 - 2019ء کے جولائی تا جون کے عرصہ کی 23,131 ملین امریکی ڈالرز کی سطح کے مقابلے میں مالی سال 2021 - 2020ء کے جولائی تا جون کی مدت کے دوران 29,370 ملین امریکی ڈالرز پر پہنچ گئیں۔

ایٹمی بینک آف پاکستان کے پاس غیر ملکی زرمبادلہ کے ذخائر 30 جون 2021ء تک 17,298 ملین امریکی ڈالرز پر چا پہنچے۔ غیر ملکی زرمبادلہ کے کل ذخائر نومبر 2020ء سے 20 ملین امریکی ڈالرز سے بلند رہے ہیں اور 30 جون 2021ء تک ان کا حجم 24,397 امریکی ڈالرز پر درج کیا گیا۔

زرمبادلہ کے بڑھتے ذخائر مضبوط تریلات زر اور عالمی مالیاتی اداروں کی جانب سے مالی اعانت اور اس کے ساتھ مارکیٹ پر منحصر زرمبادلہ کے نظام کی بدولت پاکستانی روپے کی قدر میں 30 جون 2020ء سے ایکسٹ 6.3 فیصد اضافہ ہوا جو کہ 30 جون 2021ء تک 157.54 روپے فی امریکی ڈالرز پر ریکارڈ کیا گیا۔

غیر ملکی براہ راست سرمایہ کاری مالی سال 2021 - 2020ء کے جولائی تا جون کے عرصہ کے دوران 1,847 ملین امریکی ڈالرز پر رہی۔ توانائی کے شعبہ میں کل غیر ملکی براہ راست سرمایہ 49 فیصد رہا جبکہ اس کے تناسب میں گزشتہ تقابلی سال میں اس کی شرح 29 فیصد تھی۔ اسی مہینے میں، مالیاتی کاروبار، ٹیل اور گیس کی دریافت اور تجارت کا کل غیر ملکی براہ راست سرمایہ کی ترکیب میں ہالتریب 13 فیصد، 13 فیصد اور 8 فیصد تک حصہ رہا۔

مالیاتی حوالے سے ٹیکس کی وصولی میں 18.4 فیصد کی تامل ذکر برصوتی ہوئی اور اخراجات کے مؤوزوں انتظام کے باعث سال 2021ء کے جولائی تا مئی کے عرصہ میں مالیاتی خسارے کی جی ڈی پی کے ساتھ شرح 4.6 فیصد پر محدود رہی تھی۔ جو کہ گزشتہ 12 سال میں پہلی تین سرمایوں کے دوران بلند ترین سطح ہے۔

کوڈ - 19 کے باعث اٹھائے گئے اقدامات سے دنیا کی معیشت ٹھراؤ کا شکار ہوئی اور تیل کی عالمی قیمتوں اور اشیاء خورد و خوردش کی قیمتوں میں کمی نے فروری 2020ء میں سی پی آئی (CPI) کو قدرے چٹائی پر رکھا۔ تاہم، اس بنیادی اثر کی جزوی طور پر کسی کے باعث سی پی آئی افراتفرز اپریل 2021ء میں 11.1 فیصد کی 14 ماہ کی بلند ترین شرح تک جانے کے بعد جون 2021ء میں 9.7 فیصد کی شرح پر ریکارڈ ہوا۔

کوڈ - 19 کی تیسری لہر اور ویکسین کی ترویج و دستیابی اور اس کے ساتھ مالی سال 2021ء کے لیے نمو کی پیش بینی کی بلند شرح پر نظر ثانی جیسے عوامل میں مسلسل مثبت نمو کی تحریک نے اسٹیٹ بینک آف پاکستان کو اس زنجیر پر عرصہ کے دوران پالیسی ریٹ کو 7 فیصد کی شرح پر برقرار رکھنے کا موقع فراہم کیا۔

مالیاتی جائزہ :

پاکستان کی بینکاری کا شعبہ، گرتے ہوئے انٹرسٹ ریش کی صورتحال، کام کی جگہ کو محفوظ رکھنے کے ضابطہ عمل کے نفاذ کے باعث محدود معاشی سرگرمی، سماجی ناصولوں کے اقدامات اور کوڈ - 19 کی نئی شکلوں سے متاثر کاروبار میں بڑھتی غیر یقینی کی وجہ سے قرض کے معیار میں مسلسل گراؤت کے باوجود، اپنے کاروبار کو جاری رکھنے کی صلاحیتوں کو برقرار رکھے ہوئے ہے اور بہترین کارکردگی کا مظاہرہ کر رہا ہے۔ صنعت کے کل اثاثہ جات 31 دسمبر 2020ء کے 24,291 ملین روپے کے حجم کی نسبت 30 جون 2021ء تک 11.97 فیصد کا اضافہ درج کرتے ہوئے، 27,197 ملین روپے پر درج کئے گئے۔

براڈ منی (M2) اور کرنسی کی سرکولیشن بالترتیب 23,767 ملین روپے اور 6,998 ملین روپے پر رہیں جو کہ سال بہ سال کی بنیاد پر بالترتیب 13.7 فیصد اور 13.9 فیصد کی نمو کا مظہر ہیں۔

آپ کے بینک نے معیشت اور کاروباری ماحول میں اس حیرت زین تیزی کے خدشات کا مکمل ادراک رکھتے ہوئے اپنی پائیدار اور مسلسل نمو کی حکمت عملی کو مضبوط رکھ کر منجبت فریم ورک، ٹیکنالوجی سے مزین خود کاریت اور اپنی ڈیجیٹلائزیشن میں فروغ کے ذریعے جاری رکھا ہے۔

کوڈ - 19 کی عالمگیر وباء کے مضمرات میں کمی کے لیے اسٹیٹ بینک آف پاکستان کی مفاہمت پالیسی اقدامات کے تحت شیڈ مارک ریٹ کو جون 2020ء کی 10.90 فیصد کی سطح کے مقابلے میں 7 فیصد کی شرح پر مسلسل برقرار رکھا گیا ہے۔ چنانچہ، سرمایہ کاری کی آمدنی، قرضہ جات اور بینک کی پلینٹس 30 جون 2020ء کی تقابلی ششماہی کی نسبت کم ہوئی۔ جس کے نتیجے میں 30 جون 2021ء کو اختتام پذیر سرمایہ کاری کے دوران انٹرسٹ آمدنی 14 فیصد کی کمی کے اندراج کے ساتھ 53,337 ملین روپے پر چاہی گئی۔

اسی ممانعت میں مارک اپ اخراجات گزشتہ سال کے تقابلی عرصہ کے 36,765 ملین روپے کی نسبت 18 فیصد کی کمی کے ساتھ 30,319 ملین روپے پر درج ہوئے۔ خالص انٹرسٹ آمدنی اس زمرہ پر عرصہ میں 9 فیصد کی کمی کے ساتھ 23,018 ملین روپے پر پہنچی گئی۔

آپ کے بینک کے نئے پیدا ہونے والے ڈیجیٹل مالیاتی مواقع سے استفادہ حاصل کرنے اور اس کے ساتھ اپنی آمدنی کے ذرائع میں تنوع برقرار رکھنے پر مسلسل اصرار کی بدولت 30 جون 2021ء کو اختتام پذیر ششماہی کے دوران حاصل شدہ فیس آمدنی 17 فیصد کی مضبوط نمو کے ساتھ 3,256 ملین روپے پر چاہی گئی۔ مذکورہ بالا تیزی کی بنیادی وجہ ڈیٹا کارڈ کی ایک پُر زور اور نتیجہ خیز تحریک کے نتیجے میں حاصل ہونے والی کارڈ سے متعلق آمدنی، براؤزنگ بینکنگ اور درآمدات کے کمیشن کی آمدنی ہے۔

ڈیویڈنڈ کی آمدنی گزشتہ سال کے تقابلی عرصہ کے 712 ملین روپے کے حجم کی نسبت 53 فیصد کی کمی کے اندراج کے ساتھ 30 جون 2021ء کو اختتام پذیر ششماہی کے دوران 1,093 ملین روپے پر پہنچی گئی۔ اس اضافے کے بنیادی عوامل میں اسٹیٹ بینک آف پاکستان کی ہدایات کے تحت سال 2020ء کی مسلسل 2 سرمایہ جی کے لیے ڈیویڈنڈ کی ادائیگی معطل کرنے کی شراکتہ خانہ کے بعد بینکنگ صنعت کی جانب سے زیادہ ڈیویڈنڈ دینے کے اعلان اور توانائی کے شعبے کی کمپنیوں کے ڈیویڈنڈ کی اعلانات شامل ہیں۔

نہایت منظم سواپ (جادلہ) کا خط غیر ملکی زرمبادلہ کی آمدنی میں 4 فیصد کی کمی کا باعث بنا جس کا حجم 30 جون 2021ء کو اختتام پذیر ششماہی کے دوران 663 ملین روپے پر درج ہوا۔

اپنے ایکویٹی پورٹ فولیو اور معینہ آمدنی کی سکیورٹیز کی دانشمندانہ فروخت پر منحصر، آپ کے بینک نے اس زمرہ پر زیادہ مدت کے دوران کپٹل گین کی مدد میں 9 فیصد کی کمی کے ساتھ 2,652 ملین روپے کمائے۔ جس کی بدولت کل نان مارک اپ آمدنی گزشتہ سال کے تقابلی عرصہ کی 6,698 ملین روپے کی نسبت 18 فیصد کے اضافے کے ساتھ 7,933 ملین روپے پر ریکارڈ کی گئی۔

افرازوں کے دباؤ، اپنی ٹیکنالوجی میں منتقلی پر توجہ کے باعث اضافی اخراجات اور کوڈز - 19 کے پیش نظر اپنی کارپوریٹ سماجی ذمہ داریوں کے اقدامات جیسے مختلف عوامل اور اخراجات کے باوجود، آپ کے بینک نے اپنے تان مارک اپ اخراجات کے اضافے کو 10 فیصد پر محدود رکھا، جن کا حجم 30 جون 2021 کو اختتام پذیر ششماہی کے دوران 16,550 ملین روپے پر درج ہوا۔

براؤچ بینکنگ کے کاروبار پر کوئی سمجھوتہ کیے بغیر آپ کے بینک نے ڈیجیٹل دور کی ارتقائی ضرورت کو پورا کرنے پر اپنی توجہ میں اضافہ کیا ہے۔ چنانچہ، برانچوں کی وسعت کو 1,402 کی تعداد پر برقرار رکھا گیا ہے جس میں 1,278 روایتی اور 117 اسلامک بینکنگ کی برانچیں اور 7 ڈیجیٹل برانچیں شامل ہیں۔ اسی طرح آپ کا بینک 1,559 اسے نی ایئر کے ایک مضبوط ایٹم ورک کا بھی حامل ہے جس میں 1,238 آن سائٹ، 318 آف سائٹ اور 3 موبائل بینکنگ پوائنٹ (ایم بی یو) شامل ہیں جبکہ 30 جون 2021ء کو اختتام پذیر مدت کے دوران اسے ٹی ایم ایپ ٹائم (UPTIME) کی اوسط شرح 97 فیصد رہی ہے۔

30 جون 2021ء کو اختتام پذیر ششماہی کے دوران منافع ازگن 14,711 ملین روپے رہا۔ منافع بند ازگن گزشتہ سال کی تقابلی مدت کی 8,414 ملین روپے کی سطح سے 4 فیصد کی نمو کے ساتھ 8,762 ملین روپے پر چاچپٹے۔ فی شیئر آمدنی (ای ٹی ایس) گزشتہ سال کی تقابلی مدت کی 7.35 روپے فی شیئر کے تناسب میں اس زیر جائزہ عرصہ کے دوران 7.65 روپے فی شیئر پر درج ہوئی۔

آپ کے بینک کے اثاثہ جات کی اساس 16 فیصد کی ایک مضبوط نمو کا مظاہرہ کرتے ہوئے 30 جون 2021ء تک 1,845,063 ملین روپے پر پہنچ گئی۔ اثاثہ جات کی یہ نمو بنیادی طور پر سرمایہ کاری کی مدد سے رقم تحفظ کرنے سے ہوئی جس کا حجم 30 فیصد کے اضافے کے ساتھ 30 جون 2021ء تک 1,074,807 ملین روپے پر درج کیا گیا۔ اس افزائش میں زیادہ کردار کوٹھنی تسکات میں اپنی سیالیت کی بلسمیت کا رہا جس کے باعث کل سرمایہ کاری میں حکومتی تسکات کی ترکیب کی شرح دسمبر 2020ء کی 94 فیصد کی شرح کے مقابلے میں جون 2021ء تک بڑھ کر 96 فیصد ہو گئی۔

کوڈز - 19 کی تیسری لہر کے بعد معاشی سرگرمیاں زور پکڑنے لگی ہیں جس سے نجی شعبہ میں قرض کی دلچسپی اور طلب میں اضافے کا رجحان نظر آ رہا ہے۔ چنانچہ آپ کے بینک کے کل قرضہ جات 30 جون 2021ء تک 4 فیصد کے اضافے کے ساتھ 530,063 ملین روپے پر پہنچ گئے۔ خالص قرضہ جات 500 ملین روپے کے سنگ میل کو عبور کر کے 30 جون 2021ء تک 516,723 ملین روپے پر چاچپٹے۔

آپ کا بینک کم ترین نقدینگی کی شرح اور مجموعی کوریج کی بلند شرح برقرار رکھنے کی راہ کو ہموار رکھنے کے سز کو جاری رکھے ہوئے ہے۔ جبکہ صنعت کی نقدینگی اور کوریج کی باآرتیب 9.3 فیصد اور 87.6 فیصد کی شرحوں کو پیچھے چھوڑتے ہوئے باآرتیب 2.7 فیصد اور 94.2 فیصد کی سطح پر درج ہوئیں۔

مالیاتی اداروں کے دینے گئے قرض، کال پی لینڈنگ (Call Money Landing) میں کمی کے باعث، 59 فیصد سز کو 30 جون 2021ء تک 7,369 ملین روپے پر درج ہوئے۔

ڈیپازٹ کی اساس 31 دسمبر 2020ء تک کے 1,216,678 ملین روپے کے حجم کے مقابلے میں 8 فیصد کی نمو کے اندراج کے ساتھ 30 جون 2021ء تک 1,315,055 ملین روپے پہنچ گئی۔ آپ کے بینک نے اپنی خصوصی توجہ کم لاگت کے ڈیپازٹس کے حصول کی طرف مبذول رکھی جس کے باعث، کرنٹ ڈیپازٹس میں 11 فیصد کا اضافہ دیکھا گیا۔ چنانچہ، کل ڈیپازٹس کی ترکیب میں کرنٹ ڈیپازٹس کا حصہ دسمبر 2020ء کی 40 فیصد کی شرح کی نسبت 30 جون 2021ء تک بڑھتے ہوئے 42 فیصد پہنچ گیا۔ کرنٹ اکاؤنٹ سیونگ اکاؤنٹ (کاسا) 30 جون 2021ء تک 86 فیصد کی شرح پر رہا۔

آپ کے بینک کی ایکٹیوٹی (سرمائے) کی اساس 30 جون 2021ء تک 128,516 ملین روپے رہی۔ سرمائے کی آمدنی (ریٹرن آن ایکویٹی) اور اثاثہ جات کی آمدنی (ریٹرن آن ایسٹس) کی شرحیں باآرتیب 17.2 فیصد اور 1.0 فیصد کی مضبوط سطح پر رہیں۔ بینک کے سرمائے کی مقویت (کنپنل ایڈیکویٹی) 11.5 فیصد کی اپنی ضوابطی مطلوبہ شرح کی نسبت 25.74 فیصد پر رہی جو کہ آپ کے بینک کے سرمائے کی مضبوط حیثیت کا مظہر ہے۔

مستقبل کی پیش بینی:

مستقبل میں عالمی معاشی بحالی کی تحریک زور پکڑ رہی ہے۔ تاہم کوڈز - 19 کی ڈیلٹا ویریونٹ کی نئی شکل کے پھیلاؤ اور اس کے ساتھ ویکسین کی عدم دستیابی جیسے تنزی کے مختلف خدشات عمومی شہت پیش بینی پر اثر انداز ہو سکتے ہیں۔ چنانچہ، عالمی مالیاتی فنڈ نے عالمی معاشی نمو کی سال 2022ء کے لیے 4.4 فیصد اور سال 2026ء کے 3.3 فیصد کی شرح پر تخمینہ کی ہے۔

دیکھیں کی موزوں ترسیل اور استحکام کے پروگرام کے تحت معاشی اصلاحات کے نفاذ نے پاکستان میں وسیع البیاد معاشی بحالی کو مد فراہم کی ہے۔ جس کے نتیجے میں آئی ایم ایف نے ملک کی جی ڈی پی کی نمو کے سال 2022ء اور 2026ء کے لیے بالترتیب 4 فیصد اور 5 فیصد کی شرح تک پہنچنے کی توقع کا اظہار کیا ہے۔

کنکیشن اور برآمدات کی کلیدی صنعتوں کے لیے مالی فوائد اور اس کے ساتھ روزگار کو تحفظ دینے کے لیے قرض کی نرم شرائط پر فراہمی نمو میں فروغ کا باعث بنے گی۔ تاہم، سال 2022ء کے لیے زراعت کے شعبہ کی نمو کا ہدف 3.5 فیصد تعین کیا گیا ہے جس کا دارومدار کیپاس کی پیداوار کی بحالی، پانی کی وافر اور مسلسل دستیابی، کیزوں کی روک تھام اور زرعی قرضوں کی دستیابی پر ہوگا۔

تازہ ترین ایٹین ڈیولپمنٹ آڈٹ ک 2021ء کے مطابق مالی سال 2022ء میں بحالی میں مثبتوں کی بناء پر درآمدات کے بڑھتے حجم اور سفری پابندیوں کے ختم ہونے پر ترسیلات میں ہونے والی متوقع منفی تفاوت کی بدولت کرنٹ اکاؤنٹ کے خسارے میں جی ڈی پی کا مزید 2 فیصد کی وسعت کی پیش بینی کی گئی ہے۔ آئی ایم ایف کو سال 2022ء اور 2026ء کے لیے کرنٹ اکاؤنٹ خسارے کی شرح جی ڈی پی کا بالترتیب 1.8 فیصد اور 2.9 فیصد رہنے کی توقع ہے۔

مستقبل میں اشیاء خوردووش اور توانائی کی داخلی قیمتوں کی روٹ، افراط زر کے رحمان پرائیماز ہو سکتی۔ مالی سال 2021 - 2020ء کے لیے اوسط افراط زر 8.9 فیصد پر بند ہوا جو کہ اسٹیٹ بینک آف پاکستان کی جانب سے پہلے سے ہی تخمینہ کی گئی 7 سے 9 فیصد کی حدود کے مطابق تھا۔ درمیانی مدت میں اسٹیٹ بینک آف پاکستان کو توقع ہے کہ اوسط افراط زر ہوتے ہوئے 5 فیصد سے 7 فیصد کی شرح تک آجائے گا۔ اسی مائٹ میں، آئی ایم ایف نے سال 2022ء اور 2026ء کے لیے افراط زر کی شرحیں بالترتیب 8 فیصد اور 6.5 فیصد پر اندازہ کی ہیں۔

ورلڈ بینک کی گلوبل سوشل پریکٹس ریسپنڈنٹ ٹو کووڈ - 19 (کووڈ - 19) کے لیے عالمی معاشرتی تحفظ کے اقدامات کی ایک رپورٹ کے مطابق افراد کو ایکٹیشن لگانے کے حوالے سے پاکستان کی عالمی طور پر پچھی پوزیشن ہے جبکہ کل آبادی کے تناسب سے ان افراد کی شرح میں اس کا عالمی طور پر تیسرا نمبر ہے۔ مزید برآں، ورلڈ بینک نے اس امر کا اظہار کیا ہے کہ صرف چند مخصوص ممالک جن میں ویکسین لگوانے والے لوگوں کی تعداد 6 ہندسوں کی قابل قدر سطح حاصل کر سکی ہے۔ مستقبل میں ویکسین کی مندرجہ بالا رفتار اور معاشی استحکام کے اقدامات سرمایہ کاروں کے اعتماد کو بحال اور معاشی ترقی کے لیے اہم کردار ادا کریں گے۔

آپ کے بینک کا مقصد اپنے صارفین کے تجربے کے معیار کو بلند رکھنے اور اس میں سہولت فراہم کرنے کی غرض سے ٹیکنالوجی کی ترقی اور توسیع ہے۔ ال اینڈ فون بینکنگ، جدید انٹریکٹو وائس ریکارڈ (آئی وی آر) اور کال سنٹر کی سہولت، جس میں صارفین کی ضرورت کے مطابق اعلیٰ معیار کی آپشنز اور سکیورٹی موجود ہے، کے اجراء کے ذریعے جدید تقاضوں سے ہم آہنگ خدمات فراہم کر رہی ہے۔ یہ سہولتیں اپنے معزز صارفین کو دانشدازانہ اہمیت کے ساتھ خدمات کو منتخب کرنے، سیلف سروس بینکنگ، اوٹی پی (OTP) جزییشن، پین (PIN) کے اضافی انتظام، سیلف سروس کارڈز ایکٹیویشن اور دیگر خدمات کی فہرست فراہم کرتی ہیں۔

علاوہ ازیں، سیلف سروس کارڈ ایکٹیویشن، صارفین کو کسی بھی فون بینکنگ ایجنٹ سے رابطہ کیے بغیر اپنے ڈیٹ کارڈ کو ایکٹیو کرنے کی سہولت فراہم کرتی ہے۔ ٹیکنالوجی صارفین سے محض اپنے کی پڈ (Key Pad) کو چھونے سے ہدایات حاصل کرتی ہے۔ اس جدید ترین نظام سے ایسی سادہ خدمات فراہم کی جاسکتی ہیں جن کا مقصد صارفین کو آگے وقت کی بچت کے ذریعے سہولت دینا ہے۔

نومبر 2020ء میں پے ڈے لون (Pay Day Loan) کے کامیاب اجراء کے بعد آپ کے بینک نے کئی بڑے اداروں کو 114 قرضہ جات مہیا کیے ہیں جن میں وصولی کی شرح 100 فیصد ہے۔

درمیانی آمدنی کے حامل شعبہ، جو زیادہ قرضوں اور ڈسکاؤنٹس کی طلب رکھتا ہے، کو خدمات کی فراہمی کے مقصد کے طور پر آپ کے بینک نے یونین پے پاک اور پے پاک گولڈ ڈیٹ کارڈز کا اجراء کیا۔ یہ کارڈ رابطے کے بغیر ادائیگی کرنے کی ٹیکنالوجی سے مزین ہیں۔ مزید یہ کہ اس کا اجراء گولڈ لو (GOLOOTLO) اشتراک سے کیا گیا ہے جو کہ ملک بھر میں 22,000 تاجروں کو ڈسکاؤنٹ فراہم کرتا ہے۔

ایٹیلی ریٹنگ :

پاکستان کریڈٹ ریٹنگ ایجنسی لیمنڈ (PACRA) نے بینک کی طویل المدتی اور قلیل المدتی ریٹنگ کو بالترتیب "AAA" ٹریلے اور "A1+" (اے ون پلس) کی اعلیٰ سطح پر برقرار رکھا ہے۔ یہ درجہ بنیاداً بینک کے قرضہ جات کے اعلیٰ معیار اور اپنی مالیاتی ذمہ داریوں کی ادائیگیوں کی انتہائی مضبوط صلاحیتوں کی عکاس ہیں۔ آپ کے بینک نے، ملک کے باہمی ادارے جو بلند ترین کریڈٹ ریٹنگ کے حامل ہیں، کے اپنی نوعیت کے واحد مخصوص گروپ میں اپنی حیثیت کو مزید مستحکم کیا ہے۔

کارپوریٹ گورننس ریٹنگ :

دی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی لمیٹڈ نے الائیڈ بینک لمیٹڈ (اے بی ایل) کی کارپوریٹ گورننس کی درجہ بندی کو "CGR+9" کی سطح پر برقرار رکھا ہے۔ یہ ریٹنگ کارپوریٹ گورننس کے اعلیٰ ترین معیار کا مظہر ہونے کے ساتھ اے بی ایل کے بورڈ اور مینجمنٹ کے ایک مضبوط اور مستحکم گورننس کے نظام (فریم ورک) پر مسلسل یقین اور اعادہ کو بھی اُچاگر کرتی ہیں۔

بورڈ آف ڈائریکٹرز :

بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بناوٹ کو کارپوریٹ معلومات کے تیز میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز (ماسوائے جنہوں نے اجلاس کی فیس نہ لینے کے اختیار کو اپنایا ہے) کو بورڈ یا ا اور آئی کمیٹی کے اجلاس میں شریک ہونے کے لیے ایک مناسب اور موزوں معاوضہ دیا جاتا ہے۔ معاوضے کا معیار ایسا نہیں ہے کہ جس سے یہ تاثر بھی ملے کہ کسی آزاد حیثیت پر کوئی سمجھوتا ممکن ہے۔ جو ڈائریکٹرز اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پر سرکلیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

حلیمہ حسین :

ہم، بورڈ اور مینجمنٹ کی جانب سے، اپنے قابل قدر صارفین کے الائیڈ بینک پرائے کے اعتماد کے لیے بہت ممنون ہیں۔ ہم اپنے معزز شیئر ہولڈرز کا بینک کے لیے تعاون پر، اسٹیٹ بینک آف پاکستان، سکیورٹی اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور اعانت پر انتہائی غلطی سے شکر ادا کرتے ہیں۔

ہم خاص طور پر اپنے ملازمین کا اگلی انگلک محنت اور بھرپور مدداری کا بھرپور اعتراف کرتے ہیں جنہوں نے اس کڑی آزمائش کے دور میں اپنے کام کو نہایت تیزی اور نظم و نسق سے سرانجام دیا تاکہ کاروبار کے تسلسل کو یقینی بناتے ہوئے اپنے صارفین اور عوام الناس کو بلا تھقل مالیاتی خدمات مہیا کی سکیں۔

ہم اس عالمگیر وباء کی جنگ میں تمام انسانیت کی صحت اور تحفظ کے لیے پرامید اور دعا گو ہیں۔

منجانب دہرائے بورڈ آف ڈائریکٹرز

محمد ضمیم مختار
چیئرمین بورڈ آف ڈائریکٹرز

ایزد رزاق گل
چیف ایگزیکٹو آفیسر

لاہور

17 اگست 2021ء

Independent Auditors' Review Report

To the members of Allied Bank Limited

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Allied Bank Limited ("the Bank") as at 30 June 2021, and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements of the Bank for the year ended 31 December 2020, were audited by KPMG Taseer Hadi & Co., Chartered Accountants, who expressed an unmodified opinion on those statements on 3 March 2021. Further, the condensed interim financial statements of the Bank for the six-months period ended 30 June 2020 were reviewed by KPMG Taseer Hadi & Co. Chartered Accountants who expressed an unmodified conclusion on 27 August 2020.

The figures for the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended 30 June 2021 and 2020 have not been reviewed by us and we do not express a conclusion on them, as we are required to review only the cumulative figures for the six-months period ended 30 June 2021.

The engagement partners on the review resulting in this independent auditors' report are Fahad Bin Waheed (KPMG Taseer Hadi & Co.) and Ahsan Shahzad (EY Ford Rhodes).

KPMG Taseer Hadi & Co.
Chartered Accountants

EY Ford Rhodes
Chartered Accountants

Lahore

Date: 27 August 2021

UNCONSOLIDATED **FINANCIAL STATEMENTS**

for the half year ended June 30, 2021

Unconsolidated Statement of Financial Position

(Un-audited) as at June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	133,127,829	128,391,896
Balances with other banks	8	1,330,337	7,236,502
Lendings to financial institutions - net	9	7,369,312	17,996,123
Investments - net	10	1,074,807,428	829,621,110
Advances - net	11	516,723,463	496,431,756
Fixed assets	12	74,675,442	73,529,440
Intangible assets	13	2,860,330	2,716,789
Deferred tax assets		-	-
Other assets - net	14	34,169,172	34,534,399
		1,845,063,313	1,590,458,015
LIABILITIES			
Bills payable	16	9,116,827	9,622,020
Borrowings	17	355,604,060	193,928,086
Deposits and other accounts	18	1,315,055,075	1,216,678,254
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	2,792,548	3,991,750
Other liabilities	20	33,978,952	34,677,798
		1,716,547,462	1,458,897,908
NET ASSETS		128,515,851	131,560,107
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		25,040,454	24,277,184
Surplus on revaluation of assets - net of tax	22	25,941,964	28,837,661
Unappropriated profit		66,082,694	66,994,523
		128,515,851	131,560,107

CONTINGENCIES AND COMMITMENTS

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the half year ended June 30, 2021

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
Mark-up / return / interest earned	25	53,336,809	61,947,096	29,563,248	29,876,383
Mark-up / return / interest expensed	26	30,318,861	36,765,403	17,338,937	16,389,687
Net mark-up / interest income		23,017,948	25,181,693	12,224,311	13,486,696
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	3,255,676	2,774,870	1,632,552	1,230,392
Dividend income		1,092,899	712,206	589,337	334,497
Foreign exchange income		662,531	687,208	416,672	875,616
Income from derivatives		-	-	-	-
Gain on securities - net	28	2,651,854	2,425,745	1,205,724	1,324,435
Other income	29	270,048	98,026	258,342	83,449
Total non mark-up / interest income		7,933,008	6,698,055	4,102,627	3,848,389
Total income		30,950,956	31,879,748	16,326,938	17,335,085
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	16,160,271	14,574,246	8,279,242	7,481,152
Workers welfare fund		310,875	344,252	167,831	199,939
Other charges	31	78,465	89,781	38,891	44,387
Total non mark-up / interest expenses		16,549,611	15,008,279	8,485,964	7,725,478
Profit before provisions		14,401,345	16,871,469	7,840,974	9,609,607
(Reversals) / Provisions and write offs - net	32	(309,544)	2,209,001	(170,543)	1,528,070
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		14,710,889	14,662,468	8,011,517	8,081,537
Taxation	33	5,948,901	6,248,939	3,278,506	3,685,699
PROFIT AFTER TAXATION		8,761,988	8,413,529	4,733,011	4,395,838
In Rupees					
Basic and Diluted earnings per share	34	7.65	7.35	4.13	3.84

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the half year ended June 30, 2021

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in '000			
Profit after taxation for the period	8,761,988	8,413,529	4,733,011	4,395,838
Other comprehensive income				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	(112,929)	539,090	219,345	1,081,840
Movement in (deficit) / surplus on revaluation of investments - net of tax	(2,374,083)	627,421	332,570	3,842,092
	(2,487,012)	1,166,511	551,915	4,923,932
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	41,632	-	-	-
Revaluation of fixed assets	(199,010)	-	-	-
Revaluation of non-banking assets	(1,263)	(23,075)	-	-
	(158,641)	(23,075)	-	-
Total comprehensive income	6,116,335	9,556,965	5,284,926	9,319,770

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

Muhammad Atif Mirza
Chief Financial Officer

Zafar Iqbal
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Dr. Muhammad Akram Sheikh
Director

Unconsolidated Cash Flow Statement

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	June 30, 2020
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		14,710,889	14,662,468
Less: Dividend income		(1,092,899)	(712,206)
		13,617,990	13,950,262
Adjustments:			
Depreciation - Operating Fixed Assets		1,781,798	1,786,905
Depreciation - Non Banking Assets		3,116	16,745
Depreciation on right of use assets		813,298	900,969
Interest expense on lease liability		444,575	521,426
Amortization		192,635	124,411
Net (reversals) / provisions and write offs	32	(268,330)	2,209,084
Unrealized loss on revaluation of 'held-for-trading' securities		9,547	-
Provision for workers welfare fund		310,875	344,252
Gain on sale of fixed assets and non-banking assets - net		(203,022)	(61,209)
		3,084,492	5,842,583
		16,702,482	19,792,845
(Increase) / decrease in operating assets			
Lendings to financial institutions		10,626,811	(19,384,966)
Held-for-trading securities		(2,442,370)	19,862,396
Advances		(19,977,286)	52,192,459
Other assets (excluding advance tax)		(4,825)	(2,738,009)
		(11,797,670)	49,931,880
Increase / (decrease) in operating liabilities			
Bills payable		(505,193)	1,629,579
Borrowings		161,596,731	(198,452,437)
Deposits and other accounts		98,376,821	57,097,291
Other liabilities (excluding current tax)		(1,284,621)	(3,010,698)
		258,183,738	(142,736,265)
		263,088,550	(73,011,540)
Income tax paid		(5,953,871)	(5,042,298)
Net cash flow generated from / (used in) operating activities		257,134,679	(78,053,838)
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		(220,847,324)	84,741,666
Net investments in 'held-to-maturity' securities		(25,299,805)	(117,449)
Dividend received		1,093,846	587,481
Investments in fixed assets and intangible assets		(4,013,227)	(3,576,929)
Proceeds from sale of fixed assets		844,665	119,727
Effect of translation of net investment in foreign branches		(112,929)	539,090
Net cash flow (used in) / generated from investing activities		(248,334,774)	82,293,586
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(919,690)	(1,219,116)
Dividend paid		(9,129,690)	(4,565,056)
Net cash flow used in financing activities		(10,049,380)	(5,784,172)
Effect of exchange rate changes on opening cash and cash equivalents		204,993	(1,407,189)
Decrease in cash and cash equivalents during the period		(1,044,482)	(2,951,613)
Cash and cash equivalents at beginning of the period		135,379,608	121,889,391
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		134,335,126	118,937,778

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the half year ended June 30, 2021

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Investments	Surplus on revaluation of Fixed assets	Non-banking assets	Un-appropriated profit	Total
Rupees in '000									
Balance as at January 01, 2020 (Audited)	11,450,739	1,821,720	20,442,505	6,000	7,428,981	15,638,996	2,740,681	55,821,211	115,350,833
Profit after taxation for the half year ended June 30, 2020	-	-	-	-	-	-	-	8,413,529	8,413,529
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of investments - net of tax	-	-	-	-	627,421	-	-	-	627,421
Change in revaluation surplus of non-banking assets	-	-	-	-	-	-	(23,075)	-	(23,075)
Effect of translation of net investment in foreign branches	-	539,090	-	-	-	-	-	-	539,090
Transfer to statutory reserve	-	539,090	-	-	627,421	-	(23,075)	-	1,143,436
Transfer of revaluation surplus on change in use - net of tax	-	-	841,353	-	-	-	-	(841,353)	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	1,848,955	(1,848,955)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(25,316)	-	25,316	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	(50,042)	-	50,042	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	(5,764)	5,764
Final cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ending December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(4,580,296)	(4,580,296)
Balance as at June 30, 2020	11,450,739	2,360,810	21,283,858	6,000	8,056,402	17,412,593	862,887	58,894,213	120,327,502
Profit after taxation for the half year period ended December 31, 2020	-	-	-	-	-	-	-	9,615,928	9,615,928
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,180,452)	-	-	-	(3,180,452)
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	5,749,574	-	-	5,749,574
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	185,452	-	185,452
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(802,820)	(802,820)
Effect of translation of net investment in foreign branches	-	(335,077)	-	-	-	-	-	-	(335,077)
Transfer to statutory reserve	-	(335,077)	-	-	(3,180,452)	5,749,574	185,452	(802,820)	1,616,677
Transfer of revaluation surplus on change in use - net of tax	-	-	961,593	-	-	-	-	(961,593)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(59,974)	-	59,974	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(187,699)	-	187,699	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	4,684	(4,684)	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(5,806)	5,806	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Second interim cash dividend for the year ending December 31, 2020 (Rs. 0 per ordinary share)	-	-	-	-	-	-	-	-	-
Third interim cash dividend for the year ending December 31, 2020 (Rs. 0 per ordinary share)	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2020 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	66,994,523	131,560,107
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	-	-	-	8,761,988	8,761,988
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(2,374,083)	-	-	-	(2,374,083)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	(112,929)	-	-	-	-	-	-	(112,929)
Transfer to statutory reserve	-	(112,929)	-	-	(2,374,083)	(199,010)	(1,263)	41,632	(2,645,533)
Transfer of revaluation surplus on change in use - net of tax	-	-	876,199	-	-	-	-	(876,199)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	4,399	(4,399)	-	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(70,359)	-	70,359	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	(249,522)	-	249,522	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(454)	454	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	(1,006)	1,006
Final cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)
First interim cash dividend for the year ending December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(9,160,591)	(9,160,591)
Balance as at June 30, 2021	11,450,739	1,912,804	23,121,650	6,000	2,501,867	22,808,247	631,850	66,082,694	128,515,891

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,400 (December 31, 2020: 1,400) branches in Pakistan including 117 (December 31, 2020: 117) Islamic banking branches, 1 branch (December 31, 2020: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2020: 1) in Bahrain.

The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is ‘AAA’. Short term rating of the Bank is ‘A1+’.

Ibrahim Holdings (Private) Limited is the parent company of the Bank and its registered office is in Pakistan.

The Bank is the holding company of ABL Asset Management Company Limited.

The registered office of the Bank is situated at 3 - Tipu Block, New Garden Town, Lahore.

2. BASIS OF PRESENTATION

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

The financial results of the Islamic banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions and balances. Key financial figures of the Islamic banking branches are disclosed in Note 39 to these unconsolidated condensed interim financial statements.

These unconsolidated condensed interim financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank, in that environment as well. The amounts are rounded to nearest thousand.

2.1 STATEMENT OF COMPLIANCE

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

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

2.1.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS and IFAS, the requirements of Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 ‘Financial Instruments: Recognition and Measurement’ (IAS 39) and International Accounting Standard 40 ‘Investment Property’ (IAS 40) for banking companies till further instructions.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

- 2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in the financial statements of the Bank.
- 2.1.5 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in preparing the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2020.

3.1 New standards, interpretations and amendments adopted by the Bank

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, 2021. These are considered either to not be relevant or to not have any significant impact on these unconsolidated condensed interim financial statements.

3.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of accounting estimates	January 01, 2023
- Annual improvements to IFRS Standards 2018-2020	January 01, 2022
The above mentioned amendments are not likely to have a material impact effect on the Banks financial statements.	

- 'IFRS 9 'Financial Instruments', the effective date of the standard has been extended to annual periods beginning on or after January 01, 2022 vide SBP BPRD Circular Letter no. 24 dated July 05, 2021. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on Banks' Financial Statements is being assessed and implementation guidelines are awaited.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual unconsolidated financial statements for the year ended December 31, 2020.

5. BASIS OF MEASUREMENT

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for the following which are stated at revalued amounts / fair values / present values:

- Certain Investments;
- Certain fixed assets including RoU assets and corresponding lease liability;
- Staff retirement and other benefits;
- Non-banking assets acquired in satisfaction of claims; and
- Derivative financial instruments.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		26,082,763	21,697,705
Foreign currencies		1,074,116	868,206
		27,156,879	22,565,911
Remittances in transit		491,481	475,807
With State Bank of Pakistan (SBP) in			
Local currency current accounts		66,375,935	62,965,250
Foreign currency current account		8,222	22,221
Foreign currency deposit accounts (non-remunerative)		4,054,702	4,693,248
Foreign currency deposit accounts (remunerative)		8,085,773	9,525,239
		78,524,632	77,205,958
With National Bank of Pakistan in			
Local currency current accounts		24,202,663	25,953,691
Prize Bonds		2,752,174	2,190,529
		133,127,829	128,391,896
8 BALANCES WITH OTHER BANKS			
Outside Pakistan			
In current accounts		457,008	1,885,460
In deposit accounts		873,329	5,351,042
		1,330,337	7,236,502
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		-	6,000,000
Call money lendings - foreign currency		-	3,196,688
Repurchase agreement lendings (Reverse Repo)		7,369,312	7,345,000
Musharaka lendings		-	500,000
Bai muajjal receivable			
with State Bank of Pakistan		-	954,435
Certificates of investment		70,000	70,000
		7,439,312	18,066,123
Less: Provision held against lendings to financial institutions		(70,000)	(70,000)
Lendings to financial institutions - net of provision		7,369,312	17,996,123

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021		(Audited) December 31, 2020	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	June 30, 2021				(Audited) December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	2,442,370	-	(9,547)	2,432,823	-	-	-	-
Available-for-sale securities								
Federal Government Securities*	980,053,260	(5,585)	(146,786)	979,900,889	758,053,707	(12,306)	1,795,459	759,836,860
Shares	17,860,714	(1,965,284)	4,136,384	20,031,814	19,566,119	(2,055,595)	5,787,108	23,297,632
Non Government Debt Securities	21,281,091	(21,071)	111,919	21,371,939	21,433,961	(21,071)	(81,907)	21,330,983
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	(96)	24,904	25,000	-	802	25,802
Islamic Naya Pakistan Certificate	615,421	-	-	615,421	-	-	-	-
	1,020,873,178	(1,991,940)	4,101,421	1,022,982,659	800,116,479	(2,088,972)	7,501,462	805,528,969
Held-to-maturity securities								
Federal Government Securities	48,891,946	-	-	48,891,946	23,592,141	-	-	23,592,141
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	49,236,206	(344,260)	-	48,891,946	23,936,401	(344,260)	-	23,592,141
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,073,051,754	(2,336,200)	4,091,874	1,074,807,428	824,552,880	(2,433,232)	7,501,462	829,621,110

* Provision for diminution against federal government securities represents expected credit loss provisioning under IFRS 9 on portfolio pertaining to overseas branch.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	(Audited) December 31, 2020
Rupees in '000		
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	74,273,544	28,776,013
Pakistan Investment Bonds	173,903,394	81,963,094
GOP Foreign Currency Sukuks (US\$)	1,890,753	-
Total Investments given as collateral	250,067,691	110,739,107
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,433,232	3,584,114
Exchange adjustments	(314)	209
Charge / (reversals)		
Charge for the period / year	-	600,351
Reversals for the period / year	(6,407)	(22,851)
	(6,407)	577,500
Reversal on disposals during the period / year	(90,311)	(1,728,591)
Closing Balance	2,336,200	2,433,232

	(Audited)			
	June 30, 2021		December 31, 2020	
	Non Performing Investments	Provision	Non Performing Investments	Provision
Rupees in '000				
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due but impaired*	3,938,289	5,585	3,995,021	12,306
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	4,303,620	370,916	4,360,352	377,637

* Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at June 30, 2021 amounted to Rs. 47,268.4 million (December 31, 2020: Rs. 21,971.9 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

Note	Performing		Non Performing		Total	
	Audited		Audited		Audited	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Rupees in '000						
11 ADVANCES						
Loans, cash credits, running finances, etc.	473,910,887	459,187,682	12,742,695	12,740,989	486,653,582	471,928,671
Islamic financing and related assets	39.3	39,983,336	32,642,319	-	39,983,336	32,642,319
Bills discounted and purchased		2,006,113	4,183,084	1,419,670	3,425,783	5,602,754
Advances - gross	11.1	515,900,336	496,013,085	14,162,365	14,160,659	530,062,701
Provision against advances						
Specific	11.2 & 11.3	-	-	(13,272,836)	(13,632,529)	(13,272,836)
General	11.3	(66,402)	(109,459)	-	-	(66,402)
		(66,402)	(109,459)	(13,272,836)	(13,632,529)	(13,339,238)
Advances - net of provision		515,833,934	495,903,626	889,529	528,130	516,723,463

(Audited)
June 30, 2021 December 31, 2020

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	513,763,068	495,717,569
	In foreign currencies	16,299,633	14,456,175
		<u>530,062,701</u>	<u>510,173,744</u>

11.2 'Advances include Rs. 14,162.365 million (December 31, 2020: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

Category of Classification:	(Audited)			
	June 30, 2021		December 31, 2020	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Domestic				
Other Assets Especially Mentioned	33,867	1,247	31,881	121
Substandard	761,977	189,455	253,289	62,451
Doubtful	568,774	284,387	611,064	305,532
Loss	12,797,747	12,797,747	13,264,425	13,264,425
Total	14,162,365	13,272,836	14,160,659	13,632,529

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021				(Audited) December 31, 2020		
	Note	Specific	General	Total	Specific	General	Total
	Rupees in '000						
11.3 Particulars of provision against advances							
Opening balance		13,632,529	109,459	13,741,988	15,112,624	39,795	15,152,419
Exchange adjustments		-	(2,300)	(2,300)	-	1,478	1,478
Charge for the period / year		265,812	661	266,473	911,464	1,404,515	2,315,979
Reversals		(539,476)	(41,418)	(580,894)	(630,472)	(1,336,329)	(1,966,801)
		(273,664)	(40,757)	(314,421)	280,992	68,186	349,178
Amounts written off		(86,029)	-	(86,029)	(1,761,087)	-	(1,761,087)
Closing balance	11.3.1	13,272,836	66,402	13,339,238	13,632,529	109,459	13,741,988

11.3.1 No benefit of forced sale value of the collaterals held by the Bank is taken while determining the provision against non-performing loans as allowed under BSD Circular No. 01 dated October 21, 2011.

	Note	(Audited)	
		June 30, 2021	December 31, 2020
		Rupees in '000	
12 FIXED ASSETS			
Capital work-in-progress	12.1	3,103,230	2,891,147
Property and equipment		64,476,307	63,434,780
Right-of-Use Assets		7,095,905	7,203,513
		<u>74,675,442</u>	<u>73,529,440</u>

12.1 Capital work-in-progress

Civil works	2,345,953	1,958,105
Equipment	-	331,677
Advances to suppliers	757,277	601,365
	<u>3,103,230</u>	<u>2,891,147</u>

12.2 Additions to fixed assets

The following additions are made to fixed assets during the period:

	June 30, 2021	June 30, 2020
	Rupees in '000	
Capital work-in-progress	387,848	926,085
Property and equipment		
Freehold land	619,713	3,112,010
Leasehold land	213,119	554,130
Building on freehold land	496,240	85,626
Building on leasehold land	167,431	45,058
Furniture and fixture	101,074	157,988
Electrical office and computer equipment	1,426,871	604,062
Vehicles	123,355	42,504
Others-building improvements	315,681	283,969
	<u>3,463,484</u>	<u>4,885,347</u>
Right-of-Use Assets	706,101	586,156
Total	<u>4,557,433</u>	<u>6,397,588</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

12.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

	June 30, 2021	June 30, 2020
	Rupees in '000	
Furniture and fixture	191	330
Electrical office and computer equipment	1,278	1,504
Vehicles	22,640	7,344
Freehold land	250,000	-
Leasehold land	291,000	-
Building on freehold land	863	48,810
Building on leasehold land	74,132	-
Total	640,104	57,988

	Note	June 30, 2021	(Audited) December 31, 2020
		Rupees in '000	
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	493,758	499,577
Computer Software		2,366,572	2,217,212
		2,860,330	2,716,789

13.1 Capital work-in-progress

Software	490,884	496,703
Advances to suppliers	2,874	2,874
	493,758	499,577

13.2 Additions to intangible assets

The following additions are made to intangible assets through direct purchases during the period:

	June 30, 2021	June 30, 2020
	Rupees in '000	
Directly purchased	342,014	335,044
Capital work-in-progress	141,796	402,780
Total	483,810	737,824

13.3 Disposals of intangible assets

The net book value of intangible assets disposed off during the period is as follows:

Directly purchased	19	-
	19	-

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency - net of provision	19,323,245	19,310,016
	Income / Mark-up accrued in foreign currency - net of provision	262,387	204,777
	Advances, deposits, advance rent and other prepayments	1,607,031	952,041
	Advance taxation (payments less provisions)	2,031,283	2,358,198
	Non-banking assets acquired in satisfaction of claims	609,834	792,216
	Mark to market gain on forward foreign exchange contracts	1,077,175	-
	Acceptances	4,168,787	5,329,898
	Due from the employees' retirement benefit schemes		
	Pension fund	3,971,029	3,786,440
	Fraud and forgeries	536,204	539,178
	Stationery and stamps in hand	445,957	304,116
	Overdue Foreign Bills Negotiated or Discounted	103,172	107,472
	Home Remittance Cell agent receivable	83,851	83,999
	Receivable from SBP - customers encashments	3,563	-
	Charges receivable	27,362	27,711
	Automated Teller Machine or Point of Sale settlement account	-	830,819
	Suspense Account	306	1,865
	Others	29,835	12,182
		34,281,021	34,640,928
	Less: Provision held against other assets	14.1 (754,464)	(756,559)
	Other assets (net of provision)	33,526,557	33,884,369
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	642,615	650,030
	Other Assets - Total	34,169,172	34,534,399
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	150,924	147,067
	Provision against fraud and forgeries	536,204	539,178
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,362	27,711
	Others	15,679	18,308
		754,464	756,559
14.1.1	Movement in provision held against other assets		
	Opening balance	756,559	862,460
	Charge for the period / year	39,636	65,537
	Reversals	-	(110,723)
	Net charge	39,636	(45,186)
	Written off / adjusted	(41,731)	(60,715)
	Closing balance	754,464	756,559

15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at June 30, 2021 and December 31, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
16	BILLS PAYABLE		
	In Pakistan	9,116,827	9,622,020
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	211,812,503	69,899,415
	Under export refinance scheme	28,318,992	28,781,058
	Under payroll refinance scheme	11,454,748	17,579,785
	Under long term financing facility	29,437,614	27,462,140
	Under financing scheme for renewable energy	85,511	34,461
	Under temporary economic refinance scheme	4,441,047	388,385
	Other borrowings	8,080	8,432
	Under refinance scheme for wages and salaries	146,568	121,270
		285,705,063	144,274,946
	Repurchase agreement borrowings from Financial Institutions	37,785,277	40,293,084
	Total Secured	323,490,340	184,568,030
	Unsecured		
	Call borrowings	23,185,680	9,263,438
	Overdrawn nostro accounts	123,040	43,797
	Musharaka borrowing	8,790,000	-
	Other borrowings	15,000	52,821
	Total unsecured	32,113,720	9,360,056
		355,604,060	193,928,086

	(Audited)						
	June 30, 2021			December 31, 2020			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
18	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	448,982,594	22,682,912	471,665,506	391,581,042	23,736,666	415,317,708
	Savings deposits	466,900,422	21,680,344	488,580,766	461,231,842	33,740,375	494,972,217
	Term deposits	124,670,218	36,261,738	160,931,956	107,223,558	35,015,861	142,239,419
	Others	35,145,297	38,855	35,184,152	23,540,199	58,247	23,598,446
		1,075,698,531	80,663,849	1,156,362,380	983,576,641	92,551,149	1,076,127,790
	Financial Institutions						
	Current deposits	39,339,151	82,740	39,421,891	52,236,902	11,655	52,248,557
	Savings deposits	91,389,186	-	91,389,186	75,358,579	-	75,358,579
	Term deposits	27,840,650	40,962	27,881,612	12,896,350	41,557	12,937,907
	Others	6	-	6	5,421	-	5,421
		158,568,993	123,702	158,692,695	140,497,252	53,212	140,550,464
		1,234,267,524	80,787,551	1,315,055,075	1,124,073,893	92,604,361	1,216,678,254

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 815,650 million for June 30, 2021 (December 31, 2020: 746,521 million)..

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
19 DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on			
Provision against investments		(19,093)	(19,093)
Provision against other assets		(38,959)	(38,959)
Provision against off balance sheet obligations		(14,824)	(14,824)
Provision against advances		(311,492)	(222,951)
Actuarial losses		(405,919)	(364,286)
Post retirement medical benefits		(42,980)	(42,980)
Workers welfare fund		(942,395)	(736,933)
		(1,775,662)	(1,440,026)
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		1,754,379	1,598,517
Surplus on revaluation of investments		1,599,554	2,625,512
Surplus on revaluation on non-banking assets		10,765	11,058
Accelerated tax depreciation / amortization		1,190,306	1,183,483
Excess of investment in finance lease over written down value of leased assets		13,206	13,206
		4,568,210	5,431,776
		2,792,548	3,991,750
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		3,113,801	3,024,818
Mark-up / return / interest payable in foreign currencies		70,834	257,307
Accrued expenses		1,383,354	1,626,257
Retention money payable		497,604	417,668
Unearned commission and income on bills discounted		243,928	247,103
Acceptances		4,168,787	5,329,898
Unclaimed dividends		354,102	363,404
Dividend payable		40,203	-
Branch adjustment account		639,291	268,872
Unrealized loss on forward foreign exchange contracts		-	2,006,994
Provision for:			
Gratuity		609,275	609,275
Employees' medical benefits		1,544,520	1,514,300
Employees' compensated absences		843,140	774,381
Payable to defined contribution plan		39,909	29,657
Provision against off-balance sheet obligations	20.1	313,955	301,093
Security deposits against lease		785,290	757,009
ATM / Point of Sale settlement account		825,414	-
Charity fund balance		83	14
Home Remittance Cell overdraft		1,081,727	1,177,680
With-holding tax payable		1,924,443	1,835,535
Sundry deposits		3,065,897	2,652,177
Workers welfare fund payable		2,416,397	2,105,522
Present value of lease liability		8,547,952	8,316,966
Others		1,469,046	1,061,868
		33,978,952	34,677,798

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)	
	June 30, 2021	December 31, 2020
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	301,093	313,043
Charge for the period / year	12,862	-
Reversals	-	(11,950)
	12,862	(11,950)
Closing balance	313,955	301,093

	(Audited)		(Audited)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Number of shares		Rupees in '000	

21 SHARE CAPITAL

21.1 Authorized capital

1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000
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21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each				
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
9,148,550	9,148,550	18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486	91,486
8,400,000	8,400,000	8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2020: 972,510,410 (84.93%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,562,626	24,921,256
Non-banking assets acquired in satisfaction of claims		642,615	650,030
Available-for-sale securities	10.1	4,101,421	7,501,462
		29,306,662	33,072,748
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,754,379)	(1,598,517)
Non-banking assets acquired in satisfaction of claims		(10,765)	(11,058)
Available-for-sale securities		(1,599,554)	(2,625,512)
		(3,364,698)	(4,235,087)
Surplus on revaluation of assets - net of tax		25,941,964	28,837,661

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	37,993,982	36,224,791
Commitments	23.2	309,646,126	304,718,422
Other contingent liabilities	23.3	6,801,643	8,594,509
		354,441,751	349,537,722

23.1 Guarantees

Financial guarantees		8,464,055	8,401,931
Performance guarantees		7,290,392	6,014,712
Other guarantees		22,239,535	21,808,148
		37,993,982	36,224,791

23.2 Commitments

Documentary credits and short term trade related transactions:

letters of credit		91,390,975	84,039,527
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	211,977,237	216,047,094
forward government securities transactions	23.2.2	1,953,279	-
operating leases	23.2.3	258,575	349,303
Commitments for acquisition of:			
fixed assets		3,563,730	3,683,381
intangible assets		502,330	599,117
		309,646,126	304,718,422

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		138,149,121	136,626,044
Sale		73,828,116	79,421,050
		211,977,237	216,047,094

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)	
	June 30, 2021	December 31, 2020
Rupees in '000		
23.2.2	Commitments in respect of forward government securities transactions	
Purchase	1,953,279	-
Sale	-	-
	<u>1,953,279</u>	<u>-</u>
23.2.3	Commitments in respect of operating leases	
Not later than one year	131,246	146,859
Later than one year and not later than five years	109,919	179,634
Later than five years	17,410	22,810
	<u>258,575</u>	<u>349,303</u>
23.3	Other contingent liabilities	
23.3.1	Claims against the Bank not acknowledged as debt	
	<u>6,801,643</u>	<u>8,594,509</u>

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2020 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2020, income tax authorities made certain add backs with aggregate tax impact of Rs.29,468 million (2020: 27,815 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.29,468 million (2020: 27,815 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,700 million (2020: 1,700 million). The Bank's appeals before Commissioner Inland Revenue (Appeals) CIR (A) /Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 1,700 million (2020: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (2020: 963 million). The Bank's appeals before CIR(A) /ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 963 million (2020: 963 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs. 2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CPs were disposed of vide order dated January 15, 2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department was restrained from taking any coercive action against the Bank. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision is made against the impugned penalty.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

24 DERIVATIVE INSTRUMENTS

The Bank at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2020.

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		16,585,584	26,015,232	8,757,606	11,956,384
Investments		36,311,923	34,809,278	20,629,114	17,602,874
Lendings to financial institutions		437,993	1,087,066	178,967	327,968
Balances with banks		1,309	35,520	(2,439)	(10,843)
		53,336,809	61,947,096	29,563,248	29,876,383
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		19,218,173	29,500,503	9,513,223	12,573,242
Borrowings		8,547,736	3,675,716	6,521,580	2,199,601
Cost of foreign currency swaps against foreign currency deposits		2,108,377	3,067,758	1,099,049	1,372,210
Interest expense on lease liability		444,575	521,426	205,085	244,634
		30,318,861	36,765,403	17,338,937	16,389,687
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		1,112,533	945,111	534,882	423,896
Branch banking customer fees		721,122	624,496	360,061	282,414
Commission on remittances including home remittances		537,480	506,133	301,621	309,489
Investment banking fees		395,649	327,779	188,890	62,387
Commission on trade		224,953	156,595	120,293	71,674
Commission on cash management		99,912	84,197	52,845	39,675
Commission on guarantees		101,139	65,992	40,383	24,657
Commission on bancassurance		49,279	47,959	26,860	12,116
Credit related fees		10,495	14,805	4,941	3,325
Consumer finance related fees		3,114	1,803	1,776	759
		3,255,676	2,774,870	1,632,552	1,230,392
28 GAIN / (LOSS) ON SECURITIES - NET					
Realised - net	28.1	2,661,144	2,425,745	1,224,505	1,503,216
Unrealised - held for trading	10.1	(9,547)	-	(21,932)	(178,781)
Unrealised - forward government securities		257	-	3,151	-
		2,651,854	2,425,745	1,202,573	1,324,435

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
28.1 Realised gain / (loss) on:					
Federal government securities		982,934	1,581,812	499,696	1,101,611
Shares		1,679,052	755,402	724,872	401,727
Non government debt securities		(842)	(259)	(63)	(122)
Open ended mutual funds		-	88,790	-	-
		2,661,144	2,425,745	1,224,505	1,503,216
29 OTHER INCOME					
Recovery of written off mark-up and charges		43,408	226	43,323	-
Gain on sale of fixed assets - net		202,718	61,209	200,835	56,868
Other assets disposal		5,154	18,219	4,546	17,348
Rent on property		5,147	7,000	2,574	5,213
Fee for attending Board meetings		1,397	932	618	520
Income from data centre hosting service		8,858	7,382	4,429	2,953
Gain on sale of islamic financing and related assets		3,062	3,058	1,713	547
Gain on sale of non-banking assets		304	-	304	-
		270,048	98,026	258,342	83,449
30 OPERATING EXPENSES					
Total compensation expense		7,440,112	6,881,014	3,809,282	3,564,684
Property expense:					
Depreciation		2,152,610	2,106,370	1,062,460	1,071,338
Rent and taxes		201,419	106,705	117,598	54,971
Utilities cost		580,754	467,514	321,877	226,306
Security (including guards)		522,091	482,787	265,986	240,098
Repair and maintenance					
(including janitorial charges)		448,036	392,819	239,959	194,867
Insurance		45,128	39,850	22,762	21,417
		3,950,038	3,596,045	2,030,642	1,808,997
Information technology expenses:					
Depreciation		332,160	388,333	156,968	196,345
Amortization		192,635	124,411	97,876	61,884
Network charges		363,699	331,630	190,620	169,804
Software maintenance		383,456	274,560	190,329	186,975
Hardware maintenance		244,868	207,026	121,852	148,072
Others		3,779	18,997	2,050	17,435
		1,520,597	1,344,957	759,695	780,515
Other operating expenses:					
Insurance		694,981	581,033	344,023	287,778
Outsourced service costs		409,654	375,987	218,874	183,235
Stationery and printing		249,703	193,252	135,505	90,135
Cash in transit service charge		277,904	259,005	135,262	144,597
Marketing, advertisement and publicity		474,889	410,013	263,320	134,438
Depreciation		110,326	114,078	55,664	55,942
Travelling and conveyance		90,003	86,966	42,730	29,172
Postage and courier charges		98,750	73,595	52,227	36,436
NIFT clearing charges		73,284	59,893	37,146	28,243
Communication		89,172	80,611	44,024	58,859
Legal and professional charges		76,538	52,829	30,431	25,065
Auditors remuneration		14,831	8,608	7,417	3,277
Directors fees and allowances		23,366	13,127	11,262	6,136
Fees and allowances to Shariah Board		3,349	3,081	1,684	1,566
Training and development		20,289	47,305	7,617	30,925
Brokerage expenses		54,467	39,191	23,426	3,349
Card related expenses		204,788	99,977	105,853	57,046
Donations		50,263	75,331	48,574	66,700
Others		232,967	178,348	114,584	84,057
		3,249,524	2,752,230	1,679,623	1,326,956
		16,160,271	14,574,246	8,279,242	7,481,152

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		1,795	277	775	-
Education cess		23,502	23,502	11,751	11,751
Depreciation - non-banking assets		3,116	16,745	1,318	8,379
Others		50,013	49,257	25,013	24,257
Other assets written off		39	-	34	-
		78,465	89,781	38,891	44,387
32 PROVISIONS AND WRITE OFFS - NET					
(Reversal) / Provision for diminution					
in the value of investments	10.2.1	(6,407)	587,560	(1,925)	8,577
(Reversal) / Provision					
against loans and advances	11.3	(314,421)	1,593,897	(158,924)	1,513,065
Provision against other assets	14.1.1	39,636	26,176	22,136	11,678
Provision against off-balance					
sheet obligations	20.1	12,862	1,451	9,157	(5,250)
Bad debts written off directly		-	-	-	-
		(268,330)	2,209,084	(129,556)	1,528,070
Recovery of written off bad debts		(41,214)	(83)	(40,987)	-
		(309,544)	2,209,001	(170,543)	1,528,070
33 TAXATION					
Current - for the period	33.1	6,280,773	7,118,199	3,477,458	4,339,768
- for prior year		-	-	-	-
		6,280,773	7,118,199	3,477,458	4,339,768
Deferred - current		(331,872)	(869,260)	(198,952)	(654,069)
		5,948,901	6,248,939	3,278,506	3,685,699
33.1	This also includes proportionate super tax charge of Rs. 620.984 million (June 30, 2020 Rs. 688.503 million).				
34 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		8,761,988	8,413,529	4,733,011	4,395,838
Number of Shares					
Weighted average number of ordinary shares					
outstanding during the year		1,145,073,830	1,145,073,830	1,145,073,830	1,145,073,830
Rupees					
Earnings per share - basic and diluted		7.65	7.35	4.13	3.84
There is no dilution effect on basic earnings per share.					

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

Level 1:	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in level 1 comprise of investments in Listed Ordinary Shares.
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). Financial instruments included in level 2 comprise of Sukuk Bonds, Units of Mutual Funds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates and Forward Government & Exchange Contracts.
Level 3:	Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Currently, no financial instruments are classified in level 3.

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:

Valuation Techniques used in determination of Fair Valuation of Financial Instruments within Level 2

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV rates.
Non-Government Debt Securities	Marked to Market on the basis of MUFAP rates.
Foreign exchange contracts	Marked to Market on the basis of SBP rates.
Open ended mutual funds	Marked to Market on the basis of MUFAP rates.
Operating fixed assets (land & building) & NBA	The valuation is based on their assessment of market value of the properties.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021				
	Carrying 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	990,901,712	-	990,901,712	-	990,901,712
Shares	19,305,789	19,280,885	24,904	-	19,305,789
Non-Government Debt Securities	3,864,082	-	3,864,082	-	3,864,082
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	60,735,845	-	-	-	-
Cash and balances with treasury banks	133,127,829	-	-	-	-
Balances with other banks	1,330,337	-	-	-	-
Lendings	7,369,312	-	-	-	-
Advances	516,723,463	-	-	-	-
Other assets	25,012,347	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	54,910,727	-	54,910,727	-	54,910,727
Non-banking assets	1,252,449	-	1,252,449	-	1,252,449
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	138,149,121	-	138,149,121	-	138,149,121
Forward sale of foreign exchange	73,828,116	-	73,828,116	-	73,828,116
Forward purchase of government securities transactions	1,953,279	-	1,953,279	-	1,953,279
Forward sale of government securities transactions	-	-	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)				Total
	December 31, 2020				
Carrying Value	Level 1	Level 2	Level 3		
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	768,387,860	-	768,387,860	-	768,387,860
Shares	22,002,505	21,976,703	25,802	-	22,002,505
Non-Government Debt Securities	5,709,108	-	5,709,108	-	5,709,108
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuku, subsidiaries, Bai muajjal)	33,521,637	-	-	-	-
Cash and balances with treasury banks	128,391,896	-	-	-	-
Balances with other banks	7,236,502	-	-	-	-
Lendings	17,996,123	-	-	-	-
Advances	496,431,756	-	-	-	-
Other assets	25,838,425	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	54,415,469	-	54,415,469	-	54,415,469
Non-banking assets	1,442,246	-	1,442,246	-	1,442,246
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	136,626,044	-	136,626,044	-	136,626,044
Forward sale of foreign exchange	79,421,050	-	79,421,050	-	79,421,050
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

June 30, 2021

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
36 SEGMENT INFORMATION						
36.1 Segment Details with respect to Business Activities						
Profit & Loss						
Net mark-up/return/profit	14,324,509	(17,716,492)	25,510,918	1,028,676	(129,663)	23,017,948
Inter segment revenue - net	(12,682,920)	36,338,057	(21,551,240)	-	(2,103,897)	-
Non mark-up / return / interest income	3,880,118	1,997,070	1,634,792	148,350	272,678	7,933,008
Total Income	5,521,707	20,618,635	5,594,470	1,177,026	(1,960,882)	30,950,956
Segment direct expenses	323,293	8,540,954	116,369	694,098	6,874,897	16,549,611
Total expenses	323,293	8,540,954	116,369	694,098	6,874,897	16,549,611
Provisions	(104,898)	(98,892)	-	15	513,319	309,544
Profit before tax	5,093,516	11,978,789	5,478,101	482,943	(8,322,460)	14,710,889
Balance Sheet						
Cash & Bank balances	120,061	45,351,329	75,590,677	4,560,945	8,835,154	134,458,166
Investments	36,852,554	-	1,017,145,851	20,309,023	500,000	1,074,807,428
Net inter segment lending	(382,420,556)	1,214,743,290	(854,594,140)	(685,829)	22,957,235	-
Lendings to financial institutions	-	-	9,435,498	-	(2,066,186)	7,369,312
Advances - performing	441,043,697	25,709,945	-	39,983,336	9,163,358	515,900,336
Advances - non-performing	1,222,069	226,661	-	-	12,713,635	14,162,365
Provision against advances	(487,201)	(139,031)	-	(134)	(12,712,872)	(13,339,238)
Advances - net	441,778,565	25,797,575	-	39,983,202	9,164,121	516,723,463
Others	3,524,302	9,424,404	10,977,443	2,467,772	85,311,023	111,704,944
Total Assets	99,854,926	1,295,316,598	258,555,329	66,635,113	124,701,347	1,845,063,313
Borrowings	86,371,702	5,054,264	255,815,709	10,428,571	(2,066,186)	355,604,060
Deposits & other accounts	-	1,265,418,755	-	48,197,412	1,438,908	1,315,055,075
Others	537,177	13,575,956	(1,962,672)	3,341,354	30,396,512	45,888,327
Total liabilities	86,908,879	1,284,048,975	253,853,037	61,967,337	29,769,234	1,716,547,462
Equity / Reserves	12,946,047	11,267,623	4,702,292	4,667,776	94,932,113	128,515,851
Total Equity and liabilities	99,854,926	1,295,316,598	258,555,329	66,635,113	124,701,347	1,845,063,313
Contingencies and commitments	108,538,882	14,492,517	213,930,516	6,272,837	11,206,999	354,441,751

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

June 30, 2020

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	23,620,134	(27,504,566)	28,313,172	1,038,743	(285,790)	25,181,693
Inter segment revenue - net	(20,697,516)	46,155,227	(23,240,286)	-	(2,217,425)	-
Non mark-up / return / interest income	2,558,725	1,696,998	2,264,989	87,401	89,942	6,698,055
Total Income	5,481,343	20,347,659	7,337,875	1,126,144	(2,413,273)	31,879,748
Segment direct expenses	298,707	8,162,761	89,475	652,958	5,804,378	15,008,279
Total expenses	298,707	8,162,761	89,475	652,958	5,804,378	15,008,279
Provisions	(929,918)	(146,344)	-	(37)	(1,132,702)	(2,209,001)
Profit before tax	4,252,718	12,038,554	7,248,400	473,149	(9,350,353)	14,662,468

(Audited)

December 31, 2020

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	63,515	56,549,630	70,345,528	3,372,243	5,297,482	135,628,398
Investments	40,137,617	-	769,333,252	19,650,241	500,000	829,621,110
Net inter segment lending	(367,667,313)	1,115,262,750	(753,028,599)	(1,696,240)	7,129,402	-
Lendings to financial institutions	-	-	30,817,586	1,454,435	(14,275,898)	17,996,123
Advances - performing	424,399,594	30,103,282	-	32,642,319	8,867,890	496,013,085
Advances - non-performing	690,533	261,900	-	-	13,208,226	14,160,659
Provision against advances	(397,684)	(152,904)	-	(149)	(13,191,251)	(13,741,988)
Advances - net	424,692,443	30,212,278	-	32,642,170	8,884,865	496,431,756
Others	3,731,162	8,967,967	11,335,908	2,512,076	84,233,515	110,780,628
Total Assets	100,957,424	1,210,992,625	128,803,675	57,934,925	91,769,366	1,590,458,015
Borrowings	81,851,296	5,433,733	111,289,117	9,553,220	(14,199,280)	193,928,086
Deposits & other accounts	-	1,169,568,083	-	41,839,270	5,270,901	1,216,678,254
Others	3,163,510	14,806,920	903,740	2,547,538	26,869,860	48,291,568
Total liabilities	85,014,806	1,189,808,736	112,192,857	53,940,028	17,941,481	1,458,897,908
Equity / Reserves	15,942,618	21,183,889	16,610,818	3,994,897	73,827,885	131,560,107
Total Equity and liabilities	100,957,424	1,210,992,625	128,803,675	57,934,925	91,769,366	1,590,458,015
Contingencies and commitments	93,691,022	20,979,810	216,047,094	5,540,979	13,278,817	349,537,722

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its parent, subsidiary, companies with common directorship over which it has significant influence, directors, employee benefit plans and key management personnel including their associates.

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	(Audited)											
	June 30, 2021			December 31, 2020								
	Parent	Directors	Key man-agement personnel	Subsidi-aries	Associates*	Other related parties	Parent	Direct-ors	Key man-agement personnel	Subsidi-aries	Associates*	Other relat-ed parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	2,589	156,424	-	-	496	-	4,764	196,884	-	-	575
Addition during the period/year	-	28,743	132,364	-	-	3,031	-	17,055	62,385	-	-	4,287
Repaid during the period/year	-	(15,334)	(75,148)	-	-	(3,329)	-	(18,650)	(102,845)	-	-	(4,366)
Closing balance	-	16,378	213,640	-	-	259	-	2,969	156,424	-	-	496

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021					(Audited) December 31, 2020						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Other Assets												
Interest / mark-up accrued	-	5,529	74,796	-	-	-	-	74,205	-	-	-	3,138,502
Receivable from staff retirement fund	-	-	-	3,293,277	-	-	-	-	-	26,644	-	-
Other receivable	-	-	-	35,926	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	803	144,243	40,672	10,007	46,745	26,861,726	2,849	357,194	34,882	24,228	123,315	16,817,539
Received during the period/year	8,244,095	1,138,802	459,090	1,238,885	1,878,583	233,533,152	10,401,559	1,684,041	615,345	1,550,051	12,786,639	330,938,208
Withdrawn during the period/year	(8,243,612)	(991,642)	(441,119)	(1,221,594)	(1,856,631)	(227,237,864)	(10,403,605)	(1,836,992)	(509,555)	(1,564,273)	(12,863,209)	(320,884,021)
Closing balance	1,286	291,403	57,643	27,298	66,697	83,256,984	803	144,243	40,672	10,007	46,745	26,861,726
Other Liabilities												
Interest / mark-up payable	-	-	15	3	-	66,556	-	-	3	-	130	67,270

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021				June 30, 2020						
	Parent	Directors	Key management personnel	Subsidiaries	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000										
Income											
Mark-up/return/interest earned	-	530	4,710	-	-	-	279	7,384	-	-	-
Fee and commission income	-	16	18	4,124	5	421	1	37	2,131	4	349
Net gain on sale of securities	-	-	(1)	-	-	318	-	10	-	-	3,354
Rental Income	-	-	-	5,147	-	-	-	-	7,000	-	-
Other Income	-	-	-	83,995	-	-	-	-	7,382	-	-
Expense											
Mark-up/return/interest expensed	-	6,999	346	1,189	45	517,233	7,674	357	1,742	117	550,859
Directors meeting fee	-	23,200	-	-	-	-	12,750	-	-	-	-
Remuneration	-	25,439	266,367	-	-	-	41,810	235,256	-	-	-
Charge for defined benefit plans	-	513	8,401	-	-	-	720	7,006	-	-	-
Contribution to defined contribution plan	-	516	4,078	-	-	-	643	3,949	-	-	-
Other expenses**	-	-	-	-	30,030	-	-	-	-	-	-
Rent expense**	-	-	-	-	7,846	-	-	-	-	7,133	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	190,503	-	-	-	-	119,522
Insurance premium paid	-	45	370	-	-	-	68	415	-	-	-

Shares held by the holding company, outstanding at the end of year are included in note 21 to these unconsolidated condensed interim financial statements.

* Associated companies are as per IAS 24 - 'Related Party Disclosures'.

**Other expenses include: National Management Foundation, Donation of Rs. 30 million for construction of hostel building.

***Rent expense of ABL Branch with associated company (Ibrahim Fibres Limited) was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan. During the period ended June 30, 2021, certain moveable assets having cumulative net book value of Rs. 90,000 were disposed off for Rs. 384,912 to the Key Management Personnel of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	93,390,110	93,659,434
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	93,390,110	93,659,434
Eligible Tier 2 Capital	25,589,320	27,703,024
Total Eligible Capital (Tier 1 + Tier 2)	118,979,430	121,362,458
Risk Weighted Assets (RWAs):		
Credit Risk	329,858,727	345,701,270
Market Risk	37,714,047	41,310,018
Operational Risk	94,653,446	94,653,446
Total	462,226,220	481,664,734
Common Equity Tier 1 Capital Adequacy ratio	20.20%	19.44%
Tier 1 Capital Adequacy Ratio	20.20%	19.44%
Total Capital Adequacy Ratio	25.74%	25.20%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	93,390,110	93,659,434
Total Exposures	2,249,054,920	1,847,990,820
Leverage Ratio	4.15%	5.07%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	614,612,058	526,731,728
Total Net Cash Outflow	320,945,614	293,826,179
Liquidity Coverage Ratio	191.50%	179.27%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,216,556,277	1,167,425,806
Total Required Stable Funding	888,516,815	751,874,375
Net Stable Funding Ratio	136.92%	155.27%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2020: 117 and June 30, 2020: 117) Islamic Banking Branches and 104 (December 31, 2020: 85 and June 30, 2020: 85) Islamic Banking Windows at the end of the period.

		June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		4,498,278	3,267,478
Balances with other banks		62,667	104,765
Due from financial institutions	39.1	-	1,454,435
Investments	39.2	20,309,023	19,650,241
Islamic financing and related assets - net	39.3	39,983,202	32,642,170
Fixed assets		1,550,221	1,661,209
Intangible assets		570	635
Due from Head Office		-	-
Other assets		916,981	850,232
		67,320,942	59,631,165
LIABILITIES			
Bills payable		1,087,425	481,518
Due to financial institutions		10,428,571	9,553,220
Deposits and other accounts	39.4	48,197,412	41,839,270
Due to Head Office		685,829	1,696,240
Subordinated debt		-	-
Other liabilities		2,253,929	2,066,020
		62,653,166	55,636,268
NET ASSETS		4,667,776	3,994,897
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		165,353	(24,583)
Unappropriated profit / (Accumulated losses)	39.5	402,423	(80,520)
		4,667,776	3,994,897
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	June 30, 2020
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended June 30, 2021 is as follows:		
Profit / return earned	39.7	1,898,574
Profit / return expensed	39.8	869,898
Net Profit / return	1,028,676	1,038,743
OTHER INCOME		
Fee and commission income	123,377	80,505
Dividend income	-	-
Foreign exchange income	22,753	5,691
Loss on securities	(842)	(1,919)
Other income	3,062	3,124
Total other income	148,350	87,401
Total income	1,177,026	1,126,144
OTHER EXPENSES		
Operating expenses	694,030	652,935
Workers Welfare Fund	-	-
Other charges	68	23
Total other expenses	694,098	652,958
Profit before provisions	482,928	473,186
(Reversals) / provisions and write offs - net	(15)	37
PROFIT BEFORE TAXATION	482,943	473,149
Taxation	-	-
PROFIT AFTER TAXATION	482,943	473,149

	(Audited)					
	June 30, 2021			December 31, 2020		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
39.1 Due from financial institutions						
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	954,435	-	954,435
Musharaka Lending	-	-	-	500,000	-	500,000
	-	-	-	1,454,435	-	1,454,435

	(Audited)							
	June 30, 2021				December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
39.2 Investments by Segments								
Federal Government Securities:								
-Ijarah Sukuks	500,000	-	(14,400)	485,600	500,000	-	(21,450)	478,550
-Other Federal Securities	3,323,813	-	-	3,323,813	2,573,429	-	-	2,573,429
	3,823,813	-	(14,400)	3,809,413	3,073,429	-	(21,450)	3,051,979
Non Government Debt Securities								
-Listed	10,748,744	-	110,410	10,859,154	11,273,295	-	(72,477)	11,200,818
-Unlisted	5,640,456	-	-	5,640,456	5,397,444	-	-	5,397,444
	16,389,200	-	110,410	16,499,610	16,670,739	-	(72,477)	16,598,262
Total Investments	20,213,013	-	96,010	20,309,023	19,744,168	-	(93,927)	19,650,241

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)
	June 30, December 31,
	2021 2020
	Rupees in '000
39.3 Islamic financing and related assets	
Ijarah	361,524 381,940
Istisna	516,163 529,049
Financing under Islamic Export Re-finance - Istisna	900,000 500,000
Murabaha	135,766 104,532
Musawamah	3,839 314
Islamic Export Re-finance - Business Musharaka	1,050,000 1,000,000
Islamic Re-finance Against Wages and Salaries - Business Musharaka	19,661 40,286
Diminishing Musharaka	12,281,487 11,369,086
Islamic Re-finance Against Renewable Energy Diminishing Musharaka	437,188 40,286
Salam	- 233,002
Business Musharaka - Financings	23,637,950 17,935,445
Staff Ijarah	426,198 374,813
Staff Diminishing Musharaka	213,560 133,566
Gross Islamic financing and related assets	39,983,336 32,642,319
Less: provision against Islamic financings	
- Specific	-
- General	134 149
	134 149
Islamic financing and related assets - net of provision	39,983,202 32,642,170
39.4 Deposits	
Customers	
Current deposits	10,865,240 8,583,056
Savings deposits	19,491,341 18,482,574
Term deposits	1,619,536 427,416
Other deposits	37,249 1,922,870
	32,013,366 29,415,916
Financial Institutions	
Current deposits	124,790 13,470
Savings deposits	16,059,256 12,409,884
Term deposits	-
Other deposits	-
	16,184,046 12,423,354
	48,197,412 41,839,270
39.5 Islamic banking business unappropriated profit / (loss)	
Opening Balance	(80,520) (829,891)
Add: Islamic Banking profit for the period	482,943 749,371
Less: Taxation	-
Less: Reserves	-
Less: Transferred / Remitted to Head Office	-
Closing Balance	402,423 (80,520)

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	June 30, 2020
	Rupees in '000	
39.6 Contingencies and commitments		
-Guarantees	4,739,155	4,409,985
-Commitments	822,545	1,084,549
-Other contingencies	711,137	46,445
	<u>6,272,837</u>	<u>5,540,979</u>
39.7 Profit/return earned of financing, investments and placement		
Profit earned on:		
Financing	980,921	1,009,533
Investments	799,040	1,103,140
Placements	118,613	16,494
	<u>1,898,574</u>	<u>2,129,167</u>
39.8 Profit on deposits and other dues expensed		
Deposits and other accounts	610,193	746,975
Due to Financial Institutions	23,837	23,644
Profit paid on Musharaka borrowings	163,283	230,899
Profit paid on Mudaraba borrowings	8,081	14,173
Other expenses (IFRS-16)	64,504	74,733
	<u>869,898</u>	<u>1,090,424</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 The Board of Directors of the Bank in its meeting held on August 17, 2021 has proposed an interim cash dividend for the quarter ended June 30, 2021 of Rs. 2.00 per share (June 30, 2020: cash dividend of Rs. Nil per share). The unconsolidated condensed interim financial statements of the Bank for the half year ended June 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 17, 2021 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED **FINANCIAL STATEMENTS**

for the half year ended June 30, 2021

Consolidated Statement of Financial Position

(Un-audited) as at June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	133,127,770	128,388,720
Balances with other banks	8	1,330,337	7,236,502
Lendings to financial institutions - net	9	7,369,312	17,996,123
Investments - net	10	1,076,654,540	831,704,497
Advances - net	11	516,845,379	496,501,833
Fixed assets	12	75,041,042	73,652,142
Intangible assets	13	2,868,118	2,722,951
Deferred tax assets		-	-
Other assets - net	14	34,518,798	34,887,487
		1,847,755,296	1,593,090,255
LIABILITIES			
Bills payable	16	9,116,827	9,622,020
Borrowings	17	355,604,060	193,928,086
Deposits and other accounts	18	1,315,027,777	1,216,668,247
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	2,764,480	3,978,448
Other liabilities	20	34,403,020	35,124,168
		1,716,916,164	1,459,320,969
NET ASSETS		130,839,132	133,769,286
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		25,040,454	24,277,184
Surplus on revaluation of assets - net of tax	22	25,988,700	28,837,661
Unappropriated profit		68,359,239	69,203,702
		130,839,132	133,769,286

CONTINGENCIES AND COMMITMENTS

23

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the half year ended June 30, 2021

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
Mark-up / return / interest earned	25	53,338,666	61,948,091	29,564,474	29,876,847
Mark-up / return / interest expensed	26	30,330,202	36,767,248	17,349,021	16,390,795
Net mark-up / interest income		23,008,464	25,180,843	12,215,453	13,486,052
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	3,649,104	3,147,425	1,833,952	1,428,811
Dividend income		1,240,696	821,666	726,310	433,993
Foreign exchange income		662,531	687,208	416,672	875,616
Income from derivatives		-	-	-	-
Gain on securities - net	28	2,633,870	2,253,350	1,146,106	1,383,881
Other income	29	180,906	92,567	176,202	78,491
Total non mark-up / interest income		8,367,107	7,002,216	4,299,242	4,200,792
Total income		31,375,571	32,183,059	16,514,695	17,686,844
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	16,404,588	14,785,094	8,404,369	7,587,769
Workers welfare fund		315,884	346,064	170,421	201,751
Other charges	31	78,465	89,781	38,891	44,387
Total non mark-up / interest expenses		16,798,937	15,220,939	8,613,681	7,833,907
Profit before provisions		14,576,634	16,962,120	7,901,014	9,852,937
(Reversals) / Provisions and write offs - net	32	(309,544)	2,209,001	(170,543)	1,528,070
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		14,886,178	14,753,119	8,071,557	8,324,867
Taxation	33	6,010,088	6,275,753	3,307,346	3,737,722
PROFIT AFTER TAXATION		8,876,090	8,477,366	4,764,211	4,587,145
In Rupees					
Basic and Diluted earnings per share	34	7.75	7.40	4.16	4.01

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the half year ended June 30, 2021

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	Rupees in '000			
Profit after taxation for the period	8,876,090	8,477,366	4,764,211	4,587,145
Other comprehensive income				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	(112,929)	539,090	219,345	1,081,840
Movement in deficit on revaluation of investments - net of tax	(2,374,083)	627,421	332,570	3,842,092
	(2,487,012)	1,166,511	551,915	4,923,932
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	41,632	-	-	-
Revaluation of fixed assets	(199,010)	-	-	-
Revaluation of non-banking assets	(1,263)	(23,075)	-	-
	(158,641)	(23,075)	-	-
Total comprehensive income	6,230,437	9,620,802	5,316,126	9,511,077

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

Muhammad Atif Mirza
Chief Financial Officer

Zafar Iqbal
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Dr. Muhammad Akram Sheikh
Director

Consolidated Cash Flow Statement

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	June 30, 2020
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		14,886,178	14,753,119
Less: Dividend income		(1,240,696)	(821,666)
		13,645,482	13,931,453
Adjustments:			
Depreciation - Operating Fixed Assets		1,782,781	1,804,190
Depreciation - Non Banking Assets		3,116	16,745
Depreciation on right of use assets		813,298	900,969
Interest expense on lease liability		457,100	525,013
Amortization		203,680	124,802
Net (reversals) / provision and write offs	32	(268,330)	2,209,084
Unrealized loss on revaluation of 'held-for-trading' securities		83,788	177,702
Provision for workers welfare fund		315,884	346,064
Gain on sale of fixed assets and non-banking assets - net		(203,022)	(61,209)
		3,188,295	6,043,360
		16,833,777	19,974,813
(Increase) / Decrease in operating assets			
Lendings to financial institutions		10,626,811	(19,384,966)
Held-for-trading securities		(2,289,534)	19,862,396
Advances		(20,029,125)	52,176,673
Other assets (excluding advance tax)		(3,730)	(2,745,929)
		(11,695,578)	49,908,174
Increase / (Decrease) in operating liabilities			
Bills payable		(505,193)	1,629,579
Borrowings		161,596,731	(198,452,437)
Deposits and other accounts		98,359,530	57,067,113
Other liabilities (excluding current tax)		(1,329,349)	(3,014,170)
		258,121,719	(142,769,915)
		263,259,918	(72,886,928)
Income tax paid		(5,990,193)	(5,107,860)
Net cash flow generated / (used in) from operating activities		257,269,725	(77,994,788)
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		(220,847,324)	84,741,666
Net (investments) from 'held-to-maturity' securities		(25,299,805)	(296,900)
Dividend received		1,241,643	696,941
Investments in fixed assets and intangible assets		(4,280,574)	(3,578,131)
Proceeds from sale of fixed assets		844,665	119,727
Effect of translation of net investment in foreign branches		(112,929)	539,090
Net cash flow (used in) / generated from investing activities		(248,454,324)	82,222,393
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(932,070)	(1,229,924)
Dividend paid		(9,129,690)	(4,565,056)
Net cash flow used in financing activities		(10,061,760)	(5,794,980)
Effect of exchange rate changes on opening cash and cash equivalents		204,993	(1,407,189)
Decrease in cash and cash equivalents during the period		(1,041,366)	(2,974,564)
Cash and cash equivalents at beginning of the period		135,376,433	121,904,917
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		134,335,067	118,930,353

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes In Equity

(Un-audited) for the half year ended June 30, 2021

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue	Surplus on revaluation of			Un-appropriated profit	Total
				reserve	Investments	Fixed assets	Non-banking assets		
Rupees in '000									
Balance as at January 01, 2020 (Audited)	11,450,739	1,821,720	20,442,505	6,000	7,428,081	15,638,996	2,740,681	57,681,932	117,211,554
Profit after taxation for the half year ended June 30, 2020	-	-	-	-	-	-	-	8,477,366	8,477,366
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	627,421	-	-	-	627,421
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(23,075)	-	(23,075)
Effect of translation of net investment in foreign branches	-	539,090	-	-	-	-	-	-	539,090
Transfer to statutory reserve	-	-	841,353	-	627,421	-	(23,075)	-	1,143,436
Transferred from surplus in respect of change in use of non-banking assets - net of tax	-	-	-	-	-	1,848,955	(1,848,955)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(50,042)	-	50,042	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(25,316)	-	25,316	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(5,764)	5,764	-
Transactions with owners recognized directly in equity									
Second interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ended December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at June 30, 2020	11,450,739	2,360,810	21,283,858	6,000	8,056,402	17,412,593	862,887	60,818,771	122,252,060
Profit after taxation for the six months ended December 31, 2020	-	-	-	-	-	-	-	9,900,239	9,900,239
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,180,452)	-	-	-	(3,180,452)
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	5,749,574	-	-	5,749,574
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	185,452	-	185,452
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(802,510)	(802,510)
Effect of translation of net investment in foreign branches	-	(335,077)	-	-	-	-	-	-	(335,077)
Transfer of revaluation surplus on change in use of non-banking assets - net of tax	-	-	-	-	(3,180,452)	5,749,574	185,452	(802,510)	1,616,987
Transfer to statutory reserve	-	-	961,593	-	-	-	-	-	(961,593)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(59,974)	-	59,974	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(187,659)	-	187,659	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	4,684	(4,684)	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(5,806)	5,806	-
Transactions with owners, recognized directly in equity									
Third interim cash dividend for the year ended December 31, 2020 (Rs. 0 per ordinary share)	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2020 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	69,203,702	133,769,286
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	-	-	-	8,876,090	8,876,090
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(2,374,083)	-	-	-	(2,374,083)
Effect of change in tax rate on revaluation of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Effect of change in tax rate on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	(112,929)	-	-	-	-	-	-	(112,929)
Transfer to statutory reserve	-	-	876,199	-	(2,374,083)	(199,010)	(1,263)	41,632	(2,645,653)
Transferred from surplus in respect of change in use of non-banking assets - net of tax	-	-	-	-	-	4,399	(4,399)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(70,359)	-	70,359	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(202,786)	-	202,786	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(454)	454	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(1,006)	1,006	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)
First interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at June 30, 2021	11,450,739	1,912,804	23,121,650	6,000	2,501,867	22,854,983	631,950	68,359,239	130,839,132

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

1 STATUS AND NATURE OF BUSINESS

The "Group" consist of:

Holding Company

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,400 (December 31, 2020: 1,400) branches in Pakistan including 117 (December 31, 2020: 117) Islamic banking branches, 1 branch (December 31, 2020: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2020: 1) in Bahrain.

The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

Ibrahim Holdings (Private) Limited is the parent company of the Bank and it's registered office is in Pakistan.

The Bank is the holding company of ABL Asset Management Company Limited.

The registered office of the Bank is situated at 3 - Tipu Block, Main Boulevard, New Garden Town, Lahore.

Subsidiary Company

ABL Asset Management Company Limited ("the Company") is a public unlisted company, incorporated in Pakistan as a limited liability company on 12 October 2007 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry on Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O. 1131(I) 2007 ("the NBFC Rules") S.R.O 1233(I) / 2019. The Company received certificate of commencement of business on 31 December 2007. The Company has also obtained license to carry out business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005. The registered office of the Company is situated at Plot no. 14, Main Boulevard, DHA Phase VI, Lahore. The Company is a wholly owned subsidiary of Allied Bank Limited ("the holding Company").

The management quality rating of the Company, as assigned by JCR-VIS Crediting Rating Company Limited, is AM2++ (Stable) in December 2020.

ABL Asset Management Company is managing the following funds:

- ABL Income Fund	Launched on September 20, 2008
- ABL Stock Fund	Launched on June 28, 2009
- ABL Cash Fund	Launched on July 30, 2010
- ABL Islamic Income Fund	Launched on July 30, 2010
- ABL Government Securities Fund	Launched on November 30, 2011
- ABL Islamic Stock Fund	Launched on June 12, 2013
- ABL Pension Fund	Launched on August 20, 2014
- ABL Islamic Pension Fund	Launched on August 20, 2014
- ABL Islamic Financial Planning Fund	Launched on December 22, 2015
- ABL Financial Planning Fund	Launched on December 31, 2015
- ABL Islamic Dedicated stock fund	Launched on December 19, 2016
- Allied Capital Protected Fund	Launched on February 19, 2018
- ABL Islamic Asset Allocation Fund	Launched on May 31, 2018
- Allied Finergy Fund	Launched on November 30, 2018
ABL Special Saving Fund	Launched on September 19, 2019
ABL Islamic Cash Fund	Launched on February 10, 2020
ABL Monthly Payout Fund	To be launched

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

2 BASIS OF PRESENTATION

These consolidated condensed interim financial statements have been presented in Pakistan Rupees (PKR), which is the currency of primary economic environment in which Group operates and functional currency of the Group, in that environment as well. The amounts are rounded to nearest thousand.

2.1 Statement of compliance

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

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

2.1.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS and IFAS, the requirements of Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in the financial statements of the Group.

2.1.5 These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparing the audited annual consolidated financial statements of the Group for the year ended December 31, 2020.

3.1 New standards, interpretations and amendments adopted by the bank

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2021. These are considered either to not be relevant or to not have any significant impact on these consolidated condensed interim financial statements.

3.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of accounting estimates	January 01, 2023
- Annual improvements to IFRS Standards 2018-2020	January 01, 2022
- IFRS 9 'Financial Instruments', the effective date of the standard has been extended to annual periods beginning on or after January 01, 2022 vide SBP BPRD Circular no. 24 dated July 05, 2021. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on Banks' Financial Statements is being assessed and implementation guidelines are awaited.	

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2020.

5 BASIS OF MEASUREMENT

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for the following which are stated at revalued amounts / fair values / present values:

- Certain Investments;
- Certain fixed assets including RoU of assets and corresponding lease liability;
- Staff retirement and other benefits;
- Non-banking assets acquired in satisfaction of claims; and
- Derivative financial instruments.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	26,082,763	21,697,765
Foreign currencies	1,074,116	868,206
	<u>27,156,879</u>	<u>22,565,971</u>
Remittances in transit	491,422	472,572
With State Bank of Pakistan (SBP) in		
Local currency current accounts	66,375,935	62,965,250
Foreign currency current account	8,222	22,221
Foreign currency deposit accounts (non-remunerative)	4,054,702	4,693,247
Foreign currency deposit accounts (remunerative)	8,085,773	9,525,239
	<u>78,524,632</u>	<u>77,205,957</u>
With National Bank of Pakistan in		
Local currency current accounts	24,202,663	25,953,691
Prize Bonds	2,752,174	2,190,529
	<u>133,127,770</u>	<u>128,388,720</u>
8 BALANCES WITH OTHER BANKS		
Outside Pakistan		
In current accounts	565,968	7,219,957
In deposit accounts	764,369	16,545
	<u>1,330,337</u>	<u>7,236,502</u>
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings - local currency	-	6,000,000
Call money lendings - foreign currency	-	3,196,688
Repurchase agreement lendings (Reverse Repo)	7,369,312	7,345,000
Musharaka lendings	-	500,000
Bai muajjal receivable with State Bank of Pakistan	-	954,435
Certificates of investment	70,000	70,000
	<u>7,439,312</u>	<u>18,066,123</u>
Less: Provision held against lendings to financial institutions	(70,000)	(70,000)
Lendings to financial institutions - net of provision	<u>7,369,312</u>	<u>17,996,123</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021		(Audited) December 31, 2020	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	June 30, 2021				(Audited) December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	2,442,370	-	(9,547)	2,432,823	-	-	-	-
Open ended Mutual Funds/ Pension Funds	2,421,354	-	(74,242)	2,347,112	2,574,190	-	9,197	2,583,387
	4,863,724	-	(83,789)	4,779,935	2,574,190	-	9,197	2,583,387
Available-for-sale securities								
Federal Government Securities*	980,053,260	(5,585)	(146,786)	979,900,889	758,053,707	(12,306)	1,795,459	759,836,860
Shares	17,860,714	(1,965,284)	4,136,384	20,031,814	19,566,119	(2,055,595)	5,787,108	23,297,632
Non Government Debt Securities	21,281,091	(21,071)	111,919	21,371,939	21,433,961	(21,071)	(81,907)	21,330,983
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	(96)	24,904	25,000	-	802	25,802
Islamic Naya Pakistan Certificate	615,421	-	-	615,421	-	-	-	-
	1,020,873,178	(1,991,940)	4,101,421	1,022,982,659	800,116,479	(2,088,972)	7,501,462	805,528,969
Held-to-maturity securities								
Federal Government Securities	48,891,946	-	-	48,891,946	23,592,141	-	-	23,592,141
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	49,236,206	(344,260)	-	48,891,946	23,936,401	(344,260)	-	23,592,141
Total Investments	1,074,973,108	(2,336,200)	4,017,632	1,076,654,540	826,627,070	(2,433,232)	7,510,659	831,704,497

* Provision for diminution against federal government securities represents expected credit loss provisioning under IFRS 9 on portfolio pertaining to overseas branch.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	(Audited) December 31, 2020
Rupees in '000		
10.1.1 Investments given as collateral		
Market Treasury Bills	74,273,544	28,776,013
Pakistan Investment Bonds	173,903,394	81,963,094
GOP Foreign Currency Sukuks (US\$)	1,890,753	-
Total Investments given as collateral	250,067,691	110,739,107
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,433,232	3,584,114
Exchange adjustments	(314)	209
Charge / (reversals)		
Charge for the period	-	600,351
Reversals for the period	(6,407)	(22,851)
	(6,407)	577,500
Reversal on disposals during the period	(90,311)	(1,728,591)
Closing Balance	2,336,200	2,433,232

	(Audited)			
	June 30, 2021		December 31, 2020	
	Non Performing Investment	Provision	Non Performing Investment	Provision
Rupees in '000				
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due but impaired*	3,938,289	5,585	3,995,021	12,306
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
Total	4,303,620	370,916	4,360,352	377,637

* Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at June 30, 2021 amounted to Rs. 47,268.4 million (December 31, 2020: Rs. 21,971.9 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Performing		Non Performing		Total	
	Audited		Audited		Audited	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Rupees in '000						
11 ADVANCES						
Loans, cash credits, running finances, etc.	474,032,803	459,257,759	12,742,695	12,740,969	486,775,498	471,998,748
Islamic financing and related assets	39,983,336	32,642,319	-	-	39,983,336	32,642,319
Bills discounted and purchased	2,006,113	4,183,084	1,419,670	1,419,670	3,425,783	5,602,754
Advances - gross	11.1	516,022,252	496,083,162	14,162,365	14,160,659	530,184,617
Provision against advances						
Specific	11.2 & 11.3	-	-	(13,272,836)	(13,632,529)	(13,272,836)
General	11.3	(66,402)	(109,459)	-	-	(66,402)
		(66,402)	(109,459)	(13,272,836)	(13,632,529)	(13,339,238)
Advances - net of provision		515,955,850	495,973,703	889,529	528,130	516,845,379

(Audited)
June 30, 2021 December 31, 2020

11.1 Particulars of advances (gross)

	Rupees in '000	
In local currency	513,884,984	495,787,646
In foreign currencies	16,299,633	14,456,175
	530,184,617	510,243,821

11.2 Advances include Rs. 14,162.365 million (December 31, 2020: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

	(Audited)			
	June 30, 2021		December 31, 2020	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	33,867	1,247	31,881	121
Substandard	761,977	189,455	253,289	62,451
Doubtful	568,774	284,387	611,064	305,532
Loss	12,797,747	12,797,747	13,264,425	13,264,425
Total	14,162,365	13,272,836	14,160,659	13,632,529

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

Note	June 30, 2021			(Audited) December 31, 2020			
	Specific	General	Total	Specific	General	Total	
	Rupees in '000						
11.3 Particulars of provision against advances							
Opening balance	13,632,529	109,459	13,741,988	15,112,624	39,795	15,152,419	
Exchange adjustments	-	(2,300)	(2,300)	-	1,478	1,478	
Charge for the period / year	265,812	661	266,473	911,464	1,404,515	2,315,979	
Reversals	(539,476)	(41,418)	(580,894)	(630,472)	(1,336,329)	(1,966,801)	
	(273,664)	(40,757)	(314,421)	280,992	68,186	349,178	
Amounts written off	(86,029)	-	(86,029)	(1,761,087)	-	(1,761,087)	
Closing balance	11.3.1	13,272,836	66,402	13,339,238	13,632,529	109,459	13,741,988

11.3.1 No benefit of forced sale value of the collaterals held by the Bank is taken while determining the provision against non-performing loans as allowed under BSD Circular No. 01 dated October 21, 2011.

12	FIXED ASSETS	Note	(Audited)	
			June 30, 2021	December 31, 2020
			Rupees in '000	
	Capital work-in-progress	12.1	3,103,230	2,891,147
	Property and equipment		64,776,336	63,481,116
	Right-of-Use Assets		7,161,476	7,279,879
			75,041,042	73,652,142
12.1 Capital work-in-progress				
	Civil works		2,345,953	1,958,105
	Equipment		-	331,677
	Advances to suppliers		757,277	601,365
			3,103,230	2,891,147

12.2 Additions to fixed assets

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

	June 30, 2021	June 30, 2020
Rupees in '000		
Capital work-in-progress	387,848	926,085
Property and equipment		
Freehold land	619,713	3,112,010
Leasehold land	213,119	554,130
Building on freehold land	496,240	85,626
Building on leasehold land	167,431	45,058
Furniture and fixture	101,251	158,260
Electrical office and computer equipment	1,430,599	604,992
Vehicles	123,355	42,504
Others-building improvements	315,681	283,969
	3,467,389	4,886,549
Right-of-Use Assets	706,101	586,156
Total	4,561,338	6,398,790

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

12.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

	June 30, 2021	June 30, 2020
	Rupees in '000	
Furniture and fixture	191	200
Electrical office and computer equipment	1,278	1,062
Vehicles	22,640	4,096
Freehold land	250,000	-
Leasehold land	291,000	-
Building on freehold land	863	-
Building on leasehold land	74,132	48,810
Total	640,104	54,168

	June 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
13 INTANGIBLE ASSETS		
Capital work-in-progress	501,422	505,367
Computer Software	2,366,696	2,217,584
	2,868,118	2,722,951

13.1 Capital work-in-progress

	June 30, 2021	December 31, 2020
Software	490,884	496,703
Advances to suppliers	10,538	8,664
	501,422	505,367

13.2 Additions to intangible assets

The following additions are made to intangible assets through direct purchases during the period:

	June 30, 2021	June 30, 2020
	Rupees in '000	
Directly purchased	342,014	335,044
Capital work-in-progress	141,796	402,780
Software	-	-
Total	483,810	737,824

13.3 Disposals of intangible assets

The net book value of intangible assets disposed off during the period is as follows:

	June 30, 2021	June 30, 2020
Directly purchased	19	-
	19	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency - net of provision	19,323,242	19,310,016
	Income / Mark-up accrued in foreign currency - net of provision	262,387	204,777
	Advances, deposits, advance rent and other prepayments	1,958,769	1,297,139
	Advance taxation (payments less provisions)	2,029,174	2,366,188
	Non-banking assets acquired in satisfaction of claims	609,834	792,217
	Mark to market gain on forward foreign exchange contracts	1,077,175	-
	Acceptances	4,168,787	5,329,898
	Due from the employees' retirement benefit schemes		
	Pension fund	3,971,029	3,786,440
	Fraud and forgeries	536,204	539,178
	Stationery and stamps in hand	445,957	304,116
	Overdue Foreign Bills Negotiated / Discounted	103,172	107,472
	Home Remittance Cell agent receivable	83,851	83,999
	Receivable from SBP - customers encashments	3,563	-
	Charges receivable	27,362	27,711
	Automated Teller Machine or Point of Sale settlement account	-	830,819
	Suspense Account	306	1,865
	Others	29,835	12,182
		34,630,647	34,994,017
	Less: Provision held against other assets	14.1 (754,464)	(756,559)
	Other assets (net of provision)	33,876,183	34,237,458
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	642,615	650,029
	Other Assets - total	34,518,798	34,887,487
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	150,924	147,067
	Provision against fraud and forgeries	536,204	539,178
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,362	27,711
	Others	15,679	18,308
		754,464	756,559
14.1.1	Movement in provision held against other assets		
	Opening balance	756,559	862,460
	Charge for the period	39,636	65,537
	Reversals	-	(110,723)
	Net charge	39,636	(45,186)
	Written off / adjusted	(41,731)	(60,715)
	Closing balance	754,464	756,559

15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at June 30, 2021 and December 31, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
16	BILLS PAYABLE		
	In Pakistan	9,116,827	9,622,020
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	211,812,503	69,899,415
	Under Export Refinance Scheme	28,318,992	28,781,058
	Under Payroll Refinance Scheme	11,454,748	17,579,785
	Under long term financing facility	29,437,614	27,462,140
	Under financing scheme for renewable energy	85,511	34,461
	Under Temporary Economic Refinance Scheme	4,441,047	388,385
	Other borrowings	8,080	8,432
	Under refinance scheme for wages and salaries	146,568	121,270
		285,705,063	144,274,946
	Repurchase agreement borrowings from Financial Institutions	37,785,277	40,293,084
	Total Secured	323,490,340	184,568,030
	Unsecured		
	Call borrowings	23,185,680	9,263,438
	Overdrawn nostro accounts	123,040	43,797
	Musharaka borrowing	8,790,000	-
	Other borrowings	15,000	52,821
	Total unsecured	32,113,720	9,360,056
		355,604,060	193,928,086

	(Audited)						
	June 30, 2021			December 31, 2020			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
18	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	448,955,296	22,682,912	471,638,208	391,571,035	23,736,666	415,307,701
	Savings deposits	466,900,422	21,680,344	488,580,766	461,241,849	33,740,375	494,982,224
	Term deposits	124,670,218	36,261,738	160,931,956	107,223,558	35,015,861	142,239,419
	Others	35,145,297	38,855	35,184,152	23,540,199	58,247	23,598,446
		1,075,671,233	80,663,849	1,156,335,082	983,576,641	92,551,149	1,076,127,790
	Financial Institutions						
	Current deposits	39,339,151	82,740	39,421,891	52,236,902	11,655	52,248,557
	Savings deposits	91,389,186	-	91,389,186	75,348,572	-	75,348,572
	Term deposits	27,840,650	40,962	27,881,612	12,896,350	41,557	12,937,907
	Others	6	-	6	5,421	-	5,421
		158,568,993	123,702	158,692,695	140,487,245	53,212	140,540,457
		1,234,240,226	80,787,551	1,315,027,777	1,124,063,886	92,604,361	1,216,668,247

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 815,650 million for June 30, 2021 (December 31, 2020: 746,521 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
19 DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on			
Provision against investments		(19,093)	(19,093)
Provision against other assets		(38,959)	(43,039)
Provision against off balance sheet obligations		(14,824)	(14,824)
Provision against advances		(320,627)	(229,476)
Actuarial gains		(405,919)	(364,286)
Post retirement medical benefits		(49,049)	(46,954)
Workers welfare fund		(942,395)	(736,933)
Investment in finance lease liabilities		(2,114)	(1,551)
		(1,792,980)	(1,456,156)
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		1,754,379	1,598,517
Surplus on revaluation of investments		1,588,418	2,626,891
Surplus on revaluation on non-banking assets		10,765	11,058
Accelerated tax depreciation / amortization		1,190,692	1,184,932
Excess of investment in finance lease over written down value of leased assets		13,206	13,206
		4,557,460	5,434,604
		2,764,480	3,978,448
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		3,113,798	3,024,818
Mark-up / return / interest payable in foreign currencies		70,834	257,307
Accrued expenses		1,486,938	1,743,508
Retention money payable		497,604	417,668
Unearned commission and income on bills discounted		243,928	247,103
Acceptances		4,168,787	5,329,898
Unclaimed dividends		354,102	363,404
Dividend payable		40,203	-
Branch adjustment account		639,291	268,872
Unrealized loss on forward foreign exchange contracts		-	2,006,994
Provision for:			
Gratuity		609,275	627,529
Employees' medical benefits		1,565,447	1,514,300
Employees' compensated absences		843,140	774,381
Payable to defined contribution plan		39,909	29,657
Provision against off-balance sheet obligations	20.1	313,955	301,093
Security deposits against lease		785,290	757,009
ATM / Point of Sale settlement account		825,414	-
Charity fund balance		83	14
Home Remittance Cell overdraft		1,081,727	1,177,680
With-holding tax payable		1,928,266	1,838,384
Sundry deposits		3,065,897	2,652,177
Workers welfare fund payable		2,464,413	2,148,983
Present value of lease liability		8,620,811	8,398,681
Others		1,643,908	1,244,708
		34,403,020	35,124,168

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)	
	June 30, 2021	December 31, 2020
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	301,093	313,043
Charge for the period / year	12,862	-
Reversals	-	(11,950)
	12,862	(11,950)
Closing balance	314,494	313,043

	(Audited)		(Audited)	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Rupees in '000		Rupees in '000	

21 SHARE CAPITAL

21.1 Authorized capital

1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000
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21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each				
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253

9,148,550	9,148,550	18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486	91,486
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8,400,000	8,400,000	8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2020: 972,510,410 (84.93%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	June 30, 2021	(Audited) December 31, 2020
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,609,362	24,921,256
Non-banking assets acquired in satisfaction of claims		642,615	650,030
Available-for-sale securities	10.1	4,101,421	7,501,462
		29,353,398	33,072,748
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,754,379)	(1,598,517)
Non-banking assets acquired in satisfaction of claims		(10,765)	(11,058)
Available-for-sale securities		(1,599,554)	(2,625,512)
		(3,364,698)	(4,235,087)
Surplus on revaluation of assets - net of tax		25,988,700	28,837,661

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	37,993,982	36,224,791
Commitments	23.2	309,688,357	304,760,653
Other contingent liabilities	23.3	6,801,643	8,594,509
		354,483,982	349,579,953

23.1 Guarantees

Financial guarantees		8,464,055	8,401,931
Performance guarantees		7,290,392	6,014,712
Other guarantees		22,239,535	21,808,148
		37,993,982	36,224,791

23.2 Commitments

Documentary credits and short term trade related transactions:

letters of credit		91,390,975	84,039,527
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	211,977,237	216,047,094
forward government securities transactions	23.2.2	1,953,279	-
operating leases	23.2.3	258,575	349,303
Commitments for acquisition of:			
fixed assets		3,563,730	3,683,381
intangible assets		502,330	599,117
Other Commitments		42,231	42,231
		309,688,357	304,760,653

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		138,149,121	136,626,044
Sale		73,828,116	79,421,050
		211,977,237	216,047,094

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)	
	June 30, 2021	December 31, 2020
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	1,953,279	-
Sale	-	-
	<u>1,953,279</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	131,246	146,859
Later than one year and not later than five years	109,919	179,634
Later than five years	17,410	22,810
	<u>258,575</u>	<u>349,303</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	6,801,643	8,594,509

23.3.2 The income tax assessments of the Group have been finalized upto and including tax year 2020 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2020, income tax authorities made certain add backs with aggregate tax impact of Rs.29,503 million (2020: 27,827 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.29,503 million (2020: 27,827 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,700 million (2020: 1,700 million). The Group appeals before Commissioner Inland Revenue (Appeals) CIR (A) /Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Group; therefore, no provision has been made against the said demand of Rs. 1,700 million (2020: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 969 million (2020: 963 million). The Group's appeals before CIR(A) / (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 969 million (2020: 963 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs. 2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Group had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Group by way of interim orders. Meanwhile, alongwith other banks, Group filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CPs were disposed of vide order dated January 15, 2019 with a direction to the Appellate Board to first decide the stay application of the Group and till then, the Foreign Exchange Regulation Department was restrained from taking any coercive action against the Group. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Group and therefore no provision is made against the impugned penalty.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

24 DERIVATIVE INSTRUMENTS

The Bank at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2020.

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		16,587,441	26,016,242	8,758,832	11,956,863
Investments		36,311,923	34,809,278	20,629,114	17,602,874
Lendings to financial institutions		437,993	1,087,066	178,967	327,968
Balances with banks		1,309	35,505	(2,439)	(10,858)
		53,338,666	61,948,091	29,564,474	29,876,847
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		19,216,989	29,498,761	9,512,611	12,572,605
Borrowings		8,547,736	3,675,717	6,521,580	2,199,602
Cost of foreign currency swaps against foreign currency deposits		2,108,377	3,067,758	1,099,049	1,372,210
Interest expense on lease liability		457,100	525,012	215,781	246,378
		30,330,202	36,767,248	17,349,021	16,390,795
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		1,112,533	944,972	534,882	425,845
Branch banking customer fees		1,118,674	999,183	564,128	480,812
Commission on remittances including home remittances		537,480	506,133	301,621	309,489
Investment banking fees		395,649	327,779	188,890	62,387
Commission on trade		224,953	156,594	120,293	71,673
Commission on cash management		95,788	82,205	50,178	37,749
Commission on guarantees		101,139	65,992	40,383	24,657
Commission on bancassurance		49,279	47,959	26,860	12,116
Credit related fees		10,495	14,805	4,941	3,325
Consumer finance related fees		3,114	1,803	1,776	758
		3,649,104	3,147,425	1,833,952	1,428,811
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	2,717,402	2,431,052	1,267,093	1,500,294
Unrealised - held for trading	10.1	(83,789)	(177,702)	(124,138)	-
Unrealised - forward government securities		257	-	-	-
		2,633,870	2,253,350	1,142,955	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000				
28.1 Realised gain / (loss) on:				
Federal government securities	982,934	1,581,812	499,696	1,101,611
Shares	1,679,052	755,402	724,872	401,727
Non government debt securities	55,416	(259)	56,195	(122)
Open Ended Mutual Funds	-	94,097	(13,670)	(2,922)
	2,717,402	2,431,052	1,267,093	1,500,294
29 OTHER INCOME				
Recovery of written off mark-up and charges	43,408	226	43,323	-
Gain on sale of fixed assets - net	127,581	68,591	125,698	64,250
Gain on sale of non-banking assets - net	304	-	304	-
Other assets disposal	5,154	19,759	4,546	12,761
Fee for attending Board meetings	1,397	933	618	933
Gain on sale of islamic financing and related assets	3,062	3,058	1,713	547
	180,906	92,567	176,202	78,491
30 OPERATING EXPENSES				
Total compensation expense	7,616,472	7,028,375	3,900,542	3,643,472
Property expense:				
Depreciation	2,164,390	2,116,504	1,068,848	1,074,388
Rent and taxes	196,420	101,001	115,051	50,281
Utilities cost	582,759	469,485	322,439	226,697
Security (including guards)	522,090	482,787	265,986	240,098
Repair and maintenance (including janitorial charges)	461,352	405,404	246,307	200,491
Insurance	48,011	42,918	24,182	23,140
	3,975,022	3,618,099	2,042,813	1,815,095
Information technology expenses:				
Depreciation	332,160	388,333	156,968	196,345
Amortization	192,884	124,802	98,001	61,491
Network charges	363,699	331,630	190,620	169,804
Software maintenance	383,456	274,560	190,329	186,975
Hardware maintenance	244,868	207,026	121,852	148,072
Others	3,779	18,997	2,050	17,435
	1,520,846	1,345,348	759,820	780,122
Other operating expenses:				
Insurance	694,982	581,033	344,024	287,778
Outsourced service costs	409,654	375,987	218,874	183,235
Stationery and printing	250,645	193,899	136,044	90,533
Cash in Transit service charge	277,904	259,005	135,262	144,597
Marketing, advertisement and publicity	517,014	420,144	295,901	140,605
Depreciation	110,326	114,078	55,664	55,942
Travelling and conveyance	90,430	88,993	42,838	29,503
Postage and courier charges	99,492	77,829	50,326	37,938
NIFT clearing charges	73,284	59,893	37,146	28,243
Communication	91,954	80,611	46,806	43,197
Legal and professional charges	78,057	53,697	31,540	25,620
Auditors Remuneration	15,091	9,237	7,504	3,736
Directors fees and allowances	25,166	14,127	12,062	6,536
Fees and allowances to Shariah Board	3,523	3,081	1,858	1,468
Training and development	20,289	47,305	7,617	30,925
Brokerage expenses	54,467	39,191	23,426	19,011
Card related expenses	204,788	99,977	105,853	57,046
Donations	50,263	75,331	48,574	66,700
Others	224,919	199,854	99,875	96,467
	3,292,248	2,793,272	1,701,194	1,349,080
	16,404,588	14,785,094	8,404,369	7,587,769

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by					
State Bank of Pakistan		1,646	277	626	-
Education cess		23,502	23,502	11,751	11,751
Depreciation - non-banking assets		3,116	16,745	1,318	8,379
Others		50,163	49,257	25,163	24,257
Other assets written off		38	-	33	-
		<u>78,465</u>	<u>89,781</u>	<u>38,891</u>	<u>44,387</u>

32 PROVISIONS AND WRITE OFFS - NET					
(Reversal) / Provision for diminution					
in the value of investments	10.2.1	(6,407)	587,560	(1,925)	8,577
(Reversal) / Provision					
against loans and advances	11.3	(314,421)	1,593,897	(158,924)	1,513,065
Provision against other assets	14.1.1	39,636	26,176	22,136	11,678
Provision against off-balance					
sheet obligations	20.1	12,862	1,451	9,157	(5,250)
Bad debts written off directly		-	-	-	-
		(268,330)	2,209,084	(129,556)	1,528,070
Recovery against written off bad debts		(41,214)	(83)	(40,987)	-
		<u>(309,544)</u>	<u>2,209,001</u>	<u>(170,543)</u>	<u>1,528,070</u>

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Rupees in '000					

33 TAXATION					
Current - for the period	33.1	6,356,726	7,188,674	(761,473)	4,435,452
- for prior year		-	-	-	-
		6,356,726	7,188,674	(761,473)	4,435,452
Deferred - current		(346,638)	(912,921)	522,622	(697,730)
		<u>6,010,088</u>	<u>6,275,753</u>	<u>(238,851)</u>	<u>3,737,722</u>

33.1 This also includes proportionate super tax charge of Rs. 620.984 million (June 30, 2020 Rs. 688.503 million).

34 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		8,876,090	8,477,366	4,764,211	4,587,145
Number of Shares					
Weighted average number of ordinary shares					
outstanding during the year		1,145,073,830	1,145,073,830	1,145,073,830	1,145,073,830
Rupees					
Earnings per share - basic and diluted		7.75	7.40	4.16	4.01

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

Level 1:	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in level 1 comprise of investments in Listed Ordinary Shares.
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). Financial instruments included in level 2 comprise of Sukuk Bonds, Units of Mutual Funds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates and Forward Government & Exchange Contracts.
Level 3:	Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Currently, no financial instruments are classified in level 3.

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:

Valuation Techniques used in determination of Fair Valuation of Financial Instruments within Level 2

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV rates.
Non-Government Debt Securities	Marked to Market on the basis of MUFAP rates.
Foreign exchange contracts	Marked to Market on the basis of SBP rates.
Open ended mutual funds	Marked to Market on the basis of MUFAP rates.
Operating fixed assets (land & building) & NBA	The valuation is based on their assessment of market value of the properties.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	990,901,712	-	990,901,712	-	990,901,712
Shares	21,652,901	19,280,885	2,372,016	-	21,652,901
Non-Government Debt Securities	6,211,194	-	6,211,194	-	6,211,194
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai mujjal)					
	60,235,845	-	-	-	-
Cash and balances with treasury banks	133,127,770	-	-	-	-
Balances with other banks	1,330,337	-	-	-	-
Lendings	7,369,312	-	-	-	-
Advances	516,845,379	-	-	-	-
Other assets	25,012,344	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	54,910,727	-	54,910,727	-	54,910,727
Non-banking assets	1,252,449	-	1,252,449	-	1,252,449
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	138,149,121	-	138,149,121	-	138,149,121
Forward sale of foreign exchange	73,828,116	-	73,828,116	-	73,828,116
Forward purchase of government securities transactions	1,953,279	-	1,953,279	-	1,953,279
Forward sale of government securities transactions	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)				Total
	December 31, 2020				
Carrying Value	Level 1	Level 2	Level 3		
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments	759,836,860	-	759,836,860	-	759,836,860
Federal Government Securities	24,585,893	24,560,091	25,802	-	24,585,893
Shares	14,260,108	-	14,260,108	-	14,260,108
Non-Government Debt Securities					
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukus, subsidiaries, Bai mujjal)	33,021,638	-	-	-	-
Cash and balances with treasury banks	128,388,720	-	-	-	-
Balances with other banks	7,236,502	-	-	-	-
Lendings	17,996,123	-	-	-	-
Advances	496,501,833	-	-	-	-
Other assets	26,447,917	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	54,415,469	-	54,415,469	-	54,415,469
Non-banking assets	1,442,246	-	1,442,246	-	1,442,246
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	136,626,044	-	136,626,044	-	136,626,044
Forward sale of foreign exchange	79,421,050	-	79,421,050	-	79,421,050
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities s

	June 30, 2021						
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
Profit & Loss							
Net mark-up/return/profit	14,324,509	(17,716,492)	25,510,918	1,028,676	(9,483)	(129,664)	23,008,464
Inter segment revenue - net	(12,682,920)	36,338,057	(21,551,240)	-	-	(2,103,897)	-
Non mark-up / return / interest income	3,880,118	1,997,070	1,634,792	148,350	426,650	280,127	8,367,107
Total Income	5,521,707	20,618,635	5,594,470	1,177,026	417,167	(1,953,434)	31,375,571
Segment direct expenses							
	323,293	8,540,954	116,369	694,098	166,740	6,957,483	16,798,937
Total expenses	323,293	8,540,954	116,369	694,098	166,740	6,957,483	16,798,937
Provisions	(104,898)	(98,892)	-	15	-	513,319	309,544
Profit before tax	5,093,516	11,978,789	5,478,101	482,943	250,427	(6,397,598)	14,886,178

	December 31, 2021 (Audited)						
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
Balance Sheet							
Cash & Bank balances	120,061	45,351,329	75,590,677	4,560,945	27,240	8,807,855	134,458,107
Investments	36,852,554	-	-1,017,145,851	20,309,023	2,347,112	-	-1,076,654,540
Net inter segment lending	(382,420,556)	1,214,743,290	(854,594,140)	(685,829)	-	-	-
Lendings to financial institutions	-	-	9,435,498	-	-	(2,066,186)	7,369,312
Advances - performing	441,043,697	25,709,945	-	39,983,336	121,916	9,163,358	516,022,252
Advances - non-performing	1,222,069	226,661	-	-	-	12,713,635	14,162,365
Provision against advances	(487,201)	(139,031)	-	(134)	-	(12,712,872)	(13,339,238)
Advances - net	441,778,565	25,797,575	-	39,983,202	121,916	9,164,121	516,845,379
Others	3,524,302	9,424,404	10,977,443	2,467,772	864,257	85,169,780	112,427,958
Total Assets	99,854,926	1,295,316,598	258,555,329	66,635,113	3,360,525	124,032,805	1,847,755,296
Borrowings							
	86,371,702	5,054,264	255,815,709	10,428,571	-	(2,066,186)	355,604,060
Deposits & other accounts	-	-1,265,418,755	-	48,197,412	-	1,411,610	1,315,027,777
Others	537,177	13,575,956	(1,962,672)	3,341,354	462,107	30,330,405	46,284,327
Total liabilities	86,908,879	1,284,048,975	253,853,037	61,967,337	462,107	29,675,829	1,716,916,164
Equity / Reserves	12,946,047	11,267,623	4,702,292	4,667,776	2,898,418	94,356,976	130,839,132
Total Equity and liabilities	99,854,926	1,295,316,598	258,555,329	66,635,113	3,360,525	124,032,805	1,847,755,296
Contingencies and commitments	108,538,882	14,492,517	213,930,516	6,272,837	42,231	11,206,999	354,483,982

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2020						
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Profit & Loss							
Net mark-up/return/profit	23,620,134	(27,504,566)	28,313,172	1,038,743	(850)	(285,790)	25,180,843
Inter segment revenue - net	(20,697,516)	46,155,227	(23,240,286)	-	-	(2,217,425)	-
Non mark-up / return / interest income	2,558,725	1,696,998	2,264,989	87,401	204,507	189,596	7,002,216
Total Income	5,481,343	20,347,659	7,337,875	1,126,144	203,657	(2,313,619)	32,183,059
Segment direct expenses	298,707	8,162,761	89,475	652,958	113,005	5,904,033	15,220,939
Total expenses	298,707	8,162,761	89,475	652,958	113,005	5,904,033	15,220,939
Provisions	(929,918)	(146,344)	-	(37)	-	(1,132,702)	(2,209,001)
Profit before tax	4,252,718	12,038,554	7,248,400	473,149	90,652	(9,350,354)	14,753,119

	December 31, 2020 (Audited)						
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Balance Sheet							
Cash & Bank balances	63,515	56,549,630	70,345,528	3,372,243	6,832	5,287,474	135,625,222
Investments	40,137,617	-	769,333,252	19,650,241	2,583,387	-	831,704,497
Net inter segment lending	(367,667,313)	1,115,262,750	(753,028,599)	(1,696,240)	-	7,129,402	-
Lendings to financial institutions	-	-	30,817,586	1,454,435	-	(14,275,898)	17,996,123
Advances - performing	424,399,594	30,103,282	-	32,642,319	70,077	8,867,890	496,083,162
Advances - non-performing	690,533	261,900	-	-	-	13,208,226	14,160,659
Provision against advances	(397,684)	(152,904)	-	(149)	-	(13,191,251)	(13,741,988)
Advances - net	424,692,443	30,212,278	-	32,642,170	70,077	8,884,865	496,501,833
Others	3,731,162	8,967,967	11,335,908	2,512,076	521,896	84,193,571	111,262,580
Total Assets	100,957,424	1,210,992,625	128,803,675	57,934,925	3,182,192	91,219,414	1,593,090,255
Borrowings	81,851,296	5,433,733	111,289,117	9,553,220	-	(14,199,280)	193,928,086
Deposits & other accounts	-	1,169,568,083	-	41,839,270	-	5,260,894	1,216,668,247
Others	3,163,510	14,806,920	903,740	2,547,538	473,014	26,829,914	48,724,636
Total liabilities	85,014,806	1,189,808,736	112,192,857	53,940,028	473,014	17,891,528	1,459,320,969
Equity / Reserves	15,942,618	21,183,889	16,610,818	3,994,897	2,709,178	73,327,886	133,769,286
Total Equity and liabilities	100,957,424	1,210,992,625	128,803,675	57,934,925	3,182,192	91,219,414	1,593,090,255
Contingencies and commitments	93,691,022	20,979,810	216,047,094	5,540,979	42,231	13,278,817	349,579,953

37 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its parent, subsidiary, companies with common directorship over which it has significant influence, directors, employee benefit plans and key management personnel including their associates.

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	June 30, 2021					December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Balances with other banks	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	2,583,387	-	-	-	-	-	-	2,197,434
Investment made during the period	-	-	3,223,155	-	-	-	-	-	-	3,204,791
Investment redeemed/disposed off during the period	-	-	-	-	-	-	-	-	-	-
(Deficit) / Surplus	-	-	(3,385,189)	-	-	-	-	-	-	(2,828,035)
Closing balance	-	-	(74,242)	-	-	-	-	-	-	9,197
	-	-	2,347,111	-	-	-	-	-	-	2,583,387
Advances	-	-	-	-	-	-	-	-	-	-
Opening balance	-	2,969	156,424	-	496	-	4,764	196,884	-	575
Addition during the period	-	28,743	192,364	-	3,091	-	17,055	62,385	-	4,287
Repaid during the period	-	(15,334)	(75,148)	-	(6,329)	-	(18,650)	(102,845)	-	(4,366)
Closing balance	-	16,378	273,640	-	258	-	2,969	156,424	-	496

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	(Audited)									
	June 30, 2021			December 31, 2020 (Audited)						
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Other Assets										
Interest / mark-up accrued	-	5,529	74,796	-	3,270,626	-	-	74,205	-	3,118,742
Receivable from staff retirement fund	-	-	-	-	360,306	-	-	-	-	345,387
Other receivable	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	803	144,243	40,672	46,745	26,861,726	2,849	357,194	34,882	123,315	16,917,539
Received during the period	8,244,095	1,138,802	458,090	1,878,583	233,633,152	10,401,559	1,684,041	515,345	12,786,639	330,938,208
Withdrawn during the period	(8,243,612)	(991,642)	(441,119)	(1,858,631)	(227,237,894)	(10,403,605)	(1,896,992)	(509,555)	(12,863,209)	(320,894,021)
Closing balance	1,286	291,403	57,643	66,697	33,256,994	803	144,243	40,672	46,745	26,861,726
Contingencies and Commitments										
Other contingencies	-	-	15	-	66,556	-	-	3	130	67,270

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021				June 30, 2020			
	Parent	Directors	Key management personnel	Associates* Other related parties	Parent	Directors	Key management personnel	Associates* Other related parties
	Rupees in '000							
Income								
Mark-up / return / interest earned	-	530	4,946	-	-	279	7,394	-
Sales Commission	-	-	-	9,930	-	-	-	4,581
Fee and commission income	-	16	18	5	1	15	37	4
Net gain / (loss) on sale of securities	-	-	(1)	318	-	-	10	3,954
Expense								
Mark-up/return/interest paid	-	6,889	346	45	-	7,674	357	117
Directors meeting fee	-	25,000	-	-	-	13,750	-	-
Remuneration	-	25,439	285,316	-	-	41,810	235,256	-
Charge for defined benefit plans	-	513	9,208	-	-	720	7,006	-
Contribution to defined contribution plan	-	516	4,610	-	-	643	3,949	-
Other expenses	-	-	-	30,030	-	-	-	-
Rent expense*	-	-	-	15,079	-	-	-	14,366
Insurance premium paid	-	-	-	-	-	68	415	-
Charge in respect of staff retirement benefit funds	-	45	370	-	-	-	-	-
	-	-	-	198,600	-	-	-	126,192

Shares held by the holding company, outstanding at the end of year are included in note 21 to these consolidated condensed interim financial statements.

* Associated companies are as per IAS 24 'Related Party Disclosures'.

**Rent expense of ABL Branch with associated company (Ibrahlin Fibres Limited) was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan. During the period ended June 30, 2021, certain moveable assets having cumulative net book value of Rs. 90,000 were disposed off for Rs. 364,912 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2021

	June 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	94,716,003	95,335,586
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	94,716,003	95,335,586
Eligible Tier 2 Capital	25,253,949	27,690,683
Total Eligible Capital (Tier 1 + Tier 2)	119,969,952	123,026,269
Risk Weighted Assets (RWAs):		
Credit Risk	328,849,389	344,948,463
Market Risk	39,044,955	43,237,570
Operational Risk	96,160,368	96,160,368
Total	464,054,712	484,346,401
Common Equity Tier 1 Capital Adequacy ratio	20.41%	19.68%
Tier 1 Capital Adequacy Ratio	20.41%	19.68%
Total Capital Adequacy Ratio	25.85%	25.40%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	94,716,003	95,335,586
Total Exposures	2,250,796,252	1,850,090,033
Leverage Ratio	4.21%	5.15%

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on August 17, 2021 has proposed an interim cash dividend for the quarter ended June 30, 2021 of Rs. 2.00 per share (June 30, 2020: cash dividend of Rs. nil per share). The consolidated condensed interim financial statements of the Bank for the half year ended June 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to period end.

40 GENERAL

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

41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August 17, 2021 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman



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