




REPORT FOR THE QUARTER AND NINE MONTHS
ENDED SEPTEMBER 30, 2022

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Corporate Information

Board Of Directors	Mr. Waqar Ahmed Malik - Chairman Mr. Sarfaraz Ahmed Rehman Mr. Arif Ur Rehman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi Mr. Manzoor Ahmed Mr. Mohammad Aftab Manzoor Mr. Mushtaq Malik Ms. Zoya Mohsin Nathani Raja Muhammad Abbas Mr. Atif R. Bokhari - President & Chief Executive
Board Audit Committee	Mr. Mohammad Aftab Manzoor - Chairman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi Mr. Manzoor Ahmed Raja Muhammad Abbas
Shariah Board	Mufti Muhammad Zahid - Chairman Mufti Zakir Hassan Naumani - Member Mufti Dr. Lutfullah Saqib - Member Dr. Muhammad Tahir Mansoori - Resident Shariah Board Member
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors	M/s RIAA, Barker Gillette Advocates & Corporate Counselors
Company Secretary	Syed Ali Safdar Naqvi
Registered Office	AWT Plaza, The Mall, P. O. Box No. 1084 Rawalpindi - 46000, Pakistan Tel: (92 51) 8092624, UAN: (92 51) 111 000 787 Fax: (92 51) 2857448 Email: ir@askaribank.com.pk
Registrar & Share Transfer Office	CDC Share Registrar Services Limited (CDCSRSL) Mezzanine Floor, South Tower, LSE Plaza 19-Khayaban-e-Aiwan-e-Iqbal, Lahore Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Tel: (92 42) 36362061-66 Fax: (92 42) 36300072 Email: info@cdcsrsl.com Website: www.cdcsrsl.com
Entity Ratings	Long Term: AA+ Short Term: A1+ By PACRA
Website	www.askaribank.com
Social Media	 askaribankpakistan  Askari_Bank  askaribankpk  askaribanklimited  AskariBankOfficial

DIRECTORS' REVIEW

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial statements for the third quarter and nine months ended September 30, 2022.

Economy:

The challenges to Pakistan's economy amidst critical management of fiscal and external imbalances, high inflation and policy tightening, further intensified with the impacts of recent floods. The economic impact of floods on agriculture due to significant crop losses and disruption to crop cycles will in-turn affect the industrial and services activity, particularly textile sector's reliance on cotton. Floods will also impose a lingering drag on output due to losses to infrastructure. Based on the preliminary damage assessments, GDP growth for the current fiscal is estimated at around 2 percent compared to pre-floods forecast of 3 to 4 percent, delaying the much-needed economic adjustment.

The surge in international commodity prices; food and oil and energy pass-through along with depreciation of Pak Rupee have pushed inflation to a 14-year high; headline inflation recorded at 23.2 percent YoY for September 2022 compared to 9.0 percent in the same month last year. Though MoM price increase are showing a decline due to administrative intervention in energy prices.

During the current fiscal year, current account posted a deficit of USD 1.9 billion for Jul-Aug as against a deficit of USD 2.4 billion for the same period last year, reflecting a decline in both energy and non-energy imports and stable exports; exports increased by 1.8 percent year on year to USD 7.0 billion while imports declined by 12.7 percent to USD 18.7 billion. Remittances recorded a decline of 3.2 percent, though remained above the USD 2.0 billion mark since Jun '20.

Looking ahead, the headline inflation is expected to remain elevated due to supply-shock to food prices from floods, before starting to taper off in the second half of the current fiscal year. A continuation of prudent monetary policy and orderly movements in Pak Rupee should help contain core inflation while initiating administrative measures to curb food inflation, resolve supply-chain bottlenecks and maintain a check on essential imports.

Financial Performance:

The financial results of Askari Bank for the nine months ended September 30, 2022 are summarized as under:

	(Rupees in million)	
	Sept 30, 2022	Sept 30, 2021
Net mark-up and non fund income	38,128	31,206
Administrative and other expenses	(16,896)	(15,984)
Operating profit	21,232	15,222
Provisions and write offs - net	(181)	(4,059)
Profit before taxation	21,051	11,164
Taxation	(10,302)	(4,370)
Profit after taxation	10,749	6,794
Basic earning per share - Rupees	8.53	5.39

Alhamdulillah, Askari Bank delivered strong financial performance during the current nine months with profit before and after-taxation growth of 89 percent and 58 percent, respectively. Profit after taxation growth was impacted by excessive income tax levy announced in the Federal budget 2022-23. The earnings per share amounts to Rs.8.53 for the current period compares with Rs 5.39 last year.

Aggregate net revenues increased by 22 percent. Net mark-up income increased by 19 percent mainly on the back of a 35 percent growth in average balance sheet volumes. However, net spreads declined as the monetary tightening led to an immediate increase in rates of return on customer deposit. Non-fund income increased by 35 percent; fee and commission income increased by 21 percent contributed by a double-digit growth across key revenue lines; particularly card business that represents nearly 23 percent of the fee base and grew by 40 percent year on year. This was augmented by 34 percent growth in branch banking, and 29 percent in trade and guarantee income; along with a strong performance from the Bank's Treasury. Operating expenses for the current period increased by 3 percent over the corresponding nine months mainly due to the impact of one-off cost of voluntary separation scheme concluded during the first quarter of the current year. On a comparable basis, operating expenses increased by 11 percent reflecting the trend of high inflation, higher transaction-driven variable cost and continued investment technology and infrastructure. On a comparable basis, overall operational cost to income ratio improved to 44.3 percent for the current nine months from 47.6 percent for the same period last year. Total provisions declined sharply to Rs.181 million for the current period from Rs.4.059 billion recognized last year.

Customer deposits grew by 12 percent during the current nine months, to Rs.1.138 trillion with current and saving accounts constituting 77 percent of the total deposit as at the period end. Gross advances grew by 15.6 percent, from Rs. 508 billion at year end 2021 to Rs 587 billion at September 30, 2022. Infection ratio improved to 5.4 percent from 6.1 percent while the coverage ratio improved to 98.7 percent from 96.9 percent during the current nine months.

The elevated market rates driven by inflation and economic stresses, increased the revaluation deficit on investments, thus the Bank has been allowed a relaxation by the SBP to stagger the

unrealized revaluation deficit over the next two quarters. The Bank is confident that sufficient capital will be created well within the prescribed timeframe.

The Bank's entity rating was reaffirmed at 'AA+' (Double A Plus) for the long-term by Pakistan Credit Rating Agency Limited (PACRA), with outlook assigned as 'Stable'. The Bank's strong brand and affiliation with Fauji Foundation are recognized as the key rating drivers, supported by strengths in terms of market penetration, customer confidence, sustainable funding sources and avenues for generating mark-up and non-mark-up based income stream. The short-term rating was maintained at 'A1+' (A One Plus).

Looking ahead, the Bank will continue to drive business growth supported by enhanced governance, compliance, credit and effective risk management. The Bank plans to grow market share in retail segment, particularly low-cost and saving deposits which aligns well with the branch network expansion. Emphasis will remain on supporting trade volumes with primary focus on middle market segment while pursuing digital transformation and process improvements. The Bank is creating a caring culture and as a socially conscious organization taking steps to support the needs for persons with disabilities. The Bank will continue to invest in human capital fostering a service culture that encourages collaboration and innovation.

The Bank is extending contributions, both cash and in kind to actively support the relief and rehabilitation work for the flood victims, and remains committed to this cause till resumption of normality after these testing times.

Acknowledgment:

On behalf of the Board, we would like to place on record our gratitude to our valued customers and shareholders for their continued patronage to the Askari brand; our profound thanks to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance and assistance. We would also like to place on record our appreciation for the efforts of the Sharia Board for strengthening sharia compliance and governance framework for Askari Ikhlas Islamic Banking. Lastly, we express our deepest appreciation and gratitude to our staff for the hard work and dedication.

-sd-

Atif R. Bokhari
President & Chief Executive

-sd-

Waqar Ahmed Malik
Chairman, Board of Directors

Rawalpindi: October 18, 2022

کو 587 ارب روپے تک پہنچ گیا۔ انفلکشن کا تناسب 6.1 فیصد سے بہتر ہو کر 5.4 فیصد ہو گیا جبکہ کوریج کا تناسب رواں نوماہ کے دوران 96.9 فیصد سے بہتر ہو کر 98.7 فیصد ہو گیا۔

افراط زر اور معاشی دباؤ کی وجہ سے مارکیٹ کی بلند شرحوں نے سرمایہ کاری پر ری ویلیویشن خسارے میں اضافہ کیا، جس کی وجہ سے بینک کو اسٹیٹ بینک کی طرف سے عارضی نرمی کی اجازت دی گئی ہے تاکہ اگلی دو سہ ماہیوں میں خسارے کو بہتر بنایا جاسکے۔ بینک کو یقین ہے کہ مقررہ مدت کے اندر بہتر سرمایہ بنایا جاسکے گا۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے بینک کی طویل مدتی ادارہ جاتی درجہ بندی کی توثیق دوبارہ 'AA+' (ڈبل اے پلس) پر کردی گئی ہے، جس کے آؤٹ لک کو 'مستحکم' قرار دے دیا گیا ہے۔ بینک کا مضبوط برانڈ اور فوجی فاؤنڈیشن کے ساتھ وابستگی کو کلیدی درجہ بندی کے محرک کے طور پر گردانا جاتا ہے، جو مارکیٹ میں رسائی، صارفین کے اعتماد، فنڈنگ کے پائیدار ذرائع اور مارک اپ اور نان مارک اپ پر مبنی آمدنی کے سلسلے کے حوالے سے استحکام کی معاونت کرتا دکھائی دیتا ہے۔ مختصر مدت کی درجہ بندی 'A1+' (A One Plus) پر برقرار رکھی گئی ہے۔

عسکری بینک بہتر گورننس، کمپلائنس، کریڈٹ اور موثر رسک مینجمنٹ کی مدد سے کاروباری ترقی کو آگے بڑھاتا رہے گا۔ بینک ریٹیل سیگمنٹ، ارزاں ڈپازٹس اور سیونگنز ڈپازٹس میں مارکیٹ شیئر بڑھانے کا ارادہ رکھتا ہے جو برانچ نیٹ ورک کی توسیع کے ساتھ اچھی طرح مطابقت رکھتے ہیں۔ ڈیجیٹل ارتقا اور عمل میں بہتری کے سلسلے میں ڈل مارکیٹ سیگمنٹ پر بنیادی توجہ کے ساتھ تجارتی حجم کو بڑھانے پر زور دیا جائے گا۔ بینک سماجی ہم آہنگی کے کلچر کو فروغ دے رہا ہے اور ایک سماجی طور پر باشعور ادارے کے طور پر معذور افراد کی ضروریات کے لئے اقدامات کر رہا ہے۔ بینک ہیومن کپٹیل کے تحفظ اور حقوق کی پاسداری میں اپنی جہد جاری رکھے ہوئے ہے جس سے باہمی اشتراک اور سروس کلچر کو فروغ ملے گا۔

بینک سیلاب متاثرین کے لئے مالی مدد اور سماجی خدمات کے عمل کو جاری رکھے ہوئے ہے اور ان کی آباد کاری کے لئے ہر قسم کے تعاون اور عطیات فراہم کر رہا ہے۔ آزمائش کی گھڑی میں بینک ایثار کے جذبے سے سرشار، ہم وطنوں کی مدد اور خدمت کے سفر کو جاری رکھے ہوئے ہے جو مکمل بحالی ہو جانے تک یونہی چلتا رہے گا۔

اعترافات:

بورڈ کی جانب سے، ہم عسکری برانڈ کی مسلسل سرپرستی پر اپنے قابل قدر صارفین اور حصص یافتگان کے بے حد مشکور ہیں۔ ہم اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی جانب سے رہنمائی اور معاونت کا بھی شکریہ ادا کرتے ہیں۔ ہم، عسکری اخلاص اسلامی بینکاری کے لیے شریعہ کی تعمیل اور گورننس فریم ورک کو مضبوط بنانے کے لیے شریعہ بورڈ کی کوششوں کو بھی سراہنا چاہیں گے۔ آخر میں، ہم سخت محنت اور لگن کے لیے اپنے عملے کو ان کی بہترین کارکردگی کے اعتراف میں سرہاتے ہیں اور شکریہ ادا کرتے ہیں۔

دستخط
وقار احمد ملک
چیئر مین، بورڈ آف ڈائریکٹرز

دستخط
عاطف ریاض بخاری
صدر و چیف ایگزیکٹو

راولپنڈی

18 اکتوبر 2022

مالیاتی کارکردگی:

30 ستمبر 2022 کو ختم ہونے والے نو ماہی مدت کے لئے عسکری بینک کے مالی نتائج کا خلاصہ درج ذیل ہے:

(روپے ملین میں)		
30 ستمبر 2021	30 ستمبر 2022	
31,206	38,128	خالص مارک اپ اور نان فنڈ آمدن
(15,984)	(16,896)	انتظامی اور دیگر اخراجات
15,222	21,232	آپریٹنگ منافع
(4,059)	(181)	خالص پروویژن اور رائٹ آف۔ نیٹ
11,164	21,051	قبل از ٹیکس منافع
(4,370)	(10,302)	ٹیکس
6,794	10,749	بعد از ٹیکس منافع
5.39	8.53	بنیادی فی حصص آمدن روپے

الحمد للہ عسکری بینک لمیٹڈ نے رواں نو ماہ کے دوران مضبوط مالی کارکردگی کا مظاہرہ کیا اور ٹیکس سے قبل اور بعد میں بالترتیب 89 فیصد اور 58 فیصد منافع حاصل کیا۔ وفاقی بجٹ 2022-23 میں اعلان کردہ ہوش ربا انکم ٹیکس لیوی کی وجہ سے بعد از منافع ٹیکس میں اضافہ متاثر ہوا۔ موجودہ مدت کے لئے فی حصص آمدنی 8.53 روپے رہی جبکہ پچھلے سال 5.39 روپے تھی۔

مجموعی خالص آمدنی میں 22 فیصد اضافہ ہوا، خالص مارک اپ آمدنی میں 19 فیصد اضافہ ہوا جس کی بنیادی وجہ اوسط بیلنس شیٹ کے حجم میں 35 فیصد اضافہ ہے۔ تاہم، نیٹ اسپریڈ میں کمی واقع ہوئی کیونکہ مالیاتی سختی کی وجہ سے کسٹمر ڈپازٹ پر منافع کی شرح میں فوری طور پر اضافہ ہوا، نان فنڈ آمدنی میں 35 فیصد اضافہ ہوا۔ فیس اور کمیشن کی آمدنی میں 21 فیصد اضافہ ہوا، جس کی وجہ سے ذرائع آمدن میں دہرے ہندسوں میں اضافہ دیکھا گیا۔ خاص طور پر کارڈ بزنس میں جو فیس بیس کے تقریباً 23 فیصد کی نمائندگی کرتا ہے، سال بہ سال 40 فیصد اضافہ ہوا ہے۔ اس میں برانچ بینکنگ میں 34 فیصد اور تجارت اور گارنٹی آمدنی میں 29 فیصد اضافہ ہوا۔ اس کے ساتھ ساتھ بینک کے ٹریڈری کی جانب سے ایک مستحکم کارکردگی کا مظاہرہ کیا گیا۔ موجودہ مدت کے انہی نو ماہ کے دوران آپریٹنگ اخراجات میں 3 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ رواں سال کی پہلی سہ ماہی کے دوران رضا کارانہ علیحدگی کی اسکیم کی ایک بار کی لاگت کے اثرات ہیں۔ تقابلی بنیادوں پر، آپریٹنگ اخراجات میں 11 فیصد اضافہ ہوا ہے جس کی وجہ بلند افراط زر، ٹرانزیکشن پر مبنی مہنگی متغیر لاگت اور ٹیکنالوجی اور انفرا سٹرکچر میں مسلسل سرمایہ کاری ہے۔ موازنہ کی بنیاد پر مجموعی طور پر آپریٹنگ لاگت اور آمدنی کا تناسب رواں نو ماہ کے دوران بہتر ہو کر 44.3 فیصد ہو گیا جو گزشتہ سال کی اسی مدت کے لیے 47.6 فیصد تھا۔ رواں مدت کے دوران مجموعی پروویژن تیزی سے کم ہو کر 181 ملین روپے رہ گئیں جو گزشتہ سال 4.059 ارب روپے تھیں۔

رواں نو ماہ کے دوران کسٹمر ڈپازٹس میں 12 فیصد اضافہ ہوا اور یہ 1.138 ٹریلین روپے تک پہنچ گئے جن میں کرنٹ اور سیونگ اکاؤنٹس شامل ہیں۔ جو اس مدت کے اختتام تک کل ڈپازٹ کا 77 فیصد ہیں۔ مجموعی ایڈوانسز میں 15.6 فیصد اضافہ ہوا جو سال 2021 کے اختتام پر 508 ارب روپے سے بڑھ کر 30 ستمبر 2022

ڈائریکٹرز کی جائزہ رپورٹ

عزیز حصص داران

ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والے سہ ماہی اور نو ماہی مدت کے لئے غیر آڈٹ شدہ مختصر عبوری غیر مدغم شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

معیشت:

پاکستان کی معیشت میں افراط زر اور بیرونی دباؤ زیادہ دیکھا گیا اس کے ساتھ ساتھ مالی اور بیرونی عدم توازن، سخت پالیسیز اور حالیہ سیلاب کے باعث معاشی چیلنجوں میں مزید اضافہ ہوا ہے۔ سیلاب کی وجہ سے فصلوں کے بڑے پیمانے پر نقصانات اور فصلوں کی دستیابی میں خلل نے زراعت پر منفی اثرات مرتب کیئے جس کے نتیجے میں صنعتی اور دیگر سروسز، خاص طور پر ٹیکسٹائل سیکٹر کا کپاس پر انحصار متاثر ہوگا۔ سیلاب کے باعث انفراسٹرکچر کو ہونے والے نقصانات کی وجہ سے پیداوار طویل عرصے تک دباؤ کا شکار رہے گی۔ نقصانات کے ابتدائی تخمینے کی بنیاد پر موجودہ مالی سال کے لئے جی ڈی پی کی شرح نمو کا تخمینہ تقریباً 2 فیصد لگایا گیا ہے جبکہ سیلاب سے پہلے 3 سے 4 فیصد کی پیش گوئی کی گئی تھی، جس سے انتہائی اہم اقتصادی ایڈجسٹمنٹ میں تاخیر متوقع ہے۔

اجناس کی بین الاقوامی قیمتوں میں اضافہ، خوراک، تیل اور توانائی کے ساتھ ساتھ پاکستانی روپے کی قدر میں کمی نے افراط زر کو 14 سال کی بلند ترین سطح پر پہنچا دیا ہے۔ بنیادی افراط زر ستمبر 2022 کے لئے 23.2 فیصد سالانہ ریکارڈ کیا گیا جبکہ پچھلے سال کے اسی مہینے میں 9.0 فیصد تھا۔ اگرچہ توانائی کی قیمتوں میں انتظامی مداخلت کی وجہ سے ماہ بہ ماہ کی قیمتوں میں اضافے میں کمی دکھائی دے رہی ہے۔

رواں مالی سال کے دوران جولائی تا اگست کرنٹ اکاؤنٹ میں 1.9 ارب ڈالر کا خسارہ ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے میں یہ خسارہ 2.4 ارب ڈالر تھا جو توانائی اور غیر توانائی درآمدات اور مستحکم برآمدات دونوں میں کمی کی عکاسی کرتا ہے۔ برآمدات 1.8 فیصد اضافے کے ساتھ 7.0 ارب ڈالر جبکہ درآمدات 12.7 فیصد کمی کے ساتھ 18.7 ارب ڈالر رہیں۔ ترسیلات زر میں 3.2 فیصد کمی ریکارڈ کی گئی تاہم جون 2020 سے اب تک ترسیلات زر 2.0 ارب ڈالر سے زیادہ رہیں۔

مستقبل قریب میں، سیلاب کی وجہ سے اشیائے خورد و نوش کی فراہمی میں رکاوٹ کے باعث بنیادی افراط زر میں اضافے کی توقع ہے، جس میں رواں مالی سال کی دوسری ششماہی میں کمی متوقع ہے۔ محتاط مانیٹری پالیسی کے تسلسل اور پاکستانی روپے میں منظم نقل و حرکت سے بنیادی افراط زر کو قابو پانے میں مدد ملے گی جبکہ غذائی افراط زر پر قابو پانے، سپلائی چین کی رکاوٹوں کو دور کرنے اور ضروری درآمدات پر قابو پانے کے لئے انتظامی اقدامات شروع کیے جانے چاہئیں۔

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

		(Un-audited)	(Audited)
		September 30,	December 31,
		2022	2021
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	86,251,498	89,432,245
Balances with other banks	7	11,167,597	3,454,829
Lendings to financial institutions	8	-	-
Investments	9	848,531,575	616,361,158
Advances	10	556,176,979	477,588,237
Fixed assets	11	20,325,421	20,166,875
Intangible assets	12	1,303,264	1,183,265
Deferred tax assets	13	6,039,829	5,168,183
Other assets	14	64,953,809	45,789,317
		<u>1,594,749,972</u>	<u>1,259,144,109</u>
LIABILITIES			
Bills payable	15	10,332,818	10,235,374
Borrowings	16	314,215,588	123,563,761
Deposits and other accounts	17	1,137,550,814	1,015,430,068
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	53,468,729	42,012,413
		<u>1,527,567,949</u>	<u>1,203,241,616</u>
NET ASSETS		<u><u>67,182,023</u></u>	<u><u>55,902,493</u></u>
REPRESENTED BY			
Share capital		12,602,602	12,602,602
Reserves		43,449,005	32,730,297
Surplus on revaluation of assets - net of tax	20	1,460,103	1,963,619
Unappropriated profit		9,670,313	8,605,975
		<u><u>67,182,023</u></u>	<u><u>55,902,493</u></u>
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

-sd-
Chief Financial Officer

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President & Chief Executive

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Director

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Director

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Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and nine months ended September 30, 2022

	Note	For the quarter ended		For the nine months ended	
		September 30,	September 30,	September 30,	September 30,
		2022	2021	2022	2021
(Rupees in '000)					
Mark-up / return / interest earned	23	48,119,339	20,391,026	109,841,623	55,821,832
Mark-up / return / interest expensed	24	36,264,239	11,645,115	80,743,674	31,293,292
Net mark-up / interest income		11,855,100	8,745,911	29,097,949	24,528,540
Non mark-up / interest income					
Fee and commission income	25	1,250,135	1,104,110	3,792,857	3,126,965
Dividend income		112,682	132,407	298,297	325,886
Foreign exchange income		1,829,293	675,708	4,442,492	2,115,168
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	167,654	23,747	183,483	814,286
Other income	27	85,910	86,329	312,578	295,393
Total non-markup / interest income		3,445,674	2,022,301	9,029,707	6,677,698
Total income		15,300,774	10,768,212	38,127,656	31,206,238
Non mark-up / interest expenses					
Operating expenses	28	6,208,603	5,054,965	16,426,968	15,944,885
Workers' Welfare Fund		107,561	12,763	301,754	32,920
Other charges	29	13,357	425	166,978	6,036
Total non-markup / interest expenses		6,329,521	5,068,153	16,895,700	15,983,841
Profit before provisions		8,971,253	5,700,059	21,231,956	15,222,397
Provisions and write offs - net	30	70,596	1,278,503	180,736	4,058,524
Extraordinary / unusual items		-	-	-	-
Profit before taxation		8,900,657	4,421,556	21,051,220	11,163,873
Taxation	31	4,460,893	1,738,690	10,302,193	4,369,611
Profit after taxation		4,439,764	2,682,866	10,749,027	6,794,262
		Rupees		Rupees	
Basic earnings per share	32	3.52	2.13	8.53	5.39

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

 -sd-
Chief Financial Officer

 -sd-
President & Chief Executive

 -sd-
Director

 -sd-
Director

 -sd-
Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter and nine months ended September 30, 2022

	For the quarter ended		For the nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)			
Profit after taxation	4,439,764	2,682,866	10,749,027	6,794,262
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in Wholesale Bank Branch	482,420	221,059	1,037,830	198,455
Movement in deficit on revaluation of investments - net of tax - note 20	(2,740,156)	(1,301,349)	(503,516)	(1,914,015)
	(2,257,736)	(1,080,290)	534,314	(1,715,560)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement of defined benefit plan	(2,954)	-	(3,811)	28,813
Movement in surplus on revaluation of non-banking assets	-	2,129	-	(31,490)
	(2,954)	2,129	(3,811)	(2,677)
Total comprehensive income	<u>2,179,074</u>	<u>1,604,705</u>	<u>11,279,530</u>	<u>5,076,025</u>

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Financial Officer-sd-
President & Chief Executive-sd-
Director-sd-
Director-sd-
Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the nine months ended September 30, 2022

	For the nine months ended	
	September 30, 2022	September 30, 2021
Note	(Rupees in '000)	
Cash flow from operating activities		
Profit before taxation	21,051,220	11,163,873
Less: dividend income	(298,297)	(325,886)
	<u>20,752,923</u>	<u>10,837,987</u>
Adjustments:		
Depreciation	680,078	738,906
Amortization	104,862	144,075
Depreciation on ROU assets	1,178,008	1,072,385
Markup expense on lease liability against ROU assets	675,029	676,160
Termination of lease contracts under IFRS - 16 Leases	(13,700)	(2,649)
Charge for defined benefit plan	339,435	218,571
Provisions and write offs - net	235,789	4,138,650
Unrealised loss on held for trading securities	2,215	-
Gain on sale of non - banking assets	-	-
Gain on sale of fixed assets	(39,398)	(5,579)
	<u>3,162,318</u>	<u>6,980,519</u>
	<u>23,915,241</u>	<u>17,818,506</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	(25,473,790)
Held for trading securities	(264,229)	-
Advances	(79,375,816)	(58,252,554)
Other assets (excluding advance taxation)	(21,229,555)	465,314
	<u>(100,869,600)</u>	<u>(83,261,030)</u>
Increase / (decrease) in operating liabilities		
Bills payable	97,444	(1,500,831)
Borrowings from financial institutions	190,651,827	(9,193,107)
Deposits	122,120,746	214,834,355
Other liabilities (excluding current taxation)	12,166,081	(463,004)
	<u>325,036,098</u>	<u>203,677,413</u>
Net cash flow generated from operations	<u>248,081,739</u>	<u>138,234,889</u>
Payment made to defined benefit plan	(412,111)	-
Income tax paid	(8,125,641)	(4,994,160)
Net cash flow generated from operating activities	<u>239,543,987</u>	<u>133,240,729</u>
Cash flow from investing activities		
Net investments in available for sale securities	(238,434,646)	(99,150,578)
Net investments in held to maturity securities	4,544,024	(27,580,783)
Dividend received	287,073	282,540
Investments in operating fixed assets - net of adjustments	(811,039)	(671,934)
Investments in intangible assets	(221,680)	(201,691)
Proceeds from sale of fixed assets	58,745	12,408
Effect of translation of net investment in Wholesale Bank Branch	1,037,830	198,455
Net cash used in investing activities	<u>(233,539,693)</u>	<u>(127,111,583)</u>
Cash flow from financing activities		
Receipts / (payments) of subordinated debts - net	-	-
Payments against lease liabilities	(1,464,791)	(1,320,264)
Dividend paid	(7,490)	(3,732,564)
Net cash flow used in financing activities	<u>(1,472,281)</u>	<u>(5,052,828)</u>
Increase in cash and cash equivalents	<u>4,532,013</u>	<u>1,076,318</u>
Cash and cash equivalents at beginning of the period	<u>92,887,082</u>	<u>81,606,012</u>
Cash and cash equivalents at end of the period	<u><u>97,419,095</u></u>	<u><u>82,682,330</u></u>

The annexed notes 1 to 38 form an integral part of these unconsolidated condensed interim financial statements.

-sd-
Chief Financial Officer

-sd-
President & Chief Executive

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the nine months ended September 30, 2022

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on September 30, 2022. The ultimate parent of the Bank is Fauji Foundation. The Bank has 571 branches (2021: 560 branches); 570 in Pakistan and Azad Jammu and Kashmir including 106 (2021: 101) Islamic Banking branches and 57 (2021: 56) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

- 2.1.1 These unconsolidated condensed interim financial statements represent separate financial statements of Askari Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.
- 2.1.2 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.1.3 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

2.2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

- 2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 was made applicable to banks for accounting periods beginning on or after January 01, 2022. Subsequently, SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022 extended the date of implementation to January 01, 2023. 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 valued in accordance with the requirement prescribed by the SBP through various circulars.
- 2.2.3 IFRS10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.2.4 These unconsolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' and 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 of the Bank for the financial year ended December 31, 2021.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2021.

3.1 **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain interpretations and amendments to existing accounting and reporting standards that have become applicable for the Bank's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements.

3.2 **Standards, interpretations of and amendments to published approved accounting standards that are not yet effective**

As per the SBP's BPRD Circular Letter no. 03 dated July 05, 2022, the applicability of IFRS 9, Financial Instruments has been deferred to accounting periods beginning on or after January 01, 2023. The impact of the application of IFRS 9 on the Bank's financial statements is being assessed.

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

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of audited annual unconsolidated financial statements for the year ended December 31, 2021.

5. **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.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
6. CASH AND BALANCES WITH TREASURY BANKS		
	Rupees in '000	
<i>In hand:</i>		
Local currency	23,380,935	21,150,705
Foreign currencies	5,053,763	4,059,596
	<u>28,434,698</u>	<u>25,210,301</u>
<i>With the State Bank of Pakistan in:</i>		
Local currency current accounts	44,558,943	46,087,959
Foreign currency current accounts	6,169,736	4,898,891
Foreign currency deposit accounts	5,605,318	9,278,909
	56,333,997	60,265,759
<i>With National Bank of Pakistan in:</i>		
Local currency current accounts	1,462,552	3,833,104
Prize Bonds	20,251	123,081
	<u>86,251,498</u>	<u>89,432,245</u>
7. BALANCES WITH OTHER BANKS		
<i>In Pakistan</i>		
In current accounts	897,842	455,110
In deposit accounts	-	-
	<u>897,842</u>	<u>455,110</u>
<i>Outside Pakistan</i>		
In current accounts	2,538,431	1,425,930
In deposit accounts	7,731,330	1,573,797
	10,269,761	2,999,727
Provision held against balances with other banks	(6)	(8)
	<u>11,167,597</u>	<u>3,454,829</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	-	-
Repurchase agreement lendings (Reverse Repo)	126,316	148,606
Provision held against lending to financial institutions	(126,316)	(148,606)
Lending to financial institutions - net of provision	<u>-</u>	<u>-</u>

9. **INVESTMENTS**

	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value

(Rupees in '000)

9.1 **Investments by type:**

Held for trading securities

Federal Government Securities	-	-	-	-	-	-	-	-
Fully paid ordinary shares	264,229	-	(2,215)	262,014	-	-	-	-
	264,229	-	(2,215)	262,014	-	-	-	-

Available for sale securities

Federal Government Securities	720,902,517	(93,982)	(9,960,233)	710,848,302	482,298,535	(50,489)	(8,400,351)	473,847,695
Shares	5,870,702	(996,367)	83,233	4,957,568	4,870,194	(432,993)	56,617	4,493,818
Units of open end mutual funds	750,000	(143,904)	52,576	658,672	1,510,609	(140,558)	140,194	1,510,245
Fully paid preference shares	27,314	(11,914)	650	16,050	27,314	(11,914)	651	16,051
Non Government Debt Securities	13,437,751	(1,347,040)	234,821	12,325,532	13,316,295	(1,386,785)	62,687	11,992,197
Foreign securities	-	-	-	-	530,691	(3,965)	5,469	532,195
	740,988,284	(2,593,207)	(9,588,953)	728,806,124	502,553,638	(2,026,704)	(8,134,733)	492,392,201

Held to maturity securities

Federal Government Securities	117,618,975	(119,092)	-	117,499,883	120,213,557	(136,355)	-	120,077,202
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	1,808,279	(10,344)	-	1,797,935	3,757,721	(31,585)	-	3,726,136
	119,537,254	(239,436)	-	119,297,818	124,081,278	(277,940)	-	123,803,338

Subsidiary

Askari Securities Limited	165,619	-	-	165,619	165,619	-	-	165,619
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Total investments	860,955,386	(2,832,643)	(9,591,168)	848,531,575	626,800,535	(2,304,644)	(8,134,733)	616,361,158
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(Un-audited) (Audited)
September 30, December 31,
2022 2021

(Rupees in '000)

9.1.1 **Investments given as collateral**

The market value of investment given as collateral is as follows

Market Treasury Bills	54,292,391	9,967,040
Pakistan Investment Bonds	202,924,070	31,984,000
Euro Bonds	-	7,386,911
Turkish Euro Bonds	1,798,740	596,977
Sukuk	-	4,372,827
Shares	217,203	161,829
	<u>259,232,404</u>	<u>54,469,584</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
9.2 Provision for diminution in value of investments	(Rupees in '000)	
9.2.1 Opening balance	2,304,644	2,116,583
Exchange adjustments	57,831	21,835
Charge / (reversals)		
Charge for the period / year	623,997	277,764
Reversal under IFRS 9 related to WBB for the period / year	(56,806)	(38,547)
Reversals for the period / year	(69,692)	(69,986)
Net charge	497,499	169,231
Reversal on disposals	(27,331)	(3,005)
Closing balance	<u>2,832,643</u>	<u>2,304,644</u>

9.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
	(Rupees in '000)			
Domestic				
Loss	<u>1,457,040</u>	<u>1,457,040</u>	<u>1,496,785</u>	<u>1,496,785</u>

9.2.3 In addition to the above, Bank's Bahrain branch holds general provision of Rs 223,190 thousand (December 31, 2021: Rs 222,394 thousand) against investments in accordance with ECL requirement of IFRS 9.

9.3 The market value of securities classified as held to maturity as at September 30, 2022 amounts to Rs. 108,095,957 thousand (2021: Rs. 122,430,448 thousand).

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	449,929,604	383,720,771	26,671,187	25,413,635	476,600,791	409,134,406
Islamic financing and related assets	83,547,027	69,979,661	2,957,538	2,885,460	86,504,565	72,865,121
Bills discounted and purchased	22,277,575	22,950,694	1,809,338	2,866,232	24,086,913	25,816,926
Advances - gross	555,754,206	476,651,126	31,438,063	31,165,327	587,192,269	507,816,453
Provision against advances						
- Specific	-	-	(29,261,419)	(28,518,930)	(29,261,419)	(28,518,930)
- General	(1,753,871)	(1,709,286)	-	-	(1,753,871)	(1,709,286)
	(1,753,871)	(1,709,286)	(29,261,419)	(28,518,930)	(31,015,290)	(30,228,216)
Advances - net of provision	554,000,335	474,941,840	2,176,644	2,646,397	556,176,979	477,588,237

10.1 Particulars of advances (Gross)

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
In local currency	543,785,342	465,203,559
In foreign currencies	43,406,927	42,612,894
	587,192,269	507,816,453

10.2 Advances include Rs. 31,438,063 thousand (2021: Rs. 31,165,327 thousand) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing	Provision	Non Performing	Provision
	Loans			
Domestic	(Rupees in '000)			
Other Assets Especially Mentioned	190,184	874	140,824	445
Substandard	1,869,026	429,245	1,576,529	308,449
Doubtful	507,596	223,857	1,223,288	570,556
Loss	28,871,257	28,607,443	28,012,320	27,616,118
	31,438,063	29,261,419	30,952,961	28,495,568
Overseas				
Not past due but impaired	-	-	212,366	23,362
Overdue by				
181 to 365 days	-	-	-	-
	-	-	212,366	23,362
	31,438,063	29,261,419	31,165,327	28,518,930

10.3 Particulars of provision against advances

	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Specific	General (note 10.3.1)	Consumer financing-General	Total	Specific	General	Consumer financing-General	Total
	(Rupees in '000)							
Opening balance	28,518,930	974,026	735,260	30,228,216	24,842,078	887,946	716,026	26,446,050
Exchange adjustment	3,301	36,253	-	39,554	2,207	15,826	-	18,033
Charge for the period / year	2,177,455	100,868	54,310	2,332,633	6,382,786	76,663	93,912	6,553,361
Reversal under IFRS 9 related to WBB	(26,666)	(94,880)	-	(121,546)	-	(5,555)	-	(5,555)
Reversal for the period / year	(1,411,403)	(21,263)	(30,703)	(1,463,369)	(2,597,059)	(854)	(74,678)	(2,672,591)
	739,386	(15,275)	23,607	747,718	3,785,727	70,254	19,234	3,875,215
Amounts written off	(198)	-	-	(198)	(55,851)	-	-	(55,851)
Amounts charged off- agriculture financing	-	-	-	-	(55,231)	-	-	(55,231)
Closing balance	29,261,419	995,004	758,867	31,015,290	28,518,930	974,026	735,260	30,228,216

10.3.1 General provision includes Rs 374,851 thousand (December 31, 2021: Rs 374,851 thousand) due to deferment / restructuring & rescheduling relief allowed by SBP.

10.3.2 The net FSV benefit already availed has reduced by Rs. 217,357 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the period would have been higher by Rs. 217,357 thousand (September 30, 2021: higher by Rs. 89,863 thousand) and Rs. 110,852 thousand (September 30, 2021: higher by Rs. 54,816 thousand) respectively. Further, at September 30, 2022, net of tax benefit for Forced Sales Value (FSV) availed by the Bank under BSD circular No. 1 of 2011 dated October 21, 2011 stood at Rs. 156,691 thousand (December 31, 2021: Rs.320,002 thousand). Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
11. FIXED ASSETS	(Rupees in '000)	
Capital work-in-progress - note 11.1	167,841	111,038
Property and equipment	13,656,215	13,601,560
Right of use asset - IFRS 16	6,501,365	6,454,277
	<u>20,325,421</u>	<u>20,166,875</u>

11.1 This represents civil works in progress during the period.

	(Un-audited)	
	Period ended September 30, 2022	Period ended September 30, 2021
11.2 Additions to fixed assets	(Rupees in '000)	

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

Capital work-in-progress	121,112	45,936
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Property and equipment

Land - freehold	16,970	137,350
Buildings on leasehold	-	1,103
Renovation of premises	56,359	101,318
Furniture, fixtures and office equipment	116,644	118,564
Machine and equipments	248,914	131,522
Computer equipments	230,410	122,341
Vehicles	20,630	13,800
	689,927	625,998
Right of use assets under IFRS 16	630,526	113,094
Total	<u>1,441,565</u>	<u>785,028</u>

11.3 Disposal of fixed assets

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

Renovation of premises	735	579
Furniture, fixtures and office equipment	6,061	2,796
Machine and equipments	7,427	1,377
Computer equipments	-	51
Vehicles	5,124	68
Total	<u>19,347</u>	<u>4,871</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
12. INTANGIBLE ASSETS	(Rupees in '000)	

Computer software	978,863	948,523
Less: Provision against intangibles	-	(1,225)
	978,863	947,298
Capital work in progress	324,401	235,967
	<u>1,303,264</u>	<u>1,183,265</u>

		(Un-audited)	
		Period ended September 30, 2022	Period ended September 30, 2021
		(Rupees in '000)	
12.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	150,144	92,719
	Directly purchased	71,536	46,943
		<u>221,680</u>	<u>139,662</u>
		(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		(Rupees in '000)	
13.	DEFERRED TAX ASSETS		
	Deductible temporary differences on		
	- Post retirement employee benefits	26,593	24,663
	- Accelerated tax depreciation	84,350	100,837
	- Deficit on revaluation of investments	4,123,250	3,172,546
	- Provision against advances	1,805,636	1,870,137
		<u>6,039,829</u>	<u>5,168,183</u>
14.	OTHER ASSETS		
	Income / mark-up accrued in local currency - net of provision	36,067,253	18,861,858
	Income / mark-up accrued in foreign currencies	1,711,990	694,389
	Advances, deposits, advance rent and other prepayments	1,764,980	441,073
	Advance taxation (payments less provisions)	4,129,048	6,224,368
	Non-banking assets acquired in satisfaction of claims	1,435,230	1,446,968
	Due from State Bank of Pakistan	1,017,985	667,793
	Mark to market gain on forward foreign exchange contracts - net	383,970	341,824
	Stationary and stamps in hand	80,886	74,065
	Dividend receivable	12,445	1,221
	Acceptances	15,465,596	14,601,271
	Clearing and settlement accounts	-	359,687
	Others	1,351,756	530,755
		<u>63,421,139</u>	<u>44,245,272</u>
	Provision held against other assets - note 14.1	(187,220)	(175,845)
	Other assets - net of provision	63,233,919	44,069,427
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,719,890	1,719,890
	Other assets - total	<u>64,953,809</u>	<u>45,789,317</u>
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	4,837	4,838
	Others	182,382	171,008
		<u>187,219</u>	<u>175,846</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
(Rupees in '000)		
14.1.1 Movement in provision held against other assets		
Opening balance	175,845	209,778
Charge for the period / year	11,456	415
Reversals for the period / year	(82)	(34,348)
Net charge / (reversal) for the period / year	11,374	(33,933)
Closing balance	187,219	175,845
15. BILLS PAYABLE		
In Pakistan	10,332,818	10,235,374
16. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	15,447,991	20,497,570
Long term financing facility	10,326,337	9,725,125
Financing facility for storage of agricultural produce	51,697	73,853
Renewable energy financing facility	4,007,920	3,672,929
Credit guarantee scheme for women entrepreneurs	133	606
Payment of wages and salaries	2,479,488	7,485,233
Temporary economic relief	9,705,042	5,506,824
Modernisation of SME	13,097	10,743
Combating COVID-19	571,378	279,357
Working capital financing of small enterprises and low-end medium enterprises	-	-
Rupee based discounting of export bills / receivable	2,524,581	-
	45,127,664	47,252,240
Repurchase agreement borrowings		
State Bank of Pakistan	206,986,960	32,000,000
Financial institutions	54,554,928	18,910,076
	261,541,888	50,910,076
Refinance from Pakistan Mortgage Refinance Company	3,366,079	2,372,387
Total secured	310,035,631	100,534,703
Unsecured		
Call borrowings	2,284,520	21,713,480
Financial institutions	1,484,938	970,824
Overdrawn nostro accounts	410,499	344,754
Total unsecured	4,179,957	23,029,058
	314,215,588	123,563,761

	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
17. DEPOSITS AND OTHER ACCOUNTS						
Customers						
Current accounts	305,127,672	26,800,903	331,928,575	282,967,438	24,864,069	307,831,507
Savings deposits	477,091,745	61,828,327	538,920,072	447,108,954	50,866,257	497,975,211
Fixed deposits	228,850,904	26,906,555	255,757,459	183,802,414	18,794,731	202,597,145
	1,011,070,321	115,535,785	1,126,606,106	913,878,806	94,525,057	1,008,403,863
Financial institutions						
Current accounts	1,025,905	99,447	1,125,352	1,449,604	62,980	1,512,584
Savings deposits	1,549,378	-	1,549,378	1,931,912	-	1,931,912
Fixed deposits	8,269,978	-	8,269,978	3,581,709	-	3,581,709
	10,845,261	99,447	10,944,708	6,963,225	62,980	7,026,205
	1,021,915,582	115,635,232	1,137,550,814	920,842,031	94,588,037	1,015,430,068

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
	(Rupees in '000)	
18. SUBORDINATED DEBTS		
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	12,000,000	12,000,000

18.1 The Bank has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Bank's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Bank including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	117-120th month (4 equal quarterly installments of 25%
Profit Rate	Base Rate plus 1.50%	Base Rate plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
19. OTHER LIABILITIES	(Rupees in '000)	
Mark-up / return / interest payable in local currency	11,400,366	4,528,899
Mark-up / return / interest payable in foreign currencies	218,727	275,197
Unearned commission and income on bills discounted	2,365,173	2,293,929
Accrued expenses	1,674,383	2,959,114
Advance payments	396,031	396,609
Acceptances	15,465,596	14,601,271
Dividends payable	197,047	204,537
Branch adjustment account	3,248,933	361,638
Payable to defined benefit plan	253,137	280,287
Provision for employees compensated absences	661,148	701,725
Security deposit against lease / Ijarah financing	4,367,040	4,395,134
Levies and taxes payable	457,861	353,223
Workers' Welfare Fund	730,337	428,583
Clearing and settlement accounts	179,354	-
Provision against off-balance sheet obligations - note 19.1	147,107	1,143,768
Lease liability against ROU assets as per IFRS - 16 Leases	7,807,621	7,393,878
Islamic pool management reserve	-	51,630
Others	3,898,868	1,642,991
	<u>53,468,729</u>	<u>42,012,413</u>

19.1 Provision against off-balance sheet obligations

Opening balance	1,143,768	100,356
Exchange adjustment	633	163
Charge for the period / year	-	1,043,249
Reversal for the period / year	(997,294)	-
Net (reversal) / charge	(997,294)	1,043,249
Closing balance	<u>147,107</u>	<u>1,143,768</u>

20. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

- Available for sale securities - note 20.1	(9,588,953)	(8,134,733)
- Fixed Assets	5,205,916	5,205,916
- Non-banking assets acquired in satisfaction of claims	1,719,890	1,719,890
	(2,663,147)	(1,208,927)

Deferred tax on deficit on revaluation of:

- Available for sale securities	4,123,250	3,172,546
	<u>1,460,103</u>	<u>1,963,619</u>

20.1 Pursuant to relaxation provided by the SBP, the Bank has availed the benefit of staggering the unrealized loss on PIBs having aggregate face value of Rs 85,168 million at 30 September 2022. Accordingly, the Bank has reversed an amount of revaluation loss of Rs. 7,388 million upto 30 September 2022 on such PIBs and will recognize the same in accordance with the criteria prescribed by SBP. Had the revaluation loss not been reversed in these unconsolidated condensed interim financial statements the carrying value of investments as at 30 September 2022 would have been lower by Rs. 7,388 million, other comprehensive income for the period ended 30 September 2022 and surplus on revaluation of assets - net of tax at 30 September 2022 would have been lower by Rs. 4,211 million and deferred tax asset at 30 September 2022 would have been higher by Rs. 3,177 million.

Pursuant to relaxation, the Bank is required to adjust the outstanding staggered amount of revaluation deficit from distributable profits, for declaring cash dividend (if any), during the relaxation period.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
21. CONTINGENCIES AND COMMITMENTS	(Rupees in '000)	
- Guarantees - note 21.1	306,923,226	274,886,748
- Commitments - note 21.2	536,480,569	396,004,041
- Other contingent liabilities - note 21.3	1,260,737	1,095,098
	<u>844,664,532</u>	<u>671,985,887</u>
21.1 Guarantees		
Financial guarantees	7,178,123	6,015,847
Performance guarantees	179,221,703	155,588,123
Other guarantees	120,523,400	113,282,778
	<u>306,923,226</u>	<u>274,886,748</u>
21.2 Commitments		
Documentary credits and short-term trade-related transactions		
- letters of credit	215,840,579	190,672,407
Commitments in respect of:		
- forward foreign exchange contracts - note 21.2.1	316,004,852	201,560,195
- non government securities transactions - note 21.2.2	4,358,857	3,639,700
Commitments for acquisition of:		
- operating fixed assets	63,645	31,295
- intangible assets	212,636	100,444
	<u>536,480,569</u>	<u>396,004,041</u>
21.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	170,459,300	117,506,977
Sale	145,545,552	84,053,218
	<u>316,004,852</u>	<u>201,560,195</u>
The above commitments have maturities falling within one year.		
21.2.2 Commitments in respect of non government securities transactions		
Purchase	4,289,700	3,639,700
Sale	69,157	-
	<u>4,358,857</u>	<u>3,639,700</u>
21.3 Other contingent liabilities		
These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and accordingly no provision has been made in these condensed interim unconsolidated financial statements.		
	<u>1,260,737</u>	<u>1,095,098</u>

22. DERIVATIVE INSTRUMENTS

The Bank at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		For the nine months ended	
		September 30, 2022	September 30, 2021
23. MARK-UP / RETURN / INTEREST EARNED		(Rupees in '000)	
On:			
Loans and advances		44,264,032	23,971,732
Investments		64,800,052	31,517,996
Lendings to financial institutions		146,492	67,212
Balances with banks		59,681	7,356
Securities purchased under resale agreements		571,366	257,536
		<u>109,841,623</u>	<u>55,821,832</u>
24. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		53,803,112	25,320,985
Borrowings		23,439,247	2,658,557
Subordinated debts		1,261,846	790,508
Cost of foreign currency swaps against foreign currency deposits / borrowings		1,564,440	1,847,082
Interest expense on lease liability against ROU assets		675,029	676,160
		<u>80,743,674</u>	<u>31,293,292</u>
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		632,397	473,329
Consumer finance related fees		80,613	83,092
Card related fees (debit and credit cards)		880,658	627,174
Credit related fees		322,725	193,715
Investment banking fees		139,747	111,325
Commission on trade		772,439	644,596
Commission on guarantees		721,235	647,868
Commission on remittances including home remittances		168,393	214,087
Commission on bancassurance		48,423	79,055
Others		26,227	52,724
		<u>3,792,857</u>	<u>3,126,965</u>
26. GAIN ON SECURITIES			
Realised - note 26.1		185,392	814,286
Unrealised		(1,909)	-
		<u>183,483</u>	<u>814,286</u>
26.1 Realised gain on:			
Federal Government Securities		64,455	652,294
Shares		107,779	158,992
Non Government Debt Securities		300	3,000
Mutual Funds		12,858	-
		<u>185,392</u>	<u>814,286</u>

	(Un-audited)	
	For the nine months ended	
	September 30, 2022	September 30, 2021
27. OTHER INCOME	(Rupees in '000)	
Gain on sale of fixed assets	39,398	5,579
Rent of lockers	35,597	38,500
Gain on sale of non banking assets	-	17,551
Recovery of expenses from customers	223,883	231,114
Termination of lease contracts under IFRS - 16 Leases	13,700	2,649
	<u>312,578</u>	<u>295,393</u>
28. OPERATING EXPENSES		
Total compensation expenses - note 28.1	8,433,259	9,693,727
Property expense		
Rent and taxes	114,313	90,103
Insurance	61,666	68,659
Utilities cost	863,192	505,551
Security (including guards)	563,892	370,616
Repair & maintenance (including janitorial charges)	258,065	199,337
Depreciation on ROU assets	1,178,008	1,072,385
Depreciation	208,207	245,561
	3,247,343	2,552,212
Information technology expenses		
Software maintenance	391,405	320,125
Hardware maintenance	59,392	29,218
Depreciation	134,964	127,563
Amortisation	104,862	144,075
Network charges	236,908	141,678
	927,531	762,659
Other operating expenses		
Directors' fees, allowances	26,000	55,512
Fees and allowances to shariah board	6,886	5,205
Rates, taxes, insurance etc.	152,909	146,794
Legal and professional charges	103,775	122,336
Brokerage and commission	117,948	88,215
NIFT clearing charges	48,120	53,635
Repair and maintenance	338,852	189,712
Communications	526,239	368,634
Stationery and printing	276,311	190,828
Marketing, advertisement and publicity	144,496	62,637
Donations	351,447	146,134
Auditors' remuneration	29,474	24,775
Travelling, conveyance and entertainment	218,127	146,311
Depreciation	336,907	365,782
Security service charges	289,178	222,258
Training and development	17,423	4,096
Deposit premium expense	485,575	431,235
Outsourced service cost	83,027	19,019
Other expenditure	266,141	293,169
	3,818,835	2,936,287
	<u>16,426,968</u>	<u>15,944,885</u>
28.1 Total compensation expense		
Managerial remuneration	6,508,365	7,658,540
Charge for defined benefit / contribution plan	553,197	553,987
Other staff cost - note 28.1.1	1,371,697	1,481,200
	<u>8,433,259</u>	<u>9,693,727</u>

28.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance etc.

29. This represents penalties imposed by the State Bank of Pakistan.

	(Un-audited)	
	For the nine months ended	
	September 30, 2022	September 30, 2021
30. PROVISIONS AND WRITE OFFS - NET	(Rupees in '000)	
Provision / (reversal of provision) for diminution in value of investments	497,499	22,976
Provision against loans and advances	747,718	4,059,989
Provision / (reversal of provision) against other assets	11,374	53
Reversal of provision against fixed assets	(1,225)	(2,116)
(Reversal of provision) / against off-balance sheet obligations	(997,294)	57,740
Provision against cash and bank balances	8	8
Reversal of provision against repurchase agreement lendings	(22,291)	-
Recovery of written off / charged off bad debts	(55,053)	(80,126)
	<u>180,736</u>	<u>4,058,524</u>
31. TAXATION		
Current	10,220,961	4,510,551
Deferred	81,232	(140,940)
	<u>10,302,193</u>	<u>4,369,611</u>
31.1 Tax Status		

i)

The Bank has filed tax returns for and up to tax year 2022. The assessments for and up to tax year 2021 were amended by the tax authorities creating accumulated additional tax demand, mainly in the matters of admissibility of recoveries against doubtful debts for Rs 1,086 million, provision for diminution in the value of investments for Rs 2,359 million, bad debts written off for Rs 127.53 million, provision for substandard advances for Rs 74.95 million, Provision against other assets/fixed assets for Rs 141.04 million, disallowance of employee benefit expenses Rs 330.87 Million and Other disallowances of expenses/credits for Rs 291.99 million. Bank's Appeals against these orders are currently pending before Commissioner Appeals, Appellate Tribunal and Islamabad High Court. The management and tax advisor of the Bank are confident that these matters will be decided in favor of the Bank and consequently no provision has been made thereon. Tax payments by the Bank against certain matters are being carried forward as receivable, as management and tax advisor of the Bank are confident of their realization.

ii) Consequent upon the amalgamation with and into the Bank, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re-assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re-assessment.

For and up to the assessment years 2002-2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However, the likelihood of an adverse decision is considered low due to a favorable decision of the High Court in a parallel case.

	(Un-audited)	
	For the nine months ended	
	September 30, 2022	September 30, 2021
32. BASIC EARNINGS PER SHARE		
Profit for the period - Rupees in '000	<u>10,749,027</u>	<u>6,794,262</u>
Weighted average number of Ordinary Shares - numbers	<u>1,260,260,180</u>	<u>1,260,260,180</u>
Basic earnings per share - Rupees	<u>8.53</u>	<u>5.39</u>

There is no dilutive effect on the basic earnings per share of the Bank, therefore dilutive earnings per share have not been presented separately.

33. FAIR VALUE MEASUREMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities other than investment classified as held to maturity are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these unconsolidated condensed interim financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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

33.1 Fair value of financial assets

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) available at MUFAP and Reuters page.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

The following table provides the fair values of those of the Bank's financial assets and liabilities that are recognized or disclosed at fair value in these unconsolidated condensed interim financial statements:

	September 30, 2022 (Un-audited)				
	Carrying / Notional 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	710,848,302	4,569,409	706,278,893	-	710,848,302
Shares	4,369,582	4,369,582	-	-	4,369,582
Units of open end mutual funds	658,672	-	658,672	-	658,672
Fully paid preference shares	16,050	16,050	-	-	16,050
Non Government Debt Securities	12,325,532	-	12,325,532	-	12,325,532
Foreign securities	-	-	-	-	-
	<u>728,218,138</u>	<u>8,955,041</u>	<u>719,263,097</u>	<u>-</u>	<u>728,218,138</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Unlisted shares	850,000	-	-	-	-
Subsidiary	165,619	-	-	-	-
Federal Government Securities	117,499,883	11,565,645	94,741,916	-	106,307,561
Foreign Securities	1,797,935	1,788,396	-	-	1,788,396
Cash and balances with treasury banks	86,251,498	-	-	-	-
Lending to financial institutions	-	-	-	-	-
Balances with other banks	11,167,597	-	-	-	-
Advances	556,176,979	-	-	-	-
Other assets	55,828,613	-	-	-	-
	<u>829,738,124</u>	<u>13,354,041</u>	<u>94,741,916</u>	<u>-</u>	<u>108,095,957</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	170,459,300	-	3,982,245	-	3,982,245
Forward sale of foreign exchange	145,545,552	-	(2,461,592)	-	(2,461,592)

	December 31, 2021 (Audited)				
	Carrying / Notional 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	473,847,695	4,382,885	469,464,810	-	473,847,695
Shares	4,143,818	4,143,818	-	-	4,143,818
Units of open end mutual funds	1,510,245	-	1,510,245	-	1,510,245
Fully paid preference shares	16,051	16,051	-	-	16,051
Non Government Debt Securities	11,992,197	-	11,992,197	-	11,992,197
Foreign securities	532,195	532,195	-	-	532,195
	<u>492,042,201</u>	<u>9,074,949</u>	<u>482,967,252</u>	<u>-</u>	<u>492,042,201</u>
Financial assets - disclosed but not measured at fair value					
Investments					
Unlisted shares	350,000	-	-	-	-
Subsidiary	165,619	-	-	-	-
Federal Government Securities	120,077,202	12,393,260	106,453,893	-	118,847,153
Foreign Securities	3,726,136	3,583,295	-	-	3,583,295
Cash and balances with treasury banks	89,432,245	-	-	-	-
Balances with other banks	3,454,829	-	-	-	-
Advances	477,588,237	-	-	-	-
Other assets	35,887,791	-	-	-	-
	<u>730,682,059</u>	<u>15,976,555</u>	<u>106,453,893</u>	<u>-</u>	<u>122,430,448</u>
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	117,506,977	-	736,509	-	736,509
Forward sale of foreign exchange	84,053,218	-	(394,684)	-	(394,684)

The Bank's policy is to recognize transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer to takes place. There were no transfers between levels 1 and 2 during the year.

33.2 Fair value of non-financial assets	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
	(Rupees in '000)	
	Level 3	Level 3
Fixed assets		
Property and equipment (freehold and leasehold land)	9,706,950	9,689,980
Other assets		
Non-banking assets acquired in satisfaction of claims	3,155,120	3,166,857

34. Segment Information

34.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	September 30, 2022 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(34,912,636)	18,120,390	39,515,848	2,666,306	3,808,935	1,437,092	(1,537,986)	29,097,949
Inter segment revenue - net	54,132,568	(13,290,051)	(42,968,391)	(1,704,375)	-	(385,139)	4,215,388	-
Non mark-up / return / interest income	1,321,716	2,395,191	4,337,648	411,356	395,962	25,921	141,913	9,029,707
Total income	20,541,648	7,225,530	885,105	1,373,287	4,204,897	1,077,874	2,819,315	38,127,656
Segment direct expenses	9,216,907	456,620	245,566	867,840	1,991,175	109,557	4,008,035	16,895,700
Inter segment expense allocation	845,089	575,202	6,416	99,409	-	-	(1,526,116)	-
Total expenses	10,061,996	1,031,822	251,982	967,249	1,991,175	109,557	2,481,919	16,895,700
Provisions	(70,709)	(404,626)	571,758	7,859	167,040	(178,089)	87,503	180,736
Profit before tax	10,550,361	6,598,334	61,365	398,179	2,046,682	1,146,406	249,893	21,051,220
	September 30, 2022 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	37,784,590	2,750,447	48,708,758	-	8,114,195	60,800	305	97,419,095
Investments	-	8,540,831	768,953,060	-	40,446,148	21,985,229	8,606,307	848,531,575
Lendings to financial institutions	-	-	-	-	-	-	-	-
Advances - performing - net of provision	13,057,167	417,250,302	-	20,933,467	83,501,971	12,373,928	6,883,496	554,000,331
Advances - non-performing - net of provision	448,332	455,246	-	194,317	1,078,753	-	-	2,176,648
Others	778,976	27,537,391	19,835,271	639,595	7,318,384	955,000	35,557,706	92,622,323
Total Assets	52,069,065	456,534,217	837,497,089	21,767,379	140,459,451	35,374,957	51,047,814	1,594,749,972
Borrowings	1,427,973	40,488,590	260,519,898	3,366,079	3,211,099	5,201,949	-	314,215,588
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	760,902,941	283,561,335	-	3,499	90,441,374	2,550,506	91,159	1,137,550,814
Net inter segment balances - net	(723,740,575)	109,037,072	572,777,324	17,705,080	31,040,222	26,500,433	(33,319,556)	-
Others	13,691,680	23,447,220	3,986,911	692,721	6,350,498	1,122,071	14,510,446	63,801,547
Total liabilities	52,282,019	456,534,217	837,284,133	21,767,379	131,043,193	35,374,959	(6,717,951)	1,527,567,949
Equity	-	-	-	-	9,416,258	-	57,765,765	67,182,023
Total Equity and liabilities	52,282,019	456,534,217	837,284,133	21,767,379	140,459,451	35,374,959	51,047,814	1,594,749,972
Contingencies and commitments	6,273,110	500,956,157	320,363,709	17,178	15,536,806	-	1,517,572	844,664,532
	September 30, 2021 (Un-audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(16,985,799)	11,002,696	25,772,615	1,929,625	2,886,283	1,035,778	(1,112,658)	24,528,540
Inter segment revenue - net	27,782,971	(8,349,466)	(21,413,681)	(994,192)	-	(64,387)	3,038,755	-
Non mark-up / return / interest income	1,068,553	2,128,940	2,730,840	343,672	311,552	8,389	85,752	6,677,698
Total income	11,865,725	4,782,170	7,089,774	1,279,105	3,197,835	979,780	2,011,849	31,206,238
Segment direct expenses	8,418,165	541,017	228,228	751,184	1,682,295	88,952	4,274,000	15,983,841
Inter segment expense allocation	553,027	695,948	6,112	123,577	-	-	(1,378,664)	-
Total expenses	8,971,192	1,236,965	234,340	874,761	1,682,295	88,952	2,895,336	15,983,841
Provisions	270,803	3,232,264	122,092	83,599	374,612	(38,026)	13,180	4,058,524
Profit before tax	2,623,730	312,941	6,733,342	320,745	1,140,928	928,854	(896,667)	11,163,873
	December 31, 2021 (Audited)							
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	Total
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	38,294,869	3,233,876	43,286,336	151,401	7,797,848	122,302	442	92,887,074
Investments	-	8,521,775	555,083,246	-	31,274,749	20,725,609	755,779	616,361,158
Advances - performing - net of provision	15,233,937	346,926,181	-	21,054,155	69,933,549	14,986,172	6,807,846	474,941,840
Advances - non-performing - net of provision	463,099	563,226	-	248,084	1,182,984	189,004	-	2,646,397
Others	538,831	19,513,936	8,897,467	541,821	5,537,167	436,039	36,842,379	72,307,640
Total Assets	54,530,736	378,758,994	607,267,049	21,995,461	115,726,297	36,459,126	44,406,446	1,259,144,109
Borrowings	1,904,256	40,118,695	42,309,124	2,372,387	16,529,289	20,330,010	-	123,563,761
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	683,963,786	257,131,733	-	4,042	73,585,947	646,139	98,421	1,015,430,068
Net inter segment balances - net	(642,233,536)	61,032,726	564,466,433	18,886,136	11,291,769	12,386,371	(25,829,899)	-
Others	10,896,230	20,475,840	491,492	732,896	6,452,020	3,096,606	10,102,703	52,247,787
Total liabilities	54,530,736	378,758,994	607,267,049	21,995,461	107,859,025	36,459,126	(3,628,775)	1,203,241,616
Equity	-	-	-	-	7,867,272	-	48,035,221	55,902,493
Total Equity and liabilities	54,530,736	378,758,994	607,267,049	21,995,461	115,726,297	36,459,126	44,406,446	1,259,144,109
Contingencies and commitments	5,956,056	446,725,804	204,173,657	16,278	13,885,398	6,859	1,221,835	671,985,887

35. **RELATED PARTY TRANSACTIONS**

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Bank's share capital at the period end. The Bank also has related party relationships with its directors, key management personnel and employees' funds.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties and balances are as follows:

	As at September 30, 2022 (Un-audited)					As at December 31, 2021 (Audited)				
	Parent	Directors	Key management personnel	Subsidiary	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Other related parties
	Rupees in '000									
Investments										
Opening balance	-	-	-	165,619	1,189,341	-	-	-	165,619	800,478
Investment made during the period / year	-	-	-	-	-	-	-	-	-	500,000
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	(18,449)
Revaluation difference	-	-	-	-	5,301	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(92,688)
Closing balance	-	-	-	165,619	1,194,642	-	-	-	165,619	1,189,341
Advances										
Opening balance	4,523,915	43	441,248	-	10,521,710	2,805,786	28,671	423,764	-	4,766,042
Addition during the period / year	138,652,944	1,404	276,475	-	12,395,853	85,548,230	438	237,240	2,898	12,098,633
Repaid during the period / year	(129,227,674)	(1,411)	(225,918)	-	(6,182,462)	(83,830,101)	(420)	(150,992)	(2,898)	(9,424,006)
Transfer in / (out) - net	-	-	(383)	-	-	-	(28,646)	(68,764)	-	3,081,041
Closing balance	13,949,185	36	491,422	-	16,735,101	4,523,915	43	441,248	-	10,521,710
Other Assets										
Interest / mark-up receivable	234,989	-	76,955	-	770,739	70,227	-	92,634	-	492,285
Advance rent	1,827	-	-	-	-	1,144	-	-	-	-
Borrowings										
Opening balance	-	-	-	-	2,372,387	-	-	-	-	1,923,886
Borrowings during the period / year	-	-	-	-	1,200,000	-	-	-	-	1,500,000
Settled during the period / year	-	-	-	-	(206,308)	-	-	-	-	(1,051,499)
Closing balance	-	-	-	-	3,366,079	-	-	-	-	2,372,387
Deposits and other accounts										
Opening balance	56,224,390	24,009	211,259	268,208	42,288,735	8,018,104	19,379	186,617	201,796	17,017,129
Received during the period / year	631,193,407	87,352	2,331,086	801,299	799,664,706	768,812,177	84,099	1,971,951	1,232,716	404,528,295
Withdrawn during the period / year	(650,027,386)	(98,886)	(2,256,441)	(961,286)	(788,144,584)	(720,605,891)	(76,565)	(1,957,873)	(1,166,304)	(379,499,670)
Transfer in / (out) - net	-	-	(58,066)	-	-	-	(2,904)	10,564	-	242,803
Closing balance	37,390,411	12,475	227,838	108,221	53,808,857	56,224,390	24,009	211,259	268,208	42,288,557
Other Liabilities										
Interest / mark-up payable	110,968	-	5,735	-	329,522	87,473	-	3,413	-	136,012
Payable to staff retirement fund	-	-	-	-	253,136	-	-	-	-	280,287
Security deposits payable	-	-	-	-	438,244	-	-	-	-	308,299
Others	-	-	12,305	-	-	110,128	-	5,884	-	-
Contingencies and Commitments	5,239,276	-	-	40,000	1,484,488	1,233,702	-	42,122	40,000	7,649,153
Others										
Securities held as custodian	3,462,500	-	24,750	100,000	542,000	6,790,000	-	-	-	1,219,500
Securities given as collateral	-	-	-	-	217,203	-	-	-	-	188,963

For the nine months ended September 30, 2022 (Un-Audited)					For the nine months ended September 30, 2021 (Un-Audited)				
Parent	Directors	Key management personnel	Subsidiary	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Other related parties

Rupees in '000

Income

Mark-up / return / interest earned	454,773	-	17,375	-	1,459,296	145,153	533	12,085	96	247,988
Fee and commission received	6,205	-	-	79	62,900	20	-	-	79	5,658
Dividend income	-	-	-	-	53,268	-	-	-	-	26,851
Gain on sale of fixed assets	-	-	7,250	-	-	-	-	-	-	-

Expense

Mark-up / return / interest expensed	2,889,084	99	8,810	3,879	2,035,217	876,154	221	4,959	95	806,422
Charge to defined benefit plan	-	-	-	-	248,248	-	-	-	-	218,571
Contribution to defined contribution plan	-	-	-	-	213,762	-	-	-	-	236,456
Remuneration and allowances	-	-	520,383	-	6,886	-	-	547,956	-	5,205
Rent	1,707	-	-	-	-	1,314	-	-	-	-
Communications	-	-	-	-	53,743	-	-	-	-	30,694
Brokerage and Commission	-	-	-	-	58,234	-	-	-	2,047	30,766
Directors' Fee, Allowances	7,400	18,600	-	-	-	-	55,512	-	-	-
Dividend paid	-	-	-	-	-	2,718,846	9	225	-	42,350
Donations	322,759	-	-	-	-	142,110	-	-	-	-
Others	-	-	-	-	33	-	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and Atm).

The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>12,602,602</u>	<u>12,602,602</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	61,861,958	51,649,517
Eligible Additional Tier 1 (ADT 1) Capital	6,000,000	5,886,339
Total Eligible Tier 1 Capital	67,861,958	57,535,856
Eligible Tier 2 Capital	9,341,221	8,502,535
Total Eligible Capital (Tier 1 + Tier 2)	<u>77,203,179</u>	<u>66,038,391</u>
Risk Weighted Assets (RWAs):		
Credit Risk	413,440,477	397,629,708
Market Risk	14,482,448	28,800,513
Operational Risk	66,981,093	66,981,093
Total	<u>494,904,017</u>	<u>493,411,314</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>12.50%</u>	<u>10.47%</u>
Tier 1 Capital Adequacy Ratio	<u>13.71%</u>	<u>11.66%</u>
Total Capital Adequacy Ratio	<u>15.60%</u>	<u>13.38%</u>
	36.1	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	67,861,958	57,535,855
Total Exposures	2,162,833,674	1,748,422,535
Leverage Ratio	<u>3.14%</u>	<u>3.29%</u>
	36.1	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	514,477,188	459,883,554
Total Net Cash Outflow	279,362,326	250,932,186
Liquidity Coverage Ratio	<u>184.16%</u>	<u>183.27%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,123,354,450	986,752,063
Total Required Stable Funding	572,903,792	512,579,835
Net Stable Funding Ratio	<u>196.08%</u>	<u>192.51%</u>

36.1 As explained in note 20.1, had the relaxation not been availed CAR and leverage ratio of the Bank would have been lowered by 1.53% and 0.35% respectively.

37. Islamic Banking Business

The Bank is operating 106 Islamic banking branches (including 3 sub-branches) and 07 Islamic Banking Windows at September 30, 2022 as compared to 101 Islamic banking branches (including 3 sub-branches) and Nil Islamic Banking Windows at year ended December 31, 2021.

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		8,049,908	7,149,581
Balances with other banks		64,287	648,268
Investments	37.1	40,446,148	31,274,749
Islamic financing and related assets - net	37.2	84,580,725	71,116,539
Fixed assets		1,750,355	1,477,974
Intangible assets		-	-
Due from Head Office		-	-
Other assets		5,814,986	4,769,976
Total assets		140,706,409	116,437,087
LIABILITIES			
Bills payable		1,096,558	1,769,395
Due to financial institutions		3,211,099	16,529,289
Deposits and other accounts	37.3	90,441,374	73,585,947
Due to head office		31,200,000	12,000,000
Sub-ordinated debt		-	-
Other liabilities		5,341,118	4,659,368
		131,290,149	108,543,999
NET ASSETS		9,416,260	7,893,088
REPRESENTED BY			
Islamic Banking Fund		4,600,000	4,600,000
Reserves	37.4	-	25,815
Deficit on revaluation of assets		(883,319)	(385,624)
Unappropriated profit	37.5	5,699,579	3,652,897
		9,416,260	7,893,088
CONTINGENCIES AND COMMITMENTS			
	37.6	18,075,794	13,885,398

The profit and loss account of the Bank's Islamic banking branches for the period ended September 30, 2022 is as follows:

		(Un-audited) For the nine months ended	
		September 30, 2022	September 30, 2021
	Note	(Rupees in '000)	
Profit / return earned	37.8	9,723,256	4,676,982
Profit / return expensed	37.9	5,914,321	1,790,699
Net Profit / return		3,808,935	2,886,283
Other income			
Fee and Commission Income		195,592	177,337
Dividend Income		8,614	59
Foreign Exchange Income		134,387	69,903
Gain / (loss) on securities		-	-
Other Income		57,369	64,253
Total other income		395,962	311,552
Total Income		4,204,897	3,197,835
Other expenses			
Operating expenses		1,989,340	1,682,155
Workers' Welfare Fund		-	-
Other charges		1,835	140
Total other expenses		1,991,175	1,682,295
Profit before provisions		2,213,722	1,515,540
Provisions and write offs - net		167,040	374,410
Profit before taxation		2,046,682	1,141,130

37.1 **Investments by segments:**

	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Federal Government Securities:								
- Ijarah Sukuks	33,937,214	-	(884,637)	33,052,577	23,560,581	-	(385,792)	23,174,789
- Islamic Naya Pakistan Certificates	3,507,553	-	-	3,507,553	-	-	-	-
- GOP Bai Muajjal	-	-	-	-	4,215,092	-	-	4,215,092
	37,444,767	-	(884,637)	36,560,130	27,775,673	-	(385,792)	27,389,881
Units of Open end Mutual Fund	100,000	-	1,318	101,318	100,000	-	168	100,168
Non Government Debt Securities:								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	4,336,442	(551,742)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
	4,336,442	(551,742)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
Total investments	41,881,209	(551,742)	(883,319)	40,446,148	32,220,336	(559,963)	(385,624)	31,274,749

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
37.2 ISLAMIC FINANCING AND RELATED ASSETS	(Rupees in '000)	
Ijarah	5,320,734	5,443,351
Murabaha - note 37.2.1	6,361,956	6,496,482
Musharakah	37,658,849	29,064,976
Diminishing Musharakah	16,295,768	14,096,303
Salam	5,835,833	6,207,801
Istisna	3,805,348	4,287,613
Receivable against sale of Istisna / Salam Inventory	1,044,705	1,511,039
Service Ijarah	2,427,176	1,652,175
Other Islamic Modes (Executive Car Finance -Qarz-e-Hasana)	2,926,286	102,193
Advances against Islamic assets - note 37.2.2	2,726,953	2,618,817
Inventory related to Islamic financing - note 37.2.3	2,100,958	1,384,372
Gross Islamic financing and related assets	86,504,566	72,865,122
Less: provision against Islamic financings		
- Specific	1,878,784	1,702,470
- General	45,057	46,113
	1,923,841	1,748,583
Islamic financing and related assets - net of provision	<u>84,580,725</u>	<u>71,116,539</u>

37.2.1 Includes advance against Murabaha of Rs.1,284,437 thousand (December 31, 2021: Rs.949,535 thousand).

37.2.2 Advance against Islamic assets

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
September 30, 2022 (Un-audited)	<u>1,486,386</u>	-	<u>1,240,567</u>	-	-	<u>2,726,953</u>
December 31, 2021 (Audited)	<u>1,356,711</u>	-	<u>1,262,106</u>	-	-	<u>2,618,817</u>

37.2.3 Inventory related to Islamic financing

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
September 30, 2022 (Un-audited)	-	-	-	409,350	1,691,608	<u>2,100,958</u>
December 31, 2021 (Audited)	-	-	-	139,095	1,245,277	<u>1,384,372</u>

	<u>(Un-audited)</u> September 30, 2022	<u>(Audited)</u> December 31, 2021
37.3 DEPOSITS AND OTHER ACCOUNTS		
	(Rupees in '000)	
Customers		
Current deposits - non remunerative	32,643,287	32,221,831
Current deposits - remunerative	871,881	939,863
Savings deposits	24,879,244	22,006,695
Term deposits	22,819,065	15,152,962
Others	886,948	837,139
	<u>82,100,425</u>	<u>71,158,490</u>
Financial Institutions		
Current deposits - non remunerative	52,442	5,714
Current deposits - remunerative	6,073	50,001
Savings deposits	322,456	370,033
Term deposits	7,959,978	2,001,709
	<u>8,340,949</u>	<u>2,427,457</u>
	<u>90,441,374</u>	<u>73,585,947</u>
37.4 PROFIT EQUALISATION RESERVE		
The profit equalisation reserve at the end of current period is Nil (December 31, 2021: Rs. 25,815 thousand) which is classified in other liabilities in note 19.		
37.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	3,652,897	2,454,381
Add: Islamic banking profit for the period	2,046,682	1,198,516
Closing Balance	<u>5,699,579</u>	<u>3,652,897</u>
37.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	8,656,375	6,325,748
-Commitments	9,419,419	7,559,650
-Other contingent liabilities	-	-
	<u>18,075,794</u>	<u>13,885,398</u>
37.7 CHARITY FUND		
Opening balance	24,292	20,529
Additions during the period		
- Received from customers on delayed payments	23,286	29,765
- Non Shariah Compliant Income	170	-
- Profit on charity account	10	8
- Others	289	377
	23,755	30,150
Payments / utilization during the period		
- Education	-	(1,519)
- Health	-	(19,447)
- Orphanage	-	(5,421)
	-	(26,387)
Closing balance	<u>48,047</u>	<u>24,292</u>

		(Un-audited)	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		(Rupees in '000)	
37.8	PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS		
	Profit earned on:		
	Financing	6,916,795	3,619,055
	Investments	2,777,255	1,032,441
	Placements	29,206	25,486
		<u>9,723,256</u>	<u>4,676,982</u>
37.9	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts	3,041,922	1,427,110
	Due to financial institutions	255,076	230,681
	Due to head office	2,471,371	1,164
	Lease liability against right-of-use assets	145,952	131,744
		<u>5,914,321</u>	<u>1,790,699</u>

38. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors on October 18, 2022.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman



CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS

FOR THE QUARTER AND NINE MONTHS ENDED
SEPTEMBER 30, 2022

(UN-AUDITED)

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	86,251,506	89,432,245
Balances with other banks	7	11,293,858	3,556,215
Lendings to financial institutions	8	-	-
Investments	9	848,401,589	616,231,172
Advances	10	556,179,091	477,673,022
Fixed assets	11	20,337,993	20,179,222
Intangible assets	12	1,309,497	1,188,985
Deferred tax assets	13	6,033,052	5,161,697
Other assets	14	65,165,206	45,906,052
		<u>1,594,971,792</u>	<u>1,259,328,610</u>
LIABILITIES			
Bills payable	15	10,332,818	10,235,374
Borrowings	16	314,215,588	123,563,761
Deposits and other accounts	17	1,137,442,580	1,015,162,254
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	53,650,951	42,326,358
		<u>1,527,641,937</u>	<u>1,203,287,747</u>
NET ASSETS			
		<u>67,329,855</u>	<u>56,040,863</u>
REPRESENTED BY			
Share capital		12,602,602	12,602,602
Reserves		43,563,018	32,832,051
Surplus on revaluation of assets - net of tax	20	1,484,461	1,987,976
Unappropriated profit		9,679,774	8,618,234
		<u>67,329,855</u>	<u>56,040,863</u>

CONTINGENCIES AND COMMITMENTS

21

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

-sd-
Chief Financial Officer-sd-
President & Chief Executive-sd-
Director-sd-
Director-sd-
Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter and nine months ended September 30, 2022

	For the quarter ended		For the nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)		(Rupees in '000)	
Profit after taxation	4,443,626	2,687,312	10,757,082	6,806,232
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in Wholesale Bank Branch	482,420	221,059	1,037,830	198,455
Movement in deficit on revaluation of investments - net of tax	(2,740,156)	(1,299,927)	(503,515)	(1,912,591)
	(2,257,736)	(1,078,868)	534,315	(1,714,136)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain / (loss) on defined benefit plan - net of tax	(3,297)	-	(2,405)	28,813
Movement in deficit on revaluation of investments - net of tax - note 20	-	2,129	-	(31,490)
	(3,297)	2,129	(2,405)	(2,677)
Total comprehensive income	<u>2,182,593</u>	<u>1,610,573</u>	<u>11,288,992</u>	<u>5,089,419</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	2,182,593	1,610,573	11,288,992	5,089,419
Non-controlling interest	-	-	-	-
	<u>2,182,593</u>	<u>1,610,573</u>	<u>11,288,992</u>	<u>5,089,419</u>

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

-sd-
Chief Financial Officer-sd-
President & Chief Executive-sd-
Director-sd-
Director-sd-
Chairman

ASKARI BANK LIMITED

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

For the nine months ended September 30, 2022

	Surplus / (deficit) on revaluation of								Total
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	General reserve	Investments	Fixed / Non banking assets	Un-appropriated profit / (loss)	
	(Rupees in '000)								
Balance as at January 1, 2021	12,602,602	284,683	234,669	12,270,126	12,912,187	83,804	7,587,151	8,706,053	54,681,275
Total comprehensive income for the nine months ended September 30, 2021									
Net profit for the nine months ended September 30, 2021	-	-	-	-	-	-	-	6,806,232	6,806,232
Other comprehensive income related to equity	-	198,455	-	-	-	(1,912,591)	(31,490)	28,813	(1,716,813)
	-	198,455	-	-	-	(1,912,591)	(31,490)	6,835,045	5,089,419
Transfer to Statutory reserve	-	-	-	1,361,246	-	-	-	(1,361,246)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(312,971)	312,971	-
Transfer to General reserve	-	-	-	-	4,925,272	-	-	(4,925,272)	-
Transaction with owners, recorded directly in equity									
Final dividend 2020: Rs. 3 per share	-	-	-	-	-	-	-	(3,780,781)	(3,780,781)
Balance as at September 30, 2021	12,602,602	483,138	234,669	13,631,372	17,837,459	(1,828,787)	7,242,690	5,786,770	55,989,913
Total comprehensive income for the quarter ended December 31, 2021									
Net profit for the quarter ended December 31, 2021	-	-	-	-	-	-	-	2,909,501	2,909,501
Other comprehensive income related to equity	-	66,382	-	-	-	(3,109,042)	200,152	(16,043)	(2,858,551)
	-	66,382	-	-	-	(3,109,042)	200,152	2,893,458	50,950
Transfer to Statutory reserve	-	-	-	579,031	-	-	-	(579,031)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(517,037)	517,037	-
Balance as at December 31, 2021	12,602,602	549,520	234,669	14,210,403	17,837,459	(4,937,829)	6,925,805	8,618,234	56,040,863
Total comprehensive income for the nine months ended September 30, 2022									
Net profit for the nine months ended September 30, 2022	-	-	-	-	-	-	-	10,757,082	10,757,082
Other comprehensive income related to equity	-	1,037,830	-	-	-	(503,515)	-	(2,405)	531,910
	-	1,037,830	-	-	-	(503,515)	-	10,754,677	11,288,992
Transfer to Statutory reserve	-	-	-	1,074,903	-	-	-	(1,074,903)	-
Transfer to General reserve	-	-	-	-	8,618,234	-	-	(8,618,234)	-
Balance as at September 30, 2022	12,602,602	1,587,350	234,669	15,285,306	26,455,693	(5,441,344)	6,925,805	9,679,774	67,329,855

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

 -sd-
Chief Financial Officer

 -sd-
President & Chief Executive

 -sd-
Director

 -sd-
Director

 -sd-
Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the nine months ended September 30, 2022

	For the nine months ended	
	September 30, 2022	September 30, 2021
	(Rupees in '000)	
Note		
Cash flow from operating activities		
Profit before taxation	21,062,241	11,188,759
Less: dividend income	(298,297)	(325,891)
	<u>20,763,944</u>	<u>10,862,868</u>
Adjustments:		
Depreciation	681,952	740,865
Amortization	105,189	144,451
Depreciation on ROU assets	1,178,008	1,072,385
Markup expense on lease liability against ROU assets	675,029	676,160
Termination of lease contracts under IFRS - 16 Leases	(13,700)	(2,649)
Charge for defined benefit plans	342,935	206,538
Provisions and write offs - net	235,789	4,180,218
Unrealised loss on held for trading securities	2,215	-
Gain on sale of non - banking assets	-	(15,000)
Gain on sale of fixed assets	(39,398)	(5,590)
	<u>3,168,019</u>	<u>6,997,378</u>
	23,931,963	17,860,246
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	-
Held for trading securities	(264,229)	(58)
Advances	(79,293,143)	(37,479,034)
Other assets (excluding advance taxation)	(21,325,141)	282,943
	(100,882,513)	(37,196,149)
Increase / (decrease) in operating liabilities		
Bills payable	97,444	(3,035)
Borrowings from financial institutions	190,651,827	(5,850,188)
Deposits	122,280,326	135,712,641
Other liabilities (excluding current taxation)	12,035,141	1,198,109
	<u>325,064,738</u>	<u>131,057,527</u>
Net cash flow generated from operations	248,114,188	111,721,624
Payment made to defined benefit plan	(416,387)	(316,494)
Income tax paid	(8,127,658)	(3,247,910)
Net cash flow generated from operating activities	<u>239,570,143</u>	<u>108,157,220</u>
Cash flow from investing activities		
Net investments in available for sale securities	(238,434,646)	(54,606,597)
Net investments in held to maturity securities	4,544,024	(26,256,576)
Dividend received	287,073	160,553
Investment in fixed assets - net of adjustment	(811,693)	(525,841)
Investment in intangible asset	(222,520)	(140,056)
Proceeds from sale of fixed assets	58,974	10,014
Effect of translation of net investment in Wholesale Bank Branch	1,037,830	(22,604)
Net cash used in investing activities	<u>(233,540,958)</u>	<u>(81,381,107)</u>
Cash flow from financing activities		
Receipts / (payments) of subordinated debts - net	-	-
Payments against lease liabilities	(1,464,791)	(779,573)
Dividend paid	(7,490)	(3,731,479)
Net cash flow used in financing activities	<u>(1,472,281)</u>	<u>(4,511,052)</u>
Increase in cash and cash equivalents	4,556,904	22,265,061
Cash and cash equivalents at beginning of the period	92,988,460	81,847,871
Cash and cash equivalents at end of the period	<u>97,545,364</u>	<u>104,112,932</u>

The annexed notes 1 to 38 form an integral part of these consolidated condensed interim financial statements.

-sd-
Chief Financial Officer

-sd-
President & Chief Executive

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the nine months ended September 30, 2022

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Group consists of Askari Bank Limited, the holding company and Askari Securities Limited, a wholly owned subsidiary.
- 1.2 Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 (2020: 71.91) percent shares of the Group as on September 30, 2022. The ultimate parent of the Group is Fauji Foundation. The Bank has 571 branches (2021: 560 branches); 570 in Pakistan and Azad Jammu and Kashmir including 106 (2021: 101) Islamic Banking branches and 57 (2021: 56) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.
- 1.3 Askari Securities Limited (ASL) was incorporated in Pakistan on October 1, 1999 under the repealed Companies Ordinance, 1984 as a public limited company. The Group holds 100% Ordinary Shares of ASL. The principal activity includes share brokerage, investment advisory and consultancy services. The registered office of ASL is situated in Islamabad.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

- 2.1.1 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.1.2 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

2.2 STATEMENT OF COMPLIANCE

- 2.2.1 These consolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
 - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

- 2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 was made applicable to banks for accounting periods beginning on or after January 01, 2022. Subsequently, SBP vide BPRD Circular No. 03 of 2022 dated July 05, 2022 extended the date of implementation to January 01, 2023 and finalised the IFRS 9 application instruction. 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 valued in accordance with the requirement prescribed by the SBP through various circulars.
- 2.2.3 IFRS10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.
- 2.2.4 These consolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' and 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 of the Bank for the financial year ended December 31, 2021.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Group for the year ended December 31, 2021.

3.1 **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these consolidated condensed interim financial statements.

3.2 **Standards, interpretations of and amendments to published approved accounting standards that are not yet effective**

There are various other standards, interpretations and amendments to accounting standards as applicable in Pakistan that are not yet effective in the current period. These are not likely to have material effect on the Group's financial statements.

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of audited annual consolidated financial statements for the year ended December 31, 2021.

5. **FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2021.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
6. CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000	
<i>In hand:</i>		
Local currency	23,380,943	21,150,705
Foreign currencies	<u>5,053,763</u>	<u>4,059,596</u>
	28,434,706	25,210,301
<i>With the State Bank of Pakistan in:</i>		
Local currency current accounts	<u>44,558,943</u>	<u>46,087,959</u>
Foreign currency current account	6,169,736	4,898,891
Foreign currency deposit account	<u>5,605,318</u>	<u>9,278,909</u>
	56,333,997	60,265,759
<i>With National Bank of Pakistan in:</i>		
Local currency current accounts	1,462,552	3,833,104
Prize Bonds	20,251	123,081
	<u>86,251,506</u>	<u>89,432,245</u>
7. BALANCES WITH OTHER BANKS		
<i>In Pakistan</i>		
In current accounts	958,412	552,186
In deposit accounts	<u>65,691</u>	<u>4,310</u>
	1,024,103	556,496
<i>Outside Pakistan</i>		
In current accounts	<u>2,538,431</u>	<u>1,425,930</u>
In deposit accounts	<u>7,731,330</u>	<u>1,573,797</u>
	10,269,761	2,999,727
Provision under IFRS 9 related to WBB	(6)	(8)
	<u>11,293,858</u>	<u>3,556,215</u>
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	-	-
Repurchase agreement lendings (Reverse Repo)	126,316	148,606
Provision held against lending to financial institutions	<u>(126,316)</u>	<u>(148,606)</u>
Lending to financial institutions - net of provision	<u>-</u>	<u>-</u>
	<u>September 30, 2022 (Un-audited)</u>	<u>December 31, 2021 (Audited)</u>
	Classified Lending	Classified Lending
	Provision Held	Provision Held
	(Rupees in '000)	
8.1 Category of classification		
Domestic		
Loss	<u>148,606</u>	<u>148,606</u>
	<u>148,606</u>	<u>148,606</u>

9. INVESTMENTS	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
9.1 Investments by type:								
Held for trading securities								
Federal Government Securities	-	-	-	-	-	-	-	-
Fully paid ordinary shares	264,229	-	(2,215)	262,014	-	-	-	-
	264,229	-	(2,215)	262,014	-	-	-	-
Available for sale securities								
Federal Government Securities	720,902,517	(93,982)	(9,960,233)	710,848,302	482,298,535	(50,489)	(8,400,351)	473,847,695
Shares	5,875,207	(996,367)	114,361	4,993,201	4,874,699	(432,993)	87,745	4,529,451
Units of open end mutual funds	750,000	(143,904)	52,576	658,672	1,510,609	(140,558)	140,194	1,510,245
Fully paid preference shares	27,314	(11,914)	650	16,050	27,314	(11,914)	651	16,051
Non Government Debt Securities	13,437,751	(1,347,040)	234,821	12,325,532	13,316,295	(1,386,785)	62,687	11,992,197
Foreign securities	-	-	-	-	530,691	(3,965)	5,469	532,195
	740,992,789	(2,593,207)	(9,557,825)	728,841,757	502,558,143	(2,026,704)	(8,103,605)	492,427,834
Held to maturity securities								
Federal Government Securities	117,618,975	(119,092)	-	117,499,883	120,213,557	(136,355)	-	120,077,202
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	1,808,279	(10,344)	-	1,797,935	3,757,721	(31,585)	-	3,726,136
	119,537,254	(239,436)	-	119,297,818	124,081,278	(277,940)	-	123,803,338
Total investments	<u>860,794,272</u>	<u>(2,832,643)</u>	<u>(9,560,040)</u>	<u>848,401,589</u>	<u>626,639,421</u>	<u>(2,304,644)</u>	<u>(8,103,605)</u>	<u>616,231,172</u>

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
	(Rupees in '000)	

9.1.1 Investments given as collateral

The market value of investment given as collateral is as follows

Market Treasury Bills	54,292,391	9,967,040
Pakistan Investment Bonds	202,924,070	31,984,000
Euro Bonds	-	7,386,911
Turkish Euro Bonds	1,798,740	596,977
Sukuk	-	4,372,827
Shares	217,203	161,829
	<u>259,232,404</u>	<u>54,469,584</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
9.2 Provision for diminution in value of investments	(Rupees in '000)	
9.2.1 Opening balance	2,304,644	2,082,515
Exchange adjustments	57,831	21,836
Charge / (reversals)		
Charge for the period / year	623,997	277,764
Reversal under IFRS 9 related to WBB for the period / year	(56,806)	(38,547)
Reversals for the period / year	(69,692)	(35,919)
Net charge	497,499	203,298
Reversal on disposals	(27,331)	(3,005)
Closing balance	<u>2,832,643</u>	<u>2,304,644</u>

9.2.2 Particulars of provision against debt securities

	September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
Category of classification	(Rupees in '000)			
Domestic				
Loss	<u>1,457,040</u>	<u>1,457,040</u>	<u>1,496,785</u>	<u>1,496,785</u>

9.2.3 In addition to the above, Bank's Bahrain branch holds general provision of Rs 223,190 thousand (December 31, 2021: Rs 222,394 thousand) against investments in accordance with ECL requirement of IFRS 9.

9.3 The market value of securities classified as held to maturity as at September 30, 2022 amounts to Rs. 108,095,957 thousand (2021: Rs. 122,430,448 thousand).

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	449,931,716	383,805,556	26,671,187	25,413,635	476,602,903	409,219,191
Islamic financing and related assets	83,547,027	69,979,661	2,957,538	2,885,460	86,504,565	72,865,121
Bills discounted and purchased	22,277,575	22,950,694	1,809,338	2,866,232	24,086,913	25,816,926
Advances - gross	555,756,318	476,735,911	31,438,063	31,165,327	587,194,381	507,901,238
Provision against advances						
- Specific	-	-	(29,261,419)	(28,518,930)	(29,261,419)	(28,518,930)
- General	(1,753,871)	(1,709,286)	-	-	(1,753,871)	(1,709,286)
	(1,753,871)	(1,709,286)	(29,261,419)	(28,518,930)	(31,015,290)	(30,228,216)
Advances - net of provision	554,002,447	475,026,625	2,176,644	2,646,397	556,179,091	477,673,022
					(Un-audited) September 30, 2022	(Audited) December 31, 2021
					(Rupees in '000)	
10.1 Particulars of advances (Gross)					543,787,454	465,288,344
In local currency					43,406,927	42,612,894
In foreign currencies					587,194,381	507,901,238

10.2 Advances include Rs. 31,438,063 thousand (2021: Rs. 31,165,327 thousand) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	190,184	874	140,824	445
Substandard	1,869,026	429,245	1,576,529	308,449
Doubtful	507,596	223,857	1,223,288	570,556
Loss	28,871,257	28,607,443	28,012,320	27,616,118
	31,438,063	29,261,419	30,952,961	28,495,568
Overseas				
Not past due but Impaired	-	-	212,366	23,362
Overdue by 181 to 365 days	-	-	-	-
	-	-	212,366	23,362
	31,438,063	29,261,419	31,165,327	28,518,930

10.3 Particulars of provision against advances	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Specific	General (note 10.3.1)	Consumer financing-General	Total	Specific	General	Consumer financing-General	Total
	(Rupees in '000)							
Opening balance	28,518,930	974,026	735,260	30,228,216	24,842,078	887,946	716,026	26,446,050
Exchange adjustment	3,301	36,253	-	39,554	2,207	15,826	-	18,033
Charge for the period / year	2,177,455	100,868	54,310	2,332,633	6,382,786	76,663	93,912	6,553,361
Provision under IFRS 9 related to WBB	(26,666)	(94,880)	-	(121,546)	-	(5,555)	-	(5,555)
Reversal for the period / year	(1,411,403)	(21,263)	(30,703)	(1,463,369)	(2,597,059)	(854)	(74,678)	(2,672,591)
	739,386	(15,275)	23,607	747,718	3,785,727	70,254	19,234	3,875,215
Amounts written off	(198)	-	-	(198)	(55,851)	-	-	(55,851)
Amounts charged off- agriculture financing	-	-	-	-	(55,231)	-	-	(55,231)
Closing balance	29,261,419	995,004	758,867	31,015,290	28,518,930	974,026	735,260	30,228,216

10.3.1 General provision includes Rs 374,851 thousand (December 31, 2021: Rs 374,851 thousand) due to deferment / restructuring & rescheduling relief allowed by SBP.

10.3.2 The net FSV benefit already availed has reduced by Rs. 217,357 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the period would have been higher by Rs. 217,357 thousand (September 30, 2021: higher by Rs. 89,863 thousand) and Rs. 110,852 thousand (September 30, 2021: higher by Rs. 54,816 thousand) respectively. Further, at September 30, 2022, net of tax benefit for Forced Sales Value (FSV) availed by the Bank under BSD circular No. 1 of 2011 dated October 21, 2011 stood at Rs. 156,691 thousand (December 31, 2021: Rs.320,002 thousand). Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
11. FIXED ASSETS	(Rupees in '000)	
Capital work-in-progress - note 11.1	167,841	111,038
Property and equipment	13,668,787	13,613,907
Right of use asset - IFRS 16	6,501,365	6,454,277
	<u>20,337,993</u>	<u>20,179,222</u>

11.1 This represents civil works in progress during the period.

	(Un-audited)	
	Period ended September 30, 2022	Period ended September 30, 2021
11.2 Additions to fixed assets	(Rupees in '000)	

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

Capital work-in-progress	121,112	35,955
Property and equipment		
Land - freehold	16,970	137,350
Buildings on leasehold	-	1,103
Renovation of premises	56,359	77,775
Furniture, fixtures and office equipment	117,263	85,941
Machine and equipments	248,914	94,157
Computer equipments	230,445	83,963
Vehicles	20,630	9,597
	690,581	489,886
Right of use assets under IFRS 16	630,526	113,094
Total	<u>1,442,219</u>	<u>638,935</u>

11.3 Disposal of fixed assets

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

Renovation of premises	735	579
Furniture, fixtures and office equipment	6,119	2,796
Machine and equipments	7,427	1,377
Computer equipments	171	51
Vehicles	5,124	-
Total	<u>19,576</u>	<u>4,803</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
12. INTANGIBLE ASSETS	(Rupees in '000)	

Computer software	980,096	949,243
Pakistan Mercantile Exchange - Membership Card	2,500	2,500
Trading Right Entitlement Certificates	2,500	12,426
Less: Provision against intangibles	-	(11,151)
	985,096	953,018
Capital work in progress	324,401	235,967
	<u>1,309,497</u>	<u>1,188,985</u>

		(Un-audited)	
		Period ended September 30, 2022	Period ended September 30, 2021
12.1	Additions to intangible assets	(Rupees in '000)	
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	150,144	92,719
	Directly purchased	72,376	47,337
		<u>222,520</u>	<u>140,056</u>
		(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
13.	DEFERRED TAX ASSETS	(Rupees in '000)	
	Deductible temporary differences on		
	- Post retirement employee benefits	27,762	24,663
	- Accelerated tax depreciation	83,174	101,121
	- Deficit on revaluation of investments	4,116,480	3,165,776
	- Provision against advances	1,805,636	1,870,137
		<u>6,033,052</u>	<u>5,161,697</u>
14.	OTHER ASSETS		
	Income / mark-up accrued in local currency - net of provision	36,067,253	18,861,858
	Income / mark-up accrued in foreign currencies	1,711,990	694,389
	Advances, deposits, advance rent and other prepayments	1,856,322	547,562
	Advance taxation (payments less provisions)	4,130,361	6,226,607
	Non-banking assets acquired in satisfaction of claims	1,435,230	1,446,968
	Due from State Bank of Pakistan	1,017,985	667,793
	Mark to market gain on forward foreign exchange contracts - net	383,970	341,824
	Stationary and stamps in hand	80,886	74,065
	Dividend receivable	12,445	1,221
	Acceptances	15,465,596	14,601,271
	Clearing and settlement accounts	-	359,687
	Others	1,470,498	538,764
		<u>63,632,536</u>	<u>44,362,009</u>
	Provision held against other assets - note 14.1	(187,220)	(175,846)
	Other assets - net of provision	63,445,316	44,186,163
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	1,719,890	1,719,889
	Other assets - total	<u>65,165,206</u>	<u>45,906,052</u>
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	4,837	4,838
	Others	182,382	171,008
		<u>187,219</u>	<u>175,846</u>

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
14.1.1 Movement in provision held against other assets		
Opening balance	175,846	209,778
Charge for the period / year	11,455	416
Reversals for the period / year	(82)	(34,348)
Net charge / (reversal) for the period / year	11,373	(33,932)
Closing balance	<u>187,219</u>	<u>175,846</u>
15. BILLS PAYABLE		
In Pakistan	<u>10,332,818</u>	<u>10,235,374</u>
16. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	15,447,991	20,497,570
Long term financing facility	10,326,337	9,725,125
Financing facility for storage of agricultural produce	51,697	73,853
Renewable energy financing facility	4,007,920	3,672,929
Credit guarantee scheme for women entrepreneurs	133	606
Payment of wages and salaries	2,479,488	7,485,233
Temporary Economic Relief	9,705,042	5,506,824
Modernization of SME	13,097	10,743
Combating COVID-19	571,378	279,357
Working capital financing of small enterprises and low-end medium enterprises	-	-
Rupee based discounting of export bills / receivable	2,524,581	-
	45,127,664	47,252,240
Repurchase agreement borrowings		
State Bank of Pakistan	206,986,960	32,000,000
Financial institutions	54,554,928	18,910,076
	261,541,888	50,910,076
Refinance from Pakistan Mortgage Refinance Company	3,366,079	2,372,387
Total secured	<u>310,035,631</u>	<u>100,534,703</u>
Unsecured		
Call borrowings	2,284,520	21,713,480
Financial institutions	1,484,938	970,824
Overdrawn nostro accounts	410,499	344,754
Total unsecured	<u>4,179,957</u>	<u>23,029,058</u>
	<u>314,215,588</u>	<u>123,563,761</u>

	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
17. DEPOSITS AND OTHER	(Rupees in '000)					
Customers						
Current accounts	305,127,672	26,800,903	331,928,575	282,967,438	24,864,069	307,831,507
Savings deposits	477,091,745	61,828,327	538,920,072	447,108,954	50,866,257	497,975,211
Fixed deposits	228,850,904	26,906,555	255,757,459	183,802,414	18,794,731	202,597,145
	1,011,070,321	115,535,785	1,126,606,106	913,878,806	94,525,057	1,008,403,863
Financial institutions						
Current accounts	922,263	99,447	1,021,710	1,228,216	62,980	1,291,196
Savings deposits	1,544,786	-	1,544,786	1,885,486	-	1,885,486
Fixed deposits	8,269,978	-	8,269,978	3,581,709	-	3,581,709
	10,737,027	99,447	10,836,474	6,695,411	62,980	6,758,391
	<u>1,021,807,348</u>	<u>115,635,232</u>	<u>1,137,442,580</u>	<u>920,574,217</u>	<u>94,588,037</u>	<u>1,015,162,254</u>

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
18. SUBORDINATED DEBTS	(Rupees in '000)	
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	12,000,000	12,000,000

18.1 The Group has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Group's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Group including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	117-120th month (4 equal quarterly installemnts of
Profit Rate	Base Rate plus 1.50% Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate plus 1.20% Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date.
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cummulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

	<u>(Un-audited)</u> September 30, 2022	<u>(Audited)</u> December 31, 2021
19. OTHER LIABILITIES	(Rupees in '000)	
Mark-up / return / interest payable in local currency	11,400,366	4,528,899
Mark-up / return / interest payable in foreign currencies	218,727	275,197
Unearned commission and income on bills discounted	2,365,173	2,293,929
Accrued expenses - note 19.1	1,674,805	2,960,239
Advance payments	396,031	396,609
Acceptances	15,465,596	14,601,271
Dividends payable	197,047	204,537
Branch adjustment account	3,248,933	361,638
Payable to defined benefit plan	253,637	282,866
Provision for employees compensated absences	663,947	703,222
Mark to market gain on forward foreign exchange contracts - net	-	-
Security deposit against lease / Ijarah financing	4,367,040	4,395,134
Levies and taxes payable	457,861	353,223
Workers' Welfare Fund	730,337	428,583
Clearing and settlement accounts	179,354	-
Provision against off-balance sheet obligations - note 19.2	147,107	1,143,768
Lease liability against ROU assets as per IFRS - 16 Leases	7,807,621	7,393,878
Islamic pool management reserve	-	51,630
Others	4,077,369	1,951,735
	<u>53,650,951</u>	<u>42,326,358</u>
	<u>(Un-audited)</u> September 30, 2022	<u>(Audited)</u> December 31, 2021
	(Rupees in '000)	

19.2 Provision against off-balance sheet obligations

Opening balance	1,143,768	100,356
Exchange adjustment	633	163
Charge for the period / year	-	1,043,249
Reversal for the period / year	(997,294)	-
Net (reversal) / charge	(997,294)	1,043,249
Closing balance	<u>147,107</u>	<u>1,143,768</u>

20. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus / (deficit) on revaluation of:

- Available for sale securities - note 20.1	(9,557,825)	(8,103,605)
- Fixed Assets	5,205,916	5,205,916
- Non-banking assets acquired in satisfaction of claims	1,719,890	1,719,889
	(2,632,019)	(1,177,800)

Deferred tax on deficit on revaluation of:

- Available for sale securities	4,116,480	3,165,776
	<u>1,484,461</u>	<u>1,987,976</u>

- 20.1 Pursuant to relaxation provided by the SBP, the Bank has availed the benefit of staggering the unrealized loss on PIBs having aggregate face value of Rs 85,168 million at 30 September 2022. Accordingly, the Bank has reversed an amount of revaluation loss of Rs. 7,388 million upto 30 September 2022 on such PIBs and will recognize the same in accordance with the criteria prescribed by SBP. Had the revaluation loss not been reversed in these unconsolidated condensed interim financial statements the carrying value of investments as at 30 September 2022 would have been lower by Rs. 7,388 million, other comprehensive income for the period ended 30 September 2022 and surplus on revaluation of assets - net of tax at 30 September 2022 would have been lower by Rs. 4,211 million and deferred tax asset at 30 September 2022 would have been higher by Rs. 3,177 million.

Pursuant to relaxation, the Bank is required to adjust the outstanding staggered amount of revaluation deficit from distributable profits, for declaring cash dividend (if any), during the relaxation period.

	<u>(Un-audited)</u> September 30, 2022	<u>(Audited)</u> December 31, 2021
21. CONTINGENCIES AND COMMITMENTS	(Rupees in '000)	
- Guarantees - note 21.1	306,923,226	274,886,748
- Commitments - note 21.2	536,530,702	396,110,413
- Other contingent liabilities - note 21.3	1,260,737	1,095,098
	<u>844,714,665</u>	<u>672,092,259</u>
21.1 Guarantees		
Financial guarantees	7,178,123	6,015,847
Performance guarantees	179,221,703	155,588,123
Other guarantees	120,523,400	113,282,778
	<u>306,923,226</u>	<u>274,886,748</u>
21.2 Commitments		
Documentary credits and short-term trade-related transactions - letters of credit	215,840,579	190,672,407
Commitments in respect of:		
- foreign exchange contracts - note 21.2.1	316,004,852	201,560,195
- non government securities transactions - note 21.2.2	4,358,857	3,639,700
Commitments for acquisition of:		
- operating fixed assets	63,645	31,295
- intangible assets	212,636	100,444
Commitments in respect of outstanding future contract transactions of equity securities	50,133	106,372
	<u>536,530,702</u>	<u>396,110,413</u>
21.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	170,459,300	117,506,977
Sale	145,545,552	84,053,218
	<u>316,004,852</u>	<u>201,560,195</u>
The above commitments have maturities falling within one year.		
21.2.2 Commitments in respect of non government securities transactions		
Purchase	4,289,700	3,639,700
Sale	69,157	-
	<u>4,358,857</u>	<u>3,639,700</u>
21.3 Other contingent liabilities		
These represent certain claims by third parties against the Group, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Group.		
	<u>1,260,737</u>	<u>1,095,098</u>

22. **DERIVATIVE INSTRUMENTS**

The Group at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Period ended September 30, 2022	Period ended September 30, 2021
23.	MARK-UP / RETURN / INTEREST EARNED	(Rupees in '000)	
	On:		
	Loans and advances	44,267,135	23,983,843
	Investments	64,801,160	31,518,826
	Lendings to financial institutions	146,492	67,212
	Balances with banks	67,765	7,261
	Securities purchased under resale agreements	571,366	257,536
		<u>109,853,918</u>	<u>55,834,678</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	53,803,112	25,320,890
	Borrowings	23,439,352	2,658,885
	Subordinated debts	1,261,846	790,508
	Cost of foreign currency swaps against foreign currency deposits / borrowings	1,564,440	1,847,082
	Interest expense on lease liability against ROU assets	675,029	676,160
		<u>80,743,779</u>	<u>31,293,525</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	632,397	473,329
	Consumer finance related fees	80,613	83,092
	Card related fees (debit and credit cards)	880,658	627,174
	Credit related fees	322,725	193,715
	Investment banking fees	139,747	111,325
	Commission on trade	772,439	644,596
	Commission on guarantees	721,235	647,868
	Commission on remittances including home remittances	168,393	214,087
	Commission on bancassurance	48,423	79,055
	Others	94,020	200,430
		<u>3,860,650</u>	<u>3,274,671</u>
26.	GAIN ON SECURITIES		
	Realised - note 26.1	185,392	814,286
	Unrealised - note 9.1	(1,909)	-
		<u>183,483</u>	<u>814,286</u>
26.1	Realised gain / (loss) on:		
	Federal Government Securities	64,455	652,294
	Shares	107,779	158,992
	Non Government Debt Securities	300	3,000
	Mutual Funds	12,858	-
		<u>185,392</u>	<u>814,286</u>

	(Un-audited)	
	Period ended September 30, 2022	Period ended September 30, 2021
27. OTHER INCOME	(Rupees in '000)	
Gain on sale of fixed assets	39,398	5,590
Rent of lockers	35,597	38,500
Gain on sale of non banking assets	-	17,551
Recovery of expenses from customers	223,883	231,114
Termination of lease contracts under IFRS - 16 Leases	13,700	2,649
	<u>312,578</u>	<u>295,404</u>
28. OPERATING EXPENSES		
Total compensation expenses - note 28.1	8,479,500	9,763,366
Property expense		
Rent and taxes	118,004	93,543
Insurance	61,666	68,659
Utilities cost	864,980	506,999
Security (including guards)	563,892	370,616
Repair & maintenance (including janitorial charges)	259,005	199,337
Depreciation on ROU assets	1,178,008	1,072,385
Depreciation	208,207	245,561
	3,253,762	2,557,100
Information technology expenses		
Software maintenance	391,405	320,125
Hardware maintenance	59,392	29,218
Depreciation	134,964	127,563
Amortisation	105,189	144,451
Network charges	236,908	141,678
	927,858	763,035
Other operating expenses		
Directors' fees, allowances	26,000	55,512
Fees and allowances to shariah board	6,886	5,205
Rates, taxes, insurance etc.	152,909	146,828
Legal and professional charges	105,528	123,525
Brokerage and commission	117,948	86,109
NIFT clearing charges	48,120	53,635
Repair and maintenance	338,852	190,557
Communications	529,195	371,517
Stationery and printing	277,290	191,891
Marketing, advertisement and publicity	144,496	62,637
Donations	351,447	146,134
Auditors' remuneration	30,002	24,775
Travelling, conveyance and entertainment	220,562	148,199
Depreciation	338,781	367,741
Security service charges	289,178	222,258
Training and development	17,423	4,096
Deposit premium expense	485,575	431,235
Outsourced service cost	83,027	19,019
Other expenditure	271,591	304,392
	3,834,810	2,955,265
	<u>16,495,930</u>	<u>16,038,766</u>
28.1 Total compensation expense		
Managerial remuneration	6,551,222	7,726,567
Charge for defined benefit / contribution plan	556,581	555,599
Other staff cost - note 28.1.1	1,371,697	1,481,200
	<u>8,479,500</u>	<u>9,763,366</u>

28.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance etc.

29. This represents penalties imposed by the State Bank of Pakistan.

	(Un-audited)	
	For the nine months ended	
	September 30, 2022	September 30, 2021
30. PROVISIONS AND WRITE OFFS - NET	(Rupees in '000)	
Provision / (reversal of provision) for diminution in value of investments	497,499	57,044
Provision against loans and advances	747,718	4,059,989
Provision / (reversal of provision) against other assets	11,374	53
Reversal of provision against fixed assets	(1,225)	5,384
(Reversal of provision) / against off-balance sheet obligations	(997,294)	57,740
Provision against cash and bank balances	8	8
Reversal of provision against repurchase agreement lendings	(22,291)	-
Recovery of written off / charged off bad debts	(55,053)	(80,126)
	<u>180,736</u>	<u>4,100,092</u>
31. TAXATION		
Current	10,223,904	4,523,751
Deferred	81,255	(141,224)
	<u>10,305,159</u>	<u>4,382,527</u>

31.1 Tax Status

i)

The Bank has filed tax returns for and up to tax year 2022. The assessments for and up to tax year 2021 were amended by the tax authorities creating accumulated additional tax demand, mainly in the matters of admissibility of recoveries against doubtful debts for Rs 1,086 million, provision for diminution in the value of investments for Rs 2,359 million, bad debts written off for Rs 127.53 million, provision for substandard advances for Rs 74.95 million, Provision against other assets/ fixed assets for Rs 141.04 million, disallowance of employee benefit expenses Rs 330.87 Million and Other disallowances of expenses/credits for Rs 291.99 million. Bank's Appeals against these orders are currently pending before Commissioner Appeals, Appellate Tribunal and Islamabad High Court. The management and tax advisor of the Bank are confident that these matters will be decided in favor of the Bank and consequently no provision has been made thereon. Tax payments by the Bank against certain matters are being carried forward as receivable, as management and tax advisor of the Bank are confident of their realization.

ii) Consequent upon the amalgamation with and into the Bank, the outstanding tax issues relating to Askari Leasing Limited (ALL) are as follows:

Tax returns of ALL have been filed for and up to tax year 2010. The returns for the tax years 2003 to 2010 were amended by the tax authorities mainly in the matter of admissibility of initial allowance claimed on leased vehicles. On appeals filed by ALL, partial relief was provided by the CIR(A) by allowing initial allowance on commercial vehicles. Re-assessment has not yet been carried out by the tax department. A tax demand is however not likely to arise after re-assessment.

For and up to the assessment years 2002-2003, reference applications filed by the tax authorities in the matter of computation of lease income are pending decisions by the High Court. However, the likelihood of an adverse decision is considered low due to a favorable decision of the High Court in a parallel case.

	(Un-audited)	
	Period ended September 30, 2022	Period ended September 30, 2021
32. BASIC EARNINGS PER SHARE		
Profit for the period - Rupees in '000	<u>10,757,082</u>	<u>6,806,232</u>
Weighted average number of Ordinary Shares - numbers	<u>1,260,260,180</u>	<u>1,260,260,180</u>
Basic earnings per share - Rupees	<u>8.54</u>	<u>5.40</u>

There is no dilutive effect on the basic earnings per share of the Group, therefore dilutive earnings per share have not been presented separately.

33. FAIR VALUE MEASUREMENTS

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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

33.1 Fair value of financial assets

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) available at MUFAP and Reuters page.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

The following table provides the fair values of those of the Group's financial assets and liabilities that are recognized or disclosed at fair value in these consolidated condensed interim financial statements:

September 30, 2022 (Un-audited)					
Carrying / Notional 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	710,848,302	4,569,409	706,278,893	-	710,848,302
Shares	4,369,582	4,369,582	35,633	-	4,405,215
Units of open end mutual funds	658,672	-	658,672	-	658,672
Fully paid preference shares	16,050	16,050	-	-	16,050
Non Government Debt Securities	12,325,532	-	12,325,532	-	12,325,532
Foreign securities	-	-	-	-	-
	728,218,138	8,955,041	719,298,730	-	728,253,771
Financial assets - disclosed but not measured at fair value					
Investments					
Unlisted shares	850,000	-	-	-	-
Federal Government Securities	117,499,883	11,565,645	94,741,916	-	106,307,561
Foreign Securities	1,797,935	1,788,396	-	-	1,788,396
Cash and balances with treasury banks	86,251,498	-	-	-	-
Lending to financial institutions	-	-	-	-	-
Balances with other banks	11,167,597	-	-	-	-
Advances	556,176,979	-	-	-	-
Other assets	55,828,613	-	-	-	-
	829,572,505	13,354,041	94,741,916	-	108,095,957
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	170,459,300	-	3,982,245	-	3,982,245
Forward Sale of foreign exchange	145,545,552	-	(2,461,592)	-	(2,461,592)
December 31, 2021 (Audited)					
Carrying / Notional 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	473,847,695	4,382,885	469,464,810	-	473,847,695
Shares	4,179,451	4,143,818	35,633	-	4,179,451
Units of open end mutual funds	1,510,245	-	1,510,245	-	1,510,245
Fully paid preference shares	16,051	16,051	-	-	16,051
Non Government Debt Securities	11,992,197	-	11,992,197	-	11,992,197
Foreign securities	532,195	532,195	-	-	532,195
	492,077,834	9,074,949	483,002,885	-	492,077,834
Financial assets - disclosed but not measured at fair value					
Investments					
Unlisted shares	350,000	-	-	-	-
Federal Government Securities	120,077,202	12,393,260	106,453,893	-	118,847,153
Foreign Securities	3,726,136	3,583,295	-	-	3,583,295
Cash and balances with treasury banks	89,432,245	-	-	-	-
Balances with other banks	3,556,215	-	-	-	-
Advances	477,673,022	-	-	-	-
Other assets	35,895,799	-	-	-	-
	730,710,619	15,976,555	106,453,893	-	122,430,448
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	117,506,977	-	736,508	-	736,508
Forward Sale of foreign exchange	84,053,218	-	(394,684)	-	(394,684)

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer takes place. There were no transfers between levels 1 and 2 during the year.

	(Un-audited)	(Audited)
	September 30, 2022	December 31, 2021
	(Rupees in '000)	
	Level 3	Level 3
33.2 Fair value of non-financial assets		
Fixed assets		
Property and equipment (freehold and leasehold land)	9,706,950	9,689,979
Other assets		
Non-banking assets acquired in satisfaction of claims	4,865,461	3,166,857

34. Segment Information

34.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	September 30, 2022 (Un-audited)							Total
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(34,912,636)	18,120,390	39,515,848	2,666,306	3,808,935	1,437,092	(1,525,796)	29,110,139
Inter segment revenue - net	54,132,568	(13,290,051)	(42,968,391)	(1,704,375)	-	(385,139)	4,215,388	-
Non mark-up / return / interest income	1,321,716	2,395,191	4,337,648	411,356	395,962	25,921	209,706	9,097,500
Total income	20,541,648	7,225,530	885,105	1,373,287	4,204,897	1,077,874	2,899,298	38,207,639
Segment direct expenses	9,216,907	456,620	245,566	867,840	1,991,175	109,557	4,076,997	16,964,662
Inter segment expense allocation	845,089	575,202	6,416	99,409	-	-	(1,526,116)	-
Total expenses	10,061,996	1,031,822	251,982	967,249	1,991,175	109,557	2,550,881	16,964,662
Provisions	(70,709)	(404,626)	571,758	7,859	167,040	(178,089)	87,503	180,736
Profit before tax	10,550,361	6,598,334	61,365	398,179	2,046,682	1,146,406	260,914	21,062,241

	September 30, 2022 (Un-audited)							Total
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	37,784,590	2,750,447	48,708,758	-	8,114,195	60,800	126,574	97,545,364
Investments	-	8,540,831	768,953,060	-	40,446,148	21,985,229	8,476,321	848,401,589
Lendings to financial institutions	-	-	-	-	-	-	-	-
Advances - performing - net of provision	13,057,167	417,250,302	-	20,933,467	83,501,971	12,373,928	6,885,608	554,002,443
Advances - non-performing - net of provision	448,332	455,246	-	194,317	1,078,753	-	-	2,176,648
Others	778,976	27,537,391	19,835,271	639,595	7,318,384	955,000	35,781,131	92,845,748
Total Assets	52,069,065	456,534,217	837,497,089	21,767,379	140,459,451	35,374,957	51,269,634	1,594,971,792
Borrowings	1,427,973	40,488,590	260,519,898	3,366,079	3,211,099	5,201,949	-	314,215,588
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	760,794,707	283,561,335	-	3,499	90,441,374	2,550,506	91,159	1,137,442,580
Net inter segment balances - net	(723,632,341)	109,037,072	572,777,324	17,705,080	31,040,222	26,500,433	(33,427,790)	-
Others	13,691,680	23,447,220	3,986,911	692,721	6,350,498	1,122,071	14,692,668	63,983,769
Total liabilities	52,282,019	456,534,217	837,284,133	21,767,379	131,043,193	35,374,959	(6,643,963)	1,527,641,937
Equity	-	-	-	-	9,416,258	-	57,913,597	67,329,855
Total Equity and liabilities	52,282,019	456,534,217	837,284,133	21,767,379	140,459,451	35,374,959	51,269,634	1,594,971,792
Contingencies and commitments	6,273,110	500,956,157	320,363,709	17,178	15,536,806	-	1,567,705	844,714,665

	September 30, 2021 (Un-audited)							Total
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
	(Rupees in '000)							
Profit and loss								
Net mark-up / return / profit	(16,985,799)	11,002,696	25,772,615	1,929,625	2,886,283	1,035,778	(1,100,045)	24,541,153
Inter segment revenue - net	27,782,971	(8,349,466)	(21,413,681)	(994,192)	-	(64,387)	3,038,755	-
Non mark-up / return / interest income	1,068,553	2,128,940	2,730,840	343,672	311,552	8,389	233,474	6,825,420
Total income	11,865,725	4,782,170	7,089,774	1,279,105	3,197,835	979,780	2,172,184	31,366,573
Segment direct expenses	8,418,165	541,017	228,228	751,184	1,682,295	88,952	4,367,881	16,077,722
Inter segment expense allocation	553,027	695,948	6,112	123,577	-	-	(1,378,664)	-
Total expenses	8,971,192	1,236,965	234,340	874,761	1,682,295	88,952	2,989,217	16,077,722
Provisions	270,803	3,232,264	122,092	83,599	374,612	(38,026)	54,748	4,100,092
Profit before tax	2,623,730	312,941	6,733,342	320,745	1,140,928	928,854	(871,781)	11,188,759

	December 31, 2021 (Audited)							Total
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
	(Rupees in '000)							
Statement of financial position								
Cash and bank balances	38,294,869	3,233,876	43,286,336	151,401	7,797,848	122,302	101,828	92,988,460
Investments	-	8,521,775	555,083,246	-	31,274,749	20,725,609	625,793	616,231,172
Advances - performing - net of provision	15,233,937	346,926,181	-	21,054,155	69,933,549	14,986,172	6,892,631	475,026,625
Advances - non-performing - net of provision	463,099	563,226	-	248,084	1,182,984	189,004	-	2,646,397
Others	538,831	19,513,936	8,897,467	541,821	5,537,167	436,039	36,970,695	72,435,956
Total Assets	54,530,736	378,758,994	607,267,049	21,995,461	115,726,297	36,459,126	44,590,947	1,259,328,610
Borrowings	1,904,256	40,118,695	42,309,124	2,372,387	16,529,289	20,330,010	-	123,563,761
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	683,963,786	257,131,733	-	4,042	73,585,947	646,139	(169,393)	1,015,162,254
Net inter segment balances - net	(642,233,536)	61,032,726	564,466,433	18,886,136	11,291,769	12,386,371	(25,829,899)	-
Others	10,896,230	20,475,840	491,492	732,896	6,452,020	3,096,606	10,416,648	52,561,732
Total liabilities	54,530,736	378,758,994	607,267,049	21,995,461	107,859,025	36,459,126	(3,582,644)	1,203,287,747
Equity	-	-	-	-	7,867,272	-	48,173,591	56,040,863
Total Equity and liabilities	54,530,736	378,758,994	607,267,049	21,995,461	115,726,297	36,459,126	44,590,947	1,259,328,610
Contingencies and commitments	5,956,056	446,725,804	204,173,657	16,278	13,885,398	6,859	1,328,207	672,092,259

35. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Bank's share capital at the period end. The Bank has related party relationships with its directors, key management personnel and employees' funds.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties and balances are as follows:

	As at September 30, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
Rupees in '000								
Investments								
Opening balance	-	-	-	1,189,341	-	-	-	800,478
Investment made during the period / year	-	-	-	-	-	-	-	500,000
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(18,449)
Revaluation difference	-	-	-	5,301	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	(92,688)
Closing balance	-	-	-	1,194,642	-	-	-	1,189,341
Advances								
Opening balance	4,523,915	43	441,248	10,521,710	2,805,786	28,671	423,764	4,766,042
Addition during the period / year	138,652,944	1,404	276,475	12,395,853	85,548,230	438	237,240	12,098,633
Repaid during the period / year	(129,227,674)	(1,411)	(225,918)	(6,182,462)	(83,830,101)	(420)	(150,992)	(9,424,006)
Transfer in / (out) - net	-	-	(383)	-	-	(28,646)	(68,764)	3,081,041
Closing balance	13,949,185	36	491,422	16,735,101	4,523,915	43	441,248	10,521,710
Other Assets								
Interest / mark-up receivable	234,989	-	76,955	770,739	70,227	-	92,634	492,285
Advance rent	1,827	-	-	-	1,144	-	-	-
Borrowings								
Opening balance	-	-	-	2,372,387	-	-	-	1,923,886
Borrowings during the period	-	-	-	1,200,000	-	-	-	1,500,000
Settled during the period	-	-	-	(206,308)	-	-	-	(1,051,499)
Closing balance	-	-	-	3,366,079	-	-	-	2,372,387
Deposits and other accounts								
Opening balance	56,224,390	24,009	211,259	42,288,735	8,018,104	19,379	186,617	17,017,129
Received during the period / year	631,193,407	87,352	2,331,086	799,664,706	768,812,177	84,099	1,971,951	404,528,295
Withdrawn during the period / year	(650,027,386)	(98,886)	(2,256,441)	(788,144,584)	(720,605,891)	(76,565)	(1,957,873)	(379,499,670)
Transfer in / (out) - net	-	-	(58,066)	-	-	(2,904)	10,564	242,803
Closing balance	37,390,411	12,475	227,838	53,808,857	56,224,390	24,009	211,259	42,288,557
Other Liabilities								
Interest / mark-up payable	110,968	-	5,735	329,522	87,473	-	3,413	136,012
Payable to staff retirement fund	-	-	-	253,136	-	-	-	282,866
Security deposits payable	-	-	-	438,244	-	-	-	308,299
Others	-	-	12,305	-	110,128	-	5,884	-
Contingencies and Commitments	5,239,276	-	-	1,484,488	1,233,702	-	42,122	7,649,153
Others								
Securities held as custodian	3,462,500	-	24,750	542,000	6,790,000	-	-	1,219,500
Securities given as collateral	-	-	-	217,203	-	-	-	188,963

For the nine months ended September 30, 2022 (Un-Audited)				For the nine months ended September 30, 2021 (Un-Audited)			
Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties

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

Income

Mark-up / return / interest earned	454,773	-	17,375	1,459,296	145,153	533	12,085	398,984
Fee and commission received	6,205	-	-	62,900	20	-	-	36,372
Dividend income	-	-	-	53,268	-	-	-	48,018
Gain on sale of fixed assets	-	-	7,250	-	-	-	1,975	-

Expense

Mark-up / return / interest expensed	2,889,084	99	8,810	2,035,217	876,154	221	4,959	806,422
Charge to defined benefit plan	-	-	-	248,248	-	-	-	218,571
Contribution to defined contribution plan	-	-	-	213,762	-	-	-	238,068
Remuneration and allowances	-	-	520,383	6,886	-	-	557,513	5,205
Rent	1,707	-	-	-	1,314	-	-	-
Communications	-	-	-	53,743	-	-	-	30,694
Brokerage and Commission	-	-	-	58,234	-	-	-	30,766
Directors' Fee, Allowances	7,400	18,600	-	-	-	55,512	-	-
Dividend paid	-	-	-	-	2,718,846	9	225	42,350
Donations	322,759	-	-	-	142,110	-	-	-
Others	-	-	-	33	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and Atm).
The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
(Rupees in '000)		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,602,602	12,602,602
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	62,003,557	51,760,746
Eligible Additional Tier 1 (ADT 1) Capital	6,000,000	5,886,339
Total Eligible Tier 1 Capital	68,003,557	57,647,085
Eligible Tier 2 Capital	9,341,221	8,526,893
Total Eligible Capital (Tier 1 + Tier 2)	77,344,778	66,173,978
Risk Weighted Assets (RWAs):		
Credit Risk	413,295,141	397,474,330
Market Risk	14,482,448	28,800,513
Operational Risk	67,104,701	67,104,701
Total	494,882,289	493,379,544
Common Equity Tier 1 Capital Adequacy ratio	12.53%	10.49%
Tier 1 Capital Adequacy Ratio	13.74%	11.68%
Total Capital Adequacy Ratio	15.63%	13.41%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	68,003,557	57,647,085
Total Exposures	2,162,917,415	1,749,233,676
Leverage Ratio	3.14%	3.30%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	514,477,188	459,883,554
Total Net Cash Outflow	279,362,326	250,932,186
Liquidity Coverage Ratio	184.16%	183.27%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,123,465,613	986,776,859
Total Required Stable Funding	573,060,073	512,679,784
Net Stable Funding Ratio	196.05%	192.47%

36.1 As explained in note 20.1, had the relaxation not been availed CAR and leverage ratio of the Bank would have been lowered by 1.56% and 0.35% respectively.

37. Islamic Banking Business

The Group is operating 106 Islamic banking branches (including 3 sub-branches) and 07 Islamic Banking Windows at September 30, 2022 as compared to 101 Islamic banking branches (including 3 sub-branches) and Nil Islamic Banking Windows at year ended December 31, 2021.

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		8,049,908	7,149,581
Balances with other banks		64,287	648,268
Investments	37.1	40,446,148	31,274,749
Islamic financing and related assets - net	37.2	84,580,725	71,116,539
Fixed assets		1,750,355	1,477,974
Intangible assets		-	-
Due from Head Office		-	-
Other assets		5,814,986	4,769,976
Total assets		140,706,409	116,437,087
LIABILITIES			
Bills payable		1,096,558	1,769,395
Due to financial institutions		3,211,099	16,529,289
Deposits and other accounts	37.3	90,441,374	73,585,947
Due to head office		31,200,000	12,000,000
Sub-ordinated debt		-	-
Other liabilities		5,341,118	4,659,368
		131,290,149	108,543,999
NET ASSETS		9,416,260	7,893,088
REPRESENTED BY			
Islamic Banking Fund		4,600,000	4,600,000
Reserves	37.4	-	25,815
Deficit on revaluation of assets		(883,319)	(385,624)
Unappropriated profit	37.5	5,699,579	3,652,897
		9,416,260	7,893,088
CONTINGENCIES AND COMMITMENTS	37.6	18,075,794	13,885,398

The profit and loss account of the Group's Islamic banking branches for the period ended September 30, 2022 is as

		(Un-audited) For the nine months ended	
		September 30, 2022	September 30, 2021
	Note	(Rupees in '000)	
Profit / return earned	37.8	9,723,256	4,676,982
Profit / return expensed	37.9	5,914,321	1,790,699
Net Profit / return		3,808,935	2,886,283
Other income			
Fee and Commission Income		195,592	177,337
Dividend Income		8,614	59
Foreign Exchange Income		134,387	69,903
Gain / (loss) on securities		-	-
Other Income		57,369	64,253
Total other income		395,962	311,552
Total Income		4,204,897	3,197,835
Other expenses			
Operating expenses		1,989,340	1,682,155
Workers' Welfare Fund		-	-
Other charges		1,835	140
Total other expenses		1,991,175	1,682,295
Profit before provisions		2,213,722	1,515,540
Provisions and write offs - net		167,040	374,410
Profit before taxation		2,046,682	1,141,130

37.1 **Investments by segments:**

	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
Federal Government Securities:								
- Ijarah Sukuks	33,937,214	-	(884,637)	33,052,577	23,560,581	-	(385,792)	23,174,789
- Islamic Naya Pakistan Certificates	3,507,553	-	-	3,507,553	-	-	-	-
- GOP Bai Muajjal	-	-	-	-	4,215,092	-	-	4,215,092
	37,444,767	-	(884,637)	36,560,130	27,775,673	-	(385,792)	27,389,881
Units of Open end Mutual Fund	100,000	-	1,318	101,318	100,000	-	168	100,168
Non Government Debt Securities:								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	4,336,442	(551,742)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
	4,336,442	(551,742)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
Total investments	41,881,209	(551,742)	(883,319)	40,446,148	32,220,336	(559,963)	(385,624)	31,274,749

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
37.2 ISLAMIC FINANCING AND RELATED ASSETS	(Rupees in '000)	
Ijarah	5,320,734	5,443,351
Murabaha - note 37.2.1	6,361,956	6,496,482
Musharakah	37,658,849	29,064,976
Diminishing Musharakah	16,295,768	14,096,303
Salam	5,835,833	6,207,801
Istisna	3,805,348	4,287,613
Receivable against sale of Istisna / Salam Inventory	1,044,705	1,511,039
Service Ijarah	2,427,176	1,652,175
Other Islamic Modes (Executive Car Finance -Qarz-e-Hasana)	2,926,286	102,193
Advances against Islamic assets - note 37.2.2	2,726,953	2,618,817
Inventory related to Islamic financing - note 37.2.3	2,100,958	1,384,372
Gross Islamic financing and related assets	86,504,566	72,865,122
Less: provision against Islamic financings		
- Specific	1,878,784	1,702,470
- General	45,057	46,113
	1,923,841	1,748,583
Islamic financing and related assets - net of provision	<u>84,580,725</u>	<u>71,116,539</u>

37.2.1 Includes advance against Murabaha of Rs.1,284,437 thousand (December 31, 2021: Rs.949,535 thousand).

37.2.2 Advance against Islamic assets

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
September 30, 2022 (Un-audited)	<u>1,486,386</u>	-	<u>1,240,567</u>	-	-	<u>2,726,953</u>
December 31, 2021 (Audited)	<u>1,356,711</u>	-	<u>1,262,106</u>	-	-	<u>2,618,817</u>

37.2.3 Inventory related to Islamic financing

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
September 30, 2022 (Un-audited)	-	-	-	409,350	1,691,608	<u>2,100,958</u>
December 31, 2021 (Audited)	-	-	-	139,095	1,245,277	<u>1,384,372</u>

	<u>(Un-audited)</u> September 30, 2022	<u>(Audited)</u> December 31, 2021
37.3 DEPOSITS AND OTHER ACCOUNTS		
	(Rupees in '000)	
Customers		
Current deposits - non remunerative	32,643,287	32,221,831
Current deposits - remunerative	871,881	939,863
Savings deposits	24,879,244	22,006,695
Term deposits	22,819,065	15,152,962
Others	886,948	837,139
	<u>82,100,425</u>	<u>71,158,490</u>
Financial Institutions		
Current deposits - non remunerative	52,442	5,714
Current deposits - remunerative	6,073	50,001
Savings deposits	322,456	370,033
Term deposits	7,959,978	2,001,709
	<u>8,340,949</u>	<u>2,427,457</u>
	<u>90,441,374</u>	<u>73,585,947</u>
37.4 PROFIT EQUALISATION RESERVE		
The profit equalisation reserve at the end of current period is Nil (December 31, 2021: Rs. 25,815 thousand) which is classified in other liabilities in note 19.		
37.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	3,652,897	2,454,381
Add: Islamic banking profit for the period	2,046,682	1,198,516
Closing Balance	<u>5,699,579</u>	<u>3,652,897</u>
37.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	8,656,375	6,325,748
-Commitments	9,419,419	7,559,650
-Other contingent liabilities	-	-
	<u>18,075,794</u>	<u>13,885,398</u>
37.7 CHARITY FUND		
Opening balance	24,292	20,529
Additions during the period		
- Received from customers on delayed payments	23,286	29,765
- Non Shariah Compliant Income	170	-
- Profit on charity account	10	8
- Others	289	377
	23,755	30,150
Payments / utilization during the period		
- Education	-	(1,519)
- Health	-	(19,447)
- Orphanage	-	(5,421)
	-	(26,387)
Closing balance	<u>48,047</u>	<u>24,292</u>

		(Un-audited)	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		(Rupees in '000)	
37.8	PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS		
	Profit earned on:		
	Financing	6,916,795	3,619,055
	Investments	2,777,255	1,032,441
	Placements	29,206	25,486
		<u>9,723,256</u>	<u>4,676,982</u>
37.9	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts	3,041,922	1,427,110
	Due to financial institutions	255,076	230,681
	Due to head office	2,471,371	1,164
	Lease liability against right-of-use assets	145,952	131,744
		<u>5,914,321</u>	<u>1,790,699</u>

38. DATE OF AUTHORIZATION

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on October 18, 2022.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman



ASKARI BANK LIMITED