

CORPORATE AFFAIRS GROUP

HO/CAG/CAU/2022/ 37

April 28, 2022

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

Subject: Transmission of Quarterly Report for the Period Ended March 31, 2022

Dear Sir

We have to inform you that Quarterly Report of Allied Bank for the period ended March 31, 2022 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,



Adeel Javaid
Company Secretary

TRANSFORMING FUTURE



2022

1st QUARTERLY REPORT

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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
 Zafar Iqbal
 Nazrat Bashir
 Mubashir A. Akhtar
 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)
 Nazrat Bashir
 Mubashir A. Akhtar

e-Vision Committee

Mohammad Naeem Mukhtar (Chairman)
 Muhammad Waseem Mukhtar
 Zafar Iqbal
 Aizid Razzaq Gill

Board Risk Management Committee

Sheikh Mukhtar Ahmad (Chairman)
 Abdul Aziz Khan
 Nazrat Bashir
 Aizid Razzaq Gill

Strategic Planning & Monitoring Committee

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

Human Resource & Remuneration Committee

Mubashir A. Akhtar (Chairman)
 Abdul Aziz Khan
 Muhammad Waseem Mukhtar
 Aizid Razzaq Gill (Permanent Invitee)

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

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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Contact Detail



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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 quarter ended March 31, 2022. The operating results and appropriations as recommended by the Board are included in the appended table:

	Quarter ended March 31,		Growth
	2022	2021	
	(Rupees in million)		%
Profit after tax for the period	4,828	4,029	20
Accumulated profits brought forward	69,471	66,995	4
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	0.3	0.2	50
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	33	23	43
Re-measurement gain on defined benefit obligation – net of tax	-	42	(100)
Profit available for appropriation	74,332	71,089	5%
Final cash dividend for the year ended December 31, 2021: Rs. 2.00 per share (2020: Year ended December 31, 2020: Rs. 6.00 per share)	(2,290)	(6,870)	(67)
Transfer to Statutory Reserves	(483)	(403)	20
Accumulated profits carried forward	71,559	63,815	16
Earnings Per Share (EPS) (Rs.)	4.22	3.52	20

The Board is pleased to announce an interim cash dividend of Rs. 2.00 per share for the first quarter ended March 31, 2022 (March 31, 2021: Rs. 2.00 per share).

Economic Review

Year 2022 started with less vulnerability to pandemic related uncertainty. Steady roll out of vaccines marked a significant step towards containing the virus spread. As a result, COVID-19 related restrictions have been lifted by many countries in the world. However, Global challenges of rising commodity prices and supply chain disruptions emerging from Russia-Ukraine conflict have fueled global inflation and downgraded the growth outlook. Consequently, International Monetary Fund (IMF) has revised global economic growth to 4.4% in 2022 from an earlier projection of 4.9%.

Owing to demand-easing monetary measures, Pakistan's economy continued to grow at a moderate pace despite inflationary pressure and higher commodity prices. Accordingly, IMF has maintained Pakistan's growth projection for 2022 at 4.0%.

Large Scale Manufacturing registered a growth of 7.6% during Jul-Jan FY 2021-22 as against a nominal growth of 1.8% during the comparable period last year. Most of the manufacturing sectors exhibited growth during Jul-Jan FY 2021-22.

In agriculture, Credit disbursement for Jul-Feb FY 2021-22 increased by 3.6% to stand at Rs. 836 billion compared to Rs. 806 billion last year. Wheat production is anticipated to be near the allocated target of 28.9 million tonnes.

On the external front, monthly current account deficit (CAD) reduced to US\$ 545 million in February 2022; which is the lowest monthly deficit during the current fiscal year (Jul-Feb FY 2021-22). Decrease is attributable to appropriate demand-moderating measures together with increase in exports and continued higher remittances.

Exports increased by 26% during Jul-Feb FY 2021-22 to stand at US\$ 25,109 million as against a contraction of 2% during the corresponding period last year. Major export contributors included Textile, Food and Others which increased by 31%, 16% and 14% respectively against contraction of 9%, 1%, and 4% in same period last year.

Imports for the period Jul-Feb FY 2021-22 stood at US\$ 54,986 million as against US\$ 37,212 million during Jul-Feb FY 2020-21. This 48% growth in import of goods and services has overshadowed the aforementioned impact of growth in exports. Resultantly, trade deficit increased to US\$ 29,877 million during Jul-Feb FY 2021-22 as compared to US\$ 17,318 million in corresponding period last year.

Workers' remittances continued to exceed US\$ 2 billion mark for the 21st consecutive month in February 2022. Accumulated workers' remittances stood at US\$ 20,142 million during Jul-Feb FY 2021-22 as against US\$ 18,710 million during last year; registering a growth of 8%.

Pakistan's foreign reserves and net reserves with SBP were recorded at US\$ 18,555 million and US\$ 12,047 million respectively as on March 25, 2022.

During Jul-Feb 2021-22 net foreign direct investment (FDI) increased by 6% to stand at US\$ 1,257 million. Net portfolio investment recorded at US\$ 590 million against outflow of US\$ 386 million. Total foreign investment stood at US\$ 1,848 million against US\$ 799 million exhibiting a strong growth of 131% compared to same period last year. Major increase is witnessed in Power, Financial Business, Communications and Oil & Gas explorations, which contributed 34%, 22%, 15% and 14% respectively to the total net FDI mix. Increase in portfolio investment is attributable to the proceeds of the Pakistan International Sukuk bond amounting to US\$1 billion, offered in January 2022.

In view of prevailing political uncertainty, investor sentiments remained bearish, KSE-100 index closed at 43,551 points on March 31, 2022 compared to 47,356 points at end June 2021; decreasing by 8%. Pakistan rupee depreciated by 16% against US Dollar since June 30, 2021 to stand at Rs. 183.48 as on March 31, 2022.

Money supply (M2) and currency in circulation (CIC) witnessed a growth of 10% and 12% respectively since March 2021 to March 2022 and stood

at Rs. 24,851 billion and Rs. 7,298 billion respectively as on March 2022.

National consumer price index (CPI) remained in double digits for the 5th consecutive month to record at 12.7% for the month of March 2022. Growing inflation, as a consequence of rising global commodity prices, together with risks to external stability necessitated a strong and proactive policy response. Accordingly, State Bank of Pakistan (SBP) decided to raise the policy rate by 250 bps to bring it up to 12.25% on April 7, 2022.

Financial Review

Pakistan's banking industry navigated through various challenges emanating from domestic macroeconomic bottlenecks, rising inflationary pressures and uncertain interest rate scenario. Moreover, emerging disruptions from non-conventional payment channels concurrently pose an additional long-term challenge for the Banks. These challenges necessitate strategic shift in business models from traditional banking service provider towards technology driven dynamic banks.

Banking industry's asset base (domestic operations) was Rs. 28,925 billion as on March 25, 2022 as compared to Rs. 28,882 billion as on December 31, 2021. Investments showed a growth of 6% to stand at Rs. 14,954 billion as on March 25, 2022. Industry deposit and gross advances recorded at Rs. 19,802 billion and Rs. 10,089 billion respectively as on March 25, 2022; decreasing by 6% and 1% from December 31, 2021

Amidst challenging and evolving environment, Your Bank is guided by its vision "to become a dynamic and efficient bank providing integrated solutions in order to be first choice Bank for the customers" accelerated its efforts for value creation for all stakeholders.

The positive volumetric growth in average earning assets along with positive rate variance assisted in 64% increase in mark-up income to reach at Rs. 39,062 million during the quarter ended March 31, 2022. Interest expense registered a growth of 104% to record at Rs. 26,521 million during the captioned period. Increase is attributable to high cost of deposit amid rising interest rate scenario.

Despite timing difference between repricing of earning assets and remunerable liabilities under rising interest rate scenario, Your Bank's net interest income (NII) increased by 16%. NII stood at Rs. 12,542 million during quarter ended March 31, 2022 as against Rs. 10,794 million during corresponding period last year.

Fee income has increased to Rs. 2,097 million and registered a growth of 29% for the period under review. Active management of foreign currency exposure coupled with favorable SWAP curve has resulted in a sizeable increase in income from dealing in foreign currencies by 206% during the quarter ended March 31, 2022, which amounted to Rs. 752 million.

Dividend income increased by 86% to Rs. 935 million during the quarter ended March 31, 2022 as against Rs. 504 million during corresponding period last year. Consequently, non-markup income recorded at Rs. 4,080 million during quarter ended March 31, 2022 as against Rs. 3,830 million during the corresponding period last year; registering a growth of 7%.

Despite increased inflation and continued investment towards technological transformation to cater the evolving needs of "Digital Age", operating expense increase curtailed to 9% during quarter ended March 31, 2022 as against an increase of 11% during last year. Total non-markup expenses aggregated to Rs. 8,863 million during quarter ended March 31, 2022 as compared to Rs. 8,064 million during corresponding period last year.

Your Bank thrives towards a hybrid expansion strategy involving combination of digital and "brick and mortar" banking operations, together with bringing more focus towards e-banking. The Bank has a large ATM network of 1,567 machines comprising of 1,288 on-site, 274 off-site and 05 Mobile Banking Units (MBU). Branch outreach closed at 1,429 including 1,305 conventional branches, 117 Islamic banking branches and 07 digital branches.

Your Bank posted profit before tax of Rs. 8,011 million during the quarter ended March 31, 2022 as compared to Rs. 6,699 million during the corresponding period last year; registering a growth of 20%. Profit after tax for the quarter ended March 31, 2022 recorded at 4,828 million, increasing by 20%. Consequently, Earnings per share (EPS) of Your Bank stood at Rs. 4.22 during the quarter ended March 31, 2022 as against Rs. 3.52 during corresponding period last year.

Total assets of the Bank decreased by 3% to record at Rs. 1,958,844 million as on March 31, 2022. Decrease is attributable to contraction of 47%, 4% and 1% in Lending to financial institution, Net advances and Investments respectively.

Net assets of Your Bank increased by 3% to record at Rs. 128,930 million as on March 31, 2022 as against Rs. 127,245 million as on December 31, 2021.

Persistent effective monitoring enabled Your Bank to further reduce gross non-performing advances portfolio by Rs. 104 million to reach at Rs. 13,497 million as on March 31, 2022. Gross advances and net advances reached at Rs. 638,147 million and 625,508 million respectively. Your Bank continued its momentum towards low infection ratio and high overall coverage ratio which stood at 2.12% and 93.65% respectively. No FSV benefit was availed while determining the provision against non-performing loans, allowed under guidelines of SBP.

Deposits of the Bank, with a growth of 0.3%, stood at Rs. 1,417,499 million as on March 31, 2022. Your Bank's Current deposit increased by 7% thereby increasing current deposit to Total deposit mix to 46% as on March 31, 2022 as compared to 43% as on December 31, 2021. Current and Saving Account (CASA) deposit mix stood at 81% as on March 31, 2022.

Amid evolving interest rate risk, investment portfolio duration was optimized during the quarter ended March 31, 2022. Total investments closed at Rs. 1,057,977 million as on March 31, 2022. The liquidity was primarily placed in Government securities; increasing the PIB contribution to the total investment mix to 70% as at March 31, 2022 compared to 51% as at December 31, 2021.

Return on Assets, Return on Equity and Capital Adequacy Ratio of Your Bank stood at 1.0%, 17.9% and 22.38% respectively.

Future Outlook

IMF's projection of global growth is anticipated to subside to 3.8% in 2023 compared to a projection of 4.4% for 2022. Going forward, Inflation is projected to remain elevated averaging 3.9% in developed economies and 5.9% in emerging markets and developing economies in 2022, before moderating in 2023.

On the domestic front, SBP expects GDP growth between the previous projected range of 4%-5% in FY 2021-22. Moreover, IMF forecasts real GDP growth of 5.0% for 2026.

Average inflation has been revised upwards to slightly over 11% in FY 2021-22 before subsiding in FY23. Despite the improvement in non-ill current account balance, the overall position of current account remains dependent on global commodity prices. Therefore, current account deficit is anticipated to remain at previous forecast of 4% of GDP.

Commitment towards Corporate Social Responsibility (CSR) is an integral part of Your Bank's long-term strategy. The Bank continuously strives to create positive impact on the society by working towards good governance practices, environment sustainability and gender diversity. Resultantly, the Bank secured 3 prestigious accolades awarded by National Forum of Environment and Health (NFEH):

Director's Review

- Corporate Governance
- Women Welfare, empowerment & Development
- Green Energy Initiatives

Your bank introduced RAAST ID Management services and RAAST Transfer via myABL Digital Banking. It enables myABL users to easily link their Mobile Number as RAAST ID with their account and receive funds in their account by simply providing their mobile number instead of lengthy bank account number.

Stop cheque payment and account maintenance certificate is offered via myABL for the convenience of the customers and to divert maximum traffic from branches to myABL Digital Banking platform.

Digital lending facility (Pay Day Laon) through myABL Digital Banking, has been extended to 27 more organizations during the first quarter of 2022.

With the objective of providing more value to the customer, Your Bank has introduced two new features in Asaan Mobile Account portfolio:

- Existing Wallet customers can link their accounts with Unstructured Supplementary Service Data (USSD) channel
- Asaan Mobile Account customer can upgrade to Wallet account and use Wallet application

Your Bank has launched another self-service branch at ABL Head Office Lahore, offering quick and hassle-free digital banking services with superior customer experience for its employees.

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 (VIS) has upgraded Corporate Governance Rating of Allied Bank Limited (ABL) at "CGR-9++" out of maximum scale of 10. This Corporate Governance Rating of CGR-9++ indicates strong commitment of the Bank towards governance framework.

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 are paid a reasonable and appropriate remuneration for attending the Board of Directors and its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence and is within the 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 the Board of Directors and the Management, we would like to place on record our gratitude; to esteemed shareholders and valued customers for placing their trust in Allied Bank; the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and other regulatory authorities for their consistent direction and oversight.

We would also like to extend appreciation to our colleagues for their diligent work towards meeting customer expectations and their dedication towards achieving the Bank's goals and objectives.

For and on behalf of the Board of Directors.

Aizid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: April 20, 2022

ڈائریکٹرز کا تجزیہ

معروضی رپورٹ:

یورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2022ء کو اہتمام پر سرمایہ کے ایف ڈی نتائج پیش کرتے ہوئے نہایت سرگرمیوں کرتے ہیں۔ یورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تفصیلات مندرجہ ذیل جدول میں درج ہے:

سرمایہ مختصر 31 مارچ		مومرہ %	
2021	2022	2021	2022
مومرہ %		مومرہ %	
4,029	4,828	20	20
66,995	69,471	4	4
0.2	0.3	50	50
23	33	43	43
42	-	(100)	(100)
71,089	74,332	5	5
(6,870)	(2,290)	(67)	(67)
(403)	(483)	20	20
63,815	71,559	16	16
3.52	4.22	20	20

یورڈ نہایت سرگرمیوں سے 31 مارچ 2022ء کو اہتمام پر سرمایہ کے لیے 2 روپے فی شیئر کے معیاری پیش ذیادہ لگانے کا اعلان کرتا ہے (31 مارچ 2021ء: 2 روپے فی شیئر)۔

معاشی جائزہ:

سال 2022 کا آغاز عالمگیر وبا سے متعلقہ غیر یقینی میں قدرے کمی کے ساتھ ہوا۔ اس دوران کے پھیلاؤ کو روکنے کے لیے حکومت کی مہم اور برکت دستیابی نے نہایت اہم کردار ادا کیا۔ جس کے نتیجے میں دنیا کے بیشتر ممالک نے کووڈ - 19 سے متعلقہ پابندیوں کا خاتمہ کر دیا ہے۔ تاہم، روس اور یوکرین کے مابین جنگ ایشیا کی مسلسل یقین اور روس کے نظام میں ممالک کا بلوں نے عالمی افزائش میں اضافہ اور مٹی میں پیش قدمی میں کمی کی ہے۔ چنانچہ عالمی ایف ڈی (آئی ایم ڈی) نے سال 2022ء کے لیے اپنے 4.9 فیصد کے تخمینے پر نظر ثانی کرتے ہوئے عالمی نمو کی شرح کو 4 فیصد پر تخمینہ کیا ہے۔

طلب میں آسانی کے ایف ڈی اقدامات کی بدولت پاکستان کی معیشت افزائش کے دباؤ اور ایشیا کی بلند قیمتوں کے باوجود ایک مستحکم نمو کی رفتار کو برقرار رکھے ہوئے ہے۔ لہذا، آئی ایم ڈی نے سال 2022ء کے لیے پاکستان کی نمو کو 4 فیصد پر تخمینہ کیا ہے۔

بڑے پیمانے پر پیداوار کی صنعت نے مالی سال 2022 - 2021 کے جولائی تا فروری کے عرصہ میں گزشتہ سال کے قاتلی عرصہ کے دوران 1.8 فیصد کی معمولی نمو کے مقابلے میں 7.6 فیصد کی نمو کا اعراج کیا۔

زراعت کے شعبہ میں، مالی سال 2022 - 2021 کے جولائی تا فروری کے عرصہ میں ہونے والے قرضہ جات کا اڑھائی گزشتہ سال کے 806 بلین روپے کے حجم سے 3.6 فیصد کی نمو کے ساتھ 836 بلین روپے پر درج کیا گیا۔

بیرونی تجارت، فروری 2022 میں ماہانہ کرنٹ اکاؤنٹ خسارہ کم ہونے سے 545 بلین امریکی ڈالرز پر دیکھا جا رہا ہے جو کہ رواں مالی سال (مالی سال 2022 - 2021 کے جولائی تا فروری کے عرصہ) میں ماہانہ خسارے کی کم ترین سطح ہے۔ اس کی میں طلبہ کا وہاں رکھنے کے مناسب اقدامات اور اس کے ساتھ برآمدات میں یقینی اور فیکٹی تجربات زراعت میں زراعتی اٹھانے کا نمایاں کردار رہا۔

برآمدات گزشتہ سال کے قاتلی عرصہ کے 2 فیصد کے سکواؤ کی نسبت مالی سال 2022 - 2021 کے جولائی تا فروری کے عرصہ میں 26 فیصد کے اضافے کے ساتھ 25,109 بلین امریکی ڈالرز پر پہنچ گئیں۔ برآمدات کے اضافے میں نمایاں کردار ٹیکسٹائل، غذائی اجناس اور دیگر ایشیا کا رہا جو کہ گزشتہ سال کے اسی عرصہ کے سکواؤ کی باہر 9 فیصد، 1 فیصد اور 4 فیصد فروغ کی نسبت 31 فیصد، 16 فیصد اور 14 فیصد کے باہر اضافے پر درج ہوئیں۔

دوامت مالی سال 2021 - 2020ء کے جولائی تا فروری کے عرصہ کے 37,212 بلین امریکی ڈالرز کے حجم کے مقابلے میں مالی سال 2022 - 2021ء کے جولائی تا فروری کے عرصہ کے دوران 54,986 بلین امریکی ڈالرز پر پہنچ گئیں۔ ایشیا و خدمات کی درآمد کے اس 46 فیصد کے اضافے نے برآمدات کی مدد سے مندرجہ بالا بہتری کے اثرات کو زائل کر دیا۔ چنانچہ، تجارتی خسارہ گزشتہ سال کے قاتلی عرصہ کے 17,318 بلین امریکی ڈالرز کے حجم کی نسبت مالی سال 2022 - 2021 کے جولائی تا فروری کے عرصہ کے دوران 29,877 بلین امریکی ڈالرز تک بڑھ گیا۔

افزائی ترسیلات زر، فروری 2022ء میں مسل 21 ویں مئی سے 2 بلین امریکی ڈالرز کی حد کو عبور کر گئے۔ مجموعی طور پر افزائی ترسیلات زر، گزشتہ سال کے 18,710 بلین امریکی ڈالرز کے حجم کے قاتلی سال مالی سال 2022 - 2021 کے جولائی تا فروری کے عرصہ کے دوران 8 فیصد کی نمو کے اعراج کے ساتھ 20,142 بلین امریکی ڈالرز پر درج ہوئیں۔

پاکستان کے فیرنگی زرمبادلہ کے ذخائر اور اسٹیٹ بینک آف پاکستان کے خالص ریزرو (ذخائر) 25 مارچ 2022ء تک بائزریب 18,555 ملین ڈالرز اور 12,047 ملین امریکی ڈالرز پر ریکارڈ کیے۔

مالی سال 2021-22 کے جولائی تا فروری کے عرصے کے دوران، براہ راست فیرنگی سرمایہ کاری (ایف ڈی آئی) 6 فیصد کے اضافے کے ساتھ 1,257 ملین امریکی ڈالرز، ری سرمایہ کاری کا خالص پورٹ فولیو 386 ملین امریکی ڈالرز کے آڈٹ فلور (خرچ) کے مقابلے میں 590 ملین امریکی ڈالرز پر ریکارڈ ہوا۔ کل فیرنگی سرمایہ کاری گزشتہ سال کے 799 ملین امریکی ڈالرز کے حجم سے 131 فیصد کے نمایاں اور مثبت اضافے کا اعلان کرتے ہوئے 1,848 ملین امریکی ڈالرز پر رپورٹ ہوئی۔ اس میں زیادہ کردار توہانی، مالیاتی کاروبار، مواصلات اور تیل و گیس کے شعبوں کا راجن کا کل براہ راست فیرنگی سرمایہ کاری میں بائزریب حصہ 34 فیصد، 22 مارچ اور 15 مارچ تک رپورٹ ہوا۔ سرمایہ کاری کے پورٹ فولیو کا اضافہ جنوری 2022 میں بھی کم از کم 1 ملین امریکی ڈالرز کے بین الاقوامی سکوک بانڈز کی بدولت دیکھا گیا۔

حالیہ جاری سیاسی غیر یقینی کی صورتحال کے تاثرات سرمایہ کاروں کے جذبات میں سردی برقرار رہی۔ کے الیمائی، 100 ایکریس جون 2021ء کے اعلان پر 47,356 پائلس کی سطح سے 8 فیصد کی کمی کے ساتھ مارچ 2022ء تک 43,551 پائلس پر بند ہوا۔ پاکستانی روپیہ کی قدر میں امریکی ڈالر کے مقابلے میں جون 2021ء کی سطح سے 16 فیصد کمزوری دیکھی گئی جو کہ 31 مارچ 2022ء تک 183.48 روپے فی امریکی ڈالر پر پہنچ گیا۔

مٹی سلائی (ایم 2) اور کرکٹ میں موجود کرنسی میں مارچ 2021ء کی نسبت مارچ 2022ء تک بائزریب 10 فیصد اور 12 فیصد کی نمو دیکھی گئی جن کا حجم مارچ 2022ء تک بائزریب 24,851 ملین روپے اور 7,298 ملین روپے پر درج ہوا۔

صارفین کی تینوں کا قومی پمپ (مجلس کونزیر پرائس انڈیکس سی بی آئی) مارچ 2022ء کے سینیے تک مسلسل 5 ماہ سے دہرے ہندسے کی بلحاظ کی سطح کو برقرار رکھتے ہوئے 12.7 فیصد پر ریکارڈ ہوا۔ مالیاتی اداروں کی تینوں کے اضافے کے باعث بیسٹ آفریڈ اور اس کے ساتھ ساتھ بروڈی استحکام کو لائحہ عمل نہایت مضبوط اور مثبت قدم روٹل کے متقاضی ہیں۔ چنانچہ اسٹیٹ بینک آف پاکستان نے 7 اپریل 2022ء کو پالیسی ریسٹ سے 250 بی بی ایس کے اضافے کا فیصلہ کرتے ہوئے اس کی شرح کو 12.25 فیصد پر مقرر کیا ہے۔

مالیاتی تجزیہ:

پاکستان کی بینکنگ کی صنعت داخلی ٹیکریٹا کاک ڈھاریوں، آفریڈز کے بڑھتے ہوئے اور انٹرنٹ ریسٹ کی غیر متوازن صورتحال سے ٹھہر پڑے مختلف چیلنجز سے فیروزہ رہا ہے۔ علاوہ ازیں، غیر روایتی ادائیگیوں کے طریقہ کار سے ابھرتی رکابوں کی وجہ سے لے لے ایک طویل المدت اضافی بیجنگ کے طور پر سامنے آئی ہیں۔ یہ چیلنجز اس امر کے متقاضی ہیں کہ بینک اپنے روایتی بینکنگ کی خدمات فراہم کرنے والے کاروباری ماڈل سے خود کو چھوڑیں اور ٹیکنالوجی سے تیز بینکنگ کے طور پر اچالے۔

بینکنگ کی صنعت کے اظہار کی اساس (داخلی کاروبار) 21 دسمبر 2021ء کے 28,882 ملین روپے کی نسبت 25 مارچ 2022ء تک 28,925 ملین روپے پر درج ہوئی۔ سرمایہ کاری مارچ 2022ء تک 6 فیصد کی نمو کے ساتھ 14,954 ملین روپے پر پہنچی۔ صنعت کے لیکچر اور کل قرضیات 31 دسمبر 2021ء تک کے حجم سے 6 فیصد اور 1 فیصد بائزریب کی کمی کے ساتھ 25 مارچ 2022ء تک بائزریب 19,802 ملین روپے اور 10,089 ملین روپے پر ریکارڈ ہوئے۔

آپکے بینک نے ایک مشکل اور ارتقاء پر مبنی ماحول کے تاثرات ایک متحرک اور قابل ادارے کے طور پر اپنی دور اندیشی اور بصارت کی زبانی میں اپنے صارفین کے پہلے انتخاب کا بینک بننے کے لیے جانچ سہولتیں فراہمی کے عمل میں تیزی کو اختیار کیا ہے تاکہ تمام اسٹیک ہولڈرز کے لیے خدمات میں توجہ اور قدر کو پیدا کیا جاسکے۔

اسٹریٹجی اور اظہار کی مثبت مقدار میں اور ریسٹ کی مثبت قدامت کے باعث 31 دسمبر 2022ء کو اعلان پُرسرہائی کے دوران ایک آپ آمدنی 64 فیصد کے اضافے کے ساتھ 39,062 ملین روپے پر پہنچی۔ انٹرنٹ اخراجات 104 فیصد کے اضافے کے ساتھ مندرجہ بالا مدت کے لیے 26,521 ملین روپے پر رجسٹر ہوئے۔ ان اضافوں میں بڑھتے ہوئے انٹرنٹ ریسٹ کی صورتحال کے بائین لیکچر اور بائرنٹ کا بنیادی کردار ہے۔

بڑھتے انٹرنٹ ریسٹ کی صورتحال کے تحت آمدنی کے مال داہیات اور پیدائشی اظہار کے تخمینوں کے درمیان مدتی قدامت کے باوجود آپکے بینک کی خالص انٹرنٹ آمدنی (این آئی آئی) کچھ سال کی قلمی مدت کی 10,794 ملین روپے کی سطح کے مقابلے میں 31 مارچ 2022ء کو اعلان پُرسرہائی کے دوران 16 فیصد کے اضافے کے اعلان کے ساتھ 12,542 ملین روپے پر پہنچی گئی۔

نہیں آئی آمدنی اور زیادہ مدت کے دوران، 29 فیصد کی نمو رجسٹر ہوئے 2,037 ملین روپے پر درج ہوئی۔ فیرنگی کرنسی کے معاملے سے لیے گئے موزوں نظام اور اس کے ساتھ ساتھ مثبت سواپ کرز (Swap Curves) کی بدولت 31 مارچ 2022ء کو اعلان پُرسرہائی کے دوران فیرنگی کرنسیوں کے لین دین میں 206 فیصد کی نمو دیکھی گئی جس کا حجم 752 ملین روپے پر درج ہوا۔

ذریعہ پیکر آمدنی گزشتہ سال کے قلمی عرصے کے دوران حاصل شدہ 504 ملین روپے کی آمدنی کے مقابلے میں 31 مارچ 2022ء کو اعلان پُرسرہائی کے دوران 86 فیصد کے اضافے کے ساتھ 935 ملین روپے پر ریکارڈ ہوئی۔ چنانچہ فیرمیک آمدنی گزشتہ سال کے قلمی عرصے کی نسبت 3,830 ملین روپے کی سطح کی نسبت 31 مارچ 2022ء کو اعلان پُرسرہائی کے دوران 7 فیصد کے ساتھ 4,080 ملین روپے پر پہنچی گئی۔

بڑھتے آفریڈز اور ڈیجیٹل دور کے تقاضوں سے ہم آہنگ ہونے کے لیے، بینک اپنی جیت کی ٹیکنالوجی کی ترقی کو اپنی بنیاد بنانے کے لیے باوجود کاروباری اخراجات کے باوجود کاروباری اخراجات کے دوران 11 فیصد کے اضافے کی شرح کی نسبت 31 مارچ 2022ء کو اعلان پُرسرہائی کے دوران 9 فیصد کی شرح پر محدود رکھا گیا۔ کل فیرمیک اپ اخراجات کچھ سال کے قلمی عرصے کے دوران کے 8,064 ملین روپے کے حجم کے مقابلے میں 31 مارچ 2022ء کو اعلان پُرسرہائی کے دوران 8,863 ملین روپے پر ریکارڈ کیے۔

آپکے بینک اپنی وسعت کی ذمہ داری سنبھالنے پر عمل ہوا ہے جو کہ روایتی اور ڈیجیٹل بینکنگ کے دونوں کاروباروں پر مشتمل ہے اور اس کے ساتھ ساتھ ای۔ بینکنگ کی ترقی پر خصوصی توجہ بھی مبذول کرنا جاری ہے۔ بینک کے پاس 1,567 اسے بی ایم بی بی کے ایک وسیع دستہ ورک موجود ہے جس میں 1,288 آن۔ سائٹ، 274 آف۔ سائٹ اور 5 موبائل بینکنگ پوائنٹس (ایم بی پی) شامل ہیں۔

برانچوں کی کل تعداد 1,429 رہی جس میں 1,305 روایتی بینکنگ کی برانچیں، 117 اسلامک بینکنگ کی برانچیں اور 7 ڈیجیٹل برانچیں شامل ہیں۔

آپکے بینک نے 31 مارچ 2022ء کو اہتمام پُرسرہائی کے لیے 8,011 ملین روپے کا منافع قلم از قلم حاصل کیا۔ جو کہ گزشتہ سال کے تقابلی عرصہ میں حاصل شدہ 6,699 ملین روپے سے 20 فیصد کی نمو کو ظاہر کرتا ہے۔ 31 مارچ 2022ء کو اہتمام پُرسرہائی کے دوران منافع بعد از ٹیکس بھی 20 فیصد کے اضافے کے ساتھ 4,828 ملین روپے پر پہنچا تھا۔ آپکے بینک کی فی صحت آمدنی، پچھلے سال کے تقابلی عرصہ کی 3.52 روپے فی فیئر کی سطح کے مقابلے میں 31 مارچ 2022ء کو اہتمام پُرسرہائی کے دوران 4.22 روپے فی فیئر پر ریکارڈ ہوئی۔

بینک کے کل اثاثوں کا 31 مارچ 2022ء تک 3 فیصد فیصدگی کے ساتھ 1,958,844 ملین روپے پر ریکارڈ ہوئے۔ اس کی کی وجہ مالیاتی اداروں کے دیئے گئے قرض، خاص قرضہات اور سرمایہ کاری میں باہر تہ 47 فیصد، 4 فیصد، 1 فیصد سزایا تھا۔

آپکے بینک کے خاص اثاثوں کا 31 مارچ 2022ء تک کے 127,245 ملین روپے کے حجم سے 3 فیصد کے اضافے کا اہتمام کرتے ہوئے 31 مارچ 2021ء تک 128,930 ملین روپے پر ریکارڈ ہوئے۔

آپکے بینک کے خاص اثاثوں کا 31 دسمبر 2021ء کے 127,245 ملین روپے کے حجم کے مقابلے میں 31 مارچ 2022ء تک 128,930 ملین روپے پر پہنچا ہے۔

مسئل اور مسعود گھرانے نے آپکے بینک کو اس قسط کیا کہ وہ اپنے کل غیر فعال قرضوں میں 104 ملین روپے کی مزید کمی لائے، جس کا حجم 31 مارچ 2021ء تک 13,947 ملین روپے پر تھا۔ کل قرضہات اور خاص قرضہات باہر تہ 638,147 ملین روپے اور 625,508 ملین روپے پر چلے گئے۔ آپکا بینک کم ترین آپکھن کی شرح اور مجموعی کوریج کی بلند شرح کے حصول میں تسلسل کو برقرار رکھنے کے لیے کوشاں ہے جو کہ باہر تہ 2.12 فیصد اور 93.65 فیصدی شرحوں پر ریکارڈ ہوئیں۔ اسٹیٹ بینک آف پاکستان کی گائیڈ لائنز میں اجازت کے باوجود غیر فعال قرضوں کے لیے اثراہات (پروویژن) کا کم کر کے ہونے جبری فروخت کے فائدہ کا اہتمام نہیں کیا گیا۔

بینک کیلڈیا چٹا 31 مارچ 2022ء تک 3 فیصد کیلڈیا کو کے ساتھ 1,417,499 ملین روپے پر چلے۔ آپکے بینک کے کرنٹ ڈیپازٹس میں 7 فیصد اضافہ ہوا اور یوں کل ڈیپازٹس کی ترکیب میں اس کا حصہ 31 مارچ 2021ء کی 43 فیصدی شرح کے مقابلے میں 31 مارچ 2022ء تک 46 فیصد کی شرح تک بڑھا گیا۔ کرنٹ اور سیونگ اکاؤنٹ (کاسا - CASA) ایجنٹس کی ترکیب 31 مارچ 2022ء تک 81 فیصد کی شرح پر رہی۔

31 مارچ 2022ء کو اہتمام پُرسرہائی کے دوران انٹرنل ریٹ کے ارتقاء پر مدد کے ساتھ شرحیں سرمایہ کاری کے پورٹ فولیو کی مدت کا مزبور اہتمام کیا گیا۔ سرمایہ کاری 31 مارچ 2022ء تک 1,057,977 ملین روپے پر پہنچا۔ اس سلیٹ کا مرکزی محور حکومتی تحکات میں رہا جس سے کل سرمایہ کاری کی ترکیب میں پاکستان انویسٹمنٹ بانڈز (آئی بی) کا حصہ 31 دسمبر 2021ء کی 51 فیصدی شرح کے مقابلے میں 70 فیصد پر پہنچا گیا۔

آپکے بینک کی اثاثوں کی آمدنی، انکمینی کی آمدنی اور سرمایے کی مطابقت (کیپٹل ایڈیکس) کی شرح باہر تہ 1 فیصد، 17.9 فیصد اور 22.38 فیصد پر ریکارڈ کی گئی۔

مسئل کی پٹی بنی :

آئی ایم ایف نے مئی 2022ء کے لیے 4.4 فیصدی شرح منوع کے مقابلے میں سال 2023ء کے لیے کم کر کے ہونے 3.8 فیصد پر اہتمام کیا ہے۔ مسئل میں ترقی یافتہ اور جدید معیشتوں میں اہتمام اور پھیلنے اور 3.9 فیصدی بلند شرح پر برقرار رہنے کی توقع ہے جبکہ ابھرتی معیشتوں اور ترقی پزیر معیشتوں میں یہ شرح سال 2022ء کے لیے 5.9 فیصد رہے ہونے سال 2023ء تک قدر سے متعلق ہونے کا امکان ہے۔

داخلی ماڈر ڈیپازٹ آف پاکستان کو توقع ہے کہ سال 2022 - 2021 میں ترقی پزیر کی نمو 4 فیصد سے 5 فیصد کی حد کے اپنے ساتھ تین شدہ اہتمام کے مابین رہے گی۔ علاوہ ازیں، سال 2026ء کے لیے آئی ایم ایف کی بی ڈی پی کی چھٹی نمو کی شرح 5 فیصد تک رہنے کی توقع ہے۔

مالی سال 2023ء میں قدرے کمی سے پہلے اہتمام اہتمام زر کی نگرانی شدہ منوع مالی سال 2022 - 2021 کے لیے 11 فیصد قدرے بلند شرح پر درج ہوئی۔ تیل کے علاوہ کرنٹ اکاؤنٹ کے توازن میں بہتری کے باوجود کرنٹ اکاؤنٹ کی مجموعی صورتحال مالی ایشیائی قیوں پر اپنا اہتمام برقرار رکھے ہوئے ہے۔ چنانچہ کرنٹ اکاؤنٹ کا خسارہ اپنے ساتھ ہی ڈی پی کے 4 فیصد کے ہدف کے مطابق رہنے کی توقع ہے۔

اپنی کارپوریٹ سماجی ذمہ داری کا مکمل اہتمام اور حزم آپکے بینک کی طویل المدت حکمت عملی کا ایک ناگزیر حصہ ہے۔ بینک گورنرز کی ریگولیشنز، ماہولیا پائی نیاماری اور مرد و زن کے لیے یکساں مواقع اور شہر کے لیے کام کرتے ہوئے معاشرے میں مثبت اثرات پیدا کرنے کی کوشش جاری رکھے ہوئے ہے۔ جس کے نتیجے میں بینک کو مسلسل فوہم آف انیورٹمنٹ اینڈ ایٹھ (این ای ای ای ای) کی جانب سے متعدد ویلجیشنوں میں نمایاں اہتمام فراہم کیا گیا:

- کارپوریٹ گورنرز
- خواتین کی فہار و کیور، آکر و اختیار بنانے اور ترقی دینے؛
- گرین واہی کے اقدامات

آپکے بینک نے آئی ای این ڈیجیٹل بینکنگ کے ذریعے راست (RAAST) آئی ڈی بینکنگ کی خدمات اور راست ٹرانسفر (جھٹی) کی سہولت کا اہتمام کیا جس کی بدولت مالی ایسٹیل کے استحصال کھنڈن اپنے موبائل نمبر کو راست آئی ڈی کے طور پر اپنے اکاؤنٹ کے آسانی کے ساتھ جڑ سکیں گے اور ایک طویل بینک اکاؤنٹ نمبر کی بجائے محض اپنے موبائل نمبر کو مینکارنے سے رقم وصول کر سکیں گے۔

چیک کی ادائیگی کو روکنے کی وجہ سے اور اکاؤنٹ ہڈر روکنے کے سبب بھی مائی اے پی ایل پر فراہم کیے گئے ہیں تاکہ صارفین کو ہانپوں میں جانے بغیر مائی اے پی ایل کے ڈیجیٹل پیسٹ فارم کے استعمال سے یہ سہولت آسانی سے حاصل ہو سکے۔

مائی اے پی ایل ڈیجیٹل بینکنگ کے ذریعے ڈیجیٹل بینکنگ کی سہولت پھیلانے (Pay Day Loan) کو سال 2022ء کی پہلی سہ ماہی کے دوران 27 حزیقہ اداروں تک وسیع کر دیا گیا ہے۔

اپنے صارفین کو حزیقہ سہولت فراہم کرنے کے مقصد کے تحت آپ کے چیک نے آسان موبائل اکاؤنٹ کے پورٹ فولیو میں مندرجہ ذیل دو نئی خصوصیات کا آغاز کیا ہے:

- موجودہ والٹ صارفین اپنے اکاؤنٹس کو ان سٹرکچرڈ سیکورٹیز سروس ڈیٹا چینلز (Un Structured Supplementary Service Data Channels) (پوائنٹس ڈی) سے لنک کر سکیں گے؛
- آسان موبائل اکاؤنٹ صارف اپنے والٹ اکاؤنٹ کو اپ گریڈ کر سکیں گے اور والٹ انٹیلیجنس کو استعمال کر سکیں گے

آپ کے چیک نے اے پی ایل ہیڈ آفس لاہور میں ایک حزیقہ سیلف سروس برانچ کا اجرا کیا ہے جس میں اپنے ملازمین کو اعلیٰ ترین صارف تجربے سے ہمکنار کرتے ہوئے بروقت اور ہر طرح کی مشکل سے پاک ڈیجیٹل بینکنگ کی خدمات فراہم کی گئی ہیں۔

ایچ پی ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لیٹل (PACRA) نے چیک کی طویل المدتی اور قلیل المدتی ریٹنگ کو باڑتیب "AAA" ٹریٹ اے اور "A1+" (اے ون پلس) کی اعلیٰ سطح پر برقرار رکھا ہے۔ یہ درجہ برعیاں چیک کے قرضہ ہاتھ کے اعلیٰ معیار اور اپنی مالیاتی ذمہ داریوں کی ادائیگیوں کی انتہائی مضبوط صلاحیتوں کی عکاسی ہے۔ آپ کے چیک نے، ملک کے مالیاتی ادارے جو بلند ترین کریڈٹ ریٹنگ کے حامل ہیں، کے اپنی نوعیت کے واحد خصوصوں کو پمپ میں اپنی حیثیت کو مزید تقویت بخشا ہے۔

کارپوریٹ گورننس ریٹنگ:

وی آئی ایس (VIS) کریڈٹ ریٹنگ ایجنسی نے ال ایچ بی بی (اے پی ایل) کی کارپوریٹ گورننس کی درجہ بندی کو اپ گریڈ کرتے ہوئے زیادہ سے زیادہ 10 کی پیمانے میں سے "CGR-9++" کی سطح پر تصدق کیا ہے۔ کارپوریٹ گورننس کی "CGR-9++" کی یہ ریٹنگ چیک کے مضبوط اور مستحکم گورننس کے نظام (فراہم ورک) پر مسلسل یقین اور اعادہ کا مظہر ہیں۔

یورڈ آف ڈائریکٹرز:

یورڈ آف ڈائریکٹرز اور یورڈ کی ذیلی کمیٹیوں کی بنیاد کو کارپوریٹ معلومات کے بڑے میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو یورڈ یا ا اور انکی 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 گھنٹا گن ہے اور یہ انٹیلجینٹ بینک پاکستان کی تعین کردہ حدود کی مطابقت میں ہے۔ جو ڈائریکٹر اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پر کریڈٹ کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

حلیہ و حسن:

یورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے، ہم اپنے معزز شیئرز ہولڈرز اور قابل قدر صارفین کے ال ایچ بی بی کے ساتھ سیکورٹی ایڈوانسمنٹ کی پیشکش کرتے ہیں، اسٹینڈ بینک آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رضامندی اور اعانت پر انتہائی غلطی سے شکر ادا کرتے ہیں۔

ہم اپنے ملازمین کا صارفین کی توقعات پر پورا اترنے کے لیے نہایت ذمہ داری اور مستعدی کے ساتھ کام کرنے اور چیک کے افروضہ مقاصد کے حصول کے لیے اعلیٰ محنت اور لگن کا بھی بھرپور طریقے سے اعتراف کرتے ہیں۔

منجانب وبراے یورڈ آف ڈائریکٹرز

ایڈوکیٹڈ رفاق گل
چیف ایگزیکٹو آفیسر
لاہور
20 اپریل 2022ء

محمد نسیم حجاز
جنرل منیجر یورڈ آف ڈائریکٹرز

UNCONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2022

Unconsolidated Statement of Financial Position

(Un-audited) as at March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	108,774,852	124,406,408
Balances with other banks	8	8,918,411	903,243
Lendings to financial institutions - net	9	24,047,885	45,452,910
Investments - net	10	1,057,977,492	1,064,494,900
Advances - net	11	625,507,621	652,889,677
Fixed assets	12	78,780,365	78,002,712
Intangible assets	13	3,068,876	2,868,311
Deferred tax assets - net	14	2,430,114	1,488,287
Other assets - net	15	49,338,839	39,649,555
		1,958,844,455	2,010,156,003
LIABILITIES			
Bills payable	17	12,193,678	10,059,879
Borrowings	18	352,523,324	420,005,768
Deposits and other accounts	19	1,417,498,729	1,413,295,261
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	47,698,247	39,550,556
		1,829,913,978	1,882,911,464
NET ASSETS		128,930,477	127,244,539
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		27,611,126	26,784,066
Surplus on revaluation of assets - net of tax	22	18,309,517	19,539,127
Unappropriated profit		71,559,095	69,470,607
		128,930,477	127,244,539

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

Aizid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
Mark-up / return / interest earned	25	39,062,377	23,773,561
Mark-up / return / interest expensed	26	26,520,704	12,979,924
Net mark-up / interest income		12,541,673	10,793,637
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,096,713	1,623,124
Dividend income		934,617	503,562
Foreign exchange income		752,062	245,859
Income from derivatives		-	-
Gain on securities - net	28	269,539	1,446,130
Other income	29	27,297	11,706
Total non mark-up / interest income		4,080,228	3,830,381
Total income		16,621,901	14,624,018
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	8,589,954	7,881,029
Workers welfare fund		170,989	143,044
Other charges	31	102,333	39,574
Total non mark-up / interest expenses		8,863,276	8,063,647
Profit before provisions		7,758,625	6,560,371
(Reversals) / provisions and write offs - net	32	(252,443)	(139,001)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		8,011,068	6,699,372
Taxation	33	3,183,194	2,670,395
PROFIT AFTER TAXATION		4,827,874	4,028,977
In Rupees			
Basic and Diluted earnings per share	34	4.22	3.52

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	March 31, 2021
	Rupees in '000	
Profit after taxation for the period	4,827,874	4,028,977
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	344,273	(332,274)
Movement in deficit on revaluation of investments - net of tax	(1,196,061)	(2,706,653)
	(851,788)	(3,038,927)
<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)
	-	(158,641)
Total comprehensive income	3,976,086	831,409

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

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		8,011,068	6,699,372
Less: Dividend income		(934,617)	(503,562)
		7,076,451	6,195,810
Adjustments:			
Depreciation - Operating Fixed Assets		992,427	892,544
Depreciation - Non Banking Assets		1,450	1,798
Depreciation on right of use assets		423,603	427,460
Interest expense on lease liability		235,007	239,490
Amortization		121,891	94,759
Net provision and write offs	32	(188,712)	(138,774)
Unrealized gain on revaluation of 'held-for-trading' securities		(20,475)	(12,385)
Provision for workers welfare fund		170,989	143,044
Charge for defined benefit plans		103,998	106,637
Gain on sale of fixed assets		(2,110)	(1,883)
		1,838,068	1,752,690
		8,914,519	7,948,500
(Increase) / Decrease in operating assets			
Lendings to financial institutions		21,405,025	(36,027,664)
Held-for-trading securities		(20,915,380)	(20,025,247)
Advances		27,596,240	67,478,758
Other assets (excluding advance taxation)		(10,067,499)	7,382,124
		18,018,386	18,807,971
Increase / (Decrease) in operating liabilities			
Bills payable		2,133,799	182,249
Borrowings		(67,351,565)	121,558,390
Deposits and other accounts		4,203,468	15,803,311
Other liabilities (excluding current taxation)		5,515,551	2,655,702
		(55,498,747)	140,199,652
		(28,565,842)	166,956,123
Income tax paid		(2,939,504)	(2,473,038)
Defined benefits paid		(137,246)	(133,487)
Net cash flow (used in) / generated operating activities		(31,642,592)	164,349,598
CASH FLOW FROM INVESTING ACTIVITIES			
Net realizations / (investments) in 'available-for-sale' securities		28,129,014	(173,301,762)
Net investments in 'held-to-maturity' securities		(2,646,866)	(14,515,334)
Dividend received		875,446	337,298
Investments in fixed assets and intangible assets		(1,993,985)	(1,525,113)
Proceeds from sale of fixed assets		9,074	27,674
Effect of translation of net investment in foreign branches		344,273	(332,274)
Net cash flow generated / (used in) from investing activities		24,716,956	(189,309,511)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(545,984)	(494,332)
Dividend paid		(13,889)	(6,744,178)
Net cash flow used in financing activities		(559,873)	(7,238,510)
Effect of exchange rate changes on opening cash and cash equivalents		(641,585)	750,403
Decrease in cash and cash equivalents during the period		(8,127,094)	(31,448,020)
Cash and cash equivalents at beginning of the period		125,759,774	134,834,198
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		117,632,680	103,386,178

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaqa Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the three months period ended March 31, 2022

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Investments	Surplus on revaluation of			Un-appropriated profit	Total
						Fixed assets	Non-banking assets			
	Rupees in '000									
Balance as at January 01, 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 three months ended March 31, 2021	-	-	-	-	-	-	-	4,028,977	4,028,977	
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	
Deficit on revaluation of investments - net of tax	-	-	-	-	(2,706,653)	-	-	-	(2,706,653)	
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)	
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632	
Effect of translation of net investment in foreign branches	-	(332,274)	-	-	-	-	-	-	(332,274)	
Transfer to statutory reserve	-	(332,274)	-	-	(2,706,653)	(199,010)	(1,263)	41,632	(3,197,569)	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	402,898	-	-	-	-	(402,898)	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	(22,966)	-	22,966	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(241)	241	-	
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)	
December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)	
Balance as at March 31, 2021	11,450,739	1,693,459	22,648,349	6,000	2,169,297	23,100,763	637,468	63,814,998	125,521,073	
Profit after taxation for the nine months period ended December 31, 2021	-	-	-	-	-	-	-	13,284,822	13,284,822	
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	
Deficit on revaluation of investments - net of tax	-	-	-	-	(6,291,133)	-	-	-	(6,291,133)	
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	383,083	-	383,083	
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	109,362	109,362	
Effect of translation of net investment in foreign branches	-	1,107,776	-	-	-	-	-	-	1,107,776	
Transfer to statutory reserve	-	1,107,776	-	-	(6,291,133)	-	383,083	109,362	(4,690,912)	
Transfer of revaluation surplus on change in use - net of tax	-	-	1,328,482	-	-	-	-	(1,328,482)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(116,906)	-	116,906	-	
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(266,469)	-	266,469	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(618)	618	-	
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(76,358)	76,358	-	
Transactions with owners, recognized directly in equity										
First interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Second interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Third interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)	
Balance as at December 31, 2021 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,721,787	939,176	69,470,607	127,244,539	
Profit after taxation for the three months period ended March 31, 2022	-	-	-	-	-	-	-	4,827,874	4,827,874	
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	
Deficit on revaluation of investments - net of tax	-	-	-	-	(1,196,061)	-	-	-	(1,196,061)	
Effect of translation of net investment in foreign branches	-	344,273	-	-	-	-	-	-	344,273	
Transfer to statutory reserve	-	344,273	-	-	(1,196,061)	-	-	-	(517,515)	
Transfer of revaluation surplus on change in use - net of tax	-	-	482,787	-	-	-	-	(482,787)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	100,477	(100,477)	-	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	(33,221)	-	33,221	-	
Effect of translation of net investment in foreign branches	-	-	-	-	-	-	(328)	328	-	
Transactions with owners, recognized directly in equity										
Final cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at March 31, 2022	11,450,739	3,145,508	24,459,618	6,000	(5,317,897)	22,789,043	838,371	71,559,095	128,930,477	

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

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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 1,427 (December 31, 2021: 1,427) branches in Pakistan including 117 (December 31, 2021: 117) Islamic banking branches, 1 branch (December 31, 2021: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2021: 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 of rupees unless otherwise stated.

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. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 ‘Financial

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

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).
- 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, 2021.

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, 2021.

3.1 New Standards, Interpretations and amendments adopted by the Bank

	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
- Annual improvements to IFRS Standards 2018-2020	January 01, 2022

The above mentioned amendments are not likely to have a material impact on the Bank's 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)
- 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
- IAS 12 - Amendments on Deferred Tax	January 01, 2023
- Amendments on disclosure of Accounting Policies	January 01, 2023
- IFRS 17 - Insurance Contracts	January 01, 2023

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

The above mentioned amendments are not likely to have a material impact on the Bank's financial statements.

- Effective date of IFRS 9 'Financial Instruments' was extended by SBP 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 hedge accounting requirements. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. SBP shared, "IFRS 9 application instructions", for parallel reporting purposes only whereas the final application instructions based on parallel run results are still awaited.

In the absence of these guidelines from SBP and revision in prudential regulations, application of IFRS 9 across the banking industry is not possible, therefore these unconsolidated condensed interim financial statements have been prepared in accordance with the existing prudential regulation regime.

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, 2021.

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 operating fixed assets;
- Staff retirement and other benefits;
- Non-banking assets acquired in satisfaction of claims;
- Derivative financial instruments; and
- Lease liability and related right of use assets.

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, 2021.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		24,317,144	22,823,027
Foreign currencies		971,237	967,026
		<u>25,288,381</u>	<u>23,790,053</u>
Remittances in transit		85,356	508,766
With State Bank of Pakistan (SBP) in			
Local currency current accounts		52,860,172	59,570,982
Foreign currency current account		103,345	54,580
Foreign currency deposit accounts (non-remunerative)		5,255,366	4,807,522
Foreign currency deposit accounts (remunerative)		10,482,110	9,588,566
		<u>68,700,993</u>	<u>74,021,650</u>
With National Bank of Pakistan in			
Local currency current accounts		14,340,115	25,567,776
Prize Bonds		360,007	518,163
		<u>108,774,852</u>	<u>124,406,408</u>
8 BALANCES WITH OTHER BANKS			
Outside Pakistan			
In current accounts		7,027,604	650,288
In deposit accounts		1,890,807	252,955
		<u>8,918,411</u>	<u>903,243</u>
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		-	6,000,000
Repurchase agreement lendings (Reverse Repo)		20,547,885	39,452,910
Musharaka lendings		3,500,000	-
Certificates of investment		70,000	70,000
		<u>24,117,885</u>	<u>45,522,910</u>
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		<u>24,047,885</u>	<u>45,452,910</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022		(Audited) December 31, 2021	
	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

	March 31, 2022				(Audited) December 31, 2021			
	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	21,041,461	-	20,475	21,061,936	126,081	-	2	126,083
Available-for-sale securities								
Federal Government Securities*	941,712,466	(12,236)	(11,886,326)	929,813,904	972,123,080	(1,807)	(9,403,483)	962,717,790
Shares	16,720,000	(1,661,713)	3,067,812	18,126,099	16,598,013	(1,726,160)	2,496,231	17,368,084
Non Government Debt Securities	27,378,365	(21,071)	101,862	27,459,156	25,350,035	(21,071)	150,924	25,479,888
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Naya Pakistan Certificate	839,557	-	-	839,557	772,649	-	-	772,649
Open Ended Mutual Funds	25,000	-	(1,212)	23,788	25,000	-	(780)	24,220
	987,713,080	(1,695,020)	(8,717,864)	977,300,196	1,015,906,469	(1,749,038)	(6,757,108)	1,007,400,323
Held-to-maturity securities								
Federal Government Securities	59,115,360	-	-	59,115,360	56,468,494	-	-	56,468,494
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	59,459,620	(344,260)	-	59,115,360	56,812,754	(344,260)	-	56,468,494
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,068,714,161	(2,039,280)	(8,697,389)	1,057,977,492	1,073,345,304	(2,093,298)	(6,757,106)	1,064,494,900

* 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 three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
10.1.1 Investments given as collateral		
Market Treasury Bills	998,321	220,234,899
Pakistan Investment Bonds	237,319,748	81,656,107
Euro Bonds	3,171,754	1,647,863
Total Investments given as collateral	241,489,823	303,538,869
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,093,298	2,433,232
Exchange adjustments	71	254
Charge / (reversals)		
Charge for the period / year	10,357	-
Reversals for the period / year	-	(10,753)
	10,357	(10,753)
Reversal on disposals	(64,446)	(329,435)
Closing Balance	2,039,280	2,093,298

	(Audited)			
	March 31, 2022		December 31, 2021	
	NPL	Provision	NPL	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*	6,441,439	12,236	889,292	1,807
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
Total	6,806,770	377,567	1,254,623	367,138

* 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 March 31, 2022 amounted to Rs. 55,440.5 million (December 31, 2021: Rs. 50,857.5 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	Performing		Non Performing		Total		
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	
Rupees in '000								
11	ADVANCES							
	Loans, cash credits, running finances, etc.	573,307,058	567,291,774	12,077,488	12,188,573	585,384,546	579,480,347	
	Islamic financing and related assets	39.3	48,407,076	82,203,444	-	-	48,407,076	82,203,444
	Bills discounted and purchased		2,936,106	2,644,451	1,419,670	1,412,187	4,355,776	4,056,638
	Advances - gross	11.1	624,650,240	652,139,669	13,497,158	13,600,760	638,147,398	665,740,429
	Provision against advances							
	Specific	11.2 & 11.3	-	-	(12,541,606)	(12,750,397)	(12,541,606)	(12,750,397)
	General	11.3	(98,171)	(100,355)	-	-	(98,171)	(100,355)
			(98,171)	(100,355)	(12,541,606)	(12,750,397)	(12,639,777)	(12,850,752)
	Advances - net of provision		624,552,069	652,039,314	955,552	850,363	625,507,621	652,889,677

(Audited)
March 31, 2022 December 31, 2021

Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	608,010,059	637,546,049
In foreign currencies	30,137,339	28,194,380
	638,147,398	665,740,429

11.2 Advances include Rs. 13,497.158 million (December 31, 2021: Rs. 13,600.760 million) which have been placed under non-performing status as detailed below:

	March 31, 2022		December 31, 2021	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
(Audited)				
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	116,517	2,420	21,390	623
Substandard	740,832	184,690	713,919	177,740
Doubtful	570,626	285,313	586,834	293,417
Loss	12,069,183	12,069,183	12,278,617	12,278,617
Total	13,497,158	12,541,606	13,600,760	12,750,397

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022			(Audited) December 31, 2021		
		Specific	General	Total	Specific	General	Total
		Rupees in '000					
11.3 Particulars of provision against advances							
Opening balance		12,750,397	100,355	12,850,752	13,632,529	109,459	13,741,988
Exchange adjustments		-	3,209	3,209	-	2,271	2,271
Charge for the period / year		43,142	19,234	62,376	337,741	49,901	387,642
Reversals for the period / year		(251,933)	(24,627)	(276,560)	(1,133,844)	(61,276)	(1,195,120)
		(208,791)	(5,393)	(214,184)	(796,103)	(11,375)	(807,478)
Amounts written off		-	-	-	(86,029)	-	(86,029)
Closing balance	11.3.1	12,541,606	98,171	12,639,777	12,750,397	100,355	12,850,752

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)	
			March 31,	December 31,
			2022	2021
Rupees in '000				
	Capital work-in-progress	12.1	2,853,477	3,630,604
	Property and equipment		68,118,317	66,669,052
	Right-of-Use Assets		7,808,571	7,703,056
			78,780,365	78,002,712
12.1 Capital work-in-progress				
	Civil works		2,039,780	2,901,559
	Advances to suppliers		813,697	729,045
			2,853,477	3,630,604

12.2 Additions to fixed assets

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

		March 31,	March 31,
		2022	2021
		Rupees in '000	
Capital work-in-progress		533,225	432,247
Property and equipment			
Freehold land		388,672	36,742
Leasehold land		10	165,922
Building on freehold land		1,072,900	58,760
Building on leasehold land		133,714	5,995
Furniture and fixture		72,267	62,418
Electrical office and computer equipment		761,510	425,180
Vehicles		4,239	84,977
Others-building improvements		106,494	61,659
		2,539,806	901,653
Right-of-Use Assets		567,260	226,287
Total		3,640,291	1,560,187

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

12.3 Disposal of fixed assets

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

	March 31, 2022	March 31, 2021
	Rupees in '000	
Furniture and fixture	488	136
Electrical office and computer equipment	5,847	1,081
Vehicles	-	22,149
Building Freehold	-	2,406
Building Improvements	6	-
Total	6,341	25,772

	Note	March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	267,164	229,582
Computer Software		2,801,712	2,638,729
		3,068,876	2,868,311

13.1 Capital work-in-progress

	March 31, 2022	March 31, 2021
Software	264,289	226,708
Advances to suppliers	2,875	2,874
	267,164	229,582

13.2 Additions to intangible assets

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

	March 31, 2022	March 31, 2021
	Rupees in '000	
Directly purchased	284,876	185,898
Capital work-in-progress	37,581	79,138
Total	322,457	265,036

13.3 Disposals of intangible assets

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

	March 31, 2022	March 31, 2021
	Rupees in '000	
Directly purchased	-	19
Total	-	19

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
14 DEFERRED TAX ASSETS		
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	261,793	261,344
Actuarial gains	336,000	336,000
Post retirement medical benefits	42,980	42,980
Workers welfare fund	1,118,688	1,052,003
	1,832,337	1,765,203
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	(1,677,957)	(1,699,102)
Surplus on revaluation of investments	3,399,968	2,635,272
Surplus on revaluation of non-banking assets	(16,475)	(16,780)
Accelerated tax depreciation / amortization	(1,094,553)	(1,183,100)
Excess of investment in finance lease over written down value of leased assets	(13,206)	(13,206)
	597,777	(276,916)
	2,430,114	1,488,287
15 OTHER ASSETS		
Income / Mark-up accrued in local currency	29,539,583	21,433,765
Income / Mark-up accrued in foreign currency	893,243	430,467
Advances, deposits, advance rent and other prepayments	2,243,445	1,328,747
Advance taxation (payments less provisions)	3,113,843	3,534,663
Non-banking assets acquired in satisfaction of claims	504,036	571,346
Mark to market gain on forward foreign exchange contracts	730,690	-
Acceptances	5,030,060	5,646,815
Due from the employees' retirement benefit schemes		
Pension fund	4,508,636	4,379,974
Fraud and forgeries	514,615	523,692
Stationery and stamps in hand	486,028	475,818
Overdue Foreign Bills Negotiated or Discounted	144,165	132,573
Home Remittance Cell agent receivable	2,172	659
Receivable from SBP - customers encashments	1,474,128	934,298
Charges receivable	27,255	33,291
Suspense Account	10,964	3,012
Others	33,185	24,631
	49,256,048	39,453,751
Less: Provision held against other assets	15.1	(760,152)
Other assets (net of provision)	48,483,993	38,693,599
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	854,846	955,956
Other Assets - Total	49,338,839	39,649,555

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
15.1 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	143,365	153,018
Provision against fraud and forgeries	514,615	523,692
Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
Charges receivable	27,249	28,811
Others	62,531	30,336
	<u>772,055</u>	<u>760,152</u>

15.1.1 Movement in provision held against other assets

Opening balance	760,152	756,559
Charge for the period / year	15,115	70,766
Reversals	-	(7,264)
Net charge	15,115	63,502
Written off / adjusted	(3,212)	(59,909)
Closing balance	<u>772,055</u>	<u>760,152</u>

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2022 and December 31, 2021.

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	

17 BILLS PAYABLE

In Pakistan	<u>12,193,678</u>	<u>10,059,879</u>
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Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

		(Audited)	
		March 31, 2022	December 31, 2021
		Rupees in '000	
18	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	240,000,000	235,497,430
	Under export refinance scheme	33,404,402	33,230,671
	Under payroll refinance scheme	5,786,283	7,681,205
	Under long term financing facility	34,901,978	30,544,852
	Under financing scheme for renewable energy	591,555	558,933
	Under temporary economic refinance scheme	10,392,389	10,013,124
	Under refinance scheme for modernization of SMEs	22,500	22,500
	Other borrowings	6,406	6,915
	Under refinance scheme for wages and salaries	242,038	763,347
		325,347,551	318,318,977
	Repurchase agreement borrowings from Financial Institutions	4,169,820	65,134,454
	Total Secured	329,517,371	383,453,431
	Unsecured		
	Call borrowings	21,877,570	28,516,551
	Trading liability	-	5,644,324
	Overdrawn nostro accounts	60,583	191,462
	Musharaka borrowing	1,000,000	2,200,000
	Other borrowings	67,800	-
	Total unsecured	23,005,953	36,552,337
		352,523,324	420,005,768

		(Audited)					
		March 31, 2022			December 31, 2021		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		Rupees in '000					
19	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	462,201,338	25,414,605	487,615,943	487,101,187	25,141,039	512,242,226
	Savings deposits	415,242,127	18,444,570	433,686,697	506,117,895	25,910,230	532,028,125
	Term deposits	203,336,235	41,472,030	244,808,265	175,366,193	39,218,366	214,584,559
	Others	113,403,520	46,469	113,449,989	30,029,090	41,106	30,070,196
		1,194,183,220	85,377,674	1,279,560,894	1,198,614,365	90,310,741	1,288,925,106
	Financial Institutions						
	Current deposits	42,933,705	28,108	42,961,813	64,781,898	86,694	64,868,592
	Savings deposits	71,087,356	-	71,087,356	49,880,491	-	49,880,491
	Term deposits	21,111,350	41,283	21,152,633	9,581,350	39,716	9,621,066
	Others	2,736,033	-	2,736,033	6	-	6
		137,868,444	69,391	137,937,835	124,243,745	126,410	124,370,155
		1,332,051,664	85,447,065	1,417,498,729	1,322,858,110	90,437,151	1,413,295,261

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 865,799 million for December 31, 2021 (December 31, 2020: 746,521 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		10,650,621	4,387,835
Mark-up / return / interest payable in foreign currencies		183,185	111,457
Present value of lease liability		9,471,363	9,252,665
Accrued expenses		936,944	1,561,131
Retention money payable		482,075	580,710
Unearned commission and income on bills discounted		409,126	472,824
Acceptances		5,030,060	5,646,815
Unclaimed dividends		388,358	390,644
Dividend payable		2,300,366	21,821
Branch adjustment account		340,531	179,774
Unrealized loss on forward foreign exchange contracts		-	638,730
Provision for:			
Gratuity		716,131	716,131
Employees' medical benefits		1,548,746	1,515,000
Employees' compensated absences		984,805	923,138
Payable to defined contribution plan		98,579	54,641
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		884,982	863,526
ATM / Point of Sale settlement account		3,702,509	820,679
Charity fund balance		94	46
Home Remittance Cell overdraft		701,677	1,052,343
With-holding tax payable		471,008	2,260,045
Sundry deposits		3,213,692	3,577,163
Workers welfare fund payable		2,868,432	2,697,443
Others		2,016,059	1,527,091
		47,698,247	39,550,556

20.1 Provision against off-balance sheet obligations

Opening balance		298,904	301,093
Charge for the period / year		-	12,862
Reversals for the period / year		-	(15,051)
		-	(2,189)
Closing balance		298,904	298,904

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

	(Audited)			(Audited)	
	March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021
	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
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
			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
	9,148,550	9,148,550			
			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
	8,400,000	8,400,000			
	1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,543,868 (90.00%) [December 31, 2021: 990,767,307 (86.52%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,467,000	24,420,889
Non-banking assets acquired in satisfaction of claims		854,846	955,956
Available-for-sale securities	10.1	(8,717,864)	(6,757,108)
		16,603,982	18,619,737
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,677,957)	(1,699,102)
Non-banking assets acquired in satisfaction of claims		(16,475)	(16,780)
Available-for-sale securities		3,399,967	2,635,272
		1,705,535	919,390
		18,309,517	19,539,127

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	38,788,758	38,151,849
Commitments	23.2	445,385,947	395,509,858
Other contingent liabilities	23.3	6,658,162	6,668,875
		490,832,867	440,330,582

23.1 Guarantees

Financial guarantees		4,782,095	4,751,558
Performance guarantees		8,097,160	7,218,569
Other guarantees		25,909,503	26,181,722
		38,788,758	38,151,849

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		122,507,434	113,658,809
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	274,396,866	277,034,728
forward government securities transactions	23.2.2	43,632,536	-
operating leases	23.2.3	237,537	307,316
Commitments for acquisition of:			
fixed assets		4,133,035	4,178,585
intangible assets		478,539	330,420
		445,385,947	395,509,858

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		151,865,848	161,470,903
Sale		122,531,018	115,563,825
		274,396,866	277,034,728

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	December 31, 2021
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	19,922,141	-
Sale	23,710,395	-
	<u>43,632,536</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	89,653	142,691
Later than one year and not later than five years	125,632	142,348
Later than five years	22,252	22,277
	<u>237,537</u>	<u>307,316</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	6,658,162	6,668,875

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2021 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2021, income tax authorities made certain add backs with aggregate tax impact of Rs. 32,741 million (2021: 32,741 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.32,741 million (2021: 32,741 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 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 (2021: 963 million). The Bank's appeals before CIR(A) / Appellate Tribunal Inland Revenue (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 (2021: 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 CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been 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 has been made against the impugned penalty.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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, 2021.

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
25 MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		12,978,103	7,827,978
Investments		25,420,368	15,682,809
Lendings to financial institutions		663,016	259,026
Balances with banks		890	3,748
		<u>39,062,377</u>	<u>23,773,561</u>
26 MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		16,678,862	9,704,950
Borrowings		8,315,561	2,026,156
Cost of foreign currency swaps against foreign currency deposits		1,291,274	1,009,328
Interest expense on lease liability		235,007	239,490
		<u>26,520,704</u>	<u>12,979,924</u>
27 FEE AND COMMISSION INCOME			
Card related fees (debit and credit cards)		950,917	577,651
Branch banking customer fees		376,696	361,061
Commission on remittances including home remittances		224,848	235,859
Investment banking fees		295,088	206,759
Commission on trade		119,043	104,660
Commission on cash management		70,707	47,067
Commission on guarantees		31,170	60,756
Commission on bancassurance		18,016	22,419
Credit related fees		6,272	5,554
Consumer finance related fees		3,956	1,338
		<u>2,096,713</u>	<u>1,623,124</u>
28 GAIN / (LOSS) ON SECURITIES			
Realised - net	28.1	256,995	1,436,639
Unrealised - held for trading	10.1	20,475	12,385
Unrealised - forward government securities		(7,931)	(2,894)
		<u>269,539</u>	<u>1,446,130</u>
28.1 Realised gain / (loss) on:			
Federal government securities		46,606	483,238
Shares		210,405	954,180
Non Government debt securities		(16)	(779)
		<u>256,995</u>	<u>1,436,639</u>

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	March 31, 2021
	Rupees in '000	
29 OTHER INCOME		
Recovery of written off mark-up and charges	10,249	85
Gain on sale of fixed assets - net	2,110	1,883
Other assets disposal	6,957	608
Rent on property	1,753	2,573
Fee for attending Board meetings	421	779
Income from data centre hosting service	4,429	4,429
Gain on sale of islamic financing and related assets	1,378	1,349
	<u>27,297</u>	<u>11,706</u>
30 OPERATING EXPENSES		
Total compensation expense	3,976,930	3,630,830
Property expense:		
Depreciation	1,144,781	1,090,150
Rent and taxes	63,806	83,821
Utilities cost	278,137	258,877
Security (including guards)	320,644	256,105
Repair and maintenance (including janitorial charges)	213,525	208,077
Insurance	23,620	22,366
	<u>2,044,513</u>	<u>1,919,396</u>
Information technology expenses:		
Depreciation	197,511	175,192
Amortization	121,891	94,759
Network charges	162,780	173,079
Software maintenance	232,097	193,127
Hardware maintenance	94,954	123,016
Others	699	1,729
	<u>809,932</u>	<u>760,902</u>
Other operating expenses:		
Insurance	390,310	350,958
Outsourced service costs	211,641	190,780
Stationery and printing	88,921	114,198
Cash in Transit service charge	83,166	142,642
Marketing, advertisement and publicity	176,297	211,569
Depreciation	73,739	54,662
Travelling and conveyance	53,641	47,273
Postage and courier charges	42,158	46,523
NIFT clearing charges	48,250	36,138
Communication	43,803	45,148
Legal and professional charges	61,248	46,107
Auditors Remuneration	4,944	7,414
Directors fees and allowances	12,935	12,104
Fees and allowances to Shariah Board	2,094	1,665
Training and development	25,788	12,672
Brokerage expenses	22,412	31,041
Card related expenses	202,016	98,935
Donations	57,711	1,689
Others	157,505	118,383
	<u>1,758,579</u>	<u>1,569,901</u>
	<u>8,589,954</u>	<u>7,881,029</u>

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		64,084	1,020
Education cess		11,751	11,751
Depreciation - non-banking assets		1,450	1,798
Others		25,048	25,000
Other assets written off		-	5
		<u>102,333</u>	<u>39,574</u>
32 PROVISIONS AND WRITE OFFS - NET			
Provision / (Reversal) for diminution in the value of investments	10.2.1	10,357	(4,482)
(Reversal) against loans and advances	11.3	(214,184)	(155,497)
Provision against other assets	15.1.1	15,115	17,500
Provision against off-balance sheet obligations	20.1	-	3,705
Bad debts written off directly		(188,712)	(138,774)
Recovery of written off bad debts		(63,731)	(227)
		<u>(252,443)</u>	<u>(139,001)</u>

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
33 TAXATION			
Current - for the period	33.1	3,360,421	2,803,315
- for prior year		-	-
		<u>3,360,421</u>	<u>2,803,315</u>
Deferred - current		(177,227)	(132,920)
		<u>3,183,194</u>	<u>2,670,395</u>

33.1 This also includes proportionate super tax charge of Rs. 341.118 million (March 31, 2021: Rs. 284.913 million).

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
34 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation		<u>4,827,874</u>	<u>4,028,977</u>
		Number of Shares	
Weighted average number of ordinary shares outstanding during the year		<u>1,145,073,830</u>	<u>1,145,073,830</u>
		Rupees	
Earnings per share - basic and diluted		<u>4.22</u>	<u>3.52</u>
There is no dilution effect on basic earnings per share.			

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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:

35.2 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 & PKFRV 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.				
March 31, 2022					
	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	959,416,725	-	959,416,725	-	959,416,725
Shares	17,762,397	17,738,609	23,788	-	17,762,397
Non-Government Debt Securities	4,844,336	-	4,844,336	-	4,844,336
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukus, subsidiaries, Bai muajjal)					
	75,954,034	-	-	-	-
Cash and balances with treasury banks	108,774,852	-	-	-	-
Balances with other banks	8,918,411	-	-	-	-
Lendings	24,047,885	-	-	-	-
Advances	625,507,621	-	-	-	-
Other assets	37,771,370	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	57,825,304	-	57,825,304	-	57,825,304
Non-banking assets	1,358,882	-	1,358,882	-	1,358,882
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	151,865,848	-	151,865,848	-	151,865,848
Forward sale of foreign exchange	122,531,018	-	122,531,018	-	122,531,018
Forward purchase of government securities transactions	19,922,141	-	19,922,141	-	19,922,141
Forward sale of government securities transactions	23,710,395	-	23,710,395	-	23,710,395

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	(Audited)				Total
	December 31, 2021				
	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	971,471,372	-	971,471,372	-	971,471,372
Shares	16,996,375	16,972,155	24,220	-	16,996,375
Non-Government Debt Securities	4,824,319	-	4,824,319	-	4,824,319
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)	71,202,834	-	-	-	-
Cash and balances with treasury banks	124,406,408	-	-	-	-
Balances with other banks	903,243	-	-	-	-
Lendings	45,452,910	-	-	-	-
Advances	652,889,677	-	-	-	-
Other assets	28,556,069	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	56,525,189	-	56,525,189	-	56,525,189
Non-banking assets	1,527,302	-	1,527,302	-	1,527,302
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	161,470,903	-	161,470,903	-	161,470,903
Forward sale of foreign exchange	115,563,825	-	115,563,825	-	115,563,825

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022					
	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	10,520,151	(15,410,336)	16,544,182	586,095	301,581	12,541,673
Inter segment revenue - net	(10,878,762)	30,478,957	(18,136,207)	-	(1,463,988)	-
Non mark-up / return / interest income	1,748,587	1,382,592	789,240	96,982	62,827	4,080,228
Total Income	1,389,976	16,451,213	(802,785)	683,077	(1,099,580)	16,621,901
Balance Sheet						
Segment direct expenses	170,618	4,490,710	59,526	364,716	3,777,706	8,863,276
Total expenses	170,618	4,490,710	59,526	364,716	3,777,706	8,863,276
Provisions	1,113	(28,868)	-	10	280,188	252,443
Profit before tax	1,220,471	11,931,635	(862,311)	318,371	(4,597,098)	8,011,068
Balance Sheet						
Cash & Bank balances	150,433	34,269,562	73,697,319	4,150,838	5,425,111	117,693,263
Investments	42,069,265	-	989,103,373	26,304,854	500,000	1,057,977,492
Net inter segment lending	(459,900,899)	1,262,942,072	(892,116,222)	(2,900,350)	91,975,399	-
Lendings to financial institutions	-	-	39,959,404	3,500,000	(19,411,519)	24,047,885
Advances - performing	528,221,891	37,462,021	-	48,407,076	10,559,252	624,650,240
Advances - non-performing	662,141	260,506	-	-	12,574,511	13,497,158
Provision against advances	(356,835)	(122,240)	-	(223)	(12,160,479)	(12,639,777)
Advances - net	528,527,197	37,600,287	-	48,406,853	10,973,284	625,507,621
Operating fixed assets	389,861	51,574,403	8,568	1,418,291	28,458,118	81,849,241
Others	3,886,164	9,585,841	17,883,962	2,553,146	17,859,840	51,768,953
Total Assets	115,122,021	1,395,972,165	228,536,404	83,433,632	135,780,233	1,958,844,455
Borrowings	108,044,781	8,307,795	241,426,449	14,155,818	(19,411,519)	352,523,324
Deposits & other accounts	-	1,356,259,426	-	59,411,137	1,828,166	1,417,498,729
Net inter segment borrowing	-	-	-	-	-	-
Others	1,450,455	20,296,869	(1,635,642)	4,601,048	35,179,195	59,891,925
Total liabilities	109,495,236	1,384,864,090	239,790,807	78,168,003	17,595,842	1,829,913,978
Equity / Reserves	5,626,785	11,108,075	(11,254,403)	5,265,629	118,184,391	128,930,477
Total Equity and liabilities	115,122,021	1,395,972,165	228,536,404	83,433,632	135,780,233	1,958,844,455
Contingencies and commitments	133,030,607	24,936,604	318,029,402	3,276,474	11,559,780	490,832,867

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2021					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	6,744,536	(8,921,734)	12,558,075	527,175	(114,415)	10,793,637
Inter segment revenue - net	(6,298,070)	18,004,382	(10,960,502)	-	(745,810)	-
Non mark-up / return / interest income	2,009,843	1,001,843	726,240	78,417	14,038	3,830,381
Total Income	2,456,309	10,084,491	2,323,813	605,592	(846,187)	14,624,018
Segment direct expenses	159,997	4,145,127	61,103	341,877	3,355,543	8,063,647
Total expenses	159,997	4,145,127	61,103	341,877	3,355,543	8,063,647
Provisions	33,497	(74,513)	-	34	179,983	139,001
Profit before tax	2,329,809	5,864,851	2,262,710	263,749	(4,021,747)	6,699,372
December 31, 2021 (Audited)						
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	265,776	43,509,889	71,358,163	4,305,649	5,870,174	125,309,651
Investments	35,400,389	-	999,447,524	29,146,987	500,000	1,064,494,900
Net inter segment lending	(446,532,421)	1,253,708,768	(857,849,308)	(2,415,498)	53,088,459	-
Lendings to financial institutions	-	-	82,900,029	-	(37,447,119)	45,452,910
Advances - performing	524,632,629	35,007,398	-	82,203,444	10,296,198	652,139,669
Advances - non-performing	670,589	152,873	-	-	12,777,298	13,600,760
Provision against advances	(381,005)	(102,705)	-	(233)	(12,366,809)	(12,850,752)
Advances - net	524,922,213	35,057,566	-	82,203,211	10,706,687	652,889,677
Operating fixed assets	389,184	50,947,459	7,448	1,460,572	28,066,360	80,871,023
Others	2,840,258	10,664,551	12,117,451	1,861,117	13,654,465	41,137,842
Total Assets	117,285,399	1,393,888,233	307,981,307	116,562,038	74,439,026	2,010,156,003
Borrowings	100,524,929	5,468,498	308,819,318	42,597,423	(37,404,400)	420,005,768
Deposits & other accounts	-	1,345,635,407	-	65,014,170	2,645,684	1,413,295,261
Others	1,465,092	14,712,882	212,341	3,983,158	29,236,962	49,610,435
Total liabilities	101,990,021	1,365,816,787	309,031,659	111,594,751	(5,521,754)	1,882,911,464
Equity / Reserves	15,295,378	28,071,446	(1,050,352)	4,967,287	79,960,780	127,244,539
Total Equity and liabilities	117,285,399	1,393,888,233	307,981,307	116,562,038	74,439,026	2,010,156,003
Contingencies and commitments	123,812,661	25,510,317	277,034,728	2,435,173	11,537,703	440,330,582

The Bank has related party relationships with its parent, subsidiary, companies with common directorship, 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)											
	March 31, 2022					December 31, 2021						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related 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	-	63,811	301,783	-	-	1,242	-	2,969	156,424	-	-	495
Addition during the period/year	-	34,731	72,145	-	-	3,519	-	112,084	253,507	-	-	7,015
Repaid during the period/year	-	(22,919)	(49,465)	-	-	(3,619)	-	(51,242)	(108,138)	-	-	(6,269)
Closing balance	-	75,624	324,473	-	-	1,142	-	63,811	301,793	-	-	1,242

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022					(Audited) December 31, 2021						
	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	-	2,018	86,689	-	-	3,645,976	-	1,540	78,624	-	-	29
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	3,571,151
Other receivable	-	-	-	50,510	-	-	-	-	-	45,291	-	-
Borrowings												
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	100,304	381,278	46,188	17,578	61,637	38,313,174	803	144,243	40,672	10,007	46,745	26,981,726
Received during the period/year	620,488	70,172	238,301	607,891	1,523,478	143,496,006	13,701,403	1,679,675	751,007	2,030,051	13,867,649	542,781,289
Withdrawn during the period/year	(720,734)	(371,662)	(226,156)	(612,066)	(1,422,714)	(147,651,550)	(13,601,902)	(1,432,640)	(745,491)	(2,022,480)	(13,852,757)	(531,429,841)
Closing balance	58	89,788	58,333	13,403	162,401	34,157,630	100,304	381,278	46,188	17,578	61,637	38,313,174
Other Liabilities												
Interest / mark-up payable	-	6,479	115	33	44	196,944	-	-	64	25	58	184,999

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	(Audited)	
	March 31, 2022	December 31, 2021
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	99,450,278	97,235,663
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	99,450,278	97,235,663
Eligible Tier 2 Capital	18,793,696	20,152,261
Total Eligible Capital (Tier 1 + Tier 2)	118,243,974	117,387,924
Risk Weighted Assets (RWAs):		
Credit Risk	394,288,731	388,941,078
Market Risk	29,696,718	32,787,687
Operational Risk	104,299,052	104,299,052
Total	528,284,501	526,027,817
Common Equity Tier 1 Capital Adequacy ratio	18.83%	18.48%
Tier 1 Capital Adequacy Ratio	18.83%	18.48%
Total Capital Adequacy Ratio	22.38%	22.32%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	99,450,278	97,235,663
Total Exposures	2,377,888,978	2,488,085,909
Leverage Ratio	4.18%	3.91%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	649,044,348	642,371,329
Total Net Cash Outflow	324,514,760	345,039,134
Liquidity Coverage Ratio	200.00%	186.17%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,343,377,588	1,330,494,083
Total Required Stable Funding	841,769,936	934,385,758
Net Stable Funding Ratio	159.59%	142.39%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2021: 117 and March 31, 2021: 117) Islamic Banking Branches and 110 (December 31, 2021: 110 and March 31, 2021: 85) Islamic Banking Windows at the end of the period.

		March 31, 2022	December 31, 2021
(Audited)			
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		3,779,131	4,140,005
Balances with other banks		371,707	165,644
Due from financial institutions	39.1	3,500,000	-
Investments	39.2	26,304,854	29,146,987
Islamic financing and related assets - net	39.3	48,406,853	82,203,211
Fixed assets		1,413,151	1,457,221
Intangible assets		5,140	3,351
Due from Head Office		-	-
Other assets		2,553,146	1,861,117
		86,333,982	118,977,536
LIABILITIES			
Bills payable		1,939,578	1,426,659
Due to financial institutions		14,155,818	42,597,423
Deposits and other accounts	39.4	59,411,137	65,014,170
Due to Head Office		2,900,350	2,415,498
Subordinated debt		-	-
Other liabilities		2,661,470	2,556,499
		81,068,353	114,010,249
NET ASSETS		5,265,629	4,967,287
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		117,697	137,726
Unappropriated profit	39.5	1,047,932	729,561
		5,265,629	4,967,287
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	March 31, 2021
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended March 31, 2022 is as follows:		
Profit / return earned	39.7	1,953,419
Profit / return expensed	39.8	1,367,324
Net Profit / return	586,095	527,175
OTHER INCOME		
Fee and commission income	73,667	65,499
Dividend income	-	-
Foreign exchange income	21,973	12,348
Loss on securities	(16)	(779)
Other income	1,358	1,349
Total other income	96,982	78,417
Total income	683,077	605,592
OTHER EXPENSES		
Operating expenses	364,716	341,810
Workers Welfare Fund	-	-
Other charges	-	67
Total other expenses	364,716	341,877
Profit before provisions	318,361	263,715
Provisions and write offs - net	(10)	(34)
PROFIT BEFORE TAXATION	318,371	263,749
Taxation	-	-
PROFIT AFTER TAXATION	318,371	263,749

	(Audited)					
	March 31, 2022			December 31, 2021		
	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 other Financial Institutions	-	-	-	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
Musharaka Lending	3,500,000	-	3,500,000	-	-	-
	3,500,000	-	3,500,000	-	-	-

	(Audited)							
	March 31, 2022				December 31, 2021			
	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	9,500,000	-	(37,050)	9,462,950	9,500,000	-	(95,850)	9,404,150
-Other Federal Securities	839,557	-	-	839,557	3,618,241	-	-	3,618,241
	10,339,557	-	(37,050)	10,302,507	13,118,241	-	(95,850)	13,022,391
Non Government Debt Securities								
-Listed	11,180,889	-	85,403	11,266,292	11,224,309	-	164,232	11,388,541
-Unlisted	4,736,055	-	-	4,736,055	4,736,055	-	-	4,736,055
	15,916,944	-	85,403	16,002,347	15,960,364	-	164,232	16,124,596
Total Investments	26,256,501	-	48,353	26,304,854	29,078,605	-	68,382	29,146,987

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah	319,188	310,152
Istisna	362,598	-
Financing under Islamic Export Re-finance - Istisna	440,000	-
Murabaha	632,817	531,952
Musawamah	50,113	5,324
Business Musharaka - Islamic Export Refinance	1,150,000	1,150,000
Business Musharaka - Islamic Re-finance against wages and salaries	9,830	13,107
Diminishing Musharaka	12,213,528	12,581,827
Islamic Re-finance Against Renewable Energy Diminishing Musharaka	96,748	-
Salam	10,389	36,322
Business Musharaka	28,700,408	62,520,891
Staff Ijarah	543,126	519,812
Staff Diminishing Musharaka	347,846	320,654
Advance against Islamic assets		
Ijarah	372,378	383,845
Istisna	1,113,990	1,266,010
Istisna- IERF	1,360,000	1,800,000
Murabaha	-	19,392
Musawamah	4,884	31,886
Diminishing Musharaka	150,028	73,274
Diminishing Musharaka -IFRE	459,239	534,316
Salam	69,966	104,680
Gross Islamic financing and related assets	48,407,076	82,203,444
Less: provision against Islamic financings		
- Specific	-	-
- General	223	233
	223	233
Islamic financing and related assets - net of provision	48,406,853	82,203,211
39.4 Deposits		
Current deposits	12,168,012	11,542,267
Savings deposits	20,674,066	24,629,519
Term deposits	999,642	869,511
Other deposits	1,751,115	2,084,495
	35,592,835	39,125,792
Financial Institutions		
Current deposits	131,784	259,197
Savings deposits	23,686,390	25,629,181
Term deposits	-	-
Other deposits	128	-
	23,818,302	25,888,378
	59,411,137	65,014,170

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	March 31, 2021
	Rupees in '000	
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	729,561	(80,520)
Add: Islamic Banking profit for the period	318,371	810,081
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	<u>1,047,932</u>	<u>729,561</u>
39.6 Contingencies and Commitments		
-Guarantees	1,033,475	1,020,748
-Commitments	1,334,914	255,688
-Other contingencies	908,085	1,158,737
	<u>3,276,474</u>	<u>2,435,173</u>
39.7 Profit/Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing	1,303,350	435,576
Investments	622,176	350,196
Placements	27,893	96,924
	<u>1,953,419</u>	<u>882,696</u>
39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	648,834	279,200
Due to Financial Institutions	17,846	9,393
Profit paid on Musharaka borrowings	668,752	28,791
Profit paid on Mudaraba borrowings	-	3,700
Other expenses (IFRS-16)	31,892	34,437
	<u>1,367,324</u>	<u>355,521</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 The Board of Directors of the Bank in its meeting held on April 20, 2022 has proposed an interim cash dividend for the quarter ended March 31, 2022 of Rs. 2.00 per share (March 31, 2021: cash dividend of Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the three months ended March 31, 2022 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 April 20, 2022 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2022

Consolidated Statement of Financial Position

(Un-audited) as at March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	108,779,813	124,400,515
Balances with other banks	8	8,918,411	903,243
Lendings to financial institutions - net	9	24,047,885	45,452,910
Investments - net	10	1,059,807,095	1,066,389,996
Advances - net	11	625,709,751	653,079,762
Fixed assets	12	79,097,370	78,350,554
Intangible assets	13	3,076,540	2,875,975
Deferred tax assets	14	2,449,232	1,507,405
Other assets - net	15	49,727,264	40,018,520
		1,961,613,361	2,012,978,880
LIABILITIES			
Bills payable	17	12,193,678	10,059,879
Borrowings	18	352,523,324	420,005,768
Deposits and other accounts	19	1,417,485,326	1,413,277,683
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	48,060,122	39,992,364
		1,830,262,450	1,883,335,694
NET ASSETS		131,350,911	129,643,186
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		27,611,125	26,784,066
Surplus on revaluation of assets - net of tax	22	18,356,253	19,585,863
Unappropriated profit		73,932,794	71,822,518
		131,350,911	129,643,186

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 Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
Mark-up / return / interest earned	25	39,064,838	23,774,192
Mark-up / return / interest expensed	26	26,523,614	12,981,181
Net mark-up / interest income		12,541,224	10,793,011
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,261,851	1,815,152
Dividend income		952,991	514,386
Foreign exchange income		752,062	245,859
Income from derivatives		-	-
Gain on securities - net	28	258,701	1,487,764
Other income	29	21,115	4,704
Total non-markup / interest income		4,246,720	4,067,865
Total Income		16,787,944	14,860,876
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	8,724,684	8,000,219
Workers welfare fund		171,615	145,463
Other charges	31	102,333	39,574
Total non-markup / interest expenses		8,998,632	8,185,256
Profit before provisions		7,789,312	6,675,620
(Reversals) / provisions and write offs - net	32	(252,443)	(139,001)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		8,041,755	6,814,621
Taxation	33	3,192,093	2,702,742
PROFIT AFTER TAXATION		4,849,662	4,111,879
In Rupees			
Basic and Diluted earnings per share	34	4.24	3.59

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Consolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	March 31, 2021
	Rupees in '000	
Profit after taxation for the period	4,849,662	4,111,879
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	344,273	(332,274)
Movement in deficit on revaluation of investments - net of tax	(1,196,061)	(2,706,653)
	(851,788)	(3,038,927)
Items that will not be reclassified to profit and loss account in subsequent periods:		
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)
	-	(158,641)
Total Comprehensive Income	3,997,873	914,311

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Consolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		8,041,755	6,814,621
Less: Dividend income		(952,991)	(514,386)
		7,088,764	6,300,235
Adjustments:			
Depreciation - Operating Fixed Assets		999,311	897,936
Depreciation - Non Banking Assets		1,450	1,798
Depreciation on right of use assets		423,603	435,821
Interest expense on lease liability		238,771	241,318
Amortization		121,891	94,883
Net provision / (reversals) and write offs	32	(188,712)	(138,774)
Unrealized gain on revaluation of 'held-for-trading' securities		(6,520)	(40,348)
Provision for workers welfare fund		171,615	145,463
Charge for defined benefit plans		103,998	106,637
Gain on sale of fixed assets		(2,110)	(1,883)
		1,863,297	1,742,851
		8,952,061	8,043,086
(Increase) / Decrease in operating assets			
Lendings to financial institutions		21,405,025	(36,027,664)
Held-for-trading securities		(20,801,128)	(19,998,106)
Advances		27,584,195	67,481,705
Other assets (excluding advance taxation)		(10,481,960)	7,334,378
		17,706,132	18,790,313
Increase / (Decrease) in operating liabilities			
Bills payable		2,133,799	182,249
Borrowings		(67,351,565)	121,558,390
Deposits and other accounts		4,207,643	15,791,775
Other liabilities (excluding current taxation)		5,460,297	2,398,426
		(55,549,826)	139,930,840
		(28,891,633)	166,764,239
Income tax paid		(2,960,376)	(2,510,122)
Defined benefits paid		(135,986)	133,487
Net cash flow (used in) / generated from operating activities		(31,987,995)	164,387,604
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		28,473,274	(173,301,762)
Net (investments) from 'held-to-maturity' securities		(2,646,866)	(14,515,334)
Dividend received		893,820	348,122
Investments in fixed assets and intangible assets		(1,997,841)	(1,578,440)
Proceeds from sale of fixed assets		9,074	27,674
Effect of translation of net investment in foreign branches		344,271	(332,274)
Net cash flow generated from / (used in) investing activities		25,075,732	(189,352,014)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(548,504)	(493,771)
Dividend paid		(13,889)	(6,744,178)
Net cash flow used in financing activities		(562,393)	(7,237,949)
Effect of exchange rate changes on opening cash and cash equivalents		(641,585)	(1,106,341)
Decrease in cash and cash equivalents during the period		(8,116,241)	(33,308,700)
Cash and cash equivalents at beginning of the period		125,753,882	136,687,767
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		117,637,641	103,379,067

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

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes in Equity

(Un-audited) for the three months period ended March 31, 2022

	Share capital	Capital reserve		Statutory reserve	Revenue reserve		Surplus on revaluation of			Un-appropriated profit	Total
		Exchange transition reserve			General reserve	Investments	Fixed assets	Non-banking assets			
Rupees in '000											
Balance as at January 01, 2021 (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 three months ended March 31, 2021	-	-	-	-	-	-	-	4,111,879	4,111,879		
Other Comprehensive Income - net of tax											
Deficit on revaluation of investments - net of tax	-	-	-	-	(2,706,653)	-	-	-	(2,706,653)		
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)		
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632		
Effect of translation of net investment in foreign branches	-	(332,274)	-	-	-	-	-	-	(332,274)		
Transfer to statutory reserve	-	-	402,898	-	-	-	-	(402,898)	-		
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(22,966)	-	22,966	-		
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(241)	241	-		
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)		
Balance as at March 31, 2021	11,450,739	1,693,459	22,648,349	6,000	2,169,297	23,100,763	637,468	66,107,079	127,813,154		
Profit after taxation for the nine months period ended December 31, 2021	-	-	-	-	-	-	-	13,391,349	13,391,349		
Other Comprehensive Income - net of tax											
Deficit on revaluation of investments - net of tax	-	-	-	-	(6,291,133)	-	-	-	(6,291,133)		
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	-	-		
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	383,083	-	383,083		
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	109,401	109,401		
Effect of translation of net investment in foreign branches	-	1,107,776	-	-	-	-	-	-	1,107,776		
Transfer to statutory reserve	-	-	1,328,482	-	-	-	-	(1,328,482)	-		
Transfer of revaluation surplus on change in use - 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	-	-	-	-	-	(116,906)	-	116,906	-		
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(219,739)	-	219,739	-		
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(618)	618	-		
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(76,358)	76,358	-		
Transactions with owners, recognized directly in equity											
First interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)		
Second interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)		
Third interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)		
Balance as at December 31, 2021 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,768,523	939,176	71,822,518	129,643,186		
Profit after taxation for the nine months period ended March 31, 2022	-	-	-	-	-	-	-	4,849,662	4,849,662		
Other Comprehensive Income											
Deficit on revaluation of investments - net of tax	-	-	-	-	(1,196,061)	-	-	-	(1,196,061)		
Effect of translation of net investment in foreign branches	-	344,272	-	-	-	-	-	-	344,272		
Transfer to statutory reserve	-	-	482,787	-	-	-	-	(482,787)	-		
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	100,477	(100,477)	-	-		
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(33,221)	-	33,221	-		
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(328)	328	-		
Transactions with owners, recognized directly in equity											
Final cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)		
Balance as at March 31, 2022	11,450,739	3,145,507	24,459,618	6,000	(6,317,897)	22,835,779	838,371	73,932,794	131,350,911		

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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 three months period ended March 31, 2022

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 of rupees unless otherwise stated.

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, 2021.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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.

	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
- Annual improvements to IFRS Standards 2018-2020	January 01, 2022

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)
- 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
- IAS 12 - Amendments on Deferred Tax	January 01, 2023
- Amendments on disclosure of Accounting Policies	January 01, 2023
- IFRS 17 - Insurance Contracts	January 01, 2022

The above mentioned amendments are not likely to have a material impact on the Bank's financial statements.

- Effective date of IFRS 9 'Financial Instruments' was extended by SBP 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 hedge accounting requirements. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. SBP shared, "IFRS 9 application instructions", for parallel reporting purposes only whereas the final application instructions based on parallel run results are still awaited.

In the absence of these guidelines from SBP and revision in prudential regulations, application of IFRS 9 across the banking industry is not possible, therefore these unconsolidated condensed interim financial statements have been prepared in accordance with the existing prudential regulation regime.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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, 2021.

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 operating fixed assets
- Staff retirement and other benefits;
- Non-banking assets acquired in satisfaction of claims; and
- Derivative financial instruments.
- Lease liability and related right of use assets.

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, 2021.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

		(Audited)	
		March 31, 2022	December 31, 2021
		Rupees in '000	
7	CASH AND BALANCES WITH TREASURY BANKS		
	In hand		
	Local currency	24,317,214	22,823,155
	Foreign currencies	971,237	967,027
		<u>25,288,451</u>	<u>23,790,182</u>
	Remittances in transit	90,247	502,744
	With State Bank of Pakistan (SBP) in		
	Local currency current accounts	52,860,172	59,570,982
	Foreign currency current account	103,345	54,580
	Foreign currency deposit accounts (non-remunerative)	5,255,366	4,807,522
	Foreign currency deposit accounts (remunerative)	10,482,110	9,588,566
		<u>68,700,993</u>	<u>74,021,650</u>
	With National Bank of Pakistan in		
	Local currency current accounts	14,340,115	25,567,776
	Prize Bonds	360,007	518,163
		<u>108,779,813</u>	<u>124,400,515</u>
8	BALANCES WITH OTHER BANKS		
	Outside Pakistan		
	In current accounts	8,154,042	650,288
	In deposit accounts	764,369	252,955
		<u>8,918,411</u>	<u>903,243</u>
		(Audited)	
		March 31, 2022	December 31, 2021
		Rupees in '000	
9	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings - local currency	-	6,000,000
	Repurchase agreement lendings (Reverse Repo)	20,547,885	39,452,910
	Musharaka lendings	3,500,000	-
	Certificates of investment	70,000	70,000
		<u>24,117,885</u>	<u>45,522,910</u>
	Less: Provision held against lendings to financial institutions	9.1	(70,000)
	Lendings to financial institutions - net of provision	<u>24,047,885</u>	<u>45,452,910</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	(Audited)			
	March 31, 2022		December 31, 2021	
	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

	(Audited)							
	March 31, 2022				December 31, 2021			
	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	21,041,461	-	20,475	21,061,936	126,081	-	2	126,083
Open Ended Mutual Funds/ Pension Funds	2,343,558	-	(13,955)	2,329,603	2,457,809	-	(62,713)	2,395,096
	23,385,019	-	6,520	23,391,539	2,583,890	-	(62,711)	2,521,179
Available-for-sale securities								
Federal Government Securities*	941,712,466	(12,236)	(11,886,326)	929,813,904	972,123,080	(1,807)	(9,403,483)	962,717,790
Shares	16,720,000	(1,661,713)	3,067,812	18,126,099	16,598,013	(1,726,160)	2,496,231	17,368,084
Non Government Debt Securities	27,378,365	(21,071)	101,862	27,459,156	25,350,035	(21,071)	150,924	25,479,888
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
	839,557	-	-	839,557	772,649	-	-	772,649
Open Ended Mutual Funds	25,000	-	(1,212)	23,788	25,000	-	(780)	24,220
	987,713,080	(1,695,020)	(8,717,864)	977,300,196	1,015,906,469	(1,749,038)	(6,757,108)	1,007,400,323
Held-to-maturity securities								
Federal Government Securities	59,115,360	-	-	59,115,360	56,468,494	-	-	56,468,494
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	59,459,620	(344,260)	-	59,115,360	56,812,754	(344,260)	-	56,468,494
Total Investments	1,070,557,719	(2,039,280)	(8,711,344)	1,059,807,095	1,075,303,113	(2,093,298)	(6,819,819)	1,066,389,996

* 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 three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	998,321	220,234,899
Pakistan Investment Bonds	237,319,748	81,656,107
GOP Foreign Currency Bonds (US\$)	3,171,754	1,647,863
Total Investments given as collateral	<u>241,489,823</u>	<u>303,538,869</u>
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,093,298	2,433,232
Exchange adjustments	71	254
Charge / (reversals)		
Charge for the period / year	10,357	-
Reversals for the period / year	-	(10,753)
	10,357	(10,753)
Reversal on disposals	(64,446)	(329,435)
Closing Balance	<u>2,039,280</u>	<u>2,093,298</u>

	(Audited)			
	March 31, 2022		December 31, 2021	
	NPI	Provision	NPI	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*	6,441,439	12,236	889,292	1,807
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
Total	<u>6,806,770</u>	<u>377,567</u>	<u>1,254,623</u>	<u>367,138</u>

* 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 March 31, 2022 amounted to Rs. 55,440.5 million (December 31, 2021: Rs. 50,857.5 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

Note	(Audited)		(Audited)		(Audited)		
	Performing		Non Performing		Total		
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	
Rupees in '000							
11	ADVANCES						
Loans, cash credits, running finances, etc.	573,509,188	567,489,342	12,077,488	12,181,090	585,586,676	579,670,432	
Islamic financing and related assets	39.3	48,407,076	82,203,444	-	-	48,407,076	82,203,444
Bills discounted and purchased		2,936,106	2,636,968	1,419,670	1,419,670	4,355,776	4,056,638
Advances - gross	11.1	624,852,370	652,329,754	13,497,158	13,600,760	638,349,528	665,930,514
Provision against advances							
Specific	11.2 & 11.3	-	-	(12,541,606)	(12,750,397)	(12,541,606)	(12,750,397)
General	11.3	(98,171)	(100,355)	-	-	(98,171)	(100,355)
		(98,171)	(100,355)	(12,541,606)	(12,750,397)	(12,639,777)	(12,850,752)
Advances - net of provision		624,754,199	652,229,399	955,552	850,363	625,709,751	653,079,762

(Audited)
March 31, 2022 December 31, 2021

Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	633,334,408	651,918,872
In foreign currencies	5,015,120	14,011,642
	638,349,528	665,930,514

11.2 Advances include Rs. 13,497.158 million (December 31, 2021: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

Category of Classification:	(Audited)			
	March 31, 2022		December 31, 2021	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Domestic				
Other Assets Especially Mentioned	116,517	2,420	21,390	623
Substandard	740,832	184,690	713,919	177,740
Doubtful	570,626	285,313	586,834	293,417
Loss	12,069,183	12,069,183	12,278,617	12,278,617
Total	13,497,158	12,541,606	13,600,760	12,750,397

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

Note	(Audited)						
	March 31, 2022			December 31, 2021			
	Specific	General	Total	Specific	General	Total	
Rupees in '000							
11.3	Particulars of provision against advances						
	12,750,397	100,355	12,850,752	13,632,529	109,459	13,741,988	
Opening balance							
Exchange adjustments	-	3,209	3,209	-	2,271	2,271	
Charge for the period / year	43,142	19,234	62,376	337,741	49,901	387,642	
Reversal	(251,933)	(24,627)	(276,560)	(1,133,844)	(61,276)	(1,195,120)	
	(208,791)	(5,393)	(214,184)	(796,103)	(11,375)	(807,478)	
Amounts written off	-	-	-	(86,029)	-	(86,029)	
Closing balance	11.3.1	12,541,606	98,171	12,639,777	12,750,397	100,355	12,850,752

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)	
			March 31, 2022	December 31, 2021
Rupees in '000				
	Capital work-in-progress	12.1	2,853,477	3,630,604
	Property and equipment		68,408,356	66,962,119
	Right-of-Use Assets		7,835,537	7,757,831
			79,097,370	78,350,554

12.1 Capital work-in-progress

	Civil works	2,039,780	2,901,559
	Advances to suppliers	813,697	729,045
		2,853,477	3,630,604

12.2 Additions to fixed assets

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

	March 31, 2022	March 31, 2021
Rupees in '000		
Capital work-in-progress	533,225	432,247
Property and equipment		
Freehold land	388,672	36,742
Leasehold land	10	165,922
Building on freehold land	1,072,900	58,760
Building on leasehold land	133,714	5,995
Furniture and fixture	72,267	62,418
Electrical office and computer equipment	762,822	427,942
Vehicles	4,239	84,977
Others-building improvements	106,494	61,659
	2,541,118	904,415
Right-of-Use Assets	567,260	226,287
Total	3,641,603	1,562,949

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

12.3 Disposal of fixed assets

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

	March 31, 2022	March 31, 2021
	Rupees in '000	
Furniture and fixture	488	136
Electrical office and computer equipment	5,847	1,081
Vehicles	-	22,149
Building Freehold	-	2,406
Building Improvements	6	-
Total	6,341	25,772

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	

13 INTANGIBLE ASSETS

Capital work-in-progress	274,828	237,246
Computer Software	2,801,712	2,638,729
Total	3,076,540	2,875,975

	March 31, 2022	March 31, 2021
	Rupees in '000	
13.1 Capital work-in-progress		
Software	264,289	226,708
Advances to suppliers	2,875	10,538
Total	267,164	237,246

13.2 Additions to intangible assets

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

	March 31, 2022	March 31, 2021
	Rupees in '000	
Directly purchased	284,876	185,898
Capital work-in-progress	37,581	79,138
Software	-	-
Total	322,457	265,036

13.3 Disposals of intangible assets

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

	March 31, 2022	March 31, 2021
	Rupees in '000	
Software	-	19

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
15.1 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	143,365	153,018
Provision against fraud and forgeries	514,615	523,692
Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
Charges receivable	27,249	28,811
Others	62,531	30,336
	<u>772,055</u>	<u>760,152</u>
15.1.1 Movement in provision held against other assets		
Opening balance	760,152	756,559
Charge for the period / year	15,115	70,766
Reversals	-	(7,264)
Net charge	15,115	63,502
Written off / adjusted	(3,212)	(59,909)
Closing balance	<u>772,055</u>	<u>760,152</u>

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2022 and December 31, 2021.

	Note	March 31, 2022	(Audited) December 31, 2021
		Rupees in '000	
17 BILLS PAYABLE			
In Pakistan		<u>12,193,678</u>	<u>10,059,879</u>
18 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Repurchase agreement borrowings		240,000,000	235,497,430
Under Export Refinance Scheme		33,404,402	33,230,671
Under Payroll Refinance Scheme		5,786,283	7,681,205
Under long term financing facility		34,901,978	27,772,856
Under financing scheme for renewable energy		591,555	3,330,929
Under Temporary Economic Refinance Scheme		10,392,389	10,013,124
Under refinance scheme for modernization of SMEs		22,500	22,500
Other borrowings		6,406	6,915
Under refinance scheme for wages and salaries		242,038	763,347
		<u>325,347,551</u>	<u>318,318,977</u>
Repurchase agreement borrowings from financial institutions		4,169,820	65,134,454
Total secured		<u>329,517,371</u>	<u>383,453,431</u>
Unsecured			
Call borrowings		21,877,570	28,516,551
Trading liability		-	5,644,324
Overdrawn nostro accounts		60,583	191,462
Musharaka borrowing		1,000,000	2,200,000
Other borrowings		67,800	-
Total unsecured		<u>23,005,953</u>	<u>36,552,337</u>
		<u>352,523,324</u>	<u>420,005,768</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022			(Audited) December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
19 DEPOSITS AND OTHER ACCOUNTS						
Customers						
Current deposits	532,509,180	24,029,529	556,538,709	487,083,609	25,141,039	512,224,648
Savings deposits	404,998,643	17,920,472	422,919,115	506,117,895	25,910,230	532,028,125
Term deposits	208,635,195	44,407,955	253,043,150	175,366,193	39,218,366	214,584,559
Others	28,527,545	41,424	28,568,969	30,029,090	41,106	30,070,196
	1,174,670,563	86,399,380	1,261,069,943	1,198,596,787	90,310,741	1,288,907,528
Financial Institutions						
Current deposits	61,529,529	19,727	61,549,256	64,781,898	86,694	64,868,592
Savings deposits	81,948,373	-	81,948,373	49,880,491	-	49,880,491
Term deposits	12,879,350	38,398	12,917,748	9,581,350	39,716	9,621,066
Others	6	-	6	6	-	6
	156,357,258	58,125	156,415,383	124,243,745	126,410	124,370,155
	1,331,027,821	86,457,505	1,417,485,326	1,322,840,532	90,437,151	1,413,277,683

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 865,799 million for December 31, 2021 (December 31, 2020: 746,521 million).

	(Audited)	
	March 31, 2022	December 31, 2021
Rupees in '000		
20 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	10,650,588	4,387,810
Mark-up / return / interest payable in foreign currencies	183,185	111,457
Accrued expenses	1,033,101	1,700,608
Retention money payable	482,075	580,710
Unearned commission and income on bills discounted	409,126	472,824
Acceptances	5,030,060	5,646,815
Unclaimed dividends	388,358	390,644
Dividend payable	2,300,366	21,821
Branch adjustment account	340,531	179,774
Unrealized loss on forward foreign exchange contracts	-	638,730
Provision for:		
Gratuity	716,131	716,131
Employees' medical benefits	1,572,971	1,537,963
Employees' compensated absences	984,805	923,138
Payable to defined contribution plan	98,579	54,641
Provision against off-balance sheet obligations	298,904	298,904
Security deposits against lease	884,982	863,526
ATM / Point of Sale settlement account	3,702,509	820,679
Charity fund balance	94	46
Home Remittance Cell overdraft	701,677	1,052,343
With-holding tax payable	475,156	2,261,555
Sundry deposits	3,213,692	3,577,163
Workers welfare fund payable	2,910,069	2,747,835
Present value of lease liability	9,507,593	9,316,166
Others	2,175,570	1,691,081
	48,060,122	39,992,364

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	(Audited)	
	March 31, 2022	December 31, 2021
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	298,904	301,093
Charge for the period / year	-	12,862
Reversals	-	(15,051)
	-	(2,189)
Closing balance	298,904	298,904

21 SHARE CAPITAL

21.1 Authorized capital

	(Audited)			(Audited)	
	March 31, 2022	December 31, 2021		March 31, 2022	December 31, 2021
	No. of shares			Rupees in '000	
	1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000
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
			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)		
	9,148,550	9,148,550		91,486	91,486
			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.		
	8,400,000	8,400,000		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 1,030,543,868 (90.00%) [December 31, 2021: 990,767,307 (86.52%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,513,736	24,467,625
Non-banking assets acquired in satisfaction of claims		854,846	955,956
Available-for-sale securities		(8,717,864)	(6,757,108)
		16,650,718	18,666,472
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,677,957)	(1,699,102)
Non-banking assets acquired in satisfaction of claims		(16,475)	(16,780)
Available-for-sale securities		3,399,967	2,635,272
		1,705,535	919,391
Surplus on revaluation of assets - net of tax		18,356,253	19,585,863
23	CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1	38,788,758	38,151,849
Commitments	23.2	416,780,975	395,552,089
Other contingent liabilities	23.3	6,658,162	6,668,875
		462,227,895	440,372,813
23.1	Guarantees		
Financial guarantees		4,782,095	4,751,558
Performance guarantees		8,097,160	7,218,569
Other guarantees		25,909,503	26,181,722
		38,788,758	38,151,849
23.2	Commitments		
Documentary credits and short term trade related transactions:			
letters of credit		122,507,434	113,658,809
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	274,396,866	277,034,728
forward government securities transactions	23.2.2	14,985,333	-
operating leases	23.2.3	237,537	307,316
Commitments for acquisition of:			
fixed assets		4,133,035	4,178,585
intangible assets		478,539	330,420
Other Commitments		42,231	42,231
		416,780,975	395,552,089
23.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		151,865,848	161,470,903
Sale		122,531,018	115,563,825
		274,396,866	277,034,728

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	(Audited) December 31, 2021
Rupees in '000			
23.2.2	Commitments in respect of forward government securities transactions		
	Purchase	19,922,141	-
	Sale	23,710,395	-
		<u>43,632,536</u>	<u>-</u>
23.2.3	Commitments in respect of operating leases		
	Not later than one year	89,653	142,691
	Later than one year and not later than five years	125,632	142,348
	Later than five years	22,252	22,277
		<u>237,537</u>	<u>307,316</u>
23.3	Other contingent liabilities		
23.3.1	Claims against the Bank not acknowledged as debt	6,658,162	6,668,875

23.3.2 The income tax assessments of the Group have been finalized upto and including tax year 2021 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2021, income tax authorities made certain add backs with aggregate tax impact of Rs. 32,753 million (2021: 32,753 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group 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.32,753 million (2021: 32,753 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. 1,720 million (2021: 1,720 million). The Group's appeals before 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. 1,720 million (2021: 1,720 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 (2021: 963 million). The Group's appeals before CIR(A) / Appellate Tribunal Inland Revenue (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 (2021: 963 million).

24 DERIVATIVE INSTRUMENTS

The Group 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 a

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

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2022

The accounting policies used to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2021.

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
25	MARK-UP / RETURN / INTEREST EARNED		
On:			
		12,980,573	7,828,609
		25,420,367	15,682,809
		663,016	259,026
		882	3,748
		39,064,838	23,774,192
26	MARK-UP / RETURN / INTEREST EXPENSED		
On:			
		16,678,008	9,704,378
		8,315,561	2,026,156
		1,291,274	1,009,328
		238,771	241,319
		26,523,614	12,981,181
27	FEE AND COMMISSION INCOME		
		950,917	577,651
		543,642	554,546
		224,848	235,859
		295,088	206,759
		119,043	104,660
		68,899	45,610
		31,170	60,756
		18,016	22,419
		6,272	5,554
		3,956	1,338
		2,261,851	1,815,152
28	GAIN ON SECURITIES		
		260,112	1,450,309
		6,520	40,349
		(7,931)	(2,894)
		258,701	1,487,764
28.1	Realised gain / (loss) on:		
		46,606	483,238
		210,405	954,180
		(16)	(779)
		3,117	13,670
		260,112	1,450,309
29	OTHER INCOME		
		10,249	85
		2,110	1,883
		6,957	608
		421	779
		1,378	1,349
		21,115	4,704

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	Note	March 31, 2022	March 31, 2021
Rupees in '000			
30	OPERATING EXPENSES		
	Total compensation expense	4,077,113	3,715,930
	Property expense:		
	Depreciation	1,148,705	1,095,542
	Rent and taxes	62,919	81,369
	Utilities cost	280,621	260,320
	Security (including guards)	320,644	256,104
	Repair and maintenance (including janitorial charges)	220,307	215,045
	Insurance	24,821	23,829
		2,058,017	1,932,209
	Information technology expenses:		
	Depreciation	197,511	175,192
	Amortization	121,891	94,883
	Network charges	162,780	173,079
	Software maintenance	232,097	193,127
	Hardware maintenance	94,954	123,016
	Others	699	1,729
		809,932	761,026
	Other operating expenses:		
	Insurance	390,310	350,958
	Outsourced service costs	211,641	190,780
	Stationery and printing	89,467	114,601
	Cash in Transit service charge	83,166	142,642
	Marketing, advertisement and publicity	190,787	221,113
	Depreciation	76,699	54,662
	Travelling and conveyance	54,225	47,592
	Postage and courier charges	42,158	49,166
	NIFT clearing charges	48,250	36,138
	Communication	45,466	45,148
	Legal and professional charges	62,073	46,517
	Auditors Remuneration	5,188	7,587
	Directors fees and allowances	14,335	13,104
	Brokerage expenses	22,412	31,041
	Card related expenses	202,016	98,935
	Fees and allowances to Shariah Board	2,094	1,665
	Training and development	25,788	12,672
	Donations	57,711	1,689
	Others	155,836	125,044
		1,779,622	1,591,054
		8,724,684	8,000,219
31	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	64,084	1,020
	Education cess	11,751	11,751
	Depreciation - non-banking assets	1,450	1,798
	Others	25,048	25,000
	Other assets written off	-	5
		102,333	39,574

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

		March 31, 2022	March 31, 2021
Rupees in '000			
32	PROVISIONS AND WRITE OFFS - NET		
	(Reversal) / Provision for diminution in the value of investments	10.2.1	10,357
	(Reversal) / Provision against loans and advances	11.3	(214,184)
	Provision against other assets	15.1.1	15,115
	Provision against off-balance sheet obligations	20.1	-
	Bad debts written off directly		-
		(188,712)	(138,774)
	Recovery of written off bad debts	(63,731)	(227)
		<u>(252,443)</u>	<u>(139,001)</u>

33 TAXATION

	Current - for the period	33.1	3,369,320	2,840,096
	- for prior year		-	-
			3,369,320	2,840,096
	Deferred - current		(177,227)	(137,354)
			<u>3,192,093</u>	<u>2,702,742</u>

33.1 This also includes proportionate super tax charge of Rs. 341.118 million (March 31, 2021: Rs. 284.913 million).

34 EARNINGS PER SHARE - BASIC AND DILUTED

	Profit after taxation	4,849,662	4,111,879
Number of Shares			
	Weighted average number of ordinary shares outstanding during the year	1,145,073,830	1,145,073,830
Rupees			
	Earnings per share - basic and diluted	4.24	3.59

There is no dilution effect on basic earnings per share.

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

The fair value of traded investments is based on quoted market prices other than those classified as "held to maturity". Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.4 to these unconsolidated financial statements.

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.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

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:

35.2 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 & PKFRV 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.

	March 31, 2022				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	959,416,725	-	959,416,725	-	959,416,725
Shares	20,092,000	17,738,609	2,353,391	-	20,092,000
Non-Government Debt Securities	4,844,336	-	4,844,336	-	4,844,336
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	76,454,034	-	-	-	-
Cash and balances with treasury banks	108,779,813	-	-	-	-
Balances with other banks	8,918,411	-	-	-	-
Lendings	24,047,885	-	-	-	-
Advances	625,709,751	-	-	-	-
Other assets	38,400,027	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	58,217,446	-	58,217,446	-	58,217,446
Non-banking assets	1,358,882	-	1,358,882	-	1,358,882
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	151,865,848	-	151,865,848	-	151,865,848
Forward sale of foreign exchange	122,531,018	-	122,531,018	-	122,531,018
Forward purchase of foreign exchange	19,922,141	-	19,922,141	-	19,922,141
Forward sale of foreign exchange	23,710,395	-	23,710,395	-	23,710,395

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	(Audited)				Total
	December 31, 2021				
	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	971,471,372	-	971,471,372	-	971,471,372
Shares	19,391,471	16,972,155	2,419,316	-	19,391,471
Non-Government Debt Securities	4,824,319	-	4,824,319	-	4,824,319
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)	70,702,834	-	-	-	-
Cash and balances with treasury banks	124,400,515	-	-	-	-
Balances with other banks	903,243	-	-	-	-
Lendings	45,452,910	-	-	-	-
Advances	653,079,762	-	-	-	-
Other assets	28,556,045				
Non - Financial Assets measured at fair value					
Operating fixed assets	56,784,877	-	56,525,189	-	56,525,189
Non-banking assets	1,527,302	-	1,527,302	-	1,527,302
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	161,470,903	-	161,470,903	-	161,470,903
Forward sale of foreign exchange	115,563,825	-	115,563,825	-	115,563,825

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

March 31, 2022

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
36 SEGMENT INFORMATION							
36.1 Segment Details with respect to Business Activities							
Profit & Loss							
Net mark-up/return/profit	10,520,151	(15,410,336)	16,544,182	586,095	(449)	301,581	12,541,224
Inter segment revenue - net	(10,878,762)	30,478,957	(18,136,207)	-	-	(1,463,988)	-
Non mark-up / return / interest income	1,748,587	1,382,592	789,240	96,982	174,482	54,837	4,246,720
Total Income	1,389,976	16,451,213	(802,785)	683,077	174,033	(1,107,570)	16,787,944
Segment direct expenses	170,618	4,490,710	59,526	364,716	143,346	3,769,716	8,998,632
Total expenses	170,618	4,490,710	59,526	364,716	143,346	3,769,716	8,998,632
Provisions	1,113	(28,868)	-	10	-	280,188	252,443
Profit before tax	1,220,471	11,931,635	(862,311)	318,371	30,687	(4,597,098)	8,041,755
Balance Sheet							
Cash & Bank balances	150,433	34,269,562	73,697,319	4,150,838	18,364	5,411,708	117,698,224
Investments	42,069,265	-	989,103,373	26,304,854	2,329,603	-	1,059,807,095
Net inter segment lending	(459,900,899)	1,262,942,072	(892,116,222)	(2,900,350)	-	91,975,399	-
Lendings to financial institutions	-	-	39,959,404	3,500,000	-	(19,411,519)	24,047,885
Advances - performing	528,221,891	37,462,021	-	48,407,076	202,129	10,559,253	624,852,370
Advances - non-performing	662,141	260,506	-	-	-	12,574,511	13,497,158
Provision against advances	(356,835)	(122,240)	-	(223)	-	(12,160,479)	(12,639,777)
Advances - net	528,527,197	37,600,287	-	48,406,853	202,129	10,973,285	625,709,751
Operating fixed assets	389,861	51,574,403	8,568	1,418,291	399,806	28,382,981	82,173,910
Others	3,886,164	9,585,841	17,883,962	2,553,146	458,086	17,809,297	52,176,496
Total Assets	115,122,021	1,395,972,165	228,536,404	83,433,632	3,407,988	135,141,151	1,961,613,361
Borrowings	108,044,781	8,307,795	241,426,449	14,155,818	-	(19,411,519)	352,523,324
Deposits & other accounts	-	1,356,259,426	-	59,411,137	-	1,814,763	1,417,485,326
Net inter segment borrowing	-	-	-	-	-	-	-
Others	1,450,455	20,296,869	(1,635,642)	4,601,048	412,416	35,128,653	60,253,799
Total liabilities	109,495,236	1,384,864,090	239,790,807	78,168,003	412,416	17,531,897	1,830,262,449
Equity / Reserves	5,626,785	11,108,075	(11,254,403)	5,265,629	2,995,572	117,609,254	131,350,912
Total Equity and liabilities	115,122,021	1,395,972,165	228,536,404	83,433,632	3,407,988	135,141,151	1,961,613,360
Contingencies and commitments	133,030,607	24,936,604	289,382,199	3,276,474	42,231	11,559,780	462,227,895

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

March 31, 2021

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Profit & Loss							
Net mark-up/return/profit	6,744,536	(8,921,734)	12,558,075	527,175	(626)	(114,415)	10,793,011
Inter segment revenue - net	(6,296,070)	18,004,382	(10,960,502)	-	-	(745,810)	-
Non mark-up / return / interest income	2,009,843	1,001,843	726,240	78,417	245,944	5,578	4,067,865
Total Income	2,456,309	10,084,491	2,323,813	605,592	245,318	(854,647)	14,860,876
Segment direct expenses	159,997	4,145,127	60,464	341,877	130,069	3,347,722	8,185,256
Total expenses	159,997	4,145,127	60,464	341,877	130,069	3,347,722	8,185,256
Provisions	33,497	(74,513)	-	34	-	179,983	139,001
Profit before tax	2,329,809	5,864,851	2,263,349	263,749	115,249	(4,022,386)	6,814,621

December 31, 2021 (Audited)

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Balance Sheet							
Cash & Bank balances	265,776	43,509,889	71,358,163	4,305,649	11,685	5,852,596	125,303,758
Investments	35,400,389	-	999,447,524	29,146,987	2,395,096	-	1,066,389,996
Net inter segment lending	(446,532,421)	1,253,708,768	(857,849,308)	(2,415,498)	-	53,088,459	-
Lendings to financial institutions	-	-	82,900,029	-	-	(37,447,119)	45,452,910
Advances - performing	524,632,629	35,007,398	-	82,203,444	190,085	10,296,198	652,329,754
Advances - non-performing	670,589	152,873	-	-	-	12,777,298	13,600,760
Provision against advances	(381,005)	(102,705)	-	(233)	-	(12,366,809)	(12,850,752)
Advances - net	524,922,213	35,057,566	-	82,203,211	190,085	10,706,687	653,079,762
Operating fixed assets	389,184	50,947,459	7,448	1,460,572	430,643	27,991,223	81,226,529
Others	2,840,258	10,664,551	12,117,451	1,861,117	433,398	13,609,150	41,525,925
Total Assets	117,285,399	1,393,888,233	307,981,307	116,562,038	3,460,907	73,800,996	2,012,978,880
Borrowings	100,524,929	5,468,498	308,819,318	42,597,423	-	(37,404,400)	420,005,768
Deposits & other accounts	-	1,345,635,407	-	65,014,170	-	2,628,106	1,413,277,683
Others	1,465,092	14,712,882	212,341	3,983,158	487,124	29,191,646	50,052,243
Total liabilities	101,990,021	1,365,816,787	309,031,659	111,594,751	487,124	(5,584,648)	1,883,335,694
Equity / Reserves	15,295,378	28,071,446	(1,050,352)	4,967,287	2,973,783	79,385,644	129,643,186
Total Equity and liabilities	117,285,399	1,393,888,233	307,981,307	116,562,038	3,460,907	73,800,996	2,012,978,880
Contingencies and commitments	123,812,661	25,510,317	277,034,728	2,435,173	42,231	11,537,703	440,372,813

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2022

	March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	101,297,918	98,872,275
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	101,297,918	98,872,275
Eligible Tier 2 Capital	18,753,517	20,126,655
Total Eligible Capital (Tier 1 + Tier 2)	120,051,435	118,998,930
Risk Weighted Assets (RWAs):		
Credit Risk	393,782,533	388,470,764
Market Risk	32,214,904	34,566,906
Operational Risk	105,933,865	105,933,865
Total	531,931,302	528,971,535
Common Equity Tier 1 Capital Adequacy ratio	19.04%	18.69%
Tier 1 Capital Adequacy Ratio	19.04%	18.69%
Total Capital Adequacy Ratio	22.57%	22.50%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	101,297,918	98,872,275
Total Exposures	2,380,118,188	2,490,193,486
Leverage Ratio	4.26%	3.97%

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on April 20, 2022 has proposed an interim cash dividend for the quarter ended March 31, 2022 of Rs. 2.00 per share (March 31, 2021: cash dividend of Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2022 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 April 20, 2022 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman



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