

CORPORATE AFFAIRS GROUP

HO/CAG/CAU/2022/75

October 28, 2022

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

Subject: Transmission of Quarterly Report for the Period Ended September 30, 2022

Dear Sir,

We have to inform you that Quarterly Report of Allied Bank for the period ended September 30, 2022 has been transmitted through PUCARS and is also available on Bank's website.

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

Yours Sincerely,



Adeel Javaid
Company Secretary

TRANSFORMING FUTURE



2022

3rd QUARTERLY REPORT

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Corporate Information

Vision

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

Mission

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

Core Values

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

Board of Directors

Mohammad Naeem Mukhtar
 Sheikh Mukhtar Ahmad
 Muhammad Waseem Mukhtar
 Abdul Aziz Khan
 Zafar Iqbal
 Nazrat Bashir
 Mubashir A. Akhtar
 Aizid Razzaq Gill

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

Audit Committee of the Board

Zafar Iqbal (Chairman)
 Nazrat Bashir
 Mubashir A. Akhtar

e-Vision Committee

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

Board Risk Management Committee

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

Strategic Planning & Monitoring Committee

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

Human Resource & Remuneration Committee

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

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

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Pakistan

Contact Detail



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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the nine months ended September 30, 2022. The operating results and appropriations as recommended by the Board are included in the appended table:

	Nine Months ended September 30,		Growth
	2022	2021	
	(Rupees in million)		%
Profit after tax for the period	12,628	13,070	(3)
Accumulated profits brought forward	69,471	66,995	4
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	27	2	1,250
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	51	355	(86)
Re-measurement on defined benefit obligation – net of tax	34	42	(17)
Profit available for appropriation	82,211	80,464	2
Final cash dividend for the year ended December 31, 2021: Rs. 2.00 per share (2021: Year ended December 31, 2020: Rs. 6.00 per share)	2,290	6,870	(67)
First interim cash dividend for the year ending at December 31, 2022: Rs. 2.00 per share (2021: year ended December 31, 2021: Rs. 2.00 per share)	2,290	2,290	-
Second interim cash dividend for the year ending at December 31, 2022: Rs. 2.00 per share (2021: year ended December 31, 2021: Rs. 2.00 per share)	2,290	2,290	-
Transfer to Statutory Reserves	1,263	1,307	(3)
Accumulated profits carried forward	74,120	67,705	9
Earnings Per Share (EPS) (Rs.)	11.03	11.41	(3)

The Board is pleased to announce an interim cash dividend of Rs. 2.00 per share in addition to first and second interim cash dividend of Rs. 2.00 per share each quarter, which have already been paid. Interim cash dividend for the nine months ended September 30, 2022 is Rs. 6.00 per share (September 30, 2021 Rs. 6.00 per share)

Economic Review

The global economy is going through a number of turbulent challenges. Persistently soaring inflation has increased cost of living which is creating difficulty especially for the lower income segments. Slowdown in China as a result of lockdowns caused by re-emergence of pandemic and Russia-Ukraine conflict are hampering economic activities, which as a whole are weakening global economic growth outlook. Tightened monetary and fiscal measures have been adopted by the central banks in most of the economies to cope with high inflationary pressures and to moderate consumer demand. Resultantly International Monetary Fund (IMF) has projected the global growth to remain subdued at 3.2% in 2022.

In sync with the global trend, domestic economy is confronting with inflationary and external sector pressures coupled with economic and humanitarian crisis due to recent floods. IMF has projected Pakistan's GDP growth at 3.5% (recent floods not accounted for by IMF) in 2023. While State Bank of Pakistan (SBP) has projected GDP growth of 2% in 2023.

Large Scale Manufacturing (LSM) registered negative growth of 0.4% in July-Aug FY2023 as against growth of 11.3% in July-Aug FY2022 due to monsoon-led floods, elevated inflationary pressures and supply chain disruptions.

Major and minor kharif crops' productivity has been affected adversely by floods caused by heavy monsoon spell. SBP has assigned an annual agriculture credit disbursement target of Rs1.8 trillion for FY-2023 to cater to the agriculture credit demand. Disbursement of agriculture credit during Jul-Aug FY2023 increased by 32% to reach at Rs. 226 billion as compared to Rs. 172 billion during corresponding period last year.

On the external front, fiscal measures adopted to discourage imports along with boosting exports have started yielding positive results. Exports grew by 10.8% to reach at US\$ 6,223 million during Jul-Aug FY2023 as compared to US\$ 5,618 million in corresponding period last year. With a decline of 1.7% imports stood at US\$ 12,837 million during Jul-Aug FY2023 as against US\$ 13,057 million in Jul-Aug FY2022.

Strict policy actions and adoption of stabilization strategies to combat trade imbalances have produced positive results. Current account deficit dropped to US\$ 703 million for the month of August FY2023 as against deficit of US\$ 1,523 million in the same month last year, whereas accumulative deficit for Jul-Aug FY2023 reduced to US\$ 1,918 million as compared to US\$ 2,374 million in the corresponding period last year.

Worker's remittances recorded at US\$ 7.7 billion during the period of Jul-Sep FY2023 showing a negative growth of 6.3% over the same period last year.

Pakistan Net Foreign Reserves and Net Foreign Reserves with SBP were recorded at US\$ 13,589 million and US\$ 7,900 million respectively as on 30 September 2022.

During Jul-Sep FY2023, Net Foreign Direct Investment was recorded at US\$ 253.4 million as compared to US\$ 479.2 million in last year showing decrease of 47%. Whereas, Net Portfolio Investment recorded an outflow of US\$ 30million during Jul-Sep FY2023 as compared to an inflow of US\$ 879 million during the comparable period last year.

Money Supply (M2) registered a Year on Year (YoY) growth of 15% and reached at Rs. 28,018 billion as on September 30, 2022. Whereas, currency in circulation stood at Rs. 7,653 billion showing a YoY growth of 9%.

On the fiscal side, Federal Board of Revenue was able to surpass the target by Rs. 22.5 billion during Jul-Aug FY2023 and provisional net revenue collection grew by 9.7% to reach at Rs. 948.1 billion against Rs. 864.5 billion in the comparable period last year.

Headline inflation observed decline of 4.1% in the month of September 2022 to reach at 23.2% against 27.3% in the previous month.

In view of prevailing uncertainty, investors' sentiments remained bearish, KSE-100 index closed at 41,128 points as on September 30, 2022 against 44,596 points as on December 31, 2021. Pakistan Rupee depreciated by 12% against US Dollar from June 30, 2022 to stand at Rs. 228.452 as on September 30, 2022.

In view of this challenging situation, State Bank of Pakistan (SBP) adopted tightening of monetary policy to moderate demand, prevent the compounding of inflationary pressures and to safeguard the external stability and has progressively inflated policy rate by 525 basis points since December 2021 to bring it at 15.00% on July 07, 2022. Despite of prevailing negative real interest rates gap, deceleration in economic activities, reduction in headline CPI and the waning current account deficit gave breathing space to State Bank of Pakistan (SBP) to maintain policy rate at 15%.

Financial Review

Banking Sector's performance remained encouraging despite of operating in challenging economic environment due to global slow down, inflationary pressure, high tax regime for banks in Pakistan and tightening monetary policy.

Industry's assets increased by 15% as on September 30, 2022 to stand at Rs. 33,155 billion. Asset base growth is primarily due to Investments and net advances which stand at Rs. 17,484 billion and Rs. 10,395 billion showing growth of 24% and 10% respectively.

Total deposits of industry increased by 9% to stand at Rs. 22,820 billion as on September 30, 2022 as against Rs. 20,972 billion as on December 31, 2021.

Positive volumetric growth in average earning assets coupled with positive rate variance resulted in 74% of growth in mark-up income of Your Bank to reach at Rs. 147,552 million as against Rs. 84,696 million same period last year. The positive rate variance is due to higher yield on Investments, Advances and Bank Placements.

Likewise, Mark-up expense increased by Rs. 52,096 million showing a growth of 104% to reach at Rs. 102,110 million as on September 30, 2022 as compared to Rs. 50,014 million in the comparative period last year. This increase is on account of higher cost of deposits, borrowing expense and interest expense on Right of Use of Asset. Net Interest Income increased by 31% to reach at Rs. 45,442 million during the captioned period as compared to Rs. 34,682 million last year.

On Non-Markup income side, growth of 39% has been observed bringing the non-interest income to reach at Rs. 16,328 million for the nine months ended on September 30, 2022 as compared to Rs. 11,729 million for the same period last year. Fee income has reached at Rs. 5,938 million registering a growth of 20%, which was Rs. 4,950 million in the comparable period last year. This increase is on account of higher card related fee, branch banking customer fee, and investment banking fee.

Foreign exchange income reached to Rs. 7,142 million for the period under review as compared to Rs. 1,112 million for same period last year mainly attributable to higher trade volumes, volatility in spot and swaps.

Dividend Income increased by Rs. 172 million showing a growth of 9% to reach at Rs. 1,983 million for the nine months ended September 30, 2022 as against Rs. 1,811 million for same period last year.

Despite hiked inflation, impact of currency devaluation and continued investment towards technological upgradation, operating expenses growth was restricted to 18% during the period under review.

Despite the challenging economic conditions and banking dynamics, Your Bank registered appreciable growth of 50% in Profit before tax which stood at Rs. 33,024 million for the nine months ended September 30, 2022 as against Rs. 21,973 million for comparative period last year.

Vide Finance Act, 2022, Corporate Tax Rate for Banking companies enhanced from 35% to 39%, Super Tax on high earning persons is levied for Tax Year 2023 (Income Year 2022) at 10% and subsequently at 4% and Tax Rate on attributable Income from Investments in Federal Government Securities increased (49% for ADR 40%-50%) retrospectively from Tax Year 2022 (Income Year 2021). This resulted in 62% average tax rate for nine months ended September 30, 2022 as compared to average tax rate of 41% for the corresponding period last year.

Profit after Tax was recorded at Rs. 12,628 million in the captioned period, lower by 3% from Rs.13,070 million in the corresponding period last year. In line with profit after tax earnings per share (EPS) of Your Bank also reduced to Rs.11.03 per share for the nine months period ended September 30, 2022, against Rs.11.41 per share in the corresponding period last year.

Directors' Review

To provide seamless services and on the go banking facilities, Your Bank is focusing on enhancing digital footprints by adopting advanced and innovative digitization processes along with brick-and-mortar expansion.

Allied Bank's outreach stood at 1,432 branches including 1,306 conventional, 117 Islamic and 7 Digital branches as on September 30, 2022. ATM network reached at 1,569 machines consisting of 1,294 on-site, 270 off-site and 5 Mobile Banking Units (MBU). Average ATM uptime was registered at 96.41% for the nine-month ended September 30, 2022.

Total asset base of Your Bank increased by 3% to reach at Rs. 2,061 billion as on September 30, 2022 as compared to Rs. 2,010 billion in December 2021. Investments and Net Advances closed at Rs. 1,088,683 million and Rs. 673,687 million showing growth of 2% and 3% respectively.

Persistent focus on prudent risk management practices led to 4% decline in Non-Performing advances which stood at Rs. 13,015 million as on September 30, 2022 as compared to Rs. 13,601 million as on December 31, 2021. Your bank continued its momentum towards lower infection ratio which stood at 1.90% as on September 30, 2022 as compared to industry average infection ratio of 7.5% as on June 30, 2022. No forced sale value (FSV) benefit was availed while determining the provision against Non-Performing Loans, allowed under SBP guidelines.

Your Bank's borrowings stood at Rs. 309,351 million as on September 30, 2022 decreased by 26% as compared to Rs. 420,006 million as on December 31, 2021.

Total Deposits of your bank registered a growth of 10% to stand at Rs. 1,551,230 million in the captioned period as against Rs. 1,413,295 million as on December 31, 2021. Your bank pivoted its concentration towards low-cost deposits which is evident from a growth of 9% in non-remunerative current deposits. Whereas, current account to total deposit ratio and current account saving account (CASA) deposit mix stood at 42% and 80% respectively, as on September 2022.

Return on Assets and Return on Equity were recorded at 0.83% and 15.08% respectively as on September 30, 2022. Capital Adequacy Ratio (CAR) remained resilient at 20.40% against a statutory requirement of 11.5%.

Future Outlook:

Uncertainties and downside risks to the world economic outlook remain elevated. The economic challenges emanating from geopolitical conflicts, deeper-than-expected deceleration in China, mounting inflationary pressures and aggressive monetary measures will continue to undermine the global economic growth prospects. Keeping in the view the current economic situation, the IMF has recently projected global growth at 2.7% and 3.2% in FY2023 and FY2027 respectively.

On the domestic front, SBP anticipates the GDP growth to fall around 2% in FY2023 as compared to previous forecast of 3-4% due to recent floods. Inflation is expected to surpass the pre-flood projection of 18-20% in FY2023 and to fall sharply between 5-7% in FY2024. However, headline inflation will continue to be dominated by flood-led supply shocks, Pak-rupee devaluation and hike in international commodity prices in the near future.

Allied Bank being an empathetic corporate entity, has always been at the forefront in supporting the National Cause. Your Bank under the 'Corporate Social Responsibility' has contributed effectively in flood relief activities in collaboration with credible NGOs across Pakistan. The employees of Your Bank also participated in noble cause of helping the flood effected masses by donating one (1) day salary to provide food supplies, medicines, tents, and other items of daily use.

Your Bank has always taken pride in introducing highly competitive services to facilitate the needs of its diversified customer base. Hence Your Bank is pleased to introduce a new deposit product/account namely 'Allied Aitebar Salary Management Account'. This product is developed to provide efficient and quick management of payroll services to corporates, institutions, entities and retail clients by offering a Shariah compliant solution.

Entity Ratings

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

Corporate Governance Rating

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

Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report. Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board of Directors and its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence and

is within the prescribed threshold defined by SBP. No fee is paid to the Directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Acknowledgement

On behalf of the Board of Directors and the Management, we would like to place on record our gratitude; to esteemed shareholders and valued customers for placing their trust in Allied Bank; the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and other regulatory authorities for their consistent direction and oversight.

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

For and on behalf of the Board of Directors.

Aizid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: October 20, 2022

ڈائریکٹرز کا تجزیہ

موزشٹر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2022ء کو اہتمام پہنچانہ کی مدت کے مالیاتی نتائج پیش کرتے ہوئے نہایت سرتسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تھتھس مندرجہ ذیل جدول میں درج ہے:

نوہاء ہتھتھہ 30 ستمبر			
2022	2021	مؤہ%	مؤہ%
ملین روپے			
			(3)
بعءارگٹس منافع	12,628	13,070	4
گزشتہ ربع شہہ منافع	69,471	66,995	27
غیر بینکاری اٹا ہجاءت کی قءروپٹش سے غیر تصرف شہہ منافع میں متھلی خالص ارگٹس	27	2	1250
معین اٹا ہجاءت کی قءروپٹش سے غیر تصرف شہہ منافع میں متھلی خالص ارگٹس	51	355	(86)
معین فاءڈ کی ءسءاری کی ءوءارہ ہجٹش سے حاصل شہہ آءءئی۔ خالص ارگٹس	34	42	(17)
تصرف کے لیے ءستباب منافع	82,211	80,464	2
تھتی کٹش ڈیوڈینڈ برائے سال ہتھتھہ 31 ءبر 2021 - 2.00 روپے فی حصص (2021: سال ہتھتھہ 31 ءبر 2020 - 6.00 روپے فی حصص)	2,290	6,870	(67)
ہہلا ءمورہ کٹش ڈیوڈینڈ برائے سال ہتھتھہ 31 ءبر 2022 - 2.00 روپے فی حصص (2021: سال ہتھتھہ 31 ءبر 2021 - 2.00 روپے فی حصص)	2,290	2,290	-
ءمورا ءمورہ کٹش ڈیوڈینڈ برائے سال ہتھتھہ 31 ءبر 2022 - 2.00 روپے فی حصص (2021: سال ہتھتھہ 31 ءبر 2021 - 2.00 روپے فی حصص)	2,290	2,290	-
ضوءاٹکی رزرو میں متھلی	1,263	1,307	(3)
آءے متھلی کٹا کٹا ربع شہہ منافع	74,120	67,705	9
فی حصص ءءئی (EPS) روپے	11.03	11.41	(3)

بورڈ نہایت سرتسے 2 روپے فی شئیر فی سماءی کے ءمورہ کٹش ڈیوڈینڈ اعلان کرتا ہے ءوءہ 2 روپے فی شئیر کے پہلے اور ءوسرے ءمورہ ڈیوڈینڈ کے علاوہ ءن کی ءئشءاراءگٹکی کی ہانگٹ ہے۔ 30 ستمبر 2022ء کو اہتمام پہنچانہ کی مدت کے لیے ءمورہ کٹش ڈیوڈینڈ 6 روپے فی شئیر ہے (30 ستمبر 2021ء - 6 روپے فی شئیر)۔

معاشی ہانزءہ:

عالمی معشیت اس ءءت کی ایک متھلی ءءاثت سے تہرا ءراہے۔ مسئل ہونے افرارڈ سے صءارف ءنڈگی میں اٹاف ہورہے ءس سے کم آءءئی کے حال ہٹے کو شءی ءقت ءرہٹ ہے۔ ءھن میں عالمی ءواہ کے ءوءارہ ٹھورہ ءتہے میں ہونے والے لاء ءوان کی ءءوت سست ءوی اور ءس۔ ءوکرین ءنگ سے معاشی مرگرمیاں متاثر ہوئی ہیں ءوءہ عالمی معاشی ءوء کو ءمبوی طوءرہ ءوکر رہی ہیں۔ اس بلند افرارڈ کے ءواہ سے ہٹنے اور صارفین کی طلب کو متھل رکھنے کے لیے زاءءہ ترگھوں کے مرکزہ ہجٹوں کی ہانہ سے کڑے مالیاتی اور انضمامی اءءاماء اٹھائے گئے ہیں۔ ءس کے نتیجے میں آئی ایم اےف نے سال 2022ء میں عالمی مو کی ہٹش ہٹھ میں ٹھیر کے رجھان کو برقرار رکھنے ہونے 3.2 فیصد کی شرح کا تھمید لگایا ہے۔

عالمی رجھان کی مٹامٹ میں ءاطلی معشیت، افرارڈ اور ہر ءئی شے کے ءواہ اور اس کے ساتھ حالیہ تھیز ٹین سلاب کے باعث معاشی اور انسانی ہجران کا سامنا کر رہی ہے۔ آئی ایم اےف نے سال 2023ء کے لیے پاکستان کی بی ڈی پی کی مو کا تھمید 3.5 فیصد ہر اٹاء ءوایا ہے (آئی ایم اےف نے اس بارے میں حالیہ سلاب کی صورتحال کا اندازہ نہیں کیا ہے)۔ ءوءہ اٹھٹ ہٹک آف پاکستان نے سال 2023ء کے لیے بی ڈی پی کی مو 2 فیصد ہر تھمید کی ہے۔

ہرے ہٹانے کی ہوءاری صنت میں مون سون کے بعءہ کے سلاب، ہٹنے افرارڈ کے ءواہ اور رءء میں ءرہٹں رکاءوں کی ہجہ سے مالی سال 2023ء کے ءولائی تا اگٹ کی مدت میں 11.3 فیصد کی مو کے متاھے میں مالی سال 2023ء کے ءولائی تا اگٹ کے عرے میں 0.4 فیصد کی متھی مو رءءرہی گئی۔

غریب کی ہوءی ہٹوں کی ہوءارہ مون سون کی زاءءہ بارشوں سے آٹاءے سلاب سے ہری طرح متاثر ہوئیں۔ اٹھٹ ہٹک آف پاکستان نے زرعی قرضوں کی ءءء اور اءاف کا تھین کیا ہے، ءس کے سلاطین زرعی قرضوں کی طلب کو ہوارکنا کرنے کے لیے مالی سال 2022ء کے لیے 1.8 ٹریلین روپے کی قسیم کا ہرف مقرر کیا ہے۔ ءٹا، زرعی قرضہ ہات کی فرہاشی گزشتہ سال کے تھلی عرے سے 172 ٹریلین روپے کے ءمگ ءنہٹ مالی سال 2023ء کے ءولائی تا اگٹ کی مدت کے ءوران 32 فیصد کی ہوءوتی کے ساتھ 226 ٹریلین روپے ہٹچھے گئے۔

ہر ءئی ءواہ، ءءاءات کی حوصلہ فٹنی اور برآءاءات کی حوصلہ فٹنی کے قرض سے اٹھارہ کے گئے انضمامی اءءاماء کے ءٹت ثمرات حاصل ہونا شروع ہو گئے ہیں۔ برآءاءات، گزشتہ سال کی تھلی مدت میں 5,618 ملین امریکی ءالار کی سطح کی نہٹ مالی سال 2023ء کے ءولائی تا اگٹ کے ءوران 10.8 فیصد کے اضافے کے ساتھ 6,223 ملین امریکی ءالار ہٹچھے گئیں۔ ءءاءات، مالی سال 2022ء کے ءولائی تا اگٹ کے عرے میں 13,057 ملین امریکی ءالار کے ءمگ کے متاھے میں 1.7 فیصد کی ہٹ کے ساتھ مالی سال 2023ء کے ءولائی تا اگٹ کی مدت میں 12,837 ملین امریکی ءالار ہر ءرہی گئیں۔

تجارتی عدم توازن کے تدارک کے لیے سخت پالیسی کی کاروائیوں اور انتظام کی حکمت عملیوں کو اختیار کرنے سے مثبت نتائج حاصل ہوئے ہیں۔ کرنٹ اکاؤنٹ کا خسارہ، مالی سال 2023ء کے اگست کے مہینے میں کم ہوتے ہوئے 703 ملین امریکی ڈالرز پر درج ہوا جبکہ پچھلے سال کی اسی قلمی مدت میں اس کا حجم 1,523 ملین امریکی ڈالرز پر تھا۔ دوسری طرف، مالی سال 2023ء کی جولائی تا اگست کی مدت میں مجموعی خسارہ گزشتہ سال کے قلمی عرصے کی 2,374 ملین امریکی ڈالرز کے مقابلے میں کم ہوتے ہوئے 1,918 ملین امریکی ڈالرز تک ریکارڈ کیا گیا۔

افزادی ترسیلات زر، مالی سال 2023ء کے جولائی تا ستمبر کے عرصے کے دوران گزشتہ سال کی مماثلہ مدت سے 6.3 فیصدی حتمی نمو کے اندراج کے ساتھ 7.7 ملین امریکی ڈالرز پر ریکارڈ ہوا۔

پاکستان کے زرمبادلہ کے خاص ذخائر اور اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے خاص ذخائر 30 ستمبر 2022ء تک باجی تہ 13,589 ملین امریکی ڈالرز اور 7,900 ملین امریکی ڈالرز پر ریکارڈ ہوئے۔

مالی سال 2023ء کے جولائی تا ستمبر کے عرصے کے دوران برادرس فیٹکل سرمایہ کاری گزشتہ سال کے 479.2 ملین امریکی ڈالرز کے مقابلے میں 47 ملین امریکی ڈالرز کی خاطر کم ہوئے 253.4 ملین امریکی ڈالرز پر درج ہوئی۔ جبکہ، سرمایہ کاری کے خاص پورٹ فولیوس سال 2023ء کی جولائی تا ستمبر کی مدت میں گزشتہ سال کے قلمی عرصہ میں 679 ملین امریکی ڈالرز کے ان قلمی کی نسبت 30 ملین امریکی ڈالرز کا آؤٹ قلم ریکارڈ کیا گیا۔

مٹی چلائی (ایم2)، سال ہرسال کی بنیاد پر، 15 فیصد کی نمو کے ساتھ 30 ستمبر 2022ء تک 28,018 ملین روپے پر پہنچ گئی۔ جبکہ، کرنسی کی سرکولیشن 9 فیصدی سال ہرسال کی بنیاد پر، بیرونی کے ساتھ 7,653 ملین روپے پر درج ہوئی۔

مالیاتی حوالے سے، فیڈرل بورڈ آف ریزرو مالی سال 2023ء کی جولائی تا اگست کی مدت کے دوران 22.5 ملین روپے کی زائد وصولی کے ساتھ اپنے چف کو عبور کرنے میں کامیاب رہا اور عبوری خالص آمدنی کی وصولیاں گزشتہ کے قلمی عرصہ میں حاصل کی گئی 864.5 ملین روپے کی وصولیوں سے 9.7 فیصد کے اضافے کے ساتھ 948.1 ملین روپے پر پہنچ گئیں۔

سرخیلی افراط زر ستمبر 2022ء میں گزشتہ ماہ کی 27.3 فیصدی شرح کی نسبت 4.1 فیصدی کی کا اندراج کرتے ہوئی 23.2 فیصد پر درج ہوا۔

مستقل فیوچرنگ کی صورت حال کے تناظر میں سرمایہ کاروں کے جذبات اور رجحان میں متذبذب کی برقرار کیفیت کی وجہ سے الٹرا سائی-100 اگست 31 ستمبر 2021ء کے 44,596 پائسل کے مقابلے میں 30 ستمبر 2022ء تک 41,128 پائسل پر رہا۔ پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں 30 جون 2022ء سے 12 فیصدی فروشی سے اس کی سطح 30 ستمبر 2022ء تک 228.452 روپے فی امریکی ڈالر پر ریکارڈ کی گئی۔

اس خسارہ صورتحال کے چیلن نظر، اسٹیٹ بینک آف پاکستان نے طلب کو معتدل رکھنے اور بروڈی انتظام کے تحت کی خاطر کڑے مالیاتی پالیسی کے اختیار کیا ہے اور پالیسی ریٹ میں ستمبر 2021ء سے 525 بی پی ایس کے بتدریج اضافے کے ساتھ 7 جولائی 2022ء تک اس کی شرح کو 15 فیصد پر محدود کیا ہے۔ حقیقی انٹرس ریٹ میں جاری حقیقی قعات کے باوجود، معاشی سرگرمیوں میں تھپیر، نمایاں سی آئی پی (CPI) میں کمی اور کرنٹ اکاؤنٹ کی زوال پذیری سے پیدا ہونے والی کچھ پہچری نے اسٹیٹ بینک آف پاکستان کو پالیسی ریٹ کی 15 فیصدی شرح پر برقرار رکھنے میں مدد فراہم کی۔

مالیاتی جائزہ:

بینک کے شعبے کی کارکردگی، عالمی معاشی تبدیلیوں کی بدولت مشکل معاشی ماحول، افراط زر کے دباؤ، پاکستان میں بینکوں کے لیے بلند شرحوں کے لگن کے دور اور کڑے مالیاتی پالیسی کے صورتحال میں کاروبار کرنے کے باوجود، خاصی حوصلہ افزاء رہی ہے۔

صنعت کے اثاثہ جات 30 ستمبر 2022ء، کو 15 فیصد کے اضافے کے ساتھ 33,155 ملین روپے پر درج ہوئے۔ اثاثہ جات کی اساس میں نمو بنیادی طور پر سرمایہ کاری اور خالص قرضہ دہات کی وجہ سے رہی۔ جن کا حجم 24 ستمبر 2022ء اور 10 فیصد کے باجی تہ اضافے کے ساتھ 17,484 ملین روپے اور 10,395 ملین روپے ریکارڈ کیا گیا۔ جبکہ صنعت کے کل ڈیپازٹ 31 ستمبر 2021ء تک کے 20,972 ملین روپے کے مقابلے میں 30 ستمبر 2022ء تک 22,820 ملین روپے پر رپورٹ ہوئے۔

اوسط پیداواری اثاثہ جات میں مثبت مقداری نمو اور اس کے ساتھ ریش میں مثبت قعات کے نتیجے میں آئیے بینک کی مالک اپ آمدنی گزشتہ سال کے قلمی عرصے کے 84,696 ملین روپے کے حجم کی نسبت 74 فیصد کی بیرونی کے اندراج کے ساتھ 147,552 ملین روپے پر پہنچ گئی۔ ریش میں یہ مثبت قعات، سرمایہ کاری، قرضہ دہات اور بینک پلٹمنٹس کی بلند شرح آمدنی کی وجہ سے رہی۔

اسی طرح مالک اپ اخراجات گزشتہ سال کے قلمی عرصہ کی 50,014 ملین روپے کی سطح سے 104 فیصد کے اضافے کے ساتھ 30 ستمبر 2022ء تک 52,096 ملین روپے کی بیرونی قعات کرتے ہوئے 102,110 ملین روپے پر جا پہنچے۔ یہ اخاف ڈیپازٹ کی بڑھتی لاگت، قرض کی وصولی کے اخراجات اور اثاثہ جات کے استیصال پر حق سے متعلق انٹرس اخراجات کے باعث ہوا۔ خالص انٹرس آمدنی مذکورہ بالا مدت کے دوران، پچھلے سال کے مماثلہ عرصے کی 34,682 ملین روپے کی سطح سے 31 فیصدی فروشی کے ساتھ 45,442 ملین روپے پر جا پہنچ گئی۔

غیر مالک آمدنی کی مدت، 30 ستمبر 2022ء کو انتظام پذیر نو ماہ کی مدت 39 فیصد کی نمو دیکھی گئی جس کا حجم گزشتہ سال کے مماثلہ عرصے میں حاصل شدہ 11,729 ملین روپے کی آمدنی کی نسبت 16,328 ملین روپے پر درج کیا گیا۔ فیمن کی آمدنی گزشتہ سال کی قلمی مدت کے 4,950 ملین روپے کے حجم سے 20 فیصدی نمو ریز کرتے ہوئے 5,938 ملین روپے پر پہنچ گئی یہ اضافہ کارڈ سے متعلق آمدنی، برانچ بینک کے صارفین کی فیمن اور انویسٹمنٹ بینک کی فیمن کے بیرونی کے باعث رہا۔

فیوچرنگ شرح تبادلہ کی آمدنی، اس زیر تحریر عرصہ کی دوران، بلند تجارتی مقدار، سپاٹ اور سواپس (spot & swaps) کے آثار وچڑھاؤ اور سپر لیڈز میں وسعت کی بدولت گزشتہ سال کی 1,112 ملین روپے کی آمدنی کے مقابلے میں 7,142 ملین روپے پر پہنچ گئی۔

ڈیپ لیڈنگ کی آمدنی 30 ستمبر 2022ء کو انتظام پذیر نو ماہ کے عرصے کے لیے، گزشتہ سال کی مدت کے 1,811 ملین روپے سے 172 ملین روپے کا اضافہ ظاہر کرتے ہوئے 9 فیصدی نمو کے ساتھ 1,983 ملین روپے

پر پہنچ گئی۔

بلتر افراط زر، کرنی کی قدر میں فروشی کے اثرات اور جتنا لومنی کی جدیدیت اور اپ گریڈیشن میں مسلسل سرمایہ کاری کے باوجود کاروباری اخراجات، اس کو زیر ترقیہ عرصہ کے دوران 18 فیصد کی شرح پر محدود رکھا گیا ہے۔

مشکل مالی حالت اور بینکنگ کے بدلے حرکات کے باوجود، آپ کے بینک نے منافع قبل انگیس میں 50 فیصد کی شاندار نمو حاصل کی ہے جو 30 ستمبر 2022ء کو اختتام پذیر ہوا۔ عرصہ کے لیے گزشتہ سال کی تقابلی مدت 21,973 ملین روپے کے مقابلے میں 33,024 ملین روپے پر درج کیا گیا۔

فنانس ایکٹ 2022ء کے ذریعے بینکنگ کمپنیوں کے کارپوریٹ ٹیکس 35 فیصد سے 39 فیصد کر دیا گیا، ٹیکس سال 2023ء (مالی سال 2022) کے لیے زیادہ آمدنی کے حامل افراد کے لیے پرتگلس کی شرح 10 فیصد جبکہ آئندہ سالوں کی 4 فیصد مقرر کی اور فیڈرل گورنمنٹ سکیورٹیز میں سرمایہ کاری سے مختلف آمدنی پر ٹیکس سال 2022ء (مالی سال 2021ء) سے ٹیکس ریٹ میں کمی (40 فیصد تا 50 فیصد) سے آئی آر (ADR) کے لیے 49 فیصد) اضافہ کیا گیا۔ اس کے نتیجے میں، 30 ستمبر 2022ء کو اختتام پذیر ہونے والے عرصے میں اوسط ٹیکس ریٹ گزشتہ سال کے تقابلی عرصے کی 41 فیصد کی شرح کے مقابلے میں 62 فیصد پر چاہیگا۔

منافع بعد انگیس مذکورہ مدت کے دوران 12,628 ملین روپے پر رہا جو گزشتہ سال کے تقابلی عرصے سے 13,070 ملین روپے کے حجم سے 3 فیصد کی کمی کو ظاہر کرتا ہے۔ منافع بعد انگیس کی مطابقت میں آپ کے بینک کی فی شخص آمدنی بھی 30 ستمبر 2022ء کو اختتام پذیر ہونے والے عرصے کے دوران گزشتہ سال کی تقابلی مدت کی 11.41 روپے فی شخص کی شرح سے کم ہو کر 11.03 روپے فی شخص تک چاہیگا۔

خدمات کی بلا کاؤٹ اور ہمارا فراہمی اور بینکنگ کی سہولیات کی فوری اور برداشت دہائی کی خاطر آپ کے بینک نے جدید اور منفرد ڈیجیٹل سروسز کے عمل اور ہر سطح پر وسعت اختیار کرتے ہوئے اپنی ڈیجیٹل پیش قدمی پر خصوصی توجہ مرکوز رکھی ہے۔

30 ستمبر 2022ء تک الائیڈ بینک کی رسائی 1,432 برانچوں تک بڑھ گئی ہے جس میں 1,306 روایتی، 117 اسلامک اور 7 ڈیجیٹل برانچیں شامل ہیں۔ اسے ٹی ایم نیٹ ورک 1,569 میٹروپولیٹن بینک کی تمام 1,294 آن سائٹ، 270 آف سائٹ اور 5 موبائل بینکنگ اینٹ شامل ہیں۔ 30 ستمبر 2022ء کو اختتام پذیر ہونے والے عرصہ کے لیے اوسط ٹی ایم نیٹ پانچ (uptime) 96.41 فیصد پر درج کیا گیا۔

آپ کے بینک کے کل اثباتات کی اساس دہبر 2021ء میں حاصل شدہ 2,010 ملین روپے کے حجم سے 30 ستمبر 2022ء تک 3 فیصد کے اضافے کے ساتھ 2,061 ملین روپے پر درج کی گئی۔ سرمایہ کاری اور خالص قرضہ جات 2 فیصد اور 3 فیصد کی نمو کے ساتھ بالترتیب 1,088,683 ملین روپے اور 673,687 ملین روپے پر بند ہوئے۔

خدمات کے متدارک کے داخندانہ عوامل پر کارفرما رہتے ہوئے غیر فعال قرضہ جات میں 4 فیصد کی کمی دیکھی گئی جو کہ 31 دسمبر 2021ء کی 13,601 ملین روپے کی سطح سے 30 ستمبر 2022ء تک 13,015 ملین روپے پر درج ہو گئے۔ آپ کے بینک نے کم از کم انگیس کی شرح کی اپنی تحریک کو برقرار رکھا جس کے باعث یہ شرح 30 جون 2022ء کو کمیت کی 7.5 فیصد کی سطح کی نسبت 30 ستمبر 2022ء تک 1.90 فیصد پر درج کی گئی۔ غیر فعال قرضوں کے اخراجات (پروویژن) کا تخمینہ کرتے ہوئے اسٹیٹ بینک آف پاکستان کی جانب سے اجازت کردہ جری فروخت کے فوائد کو شمار نہیں کیا گیا۔

آپ کے بینک کے حاصل شدہ قرضہ جات 31 دسمبر 2021ء تک 420,006 ملین روپے کی سطح سے 30 ستمبر 2022ء تک 26 فیصد کی کمی کے ساتھ 309,351 ملین روپے پر پہنچ گئے۔

آپ کے بینک کے کل ڈیپازٹس، اس مذکورہ مدت کے دوران، 31 دسمبر 2021ء کی 1,413,295 ملین روپے کی سطح سے 10 فیصد کی نمو کے اظہار کے ساتھ 1,551,230 ملین روپے پر ریکارڈ ہوئے۔ آپ کے بینک نے اپنی ایم اینی توجہ کم فاکٹ کڈ ڈیپازٹس کے حصول پر مرکوز رکھی جس کا مشاہدہ غیر بیاداری کرنٹ ڈیپازٹس میں 9 فیصد کی نمو کے حصول سے کیا جاسکتا ہے۔ جبکہ کرنٹ اکاؤنٹ کا کل ڈیپازٹ اور کرنٹ اکاؤنٹ سٹیٹ بینک اکاؤنٹ (کاسا) ڈیپازٹ کی ترکیب ستمبر 2022ء تک بالترتیب 42 فیصد اور 80 فیصد پر رہیں۔

30 ستمبر 2022ء تک اثباتات کی آمدنی اور سرمائے کی آمدنی کی شرحیں بالترتیب 0.83 فیصد اور 15.08 فیصد پر ریکارڈ کی گئیں۔ سرمائے کی مطوئیت (کمپنل ایلیکٹریسیٹی) 11.5 فیصد کی مطابقت قانونی شرح کے تناسب میں 20.40 فیصد کے مطلوبہ سطح پر برقرار ہے۔

مشتمل کی پیش بینی :

غیر متعلقہ اور جزئی کی خدمات، دنیا کی معیشت کی چیلن جینی پر مسل چھانے ہوئے ہیں۔ جغرافیائی اور سیاسی تنازعات، جہن میں توقع سے کہیں زیادہ سستی سے ابھرے معاشی پینڈیٹیز کی بناء پر افراط زر کے دباؤ میں بے حد اضافہ دیکھا جا رہا ہے اور عالمی معیشت کے نمو کو باعث کو چیلن دہی مالیاتی اقدامات کے ذریعے مزید زور کرنے کا عمل جاری رہنے کی توقع ہے۔ موجودہ معاشی صورتحال کے پیش نظر، آئی ایم ایف نے مالی سال 2023ء اور مالی سال 2027ء کے لیے، حال میں، عالمی معاشی نمو کو بالترتیب 2.7 فیصد اور 3.2 فیصد پر تخمینہ کیا ہے۔

داخلی ناظر، اسٹیٹ بینک آف پاکستان نے حالیہ سلاہک میں وجہ سے مالی سال 2023ء کے لیے اپنی 4 تا 5 فیصد کے ساتھ صحیحہ کو کم کر کے ہونے والی ڈی پی ٹی کی نمو 2 فیصد تک رہنے کی توقع کا اظہار کیا ہے۔ افراط زر کی، مالی سال 2023ء میں سلاہک سے پہلے کی گئی 18 سے 20 فیصد کی چیلن جینی کی سطح کو میڈر کرنے کی توقع کی جا رہی ہے۔ جبکہ مالی سال 2024ء میں اس شرح میں 7 تا 5 فیصد کی تیز کمی دیکھی جاسکتی ہے۔ تاہم، سلاہک سے متاثرہ رسد کے معاملات، پاکستانی روپے کی قدر میں جزئی اور مشتمل قریب میں عالمی اشیاء کی قیمتوں میں اضافے کے باعث سرخیل افراط زر اپنی سطح کو برقرار رکھے گا۔

الائیڈ بینک ایک پیرامیٹر اور ذمہ دار کارپوریٹ ادارے کے طور پر قوی اہمیت کے تمام کاموں میں تعاون اور فروغ کے لیے صف اول میں نظر آتا ہے۔ آپ کے بینک نے کارپوریٹ معاشرتی ذمہ داری کے تحت ملکہ جرمین بہت ہی مشہور این این ایڈ کے ساتھ ملکر عالمی رنگان کے لیے امدادی مرکز میں ممبر ہر حد کیا ہے۔ آپ کے بینک کے ملازمین نے بھی اس مقدس فریضے میں اپنی ذمہ داری ادا کرتے ہوئے سلاہک میں گھرے لوگوں کی مدد اور اعانت کی خاطر اپنی اہم کی تحوہ بخش کی ہے تاکہ ضرورت مندوں کے لیے نفاذ، ادویات، ٹیکس اور روزمرہ استعمال کی دیگر اشیاء میڈا جاسکیں۔

آپ کے بینک نے ہمیشہ اپنے متنوع صارفین کی اساس کی ضروریات میں سہولت فراہم کرنے کی فرض سے نہایت بلند معیار کی سابقہ خدمات کی فراہمی کو اپنا اعزاز اور فخر سمجھا ہے۔ لہذا، آپ کے بینک نے "سیکریٹ پیمنٹ" کے نام سے ایک نئی ڈیپازٹ اکاؤنٹ / پراڈکٹ کا آغاز کیا ہے۔ یہ پراڈکٹ شرعی اصولوں کے مطابق، تمام کارپوریٹ اداروں / کاروباروں اور پرچون کی سطح کے صارفین کو تنخواہوں کی ادائیگی کے نہایت موزوں اور برقی رفتار سہولت فراہم کرنے کی فرض سے تیار کی گئی ہے۔

پاکستانی ریٹنگ :

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

کارپوریٹ گورننس ریٹنگ:

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

یورڈ آف ڈائریکٹرز :

یورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بنیاد کو کارپوریٹ معلومات کے جڑ میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو یورڈ یا I اور ایسی کمیٹی کے اجلاس میں شریک ہونے کے لیے ایک مناسب اور موزوں معاوضہ دیا جاتا ہے۔ معاوضے کا معیار ایسا نہیں ہے کہ جس سے یہ تاثر بھی ملے کہ کسی آزاد حیثیت پر کوئی سمجھوتا ممکن ہے اور یہ انٹیڈ بینک آف پاکستان کی تعین کردہ حدود کی مطابقت میں ہے۔ جو ڈائریکٹر اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پر کرپٹیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

حلیہ و حسیں :

یورڈ آف ڈائریکٹرز اور منجمنٹ کی جانب سے، ہم اپنے معزز شیئر ہولڈرز اور قابل قدر صارفین کے الائنڈ بینک پر اگے اٹھان، سکیمورٹی اینڈ انیجمنٹ کمیٹی آف پاکستان، انٹیڈ بینک آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور اعانت پر اپنی جگہ سے شکر ادا کرتے ہیں۔

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

منجانب وبراے یورڈ آف ڈائریکٹرز

محمد نسیم حیات
چیرمین یورڈ آف ڈائریکٹرز

ایزاد ذائق بھل
چیف ایگزیکٹو آفیسر

لاہور

20 اکتوبر 2022ء

UNCONSOLIDATED FINANCIAL STATEMENTS

for the nine months ended September 30, 2022

Unconsolidated Statement of Financial Position

(Un-audited) as at September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	117,508,311	124,406,408
Balances with other banks	8	3,002,905	903,243
Lendings to financial institutions - net	9	14,031,532	45,452,910
Investments - net	10	1,088,683,381	1,064,494,900
Advances - net	11	673,687,318	652,889,677
Fixed assets	12	80,615,855	78,002,712
Intangible assets	13	2,921,956	2,868,311
Deferred tax assets - net	14	10,547,401	1,488,287
Other assets - net	15	69,825,526	39,649,555
		2,060,824,185	2,010,156,003
LIABILITIES			
Bills payable	17	9,308,069	10,059,879
Borrowings	18	309,351,447	420,005,768
Deposits and other accounts	19	1,551,229,590	1,413,295,261
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	66,290,560	39,550,556
		1,936,179,666	1,882,911,464
NET ASSETS		124,644,519	127,244,539
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		30,687,573	26,784,066
Surplus on revaluation of assets - net of tax	22	8,386,385	19,539,127
Unappropriated profit		74,119,822	69,470,607
		124,644,519	127,244,539

CONTINGENCIES AND COMMITMENTS

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Unconsolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2022

		Nine Months Ended		Quarter Ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in '000					
Mark-up / return / interest earned	25	147,551,613	84,696,094	59,984,524	31,359,285
Mark-up / return / interest expensed	26	102,109,538	50,014,011	42,057,835	19,695,150
Net mark-up / interest income		45,442,075	34,682,083	17,926,689	11,664,135
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	5,938,360	4,949,865	2,006,095	1,694,189
Dividend income		1,982,917	1,811,163	657,723	718,264
Foreign exchange income		7,141,783	1,112,401	2,845,872	449,870
Income from derivatives		-	-	-	-
Gain on securities - net	28	1,162,554	3,523,179	23,126	871,325
Other income	29	102,406	332,348	55,936	62,300
Total non mark-up / interest income		16,328,020	11,728,956	5,588,752	3,795,948
Total income		61,770,095	46,411,039	23,515,441	15,460,083
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	28,469,770	24,420,773	10,223,550	8,260,502
Workers welfare fund		692,288	462,104	268,395	151,229
Other charges	31	280,347	116,709	64,532	38,244
Total non mark-up / interest expenses		29,442,405	24,999,586	10,556,477	8,449,975
Profit before provisions		32,327,690	21,411,453	12,958,964	7,010,108
(Reversals) / provisions and write offs - net	32	(696,581)	(561,253)	52,611	(251,709)
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		33,024,271	21,972,706	12,906,353	7,261,817
Taxation	33	20,396,055	8,903,105	7,164,744	2,954,204
PROFIT AFTER TAXATION		12,628,216	13,069,601	5,741,609	4,307,613
In Rupees					
Basic and Diluted earnings per share	34	11.03	11.41	5.01	3.76

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2022

	Nine Months Ended		Quarter Ended	
	September 30,	September 30,	September 30,	September 30,
	2022	2021	2022	2021
	Rupees in '000			
Profit after taxation for the period	12,628,216	13,069,601	5,741,609	4,307,613
Other comprehensive income				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
Effect of translation of net investment in foreign branches	2,640,685	489,537	1,213,395	602,466
Movement in deficit on revaluation of investments - net of tax	(10,856,951)	(4,261,502)	(5,420,910)	(1,887,419)
	(8,216,266)	(3,771,965)	(4,207,515)	(1,284,953)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
<i>Effect of change in tax rate on:</i>				
Remeasurement of defined benefit obligations	34,462	41,632	-	-
Revaluation of fixed assets	(174,267)	(199,010)	-	-
Revaluation of non-banking assets	(1,721)	(1,263)	-	-
	(141,526)	(158,641)	-	-
Total comprehensive income	4,270,424	9,138,995	1,534,094	3,022,660

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Unconsolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2022

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Surplus / (deficit) on revaluation of Investments	Fixed assets	Non-banking assets	Un-appropriated profit	Total
Rupees in '000									
Balance as at January 01, 2021 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	66,994,523	131,560,107
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	-	13,069,601	13,069,601
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(4,261,502)	-	-	-	(4,261,502)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	489,537	-	-	-	-	-	-	489,537
	-	489,537	-	-	(4,261,502)	(199,010)	(1,263)	41,632	(3,930,606)
Transfer to statutory reserve	-	-	1,306,960	-	-	-	-	(1,306,960)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	4,399	(4,399)	-	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	(105,539)	-	-	105,539	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(249,522)	-	249,522	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(664)	664	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(1,006)	1,006	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
First cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)
First interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(11,450,739)	(11,450,739)
Balance as at September 30, 2021	11,450,739	2,515,270	23,552,411	6,000	614,448	22,773,067	631,640	67,704,788	129,248,363
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	-	4,244,198	4,244,198
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(4,736,284)	-	-	-	(4,736,284)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	383,083	-	383,083
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	109,362	109,362
Effect of translation of net investment in foreign branches	-	285,965	-	-	-	-	-	-	285,965
	-	285,965	-	-	(4,736,284)	-	383,083	109,362	(3,957,874)
Transfer to statutory reserve	-	-	424,420	-	-	-	-	(424,420)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,333)	-	34,333	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(16,947)	-	16,947	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(195)	195	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(75,352)	75,352	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Third interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2021 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,721,787	939,176	69,470,607	127,244,539
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	12,628,216	12,628,216
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,856,951)	-	-	-	(10,856,951)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	2,640,685	-	-	-	-	-	-	2,640,685
	-	2,640,685	-	-	(10,856,951)	(174,267)	(1,721)	34,462	(8,357,792)
Transfer to statutory reserve	-	-	1,262,822	-	-	-	-	(1,262,822)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	100,467	(100,467)	-	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(93,128)	-	93,128	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(900)	900	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
First cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(8,870,444)	(8,870,444)
Balance as at September 30, 2022	11,450,739	5,441,920	25,239,653	6,000	(14,978,787)	22,554,859	810,313	74,119,822	124,644,519

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	September 30, 2021
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		33,024,271	21,972,706
Less: Dividend income		(1,982,917)	(1,811,163)
		31,041,354	20,161,543
Adjustments:			
Depreciation - Operating Fixed Assets		3,065,488	2,709,694
Depreciation - Non Banking Assets		5,701	4,426
Depreciation on right of use assets		1,280,706	1,266,724
Interest expense on lease liability		739,437	672,584
Amortization		385,737	297,843
Net provision and write offs	32	(610,725)	(517,310)
Unrealized gain on revaluation of 'held-for-trading' securities		(1,905)	(195)
Provision for workers welfare fund		692,288	462,104
Charge for defined benefit plans		311,994	319,598
Gain on sale of fixed assets		(3,898)	(225,204)
Loss / (gain) on sale of non-banking assets and other assets		3,063	(304)
		5,867,886	4,989,960
		36,909,240	25,151,503
(Increase) / Decrease in operating assets			
Lendings to financial institutions		31,421,378	(1,342,438)
Held-for-trading securities		(4,936,420)	(632,675)
Advances		(20,246,281)	(26,346,509)
Other assets (excluding advance taxation)		(37,288,710)	(286,413)
		(31,050,033)	(28,608,035)
Increase / (Decrease) in operating liabilities			
Bills payable		(751,810)	1,025,574
Borrowings		(110,516,223)	234,008,740
Deposits and other accounts		137,934,329	136,900,356
Other liabilities (excluding current taxation)		25,572,278	4,648,492
		52,238,574	376,583,162
		58,097,781	373,126,630
Income tax paid		(13,447,286)	(8,860,147)
Defined benefits paid		(449,816)	(451,188)
Net cash flow generated from operating activities		44,200,679	363,815,295
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in 'available-for-sale' securities		(35,958,033)	(340,853,252)
Net investments in 'held-to-maturity' securities		(2,807,460)	(31,895,260)
Dividend received		1,658,296	1,239,584
Investments in fixed assets and intangible assets		(5,858,272)	(6,347,406)
Proceeds from sale of fixed assets		33,803	870,867
Effect of translation of net investment in foreign branches		2,640,685	489,537
Net cash flow used in investing activities		(40,290,981)	(376,495,930)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,712,571)	(1,549,395)
Dividend paid		(6,857,464)	(11,405,912)
Net cash flow used in financing activities		(8,570,035)	(12,955,307)
Decrease in cash and cash equivalents during the period		(4,660,337)	(25,635,942)
Cash and cash equivalents at beginning of the period		127,100,248	136,620,552
Effect of exchange rate changes on opening cash and cash equivalents		(1,982,059)	(1,035,951)
		125,118,189	135,584,601
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		120,457,852	109,948,659

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,430 (December 31, 2021: 1,427) branches in Pakistan including 117 (December 31, 2021: 117) Islamic banking branches, 1 branch (December 31, 2021: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2021: 1) in Bahrain.

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

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

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

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

2. BASIS OF PRESENTATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

- 2.1.2** The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.
- 2.1.3** The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFIS).
- 2.1.5** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 New Standards, Interpretations and amendments adopted by the Bank

Several amendments apply for the first time in 2022, but do not have an impact on the unconsolidated condensed interim financial statements of the Bank:

	Effective date (periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Annual improvements to IFRS Standards 2018 - 2020	January 01, 2022

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

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

	Effective date (periods beginning on or after)
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

- | | |
|---|------------------|
| - Amendments to IAS 1 (and IFRS Practice Statement 2) - Disclosure of Accounting Policies | January 01, 2023 |
| - Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a single transaction | January 01, 2023 |

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

- IFRS 9 'Financial Instruments', the effective date of the standard has been extended to annual periods beginning on or after January 01, 2023 vide SBP BPRD Circular no. 3 dated July 05, 2022. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on Banks' Financial Statements is being assessed, in light of implementation guidelines issued by SBP.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		29,339,443	22,823,027
Foreign currencies		1,943,636	967,026
		31,283,079	23,790,053
Remittances in transit		1,222,291	508,766
With State Bank of Pakistan (SBP) in			
Local currency current accounts		59,638,460	59,570,982
Foreign currency current account		77,563	54,580
Foreign currency deposit accounts (non-remunerative)		5,685,942	4,807,522
Foreign currency deposit accounts (remunerative)		57,040	9,588,566
		65,459,005	74,021,650
With National Bank of Pakistan in			
Local currency current accounts		19,397,116	25,567,776
Prize Bonds		146,820	518,163
		117,508,311	124,406,408
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	-
In deposit accounts		1,990,271	-
Outside Pakistan			
In current accounts		785,623	650,288
In deposit accounts		219,511	252,955
		3,002,905	903,243
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		5,711,300	6,000,000
Call money lendings - foreign currency		913,808	-
Repurchase agreement lendings (Reverse Repo)		7,406,424	39,452,910
Certificates of investment		70,000	70,000
		14,101,532	45,522,910
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		14,031,532	45,452,910

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022		(Audited) December 31, 2021	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	September 30, 2022				(Audited) December 31, 2021			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Hold-for-trading securities								
Federal Government Securities	5,062,501	-	1,905	5,064,406	126,081	-	2	126,083
Available-for-sale securities								
Federal Government Securities*	1,004,489,976	(14,301)	(27,558,403)	976,917,272	972,123,080	(1,807)	(9,403,483)	962,717,790
Shares	18,337,025	(1,670,628)	1,279,046	17,945,443	16,598,013	(1,726,160)	2,496,231	17,368,084
Non Government Debt Securities	26,503,506	(21,071)	3,530	26,485,965	25,350,035	(21,071)	150,924	25,479,888
Foreign Securities	1,770	-	-	1,770	1,037,692	-	-	1,037,692
Naya Pakistan Certificate	2,446,694	-	-	2,446,694	772,649	-	-	772,649
Open Ended Mutual Funds	25,000	-	(2,746)	22,254	25,000	-	(780)	24,220
	1,051,803,971	(1,706,000)	(26,278,573)	1,023,819,398	1,015,906,469	(1,749,038)	(6,757,108)	1,007,400,323
Held-to-maturity securities								
Federal Government Securities	59,299,577	-	-	59,299,577	56,468,494	-	-	56,468,494
Non Government Debt Securities	320,637	(320,637)	-	-	344,260	(344,260)	-	-
	59,620,214	(320,637)	-	59,299,577	56,812,754	(344,260)	-	56,468,494
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,116,986,686	(2,026,637)	(26,276,668)	1,088,683,381	1,073,345,304	(2,093,298)	(6,757,106)	1,064,494,900

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		(Audited) September 30, 2022	December 31, 2021
		Rupees in '000	
10.1.1 Investments given as collateral - at market value			
Market Treasury Bills		32,649,493	220,234,899
Pakistan Investment Bonds		182,956,448	81,656,107
Euro Bonds		1,359,952	1,647,863
Total Investments given as collateral		216,965,893	303,538,869
10.2 Provision for diminution in value of investments			
10.2.1 Opening balance		2,093,298	2,433,232
Exchange adjustments		3,915	254
Charge / (reversals)			
Charge for the period / year		26,599	-
Reversals for the period / year		(32,729)	(10,753)
		(6,130)	(10,753)
Reversal on disposals		(64,446)	(329,435)
Closing Balance		2,026,637	2,093,298

			(Audited)	
	September 30, 2022		December 31, 2021	
	NPI*	Provision	NPI*	Provision
Rupees in '000				
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	341,708	341,708	365,331	365,331
	341,708	341,708	365,331	365,331
Overseas				
Not past due but impaired**	14,716,172	14,301	889,292	1,807
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	15,057,880	356,009	1,254,623	367,138

* NPI stands for Non-performing Investments.

** Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at September 30, 2022 amounted to Rs. 53,933.6 million (December 31, 2021: Rs. 50,857.5 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		Performing		Non Performing		Total	
		Audited		Audited		Audited	
		September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Rupees in '000							
11	ADVANCES						
	Loans, cash credits, running finances, etc.	604,151,612	567,291,774	11,634,019	12,188,573	615,785,631	579,480,347
	Islamic financing and related assets	39.3	66,145,227	82,203,444	-	66,145,227	82,203,444
	Bills discounted and purchased		2,146,370	2,644,451	1,381,422	1,412,187	3,527,792
	Advances - gross	11.1	672,443,209	652,139,669	13,015,441	13,600,760	685,458,650
							665,740,429
	Provision against advances						
	Specific	11.2 & 11.3	-	-	(11,692,749)	(12,750,397)	(11,692,749)
	General	11.3	(78,583)	(100,355)	-	-	(78,583)
			(78,583)	(100,355)	(11,692,749)	(12,750,397)	(11,771,332)
							(12,850,752)
	Advances - net of provision		672,364,626	652,039,314	1,322,692	850,363	673,687,318
							652,889,677

(Audited)
September 30, 2022
December 31, 2021

Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	662,052,342	637,546,049
In foreign currencies	23,406,308	28,194,380
	685,458,650	665,740,429

11.2 Advances include Rs. 13,015.441 million (December 31, 2021: Rs. 13,600.760 million) which have been placed under non-performing status as detailed below:

	September 30, 2022		December 31, 2021	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	136,635	2,585	21,390	623
Substandard	678,505	169,264	713,919	177,740
Doubtful	604,752	302,377	586,834	293,417
Loss	11,595,549	11,218,523	12,278,617	12,278,617
Total	13,015,441	11,692,749	13,600,760	12,750,397

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022				(Audited) December 31, 2021		
	Note	Specific	General	Total	Specific	General	Total
Rupees in '000							
11.3 Particulars of provision against advances							
Opening balance		12,750,397	100,355	12,850,752	13,632,529	109,459	13,741,988
Exchange adjustments		-	13,724	13,724	-	2,271	2,271
Charge for the period / year		360,041	44,275	404,316	337,741	49,901	387,642
Reversals for the period / year		(875,905)	(79,771)	(955,676)	(1,133,844)	(61,276)	(1,195,120)
		(515,864)	(35,496)	(551,360)	(796,103)	(11,375)	(807,478)
Amounts written off		(541,784)	-	(541,784)	(86,029)	-	(86,029)
Closing balance	11.3.1	11,692,749	78,583	11,771,332	12,750,397	100,355	12,850,752

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

		Note	September 30, 2022	(Audited) December 31, 2021
			Rupees in '000	
12	FIXED ASSETS			
	Capital work-in-progress	12.1	3,979,097	3,630,604
	Property and equipment		68,640,993	66,669,052
	Right-of-Use of Assets		7,995,765	7,703,056
			80,615,855	78,002,712

12.1 Capital work-in-progress

Civil works	3,123,758	2,901,559
Advances to suppliers	855,339	729,045
	3,979,097	3,630,604

12.2 Additions to fixed assets

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

	September 30, 2022	September 30, 2021
Rupees in '000		
Capital work-in-progress	2,700,542	2,411,363
Property and equipment		
Freehold land	1,079,542	935,442
Leasehold land	143,086	343,144
Building on freehold land	1,516,692	811,031
Building on leasehold land	168,968	211,983
Furniture and fixture	147,106	195,404
Electrical office and computer equipment	1,576,507	1,797,913
Vehicles	36,140	221,708
Others-building improvements	565,560	475,480
	5,233,601	4,992,105
Right-of-Use of Assets	1,652,201	1,301,398
Total	9,586,344	8,704,866

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

12.3 Disposal of fixed assets

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

	Note	September 30, 2022	September 30, 2021
Rupees in '000			
Furniture and fixture		560	881
Electrical office and computer equipment		8,647	7,009
Vehicles		1,396	25,743
Freehold land		-	250,000
Leasehold land		-	291,000
Building on freehold land		12,290	863
Building on leasehold land		-	74,132
Building improvements		6	2,678
Total		22,899	652,306

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

13 INTANGIBLE ASSETS

Capital work-in-progress	13.1	226,216	229,582
Computer Software		2,695,740	2,638,729
		2,921,956	2,868,311

13.1 Capital work-in-progress

Software		223,342	226,708
Advances to suppliers		2,874	2,874
		226,216	229,582

13.2 Additions to intangible assets

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

	September 30, 2022	September 30, 2021
Rupees in '000		
Capital work-in-progress	144,285	256,701
Software	442,749	637,404
Total	587,034	894,105

13.3 Disposals of intangible assets

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

	September 30, 2022	September 30, 2021
Rupees in '000		
Directly purchased	-	19
Total	-	19

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
14	DEFERRED TAX ASSETS		
Deductible Temporary Differences on			
Provision against investments		19,093	19,093
Provision against other assets		38,959	38,959
Provision against off balance sheet obligations		14,824	14,824
Provision against advances		299,843	261,344
Deficit on revaluation of investments		11,299,786	2,635,272
Actuarial gains		370,462	336,000
Post retirement medical benefits		42,980	42,980
Workers welfare fund		1,457,584	1,052,003
		13,543,531	4,400,475
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		(1,803,218)	(1,699,102)
Surplus on revaluation of non-banking assets		(17,013)	(16,780)
Accelerated tax depreciation / amortization		(1,162,693)	(1,183,100)
Excess of investment in finance lease over written down value of leased assets		(13,206)	(13,206)
		(2,996,130)	(2,912,188)
		10,547,401	1,488,287
15	OTHER ASSETS		
Income / Mark-up accrued in local currency		48,755,406	21,433,765
Income / Mark-up accrued in foreign currency		1,357,885	430,467
Advances, deposits, advance rent and other prepayments		2,471,139	1,328,747
Advance taxation (payments less provisions)		-	3,534,663
Non-banking assets acquired in satisfaction of claims		605,646	571,346
Mark to market gain on forward foreign exchange contracts		2,963,413	-
Acceptances		6,014,361	5,646,815
Due from the employees' retirement benefit schemes			
Pension fund		4,765,961	4,379,974
Fraud and forgeries		507,704	523,692
Stationery and stamps in hand		552,993	475,818
Overdue Foreign Bills Negotiated or Discounted		213,282	132,573
Home Remittance Cell agent receivable		6,718	659
Receivable from State Bank of Pakistan		1,399,217	934,298
Charges receivable		39,673	33,291
Suspense Account		838	3,012
Others		39,473	24,631
		69,693,709	39,453,751
Less: Provision held against other assets	15.1	(695,509)	(760,152)
Other assets (net of provision)		68,998,200	38,693,599
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		827,326	955,956
Other Assets - Total		69,825,526	39,649,555

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
15.1 Provision held against other assets			
Advances, deposits, advance rent and other prepayments		180,081	153,018
Provision against fraud and forgeries		407,162	523,692
Overdue Foreign Bills Negotiated / Discounted		24,295	24,295
Charges receivable		39,600	28,811
Others		44,371	30,336
		695,509	760,152

15.1.1 Movement in provision held against other assets

Opening balance	760,152	756,559
Charge for the period / year	47,358	70,766
Reversals	(100,593)	(7,264)
Net charge	(53,235)	63,502
Written off / adjusted	(11,408)	(59,909)
Closing balance	695,509	760,152

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2022 and December 31, 2021.

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

17 BILLS PAYABLE

In Pakistan	9,308,069	10,059,879
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18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan		
Repurchase agreement borrowings	216,821,755	235,497,430
Under export refinance scheme	26,754,165	33,230,671
Under payroll refinance scheme	1,951,196	7,681,205
Under long term financing facility	38,655,489	30,544,852
Under financing scheme for renewable energy	617,263	558,933
Under temporary economic refinance scheme	13,212,634	10,013,124
Under refinance scheme for modernization of SMEs	18,409	22,500
Refinance and credit guarantee scheme for women entrepreneurs	7,858	6,915
Under refinance scheme for wages and salaries	192,552	763,347
	298,231,321	318,318,977

Repurchase agreement borrowings from Financial Institutions	1,607,914	65,134,454
	299,839,235	383,453,431

Unsecured

Call borrowings	3,426,780	28,516,551
Trading liability	-	5,644,324
Overdrawn nostro accounts	53,364	191,462
Musharaka borrowing	6,000,000	2,200,000
Other borrowings	32,068	-
	9,512,212	36,552,337
	309,351,447	420,005,768

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	(Audited)					
	September 30, 2022			December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
19 DEPOSITS AND OTHER ACCOUNTS						
Customers						
Current deposits	549,582,691	30,153,797	579,736,488	487,101,187	25,141,039	512,242,226
Savings deposits	521,412,236	17,415,568	538,827,804	506,117,895	25,910,230	532,028,125
Term deposits	235,742,589	77,220,155	312,962,744	175,366,193	39,218,366	214,584,559
Others	31,860,508	35,633	31,896,141	30,029,090	41,106	30,070,196
	1,338,598,024	124,825,153	1,463,423,177	1,198,614,365	90,310,741	1,288,925,106
Financial Institutions						
Current deposits	45,672,075	1,031,680	46,703,755	64,781,898	86,694	64,868,592
Savings deposits	40,919,801	-	40,919,801	49,880,491	-	49,880,491
Term deposits	131,350	51,401	182,751	9,581,350	39,716	9,621,066
Others	106	-	106	6	-	6
	86,723,332	1,083,081	87,806,413	124,243,745	126,410	124,370,155
	1,425,321,356	125,908,234	1,551,229,590	1,322,858,110	90,437,151	1,413,295,261

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 942,676 million for September 30, 2022 (December 31, 2021: Rs. 865,799 million).

	(Audited)		
	Note	September 30, 2022	December 31, 2021
	Rupees in '000		
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		22,558,363	4,387,835
Mark-up / return / interest payable in foreign currencies		1,025,809	111,457
Present value of lease liability		9,860,226	9,252,665
Accrued expenses		1,974,338	1,561,131
Provision for taxation (provisions less payments)		3,950,230	-
Retention money payable		542,413	580,710
Deferred income		537,646	-
Unearned commission and income on bills discounted		472,869	472,824
Acceptances		6,014,361	5,646,815
Unclaimed dividends		403,025	390,644
Dividend payable		22,420	21,821
Branch adjustment account		2,160,533	179,774
Mark to market loss on forward foreign exchange contracts		-	638,730
Provision for:			
Gratuity		716,131	716,131
Employees' medical benefits		1,597,856	1,515,000
Employees' compensated absences		1,088,447	923,138
Payable to defined contribution plan		102,715	54,641
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		937,764	863,526
ATM / Point of Sale settlement account		2,075,664	820,679
Charity fund balance		5,082	46
Home Remittance Cell overdraft		862,335	1,052,343
With-holding tax payable		712,982	2,260,045
Sundry deposits		3,258,551	3,577,163
Workers welfare fund payable		3,389,731	2,697,443
Others		1,722,165	1,527,091
		66,290,560	39,550,556

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	298,904	301,093
Charge for the period / year	-	12,862
Reversals for the period / year	-	(15,051)
	-	(2,189)
Closing balance	298,904	298,904

	September 30, 2022	(Audited) December 31, 2021		September 30, 2022	(Audited) December 31, 2021
	Number of shares			Rupees in '000	
21 SHARE CAPITAL					
21.1 Authorized capital					
	1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10/- each	15,000,000	15,000,000

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

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2021: 990,767,307 (86.52%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		Note	September 30, 2022	(Audited) December 31, 2021
			Rupees in '000	
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
	Surplus / (deficit) arising on revaluation of:			
	Fixed assets		24,358,077	24,420,889
	Non-banking assets acquired in satisfaction of claims		827,326	955,956
	Available-for-sale securities	10.1	(26,278,573)	(6,757,108)
			(1,093,170)	18,619,737
	Deferred tax on (surplus) / deficit on revaluation of:			
	Fixed assets		(1,803,218)	(1,699,102)
	Non-banking assets acquired in satisfaction of claims		(17,013)	(16,780)
	Available-for-sale securities		11,299,786	2,635,272
			9,479,555	919,390
	Surplus on revaluation of assets - net of tax		8,386,385	19,539,127
23	CONTINGENCIES AND COMMITMENTS			
	Guarantees	23.1	44,316,932	38,151,849
	Commitments	23.2	424,246,448	395,509,858
	Other contingent liabilities	23.3	7,062,489	6,668,875
			475,625,869	440,330,582
23.1	Guarantees			
	Financial guarantees		5,274,905	4,751,558
	Performance guarantees		10,824,409	7,218,569
	Other guarantees		28,217,618	26,181,722
			44,316,932	38,151,849
23.2	Commitments			
	Documentary credits and short term trade related transactions:			
	letters of credit		95,643,237	113,658,809
	Commitments in respect of:			
	forward foreign exchange contracts	23.2.1	292,806,771	277,034,728
	forward government securities transactions	23.2.2	29,835,402	-
	operating leases	23.2.3	254,083	307,316
	Commitments for acquisition of:			
	fixed assets		5,024,054	4,178,585
	intangible assets		682,901	330,420
			424,246,448	395,509,858
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		168,861,513	161,470,903
	Sale		123,945,258	115,563,825
			292,806,771	277,034,728

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		(Audited) September 30, 2022	December 31, 2021
		Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		25,500,263	-
Sale		4,335,139	-
		<u>29,835,402</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases			
Not later than one year		73,642	142,691
Later than one year and not later than five years		132,999	142,348
Later than five years		47,442	22,277
		<u>254,083</u>	<u>307,316</u>
23.3 Other contingent liabilities			
23.3.1 Claims against the Bank not acknowledged as debt			
		7,062,489	6,668,875

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2021 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2021, income tax authorities made certain add backs with aggregate tax impact of Rs. 32,741 million (2021: 32,741 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.32,741 million (2021: 32,741 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,700 million (2021: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 1,700 million (2021: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (2021: 963 million). The Bank's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 963 million (2021: 963 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

24 DERIVATIVE INSTRUMENTS

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

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

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

		Nine Months Ended		Quarter Ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		49,534,656	24,895,565	20,381,228	8,309,981
Investments		95,258,671	59,019,965	38,082,321	22,708,042
Lendings to financial institutions		2,682,956	774,844	1,461,552	336,851
Balances with banks		75,330	5,720	59,423	4,411
		147,551,613	84,696,094	59,984,524	31,359,285
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		68,261,635	30,565,238	28,937,146	11,347,065
Borrowings		30,038,753	15,616,750	12,086,821	7,069,014
Cost of foreign currency swaps against foreign currency deposits		3,069,713	3,159,439	774,976	1,051,062
Interest expense on lease liability		739,437	672,584	258,892	228,009
		102,109,538	50,014,011	42,057,835	19,695,150
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		2,581,434	1,835,397	1,024,358	722,864
Branch banking customer fees		1,370,091	1,148,008	392,317	426,886
Commission on remittances including home remittances		526,452	672,768	151,522	135,288
Investment banking fees		651,193	548,921	182,106	153,272
Commission on trade		403,945	335,122	135,045	110,169
Commission on cash management		217,714	159,852	57,004	59,940
Commission on guarantees		104,549	146,146	35,976	45,007
Commission on bancassurance		49,892	80,092	16,201	30,813
Credit related fees		19,969	17,529	7,295	7,034
Consumer finance related fees		13,121	6,030	4,271	2,916
		5,938,360	4,949,865	2,006,095	1,694,189
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	1,158,280	3,523,556	28,206	862,412
Unrealised - 'held for trading'	10.1	(18)	195	(931)	9,742
Unrealised - forward government securities		4,292	(572)	(4,149)	(829)
		1,162,554	3,523,179	23,126	871,325

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

Note	Nine Months Ended		Quarter Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in '000				
28.1 Realised gain / (loss) on:				
Federal government securities	173,091	1,144,377	(25,741)	161,443
Shares	985,205	2,380,559	53,947	701,507
Non government debt securities	(16)	(1,380)	-	(538)
	1,158,280	3,523,556	28,206	862,412
29 OTHER INCOME				
Recovery of written off mark-up and charges	27,566	43,765	-	357
Gain on sale of fixed assets - net	3,898	225,204	3,286	22,486
(Loss) / gain on sale of non-banking assets - net	(3,063)	304	-	-
Other assets disposal	40,627	35,459	39,784	30,305
Rent on property	11,285	7,851	5,966	2,704
Fee for attending Board meetings	1,218	1,483	259	86
Income from data centre hosting service	13,287	13,287	4,429	4,429
Gain on sale of islamic financing and related assets	7,588	4,995	2,212	1,933
	102,406	332,348	55,936	62,300
30 OPERATING EXPENSES				
Total compensation expense	12,470,243	11,184,401	4,270,319	3,744,289
Property expense:				
Depreciation	3,496,395	3,302,067	1,178,439	1,149,457
Rent and taxes	259,072	227,704	92,411	26,285
Utilities cost	1,440,330	1,023,937	679,452	443,183
Security (including guards)	1,026,640	754,625	402,128	232,534
Repair and maintenance				
(including janitorial charges)	857,156	640,092	351,872	192,056
Insurance	73,991	68,266	25,388	23,138
	7,153,584	6,016,691	2,729,690	2,066,653
Information technology expenses:				
Depreciation	628,960	508,188	218,473	176,028
Amortization	385,737	297,843	133,653	105,208
Network charges	587,506	580,031	211,070	216,332
Software maintenance	853,605	622,845	296,755	239,389
Hardware maintenance	310,380	331,966	81,225	87,098
Others	3,074	5,706	1,157	1,927
	2,769,262	2,346,579	942,333	825,982
Other operating expenses:				
Insurance	1,172,644	1,040,828	394,480	345,847
Outsourced service costs	763,196	601,516	323,114	191,862
Stationery and printing	299,290	267,725	125,410	18,022
Cash in Transit service charge	328,758	408,817	151,386	130,913
Marketing, advertisement and publicity	785,649	720,060	324,257	245,171
Depreciation	220,838	166,163	73,217	55,837
Travelling and conveyance	224,669	133,014	84,899	43,011
Postage and courier charges	140,964	111,938	50,625	13,188
NIFT clearing charges	138,166	108,809	49,289	35,525
Communication	117,594	133,074	27,346	43,902
Legal and professional charges	186,684	131,747	43,337	55,209
Auditors Remuneration	9,847	22,313	5,336	7,482
Directors fees and allowances	35,621	40,050	11,238	16,684
Fees and allowances to Shariah Board	6,376	5,232	2,177	1,883
Training and development	98,503	32,468	45,452	12,179
Brokerage expenses	75,648	81,922	22,199	27,455
Card related expenses	791,957	430,962	285,031	226,174
Donations	97,552	54,328	33,137	4,065
Others	582,725	382,136	229,278	149,169
	6,076,681	4,873,102	2,281,208	1,623,578
	28,469,770	24,420,773	10,223,550	8,260,502

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

Note	Nine Months Ended		Quarter Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in '000				
31 OTHER CHARGES				
Penalties imposed by State Bank of Pakistan	189,332	1,978	307	183
Education cess	35,253	35,253	11,751	11,751
Depreciation - non-banking assets	5,701	4,426	2,467	1,310
Others	50,061	75,013	50,007	25,000
Other assets written off	-	39	-	-
	<u>280,347</u>	<u>116,709</u>	<u>64,532</u>	<u>38,244</u>
32 PROVISIONS AND WRITE OFFS - NET				
Reversal for diminution				
in the value of investments	10.2.1	(6,130)	(9,513)	(3,106)
(Reversal) / Provision				
against loans and advances	11.3	(551,360)	49,727	(250,495)
(Reversal) / provision against other assets	15.1.1	(53,235)	15,032	8,326
Provision against off-balance				
sheet obligations	20.1	-	-	(3,705)
Bad debts written off directly		-	-	-
		(610,725)	55,652	(248,980)
Recovery against written off bad debts		(85,856)	(3,041)	(2,729)
		<u>(696,581)</u>	<u>52,611</u>	<u>(251,709)</u>
33 TAXATION				
Current - for the period	33.1	18,923,380	9,349,680	7,338,569
- for prior year		2,007,418	-	-
		<u>20,930,798</u>	<u>9,349,680</u>	<u>7,338,569</u>
Deferred - current		(534,743)	(446,575)	(173,825)
		<u>20,396,055</u>	<u>8,903,105</u>	<u>7,164,744</u>
33.1	This also includes proportionate super tax on high earning persons of Rs. 3,461.442 million (September 30, 2021: super tax for rehabilitation of temporarily displaced persons of Rs. 924.002 million).			
34 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation		<u>12,628,216</u>	<u>13,069,601</u>	<u>5,741,609</u>
				<u>4,307,613</u>
Number of Shares				
Weighted average number of ordinary shares				
outstanding during the year		<u>1,145,073,830</u>	<u>1,145,073,830</u>	<u>1,145,073,830</u>
Rupees				
Earnings per share - basic and diluted		<u>11.03</u>	<u>11.41</u>	<u>5.01</u>
				<u>3.76</u>

There is no dilution effect on basic earnings per share.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

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

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

September 30, 2022

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	981,981,679	-	981,981,679	-	981,981,679
Shares	17,589,122	17,566,868	22,254	-	17,589,122
Non-Government Debt Securities	13,274,650	-	13,274,650	-	13,274,650
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)	75,837,931	-	-	-	-
Cash and balances with treasury banks	117,508,311	-	-	-	-
Balances with other banks	3,002,905	-	-	-	-
Lendings	14,031,532	-	-	-	-
Advances	673,687,318	-	-	-	-
Other assets	60,782,542	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	58,608,158	-	58,608,158	-	58,608,158
Non-banking assets	1,432,972	-	1,432,972	-	1,432,972
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	168,861,513	-	168,861,513	-	168,861,513
Forward sale of foreign exchange	123,945,258	-	123,945,258	-	123,945,258
Forward purchase of government securities transactions	25,500,263	-	25,500,263	-	25,500,263
Forward sale of government securities transactions	4,335,139	-	4,335,139	-	4,335,139

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	(Audited)				
	December 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	962,843,872	-	962,843,872	-	962,843,872
Shares	16,996,375	16,972,155	24,220	-	16,996,375
Non-Government Debt Securities	13,451,819	-	13,451,819	-	13,451,819
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	71,202,834	-	-	-	-
Cash and balances with treasury banks	124,406,408	-	-	-	-
Balances with other banks	903,243	-	-	-	-
Lendings	45,452,910	-	-	-	-
Advances	652,889,677	-	-	-	-
Other assets	28,556,069	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	56,525,189	-	56,525,189	-	56,525,189
Non-banking assets	1,527,302	-	1,527,302	-	1,527,302
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	161,470,903	-	161,470,903	-	161,470,903
Forward sale of foreign exchange	115,563,825	-	115,563,825	-	115,563,825

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		September 30, 2022					
		Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
		Rupees in '000					
36	SEGMENT INFORMATION						
36.1	Segment Details with respect to Business Activities						
	Profit & Loss						
	Net mark-up/return/profit	40,748,227	(62,819,207)	64,653,285	2,443,677	416,093	45,442,075
	Inter segment revenue - net	(43,530,837)	120,494,717	(68,677,853)	-	(8,286,027)	-
	Non mark-up / return / interest income	4,527,362	4,017,520	7,265,757	276,236	241,145	16,328,020
	Total Income	1,744,752	61,693,030	3,241,189	2,719,913	(7,628,789)	61,770,095
	Segment direct expenses	535,812	14,687,160	190,655	1,193,898	12,834,880	29,442,405
	Total expenses	535,812	14,687,160	190,655	1,193,898	12,834,880	29,442,405
	Reversals	(187,178)	(128,318)	-	(1,200)	1,013,277	696,581
	Profit before tax	1,021,762	46,877,552	3,050,534	1,524,815	(19,450,392)	33,024,271
	Balance Sheet						
	Cash & Bank balances	71,634	42,299,490	63,008,672	8,644,258	6,487,162	120,511,216
	Investments	39,830,102	-	1,017,800,775	30,552,504	500,000	1,088,683,381
	Net inter segment lending	(504,264,149)	1,360,296,604	(952,329,313)	(3,196,988)	99,493,846	-
	Lendings to financial institutions	1,736,235	-	48,728,779	-	(36,433,482)	14,031,532
	Advances - performing	565,676,407	29,997,806	-	66,145,227	10,623,769	672,443,209
	Advances - non-performing	643,271	325,856	-	-	12,046,314	13,015,441
	Provision against advances	(338,031)	(146,396)	-	(1,433)	(11,285,472)	(11,771,332)
	Advances - net	565,981,647	30,177,266	-	66,143,794	11,384,611	673,687,318
	Operating fixed assets	166,968	53,647,936	9,722	1,284,315	28,428,870	83,537,811
	Others	6,494,052	11,713,941	27,831,159	4,450,759	29,883,016	80,372,927
	Total Assets	110,016,489	1,498,135,237	205,049,794	107,878,642	139,744,023	2,060,824,185
	Borrowings	98,115,880	3,281,209	217,155,149	27,232,691	(36,433,482)	309,351,447
	Deposits & other accounts	12,982,011	1,464,288,511	-	70,703,134	3,255,934	1,551,229,590
	Net inter segment borrowing	-	-	-	-	-	-
	Others	4,558,229	26,085,800	96,847	3,530,567	41,327,186	75,598,629
	Total liabilities	115,656,120	1,493,655,520	217,251,996	101,466,392	8,149,638	1,936,179,666
	Equity / Reserves	(5,639,631)	4,479,717	(12,202,202)	6,412,250	131,594,385	124,644,519
	Total Equity and liabilities	110,016,489	1,498,135,237	205,049,794	107,878,642	139,744,023	2,060,824,185
	Contingencies and commitments	113,026,304	23,332,228	322,642,173	3,546,674	13,078,490	475,625,869

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

September 30, 2021

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	21,653,794	(28,428,089)	39,940,631	1,503,713	12,034	34,682,083
Inter segment revenue - net	(19,097,213)	57,064,898	(33,725,652)	-	(4,242,033)	-
Non mark-up / return / interest income	5,696,137	3,214,147	2,246,301	242,870	329,501	11,728,956
Total Income	8,252,718	31,850,956	8,461,280	1,746,583	(3,900,498)	46,411,039
Segment direct expenses	490,257	13,031,080	168,236	1,078,899	10,231,114	24,999,586
Total expenses	490,257	13,031,080	168,236	1,078,899	10,231,114	24,999,586
Provisions	(87,742)	(104,447)	-	(62)	753,504	561,253
Profit before tax	7,674,719	18,715,429	8,293,044	667,622	(13,378,108)	21,972,706

(Audited)

December 31, 2021

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	265,776	43,509,889	71,358,163	4,305,649	5,870,174	125,309,651
Investments	35,400,389	-	999,447,524	29,146,987	500,000	1,064,494,900
Net inter segment lending	(446,532,421)	1,253,708,768	(857,849,308)	(2,415,498)	53,088,459	-
Lendings to financial institutions	-	-	82,900,029	-	(37,447,119)	45,452,910
Advances - performing	524,632,629	35,007,398	-	82,203,444	10,296,198	652,139,669
Advances - non-performing	670,589	152,873	-	-	12,777,298	13,600,760
Provision against advances	(381,005)	(102,705)	-	(233)	(12,366,809)	(12,850,752)
Advances - net	524,922,213	35,057,566	-	82,203,211	10,706,687	652,889,677
Operating fixed assets	389,184	50,947,459	7,448	1,460,572	28,066,360	80,871,023
Others	2,840,258	10,664,551	12,117,451	1,861,117	13,654,465	41,137,842
Total Assets	117,285,399	1,393,888,233	307,981,307	116,562,038	74,439,026	2,010,156,003
Borrowings	100,524,929	5,468,498	308,819,318	42,597,423	(37,404,400)	420,005,768
Deposits & other accounts	-	1,345,635,407	-	65,014,170	2,645,684	1,413,295,261
Others	1,465,092	14,712,882	212,341	3,983,158	29,236,962	49,610,435
Total liabilities	101,990,021	1,365,816,787	309,031,659	111,594,751	(5,521,754)	1,882,911,464
Equity / Reserves	15,295,378	28,071,446	(1,050,352)	4,967,287	79,960,780	127,244,539
Total Equity and liabilities	117,285,399	1,393,888,233	307,981,307	116,562,038	74,439,026	2,010,156,003
Contingencies and commitments	123,812,661	25,510,317	277,034,728	2,435,173	11,537,703	440,330,582

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

37 RELATED PARTY TRANSACTIONS

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

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

	September 30, 2022					(Audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	63,811	301,793	-	-	1,242	-	2,969	156,424	-	-	436
Addition during the period/year	-	58,039	147,617	-	-	14,552	-	112,084	253,507	-	-	7,015
Repaid during the period/year	-	(46,074)	(90,519)	-	-	(14,070)	-	(51,242)	(108,138)	-	-	(6,269)
Closing balance	-	75,776	358,891	-	-	1,724	-	63,811	301,793	-	-	1,242

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022					December 31, 2021						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Other Assets												
Interest / mark-up accrued	-	4,237	91,525	-	-	-	-	1,540	78,624	-	-	29
Receivable from staff retirement fund	-	-	-	-	-	3,877,491	-	-	-	-	-	3,571,151
Other receivable	-	-	-	54,648	-	-	-	-	-	45,291	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	100,304	391,278	46,188	17,578	61,637	38,313,174	803	144,243	40,672	10,007	46,745	26,961,726
Received during the period/year	12,605,226	253,469	663,225	1,492,139	3,028,365	377,751,610	13,701,403	1,679,675	751,007	2,030,051	13,867,649	542,781,289
Withdrawn during the period/year	(12,702,096)	(590,197)	(665,756)	(1,444,852)	(2,773,422)	(412,045,096)	(13,601,902)	(1,432,640)	(745,491)	(2,022,480)	(13,652,757)	(531,429,841)
Closing balance	3,434	64,550	43,657	64,865	316,980	4,019,688	100,304	391,278	46,188	17,578	61,637	38,313,174
Other Liabilities												
Interest / mark-up payable	-	777	19	12	-	137,288	-	-	64	25	58	184,999

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

37.1 RELATED PARTY TRANSACTIONS

	September 30, 2022					September 30, 2021						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
Rupees in '000												
Income												
Mark-up/return/interest earned	-	3,534	10,463	-	15	-	-	1,253	7,264	-	-	-
Fee and commission income	4	73	209	6,307	2	538	-	19	40	6,429	7	618
Dividend income	-	-	-	-	-	-	-	-	-	-	-	2,053
Net gain on sale of securities	-	-	-	-	-	13,110	-	-	-	-	-	9,363
Rental income	-	-	-	11,285	-	-	-	-	-	7,851	-	-
Other Income	-	-	-	13,287	-	-	-	-	-	88,424	-	-
Expense												
Mark-up/return/interest paid	-	9,926	705	3,992	307	1,140,374	-	11,286	561	1,932	107	843,885
Directors meeting fee	-	35,200	-	-	-	-	-	39,600	-	-	-	-
Remuneration	-	48,435	362,215	-	-	-	-	33,270	343,786	-	-	-
Charge for defined benefit plans	-	982	15,583	-	-	-	-	769	12,787	-	-	-
Contribution to defined contribution plan	-	920	6,914	-	-	-	-	779	6,244	-	-	-
Other expenses**	-	-	-	-	38,794	-	-	-	-	-	31,661	-
Rent expense**	-	-	-	-	13,016	-	-	-	-	-	11,833	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	235,691	-	-	-	-	-	286,287
Insurance premium paid	-	149	629	-	-	-	-	74	535	-	-	-

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

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

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

***Rent expense of ABC Search with 30, 2022, is more than that of arm's length with prior permission of State Bank of Pakistan.

During the period ended September 30, 2022, certain movable assets having cumulative net book value of Rs. 0 were disposed of for Rs. 193,000 to the Key Management Personnel of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	102,416,764	97,235,663
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	102,416,764	97,235,663
Eligible Tier 2 Capital	11,175,565	20,152,261
Total Eligible Capital (Tier 1 + Tier 2)	113,592,329	117,387,924
Risk Weighted Assets (RWAs):		
Credit Risk	417,061,616	388,941,078
Market Risk	35,383,660	32,787,687
Operational Risk	104,299,052	104,299,052
Total	556,744,328	526,027,817
Common Equity Tier 1 Capital Adequacy ratio	18.40%	18.48%
Tier 1 Capital Adequacy Ratio	18.40%	18.48%
Total Capital Adequacy Ratio	20.40%	22.32%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	102,416,764	97,235,663
Total Exposures	2,241,190,313	2,488,085,909
Leverage Ratio	4.57%	3.91%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	677,278,033	642,371,329
Total Net Cash Outflow	408,912,168	345,039,134
Liquidity Coverage Ratio	165.63%	186.17%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,455,542,847	1,330,494,083
Total Required Stable Funding	1,098,000,735	934,385,758
Net Stable Funding Ratio	132.56%	142.39%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 Islamic Banking Branches (December 31, 2021: 117 and September 30, 2021: 117) and 135 Islamic Banking Windows (December 31, 2021: 110 and September 30, 2021: 110) at the end of the period.

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		6,553,671	4,140,005
Balances with other banks		2,090,587	165,644
Due from financial institutions	39.1	-	-
Investments	39.2	30,552,504	29,146,987
Islamic financing and related assets - net	39.3	66,143,794	82,203,211
Fixed assets		1,282,776	1,457,221
Intangible assets		1,539	3,351
Due from Head Office		-	-
Other assets		4,450,759	1,861,117
		111,075,630	118,977,536
LIABILITIES			
Bills payable		389,386	1,426,659
Due to financial institutions		27,232,691	42,597,423
Deposits and other accounts	39.4	70,703,134	65,014,170
Due to Head Office		3,196,988	2,415,498
Subordinated debt		-	-
Other liabilities		3,141,181	2,556,499
		104,663,380	114,010,249
NET ASSETS		6,412,250	4,967,287
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		57,874	137,726
Unappropriated profit	39.5	2,254,376	729,561
		6,412,250	4,967,287
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

Note September 30, 2022 September 30, 2021

Rupees in '000

The profit and loss account of the Bank's Islamic Banking Branches for the period ended September 30, 2022 is as follows:			
Profit / return earned	39.7	7,988,069	2,837,738
Profit / return expensed	39.8	5,544,392	1,334,025
Net Profit / return		2,443,677	1,503,713
OTHER INCOME			
Fee and commission income		203,893	190,636
Dividend income		-	-
Foreign exchange income		64,772	48,362
Loss on securities		(17)	(1,380)
Other income		7,588	5,252
Total other income		276,236	242,870
Total income		2,719,913	1,746,583
OTHER EXPENSES			
Operating expenses		1,193,898	1,078,720
Workers Welfare Fund		-	-
Other charges		-	179
Total other expenses		1,193,898	1,078,899
Profit before provisions		1,526,015	667,684
Provisions and write offs - net		1,200	62
PROFIT BEFORE TAXATION		1,524,815	667,622
Taxation		-	-
PROFIT AFTER TAXATION		1,524,815	667,622

(Audited)

	September 30, 2022			December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
39.1 Due from Financial Institutions	-	-	-	-	-	-

(Audited)

	September 30, 2022				December 31, 2021			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
39.2 Investments by Segments								
Federal Government Securities:								
-Ijarah Sukuks	13,074,975	-	(34,255)	13,040,720	9,500,000	-	(95,850)	9,404,150
-Other Federal Securities	2,446,694	-	-	2,446,694	3,618,241	-	-	3,618,241
	15,521,669	-	(34,255)	15,487,414	13,118,241	-	(95,850)	13,022,391
Non Government Debt Securities								
-Listed	11,106,250	-	22,785	11,129,035	11,224,309	-	164,232	11,388,541
-Unlisted	3,936,055	-	-	3,936,055	4,736,055	-	-	4,736,055
	15,042,305	-	22,785	15,065,090	15,960,364	-	164,232	16,124,596
Total Investments	30,563,974	-	(11,470)	30,552,504	29,078,605	-	68,382	29,146,987

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		(Audited) September 30, 2022	December 31, 2021
		Rupees in '000	
39.3	Islamic financing and related assets		
Ijarah Financing		386,064	310,152
Advance Against Ijarah		235,695	383,845
Murabaha Financing		733,809	531,952
Advance Against Murabaha		9,640	19,392
Diminishing Musharakah		12,068,049	12,581,827
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy		534,322	-
Advance Against Diminishing Musharakah		1,568,029	73,274
Advance Against Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy		-	534,316
Business Musharakah Financing		46,509,426	62,520,891
Business Musharakah - Islamic Export Re-Finance		1,000,000	1,150,000
Business Musharakah - Islamic Re-Finance Against Wages And Salaries		-	13,107
Istisna Financing		40,587	-
Istisna - Financing Under Islamic Export Re-Finance		156,762	-
Advance Against Istisna		328,600	1,266,010
Advance Against Istisna - Financing Under Islamic Export Re-Finance		1,300,000	1,800,000
Musawamah Financing		81,715	5,324
Advance Against Musawamah		-	31,886
Salam Financing		30,332	36,322
Advance Against Salam		62,225	104,680
Ijarah Financing - Staff		546,279	389,846
Diminishing Musharakah Financing - Staff		342,542	202,893
Advance Against Ijarah - Staff		142,582	129,966
Advance Against Diminishing Musharakah - Staff		68,569	117,761
Gross Islamic financing and related assets		66,145,227	82,203,444
Less: provision against Islamic financings			
- Specific		-	-
- General		1,433	233
		1,433	233
Islamic financing and related assets - net of provision		66,143,794	82,203,211
39.4	Deposits		
Customers			
Current deposits		15,227,393	11,542,267
Savings deposits		20,770,545	24,629,519
Term deposits		3,374,310	869,511
Other deposits		3,322,741	2,084,495
		42,694,989	39,125,792
Financial Institutions			
Current deposits		205,047	259,197
Savings deposits		27,803,098	25,629,181
Term deposits		-	-
Other deposits		-	-
		28,008,145	25,888,378
		70,703,134	65,014,170

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		(Audited)
	September 30, 2022	December 31, 2021
	Rupees in '000	
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	729,561	(80,520)
Add: Islamic Banking profit for the period	1,524,815	810,081
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	<u>2,254,376</u>	<u>729,561</u>
39.6 Contingencies and Commitments		
-Guarantees	1,295,834	1,020,748
-Commitments	1,431,365	255,688
-Other contingencies	819,475	1,158,737
	<u>3,546,674</u>	<u>2,435,173</u>
	September 30, 2022	September 30, 2021
	Rupees in '000	
39.7 Profit/Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	5,492,868	1,323,070
Investments	2,455,992	1,212,814
Placements	39,209	301,854
	<u>7,988,069</u>	<u>2,837,738</u>
39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	3,182,259	1,021,574
Due to Financial Institutions	76,094	35,658
Profit paid on Musharaka borrowings	2,173,991	171,636
Profit paid on Mudaraba borrowings	16,946	8,287
Other expenses (IFRS-16)	95,102	96,870
	<u>5,544,392</u>	<u>1,334,025</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 40.1 The Board of Directors of the Bank in its meeting held on October 20, 2022 has proposed an interim cash dividend for the quarter ended September 30, 2022 of Rs. 2.00 per share (September 30, 2021: cash dividend of Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2022 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 20, 2022 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the nine months ended September 30, 2022

Consolidated Statement of Financial Position

(Un-audited) as at September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	117,509,431	124,400,515
Balances with other banks	8	3,002,905	903,243
Lendings to financial institutions - net	9	14,031,532	45,452,910
Investments - net	10	1,090,556,271	1,066,389,996
Advances - net	11	673,920,724	653,079,762
Fixed assets	12	80,950,913	78,350,554
Intangible assets	13	2,930,344	2,875,975
Deferred tax assets - net	14	10,578,085	1,507,405
Other assets - net	15	70,171,068	40,018,520
		2,063,651,273	2,012,978,880
LIABILITIES			
Bills payable	17	9,308,069	10,059,879
Borrowings	18	309,351,447	420,005,768
Deposits and other accounts	19	1,551,174,032	1,413,277,683
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	66,759,994	39,992,364
		1,936,593,542	1,883,335,694
NET ASSETS			
		127,057,731	129,643,186
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		30,687,573	26,784,066
Surplus on revaluation of assets - net of tax	22	8,433,121	19,585,863
Unappropriated profit		76,486,298	71,822,518
		127,057,731	129,643,186

CONTINGENCIES AND COMMITMENTS

23

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2022

		Nine Months Ended		Quarter Ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in '000					
Mark-up / return / interest earned	25	147,559,783	84,699,560	59,987,486	31,360,894
Mark-up / return / interest expensed	26	102,121,357	50,035,187	42,057,878	19,704,985
Net mark-up / interest income		45,438,426	34,664,373	17,929,608	11,655,909
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	6,502,390	5,564,382	2,238,186	1,915,278
Dividend income		2,058,149	1,970,517	674,079	729,821
Foreign exchange income		7,141,783	1,112,401	2,845,872	449,870
Income from derivatives		-	-	-	-
Gain on securities - net	28	1,049,868	3,463,399	37,263	829,529
Other income	29	77,834	236,073	45,541	55,167
Total non mark-up / interest income		16,830,024	12,346,772	5,840,941	3,979,665
Total income		62,268,450	47,011,145	23,770,549	15,635,574
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	28,885,990	24,794,960	10,373,060	8,390,372
Workers welfare fund		695,471	468,007	270,023	152,123
Other charges	31	280,347	116,709	64,532	38,244
Total non mark-up / interest expenses		29,861,808	25,379,676	10,707,615	8,580,739
Profit before provisions		32,406,642	21,631,469	13,062,934	7,054,835
(Reversals) / Provisions and write offs - net	32	(696,581)	(561,253)	52,611	(251,709)
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		33,103,223	22,192,722	13,010,323	7,306,544
Taxation	33	20,460,442	8,991,327	7,193,414	2,981,239
PROFIT AFTER TAXATION		12,642,781	13,201,395	5,816,909	4,325,305
In Rupees					
Basic and Diluted earnings per share	34	11.04	11.53	5.08	3.78

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Consolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2022

	Nine Months Ended		Quarter Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in '000			
Profit after taxation for the period	12,642,781	13,201,395	5,816,909	4,325,305
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	2,640,685	489,537	1,213,395	602,466
Movement in deficit on revaluation of investments - net of tax	(10,856,951)	(4,261,502)	(5,420,910)	(1,887,419)
	(8,216,266)	(3,771,965)	(4,207,515)	(1,284,953)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	34,462	41,632	-	-
Revaluation of fixed assets	(174,267)	(199,010)	-	-
Revaluation of non-banking assets	(1,721)	(1,263)	-	-
	(141,526)	(158,641)	-	-
Total comprehensive income	4,284,989	9,270,789	1,609,394	3,040,352

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

Muhammad Atif Mirza
Chief Financial Officer

Mubashir A. Akhtar
Director

Aizid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Consolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2022

	Share capital	Capital reserve/Exchange translation reserve	Statutory reserve	Revenue reserve/General reserve	Investments	Surplus / (deficit) on revaluation of Fixed assets	Non-banking assets	Un-appropriated profit	Total
Rupees in '000									
Balance as at January 01, 2021 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	69,203,702	133,769,286
Profit after taxation for the nine months ended (September 30, 2021)	-	-	-	-	-	-	-	13,201,395	13,201,395
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(4,261,502)	-	-	-	(4,261,502)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	489,537	-	-	-	-	-	-	489,537
	-	489,537	-	-	(4,261,502)	(199,010)	(1,263)	41,632	(3,930,806)
Transfer to statutory reserve	-	-	1,306,960	-	-	-	-	(1,306,960)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	4,399	(4,399)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(105,539)	-	105,539	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(202,798)	-	202,798	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(664)	664	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(1,006)	1,006	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
First cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)
First interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(11,450,739)	(11,450,739)
Balance as at September 30, 2021	11,450,739	2,515,270	23,552,411	6,000	614,448	22,819,803	631,640	69,999,025	131,589,336
Profit after taxation for the three months ended December 31, 2021	-	-	-	-	-	-	-	4,301,833	4,301,833
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(4,736,284)	-	-	-	(4,736,284)
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	383,083	-	383,083
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	109,401	109,401
Effect of translation of net investment in foreign branches	-	285,965	-	-	-	-	-	-	285,965
	-	285,965	-	-	(4,736,284)	-	383,083	109,401	(3,957,833)
Transfer to statutory reserve	-	-	424,420	-	-	-	-	(424,420)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	408,245	(408,245)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,333)	-	34,333	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(16,947)	-	16,947	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(195)	195	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(75,352)	75,352	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Third interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2021 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,769,523	939,176	71,822,518	129,843,185
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	12,642,781	12,642,781
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,856,951)	-	-	-	(10,856,951)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	2,640,685	-	-	-	-	-	-	2,640,685
	-	2,640,685	-	-	(10,856,951)	(174,267)	(1,721)	34,462	(8,357,792)
Transfer to statutory reserve	-	-	1,262,822	-	-	-	-	(1,262,822)	-
Transfer of revaluation surplus on change in use net of tax	-	-	-	-	-	100,467	(100,467)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(93,128)	-	93,128	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(900)	900	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
First cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)
Balance as at September 30, 2022	11,450,739	5,441,920	25,239,653	6,000	(14,978,787)	22,801,595	810,313	75,498,208	127,057,731

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	September 30, 2021
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		33,103,223	22,192,722
Less: Dividend income		(2,058,149)	(1,970,517)
		31,045,074	20,222,205
Adjustments:			
Depreciation - Operating Fixed Assets		3,090,184	2,724,638
Depreciation - Non Banking Assets		5,701	4,426
Depreciation on right of use assets		1,285,860	1,282,918
Interest expense on lease liability		755,248	695,678
Amortization		385,737	298,216
Net provision and write offs	32	(610,725)	(517,310)
Unrealized loss on revaluation of 'held-for-trading' securities		117,599	111,890
Provision for workers welfare fund		695,471	468,007
Charge for defined benefit plans		311,994	319,598
Gain on sale of fixed assets		(3,898)	(150,066)
Loss / (gain) on sale of non-banking assets / other assets		3,063	(304)
		6,036,234	5,237,691
		37,081,308	25,459,896
(Increase) / Decrease in operating assets			
Lendings to financial institutions		31,421,378	(1,342,438)
Held-for-trading securities		(7,428,814)	(482,194)
Advances		(20,289,602)	(26,413,267)
Other assets (excluding advance taxation)		(36,252,818)	(368,188)
		(32,549,856)	(28,606,087)
Increase / (Decrease) in operating liabilities			
Bills payable		(751,810)	1,025,574
Borrowings		(110,516,223)	234,008,740
Deposits and other accounts		137,896,349	136,885,666
Other liabilities (excluding current taxation)		26,611,064	4,643,081
		53,239,380	376,563,061
		57,770,832	373,416,870
Income tax paid		(13,503,477)	(8,936,178)
Defined benefits paid		(445,555)	(451,188)
Net cash flow generated from operating activities		43,821,800	364,029,504
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in 'available-for-sale' securities		(35,613,773)	(340,853,252)
Net investment in 'held-to-maturity' securities		(2,807,460)	(31,895,260)
Dividend received		1,733,528	1,398,938
Investments in fixed assets and intangible assets		(5,875,439)	(6,690,273)
Proceeds from sale of fixed assets		33,803	870,912
Effect of translation of net investment in foreign branches		2,640,685	489,537
Net cash flow used in investing activities		(39,888,656)	(376,679,398)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,729,005)	(1,584,159)
Dividend paid		(6,857,464)	(11,405,912)
Net cash flow used in financing activities		(8,586,469)	(12,990,071)
Decrease in cash and cash equivalents during the period		(4,653,325)	(25,639,965)
Cash and cash equivalents at beginning of the period		127,094,355	135,376,432
Effect of exchange rate changes on opening cash and cash equivalents		(1,982,059)	204,993
		125,112,296	135,581,425
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		120,458,971	109,941,460

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

1 STATUS AND NATURE OF BUSINESS

The "Group" consist of:

Holding Company

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,430 (December 31, 2021: 1,427) branches in Pakistan including 117 (December 31, 2021: 117) Islamic banking branches, 1 branch (December 31, 2021: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2021: 1) in Bahrain.

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

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

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

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

Subsidiary Company

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

The management quality rating of the Company, as assigned by the Pakistan Credit Rating Agency Limited (PACRA) is AM2++ (Stable) in December 2020.

ABL Asset Management company is managing following funds:

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

2 BASIS OF PRESENTATION

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

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

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

2.1.5 These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2021.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE BANK

Several amendments apply for the first time in 2022, but do not have an impact on the unconsolidated condensed interim financial statements of the Bank:

	Effective date (periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Annual improvements to IFRS Standards 2018 - 2020	January 01, 2022

3.2 STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE

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

	Effective date (periods beginning on or after)
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 1 (and IFRS Practice Statement 2) - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
- Amendments on disclosure of Accounting Policies	January 01, 2023

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

- 'IFRS 9 'Financial Instruments', the effective date of the standard has been extended to annual periods beginning on or after January 01, 2023 vide SBP BPRD Circular no. 3 dated July 05, 2022. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on the Bank's financial statements is being assessed, in light of implementation guidelines issued by SBP.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5 BASIS OF MEASUREMENT

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

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

6 FINANCIAL RISK MANAGEMENT

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

	(Audited)	
	September 30, 2022	December 31, 2021
	Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	29,332,253	22,823,155
Foreign currencies	1,943,636	967,027
	31,275,889	23,790,182
Remittances in transit	1,230,601	502,744
With State Bank of Pakistan (SBP) in		
Local currency current accounts	59,638,460	59,570,982
Foreign currency current account	77,563	54,580
Foreign currency deposit accounts (non-remunerative)	5,685,942	4,807,522
Foreign currency deposit accounts (remunerative)	57,040	9,588,566
	65,459,005	74,021,650
With National Bank of Pakistan in		
Local currency current accounts	19,397,116	25,567,776
Prize Bonds	146,820	518,163
	117,509,431	124,400,515
8 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	7,500	-
In deposit accounts	1,990,271	-
Outside Pakistan		
In current accounts	785,623	650,288
In deposit accounts	219,511	252,955
	3,002,905	903,243

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

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

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings - local currency	-	6,000,000
Call money lendings - foreign currency	6,625,108	-
Repurchase agreement lendings (Reverse Repo)	7,406,424	39,452,910
Certificates of investment	70,000	70,000
	<u>14,101,532</u>	<u>45,522,910</u>
Less: Provision held against lendings to financial institutions	(70,000)	(70,000)
Lendings to financial institutions - net of provision	<u>14,031,532</u>	<u>45,452,910</u>

(Audited)
September 30, 2022 December 31, 2021
Classified Provision Classified Provision
Lending Held Lending Held
Rupees in '000

9.1 Category of classification

Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

September 30, 2022				(Audited) December 31, 2021			
Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000							

10 INVESTMENTS

10.1 Investments by type:

Held-for-trading securities								
Federal Government Securities	5,062,501	-	1,905	5,064,406	126,081	-	2	126,083
Open Ended Mutual Funds and Pension Fund	2,492,394	-	(119,504)	2,372,890	2,457,809	-	(62,713)	2,395,096
	<u>7,554,895</u>	-	<u>(117,599)</u>	<u>7,437,296</u>	<u>2,583,890</u>	-	<u>(62,711)</u>	<u>2,521,179</u>
Available-for-sale securities								
Federal Government Securities*	1,004,489,976	(14,301)	(27,558,403)	976,917,272	972,123,080	(1,807)	(9,403,483)	962,717,790
Shares	18,337,025	(1,670,628)	1,279,046	17,945,443	16,598,013	(1,726,160)	2,496,231	17,368,084
Non Government Debt Securities	26,503,506	(21,071)	3,530	26,485,965	25,350,035	(21,071)	150,924	25,479,888
Foreign Securities	1,770	-	-	1,770	1,037,692	-	-	1,037,692
Naya Pakistan Certificate	2,446,694	-	-	2,446,694	772,649	-	-	772,649
Open Ended Mutual Funds	25,000	-	(2,746)	22,254	25,000	-	(780)	24,220
	<u>1,051,803,971</u>	<u>(1,706,000)</u>	<u>(26,278,573)</u>	<u>1,023,819,398</u>	<u>1,015,906,469</u>	<u>(1,749,038)</u>	<u>(6,757,108)</u>	<u>1,007,400,323</u>
Held-to-maturity securities								
Federal Government Securities	59,299,577	-	-	59,299,577	56,468,494	-	-	56,468,494
Non Government Debt Securities	320,637	(320,637)	-	-	344,260	(344,260)	-	-
	<u>59,620,214</u>	<u>(320,637)</u>	<u>-</u>	<u>59,299,577</u>	<u>56,812,754</u>	<u>(344,260)</u>	<u>-</u>	<u>56,468,494</u>
Total Investments	1,118,979,080	(2,026,637)	(26,396,172)	1,090,556,271	1,075,303,113	(2,093,298)	(6,819,819)	1,066,389,996

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		(Audited) September 30, 2022	December 31, 2021
		Rupees in '000	
10.1.1 Investments given as collateral - at market value			
Market Treasury Bills		32,649,493	220,234,899
Pakistan Investment Bonds		182,956,448	81,656,107
Government of Pakistan Foreign Currency Euro bond (US\$)		1,359,952	1,647,863
Total Investments given as collateral		216,965,893	303,538,869
10.2 Provision for diminution in value of investments			
10.2.1 Opening balance		2,093,298	2,433,232
Exchange adjustments		3,915	254
Charge / (reversals)			
Charge for the period / year		26,599	-
Reversals for the period / year		(32,729)	(10,753)
		(6,130)	(10,753)
Reversal on disposals		(64,446)	(329,435)
Closing Balance		2,026,637	2,093,298

			(Audited) September 30, 2022	December 31, 2021
			NPI*	Provision
			Rupees in '000	
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	341,708	341,708	365,331	365,331
	341,708	341,708	365,331	365,331
Overseas				
Not past due but impaired**	14,716,172	14,301	889,292	1,807
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	15,057,880	356,009	1,254,623	367,138

* NPI stands for Non-performing Investments.

** Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at September 30, 2022 amounted to Rs. 53,933.6 million (December 31, 2021: Rs. 50,857.5 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

Notes	Performing		Non Performing		Total	
	Audited		Audited		Audited	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Rupees in '000						
11 ADVANCES						
Loans, cash credits, running finances, etc.	604,385,046	567,489,342	11,634,019	12,181,090	616,019,065	579,670,432
Islamic financing and related assets	39.3	66,145,199	82,203,444	-	66,145,199	82,203,444
Bills discounted and purchased		2,146,370	2,636,968	1,381,422	3,527,792	4,056,638
Advances - gross	11.1	672,676,615	652,329,754	13,015,441	685,692,056	665,930,514
Provision against advances						
Specific	11.2 & 11.3	-	-	(11,692,749)	(11,692,749)	(12,750,397)
General	11.3	(78,583)	(100,355)	-	(78,583)	(100,355)
		(78,583)	(100,355)	(11,692,749)	(11,771,332)	(12,850,752)
Advances - net of provision		672,598,032	652,229,399	1,322,692	673,920,724	653,079,762

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

11.1 Particulars of advances (Gross)

In local currency	662,285,748	651,918,872
In foreign currencies	23,406,308	14,011,642
	685,692,056	665,930,514

11.2 Advances include Rs. 13,015.441 million (December 31, 2021: Rs. 13,600.760 million) which have been placed under non-performing status as detailed below:

Category of Classification:	September 30, 2022		December 31, 2021	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	136,635	2,585	21,390	623
Substandard	678,505	169,264	713,919	177,740
Doubtful	604,752	302,377	586,834	293,417
Loss	11,595,549	11,218,523	12,278,617	12,278,617
Total	13,015,441	11,692,749	13,600,760	12,750,397

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

Note	(Audited)						
	September 30, 2022			December 31, 2021			
	Specific	General	Total	Specific	General	Total	
Rupees in '000							
11.3 Particulars of provision against advances							
Opening balance	12,750,397	100,355	12,850,752	13,632,529	109,459	13,741,988	
Exchange adjustments	-	13,724	13,724	-	2,271	2,271	
Charge for the period / year	360,041	44,275	404,316	337,741	49,901	387,642	
Reversals	(875,905)	(79,771)	(955,676)	(1,133,844)	(61,276)	(1,195,120)	
	(515,864)	(35,496)	(551,360)	(796,103)	(11,375)	(807,478)	
Amounts written off	(541,784)	-	(541,784)	(86,029)	-	(86,029)	
Closing balance	11.3.1	11,692,749	78,583	11,771,332	12,750,397	100,355	12,850,752

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

		(Audited)		
	Note	September 30, 2022	December 31, 2021	
Rupees in '000				
12	FIXED ASSETS			
	Capital work-in-progress	12.1	3,979,097	3,630,604
	Property and equipment		68,925,807	66,962,119
	Right-of-Use Assets		8,046,009	7,757,831
			80,950,913	78,350,554

12.1 Capital work-in-progress

Civil works	3,123,758	2,901,559
Advances to suppliers	855,339	729,045
	3,979,097	3,630,604

12.2 Additions to fixed assets

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

	September 30, 2022	September 30, 2021
Rupees in '000		
Capital work-in-progress	2,700,542	625,257
Property and equipment		
Freehold land	1,079,542	935,442
Leasehold land	143,086	343,144
Building on freehold land	1,516,692	811,031
Building on leasehold land	168,968	211,983
Furniture and fixture	147,106	195,581
Electrical office and computer equipment	1,581,628	1,801,641
Vehicles	36,140	221,708
Others-building improvements	565,560	475,480
	5,238,722	4,996,010
Right-of-Use Assets	1,652,201	1,301,398
Total	9,591,465	6,922,665

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

12.3 Disposal of fixed assets

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

	September 30, 2022	September 30, 2021
	Rupees in '000	
Furniture and fixture	560	881
Electrical office and computer equipment	8,647	7,054
Vehicles	1,396	25,743
Leasehold land	-	291,000
Building on freehold land	12,290	863
Building on leasehold land	-	74,132
Building Improvements	6	2,678
Total	22,899	402,351

		September 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	232,888	237,246
Computer Software		2,697,456	2,638,729
		2,930,344	2,875,975

13.1 Capital work-in-progress			
Software		223,342	226,708
Advances to suppliers		9,546	10,538
		232,888	237,246

13.2 Additions to intangible assets

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

	September 30, 2022	September 30, 2021
	Rupees in '000	
Capital work-in-progress	144,285	256,701
Software	442,749	637,404
Total	587,034	894,105

13.3 Disposals of intangible assets

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

Directly purchased	-	19
	-	19

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
14	DEFERRED TAX ASSETS		
Deductible Temporary Differences on			
Provision against investments		19,093	19,093
Provision against other assets		38,959	38,959
Provision against off balance sheet obligations		14,824	14,824
Provision against advances		299,843	261,344
Deficit on revaluation of investments		11,320,759	2,644,679
Actuarial gains		370,462	336,000
Post retirement medical benefits		49,639	49,639
Workers welfare fund		1,457,584	1,052,003
Investment in Finance Lease Liabilities		2,531	2,531
		13,573,694	4,419,072
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		(1,803,218)	(1,699,102)
Surplus on revaluation of non-banking assets		(17,013)	(16,780)
Accelerated tax depreciation / amortization		(1,162,172)	(1,182,579)
Excess of investment in finance lease over written down value of leased assets		(13,206)	(13,206)
		(2,995,609)	(2,911,667)
		10,578,085	1,507,405
15	OTHER ASSETS		
Income / Mark-up accrued in local currency		48,755,377	21,433,740
Income / Mark-up accrued in foreign currency		1,357,885	430,467
Advances, deposits, advance rent and other prepayments		2,816,710	1,681,674
Advance taxation (payments less provisions)		-	3,550,725
Non-banking assets acquired in satisfaction of claims		605,646	571,346
Mark to market gain on forward foreign exchange contracts		2,963,413	-
Acceptances		6,014,361	5,646,815
Due from the employees' retirement benefit schemes			
Pension fund		4,765,961	4,379,974
Fraud and forgeries		507,704	523,692
Stationery and stamps in hand		552,993	475,818
Overdue Foreign Bills Negotiated or Discounted		213,282	132,573
Home Remittance Cell agent receivable		6,718	659
Receivable from State Bank of Pakistan		1,399,217	934,298
Charges receivable		39,673	33,291
Suspense Account		838	3,012
Others		39,473	24,632
		70,039,251	39,822,716
Less: Provision held against other assets	15.1	(695,509)	(760,152)
Other assets (net of provision)		69,343,742	39,062,564
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		827,326	955,956
Other Assets - Total		70,171,068	40,018,520

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	Note	September 30, 2022	(Audited) December 31, 2021
Rupees in '000			
15.1 Provision held against other assets			
Advances, deposits, advance rent and other prepayments		180,081	153,018
Provision against fraud and forgeries		407,162	523,692
Overdue Foreign Bills Negotiated / Discounted		24,295	24,295
Charges receivable		39,600	28,811
Others		44,371	30,336
		695,509	760,152

15.1.1 Movement in provision held against other assets

Opening balance	760,152	756,559
Charge for the period / year	47,358	70,766
Reversals	(100,593)	(7,264)
Net charge	(53,235)	63,502
Written off / adjusted	(11,408)	(59,909)
Closing balance	695,509	760,152

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2022 and December 31, 2021.

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

17 BILLS PAYABLE

In Pakistan	9,308,069	10,059,879
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18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan		
Repurchase agreement borrowings	216,821,755	235,497,430
Under export refinance scheme	26,754,165	33,230,671
Under payroll refinance scheme	1,951,196	7,681,205
Under long term financing facility	38,655,489	27,772,856
Under financing scheme for renewable energy	617,263	3,330,929
Under temporary economic refinance scheme	13,212,634	10,013,124
Under refinance scheme for modernization of SMEs	18,409	22,500
Refinance and credit guarantee scheme for women entrepreneurs	7,858	6,915
Under refinance scheme for wages and salaries	192,552	763,347
	298,231,321	318,318,977

Repurchase agreement borrowings from Financial Institutions	1,607,914	65,134,454
Total Secured	299,839,235	383,453,431

Unsecured

Call borrowings	3,426,780	28,516,551
Trading liability	-	5,644,324
Overdrawn nostro accounts	53,364	191,462
Musharaka borrowing	6,000,000	2,200,000
Other borrowings	32,068	-
Total Unsecured	9,512,212	36,552,337
	309,351,447	420,005,768

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	(Audited)					
	September 30, 2022			December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
19 DEPOSITS AND OTHER ACCOUNTS						
Customers						
Current deposits	549,527,133	30,153,797	579,680,930	487,083,609	25,141,039	512,224,648
Savings deposits	521,412,236	17,415,568	538,827,804	506,117,895	25,910,230	532,028,125
Term deposits	235,742,589	77,220,155	312,962,744	175,366,193	39,218,366	214,584,559
Others	31,860,508	35,633	31,896,141	30,029,090	41,106	30,070,196
	1,338,542,466	124,825,153	1,463,367,619	1,198,596,787	90,310,741	1,288,907,528
Financial Institutions						
Current deposits	45,672,075	1,031,680	46,703,755	64,781,898	86,694	64,868,592
Savings deposits	40,919,801	-	40,919,801	49,880,491	-	49,880,491
Term deposits	131,350	51,401	182,751	9,581,350	39,716	9,621,066
Others	106	-	106	6	-	6
	86,723,332	1,083,081	87,806,413	124,243,745	126,410	124,370,155
	1,425,265,798	125,908,234	1,551,174,032	1,322,840,532	90,437,151	1,413,277,683

- 19.1** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 942,676 million for September 30, 2022 (December 31, 2021: 865,799 million).

	(Audited)	
	Note	September 30, 2022
		December 31, 2021
	Rupees in '000	
20 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	22,562,095	4,387,810
Mark-up / return / interest payable in foreign currencies	1,022,048	111,457
Present value of lease liability	9,918,983	9,316,166
Accrued expenses	2,157,935	1,700,608
Provision for taxation (provisions less payments)	3,942,366	-
Retention money payable	542,413	580,710
Deferred income	537,646	-
Unearned commission and income on bills discounted	472,869	472,824
Acceptances	6,014,361	5,646,815
Unclaimed dividends	403,025	390,644
Dividend payable	22,420	21,821
Branch adjustment account	2,160,533	179,774
Mark to market loss on forward foreign exchange contracts	-	638,730
Provision for:		
Gratuity	716,131	716,131
Employees' medical benefits	1,625,081	1,537,963
Employees' compensated absences	1,088,447	923,138
Payable to defined contribution plan	102,715	54,641
Provision against off-balance sheet obligations	298,904	298,904
Security deposits against lease	937,764	863,526
ATM / Point of Sale settlement account	2,075,664	820,679
Charity fund balance	5,082	46
Home Remittance Cell overdraft	862,335	1,052,343
With-holding tax payable	716,127	2,261,555
Sundry deposits	3,258,551	3,577,163
Workers welfare fund payable	3,433,925	2,747,835
Others	1,882,574	1,691,081
	66,759,994	39,992,364

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	298,904	301,093
Charge for the period / year	-	12,862
Reversals for the period / year	-	(15,051)
	-	(2,189)
Closing balance	298,904	298,904

	September 30, 2022	(Audited) December 31, 2021		September 30, 2022	(Audited) December 31, 2021
	Number of shares			Rupees in '000	
21 SHARE CAPITAL					
21.1 Authorized capital					
	1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10/- each	15,000,000	15,000,000

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

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2021: 990,767,307 (86.52%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		Note	September 30, 2022	(Audited) December 31, 2021
			Rupees in '000	
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
	Surplus / (deficit) arising on revaluation of:			
	Fixed assets		24,404,813	24,467,625
	Non-banking assets acquired in satisfaction of claims		827,326	955,956
	Available-for-sale securities		(26,278,573)	(6,757,108)
			(1,046,434)	18,666,472
	Deferred tax on (surplus) / deficit on revaluation of:			
	Fixed assets		(1,803,218)	(1,699,102)
	Non-banking assets acquired in satisfaction of claims		(17,013)	(16,780)
	Available-for-sale securities		11,299,786	2,635,272
			9,479,555	919,391
	Surplus on revaluation of assets - net of tax		8,433,121	19,585,863
23	CONTINGENCIES AND COMMITMENTS			
	Guarantees	23.1	44,316,932	38,151,849
	Commitments	23.2	424,288,679	395,552,089
	Other contingent liabilities	23.3	7,062,489	6,668,875
			475,668,100	440,372,813
23.1	Guarantees			
	Financial guarantees		5,274,905	4,751,558
	Performance guarantees		10,824,409	7,218,569
	Other guarantees		28,217,618	26,181,722
			44,316,932	38,151,849
23.2	Commitments			
	Documentary credits and short term trade related transactions:			
	letters of credit		95,643,237	113,658,809
	Commitments in respect of:			
	forward foreign exchange contracts	23.2.1	292,806,771	277,034,728
	forward government securities transactions	23.2.2	29,835,402	-
	operating leases	23.2.3	254,083	307,316
	Commitments for acquisition of:			
	fixed assets		5,024,054	4,178,585
	intangible assets		682,901	330,420
	Other commitments		42,231	42,231
			424,288,679	395,552,089
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		168,861,513	161,470,903
	Sale		123,945,258	115,563,825
			292,806,771	277,034,728

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

		(Audited) September 30, 2022	December 31, 2021
		Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		25,500,263	-
Sale		4,335,139	-
		<u>29,835,402</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases			
Not later than one year		73,642	142,691
Later than one year and not later than five years		132,999	142,348
Later than five years		47,442	22,277
		<u>254,083</u>	<u>307,316</u>
23.3 Other contingent liabilities			
23.3.1 Claims against the Bank not acknowledged as debt		<u>7,062,489</u>	<u>6,668,875</u>

23.3.2 The income tax assessments of the Group have been finalized upto and including tax year 2021 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2021, income tax authorities made certain add backs with aggregate tax impact of Rs. 32,753 million (2021: 32,753 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.32,753 million (2021: 32,753 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,720 million (2021: 1,720 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Group; therefore, no provision has been made against the said demand of Rs. 1,720 million (2021: 1,720 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (2021: 963 million). The Group's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 963 million (2021: 963 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

24 DERIVATIVE INSTRUMENTS

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

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

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

		Nine Months Ended		Quarter Ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		49,542,569	24,899,032	20,384,206	8,311,591
Investments		95,258,671	59,019,964	38,082,321	22,708,041
Lendings to financial institutions		2,682,956	774,844	1,461,552	336,851
Balances with banks		75,587	5,720	59,407	4,411
		147,559,783	84,699,560	59,987,486	31,360,894
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		68,257,643	30,563,320	28,935,524	11,346,331
Borrowings		30,038,753	15,616,750	12,086,820	7,069,014
Cost of foreign currency swaps against foreign currency deposits		3,069,713	3,159,439	774,976	1,051,062
Interest expense on lease liability		755,248	695,678	260,558	238,578
		102,121,357	50,035,187	42,057,878	19,704,985
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		2,581,434	1,835,397	1,024,358	722,864
Branch banking customer fees		1,940,428	1,768,939	625,861	650,265
Commission on remittances including home remittances		526,452	672,768	151,522	135,288
Investment banking fees		651,193	548,921	182,106	153,272
Commission on trade		403,945	335,122	135,045	110,169
Commission on cash management		211,407	153,438	55,551	57,650
Commission on guarantees		104,549	146,146	35,976	45,007
Commission on bancassurance		49,892	80,092	16,201	30,813
Credit related fees		19,969	17,529	7,295	7,034
Consumer finance related fees		13,121	6,030	4,271	2,916
		6,502,390	5,564,382	2,238,186	1,915,278
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	1,165,098	3,575,862	31,383	858,460
Unrealised - held for trading	10.1	(119,522)	(111,891)	10,029	(28,102)
Unrealised - forward government securities		4,292	(572)	(4,149)	(829)
		1,049,868	3,463,399	37,263	829,529

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	Nine Months Ended		Quarter Ended	
Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in '000			
28.1 Realised gain / (loss) on:				
Federal government securities	173,091	1,144,377	(25,741)	161,443
Shares	985,205	2,380,559	53,947	701,507
Non Government debt securities	(16)	(1,380)	-	(56,796)
Open ended mutual funds	6,818	52,306	3,177	52,306
	<u>1,165,098</u>	<u>3,575,862</u>	<u>31,383</u>	<u>858,460</u>
29 OTHER INCOME				
Recovery of written off mark-up and charges	27,566	43,765	-	357
Gain on sale of fixed assets - net	3,898	150,066	3,286	22,485
(Loss) / gain on sale of non-banking assets - net	(3,063)	304	-	-
Other assets disposal	40,627	35,460	39,784	30,306
Fee for attending Board meetings	1,218	1,483	259	86
Gain on sale of islamic financing and related assets	7,588	4,995	2,212	1,933
	<u>77,834</u>	<u>236,073</u>	<u>45,541</u>	<u>55,167</u>
30 OPERATING EXPENSES				
Total compensation expense	12,789,253	11,452,112	4,384,966	3,835,640
Property expense:				
Depreciation	3,515,625	3,317,011	1,188,191	1,152,621
Rent and taxes	248,597	220,010	86,404	23,590
Utilities cost	1,448,306	1,025,991	684,927	443,232
Security (including guards)	1,026,640	754,625	402,128	232,535
Repair and maintenance				
(including janitorial charges)	878,475	659,567	358,790	198,215
Insurance	77,742	71,645	26,594	23,634
	<u>7,195,385</u>	<u>6,048,849</u>	<u>2,747,034</u>	<u>2,073,827</u>
Information technology expenses:				
Depreciation	628,960	508,188	218,473	176,028
Amortization	385,737	298,216	133,653	105,332
Network charges	587,506	580,031	211,070	216,332
Software maintenance	853,605	622,845	296,755	239,389
Hardware maintenance	310,380	331,966	81,225	87,098
Others	3,074	5,706	1,157	1,927
	<u>2,769,262</u>	<u>2,346,952</u>	<u>942,333</u>	<u>826,106</u>
Other operating expenses:				
Insurance	1,172,644	1,040,829	394,480	345,847
Outsourced service costs	763,196	601,516	323,114	191,862
Stationery and printing	300,836	395,143	125,968	144,498
Cash in Transit service charge	328,758	408,817	151,386	130,913
Marketing, advertisement and publicity	785,649	791,822	295,989	274,808
Depreciation	231,458	166,163	76,685	55,837
Travelling and conveyance	226,210	133,565	85,680	43,135
Postage and courier charges	140,964	112,794	50,625	13,302
NIFT clearing charges	138,166	108,809	49,289	35,525
Communication	122,363	137,244	29,018	45,290
Legal and professional charges	189,214	134,981	44,209	56,924
Auditors Remuneration	10,858	23,295	5,862	8,204
Directors fees and allowances	38,021	42,250	11,638	17,084
Brokerage expenses	75,648	74,846	22,199	20,379
Card related expenses	791,957	303,934	285,031	99,146
Fees and allowances to Shariah Board	4,199	5,232	-	1,709
Training and development	98,503	32,468	45,452	12,179
Donations	97,552	54,328	33,137	4,065
Others	615,894	379,011	268,965	154,092
	<u>6,132,090</u>	<u>4,947,047</u>	<u>2,298,727</u>	<u>1,654,799</u>
	<u>28,885,990</u>	<u>24,794,960</u>	<u>10,373,060</u>	<u>8,390,372</u>

(Un-audited) for the nine months ended September 30, 2022

		Nine Months Ended	Quarter Ended		
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
				Rupees in '000	
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		189,332	1,978	50,301	332
Education cess		35,253	35,253	11,751	11,751
Depreciation - non-banking assets		5,701	4,426	2,467	1,310
Others		50,061	75,013	13	24,850
Other assets written off		-	39	-	-
		280,347	116,709	64,532	38,243
32 PROVISIONS AND WRITE OFFS - NET					
Provision /(Reversal) for diminution in the value of investments	10.2.1	(6,130)	(9,513)	(9,107)	(3,106)
(Reversal) / Provision against loans and advances	11.3	(551,360)	(564,916)	49,727	(250,495)
Provision against other assets	15.1.1	(53,235)	47,962	15,032	8,326
Provision against off-balance sheet obligations	20.1	-	9,157	-	(3,705)
Bad debts written off directly		-	-	-	-
		(610,725)	(517,310)	55,652	(248,980)
Recovery of written off bad debts		(85,856)	(43,943)	(3,041)	(2,729)
		(696,581)	(561,253)	52,611	(251,709)
33 TAXATION					
Current - for the period	33.1	18,987,767	9,451,035	7,367,239	3,094,309
- for prior year		2,007,418	-	-	-
		20,995,185	9,451,035	7,367,239	3,094,309
Deferred - current		(534,743)	(459,708)	(173,825)	(113,070)
		20,460,442	8,991,327	7,193,414	2,981,239
33.1 This also includes proportionate super tax on high earning persons of Rs. 3,461.442 million (September 30, 2021: super tax for rehabilitation of temporarily displaced persons of Rs. 924.002 million).					
34 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		12,642,781	13,201,395	5,816,909	4,325,305
				Number of Shares	
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830	1,145,073,830	1,145,073,830
				Rupees	
Earnings per share - basic and diluted		11.04	11.53	5.08	3.78
There is no dilution effect on basic earnings per share.					

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	981,981,679	-	981,981,679	-	981,981,679
Shares	19,939,758	17,566,868	2,372,890	-	19,939,758
Non-Government Debt Securities	13,274,650	-	13,274,650	-	13,274,650
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	75,337,931	-	-	-	-
Cash and balances with treasury banks	117,508,311	-	-	-	-
Balances with other banks	3,002,905	-	-	-	-
Lendings	14,031,532	-	-	-	-
Advances	673,687,318	-	-	-	-
Other assets	60,782,542	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	58,608,158	-	58,608,158	-	58,608,158
Non-banking assets	1,432,972	-	1,432,972	-	1,432,972
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	168,861,513	-	168,861,513	-	168,861,513
Forward sale of foreign exchange	123,945,258	-	123,945,258	-	123,945,258
Forward purchase of government securities transactions	25,500,263	-	25,500,263	-	25,500,263
Forward sale of government securities transactions	4,335,139	-	4,335,139	-	4,335,139

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	(Audited)				
	December 31, 2021				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	971,471,372	-	971,471,372	-	971,471,372
Shares	19,391,471	16,972,155	2,419,316	-	19,391,471
Non-Government Debt Securities	4,824,319	-	4,824,319	-	4,824,319
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	70,702,834	-	-	-	-
Cash and balances with treasury banks	124,400,515	-	-	-	-
Balances with other banks	903,243	-	-	-	-
Lendings	45,452,910	-	-	-	-
Advances	653,079,762	-	-	-	-
Other assets	28,556,045	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	56,784,877	-	56,525,189	-	56,525,189
Non-banking assets	1,527,302	-	1,527,302	-	1,527,302
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	161,470,903	-	161,470,903	-	161,470,903
Forward sale of foreign exchange	115,563,825	-	115,563,825	-	115,563,825

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

September 30, 2022

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
36 SEGMENT INFORMATION							
36.1 Segment Details with respect to Business Activities							
Profit & Loss							
Net mark-up/return/profit	40,748,227	(62,819,207)	64,653,285	2,443,677	(3,649)	416,093	45,438,426
Inter segment revenue - net	(43,530,837)	120,494,717	(68,677,853)	-	-	(8,286,027)	-
Non mark-up / return / interest income	4,527,362	4,017,520	7,265,757	276,236	532,883	210,266	16,830,024
Total Income	1,744,752	61,693,030	3,241,189	2,719,913	529,234	(7,659,668)	62,268,450
Segment direct expenses	535,812	14,687,160	190,655	1,193,898	450,281	12,804,002	29,861,808
Total expenses	535,812	14,687,160	190,655	1,193,898	450,281	12,804,002	29,861,808
Reversals	(187,178)	(128,318)	-	(1,200)	-	1,013,277	696,581
Profit before tax	1,021,762	46,877,552	3,050,534	1,524,815	78,953	(19,450,393)	33,103,223
Balance Sheet							
Cash & Bank balances	71,634	42,299,490	63,008,672	8,644,258	56,678	6,431,604	120,512,336
Investments	39,830,102	-	1,017,800,775	30,552,504	2,372,890	-	1,090,556,271
Net inter segment lending	(517,246,160)	1,373,790,720	(952,329,313)	(3,196,988)	-	98,981,741	-
Lendings to financial institutions	1,736,235	-	48,728,779	-	-	(36,433,482)	14,031,532
Advances - performing	565,676,407	29,997,806	-	66,145,227	233,406	10,623,769	672,676,615
Advances - non-performing	643,271	325,856	-	-	-	12,046,314	13,015,441
Provision against advances	(338,031)	(146,396)	-	(1,433)	-	(11,285,472)	(11,771,332)
Advances - net	565,981,647	30,177,266	-	66,143,794	233,406	11,384,611	673,920,724
Operating fixed assets	166,968	53,647,936	9,722	1,284,315	418,583	28,353,733	83,881,257
Others	6,494,052	11,713,941	27,831,159	4,450,759	438,768	29,820,474	80,749,153
Total Assets	97,034,478	1,511,629,353	205,049,794	107,878,642	3,520,325	138,538,681	2,063,651,273
Borrowings	98,115,880	3,281,209	217,155,149	27,232,691	-	(36,433,482)	309,351,447
Deposits & other accounts	-	1,464,288,511	-	70,703,134	-	16,182,387	1,551,174,032
Net inter segment borrowing	-	-	-	-	-	-	-
Others	4,558,229	26,085,800	96,847	3,530,567	531,976	41,264,644	76,068,063
Total liabilities	102,674,109	1,493,655,520	217,251,996	101,466,392	531,976	21,013,549	1,936,593,542
Equity / Reserves	(5,639,631)	17,973,833	(12,202,202)	6,412,250	2,988,349	117,525,132	127,057,731
Total Equity and liabilities	97,034,478	1,511,629,353	205,049,794	107,878,642	3,520,325	138,538,681	2,063,651,273
Contingencies and commitments	113,026,304	23,332,228	322,642,173	3,546,674	42,231	13,078,490	475,668,100

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

September 30, 2021

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Profit & Loss							
Net mark-up/return/profit	21,653,794	(28,428,089)	39,940,631	1,503,713	(17,708)	12,032	34,664,373
Inter segment revenue - net	(19,097,213)	57,064,898	(33,725,652)	-	-	(4,242,033)	-
Non mark-up / return / interest income	5,696,137	3,214,147	2,246,301	242,870	720,505	226,812	12,346,772
Total Income	8,252,718	31,850,956	8,461,280	1,746,583	702,797	(4,003,189)	47,011,145
Segment direct expenses	490,257	13,031,080	168,236	1,078,899	407,643	10,203,561	25,379,676
Total expenses	490,257	13,031,080	168,236	1,078,899	407,643	10,203,561	25,379,676
Provisions	(87,742)	(104,447)	-	(62)	-	753,504	561,253
Profit before tax	7,674,719	18,715,429	8,293,044	667,622	295,154	(13,453,246)	22,192,722

December 31, 2021 (Audited)

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

RELATED PARTY TRANSACTIONS

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

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

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Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022					September 30, 2021				
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Income										
Mark-up / return / interest earned	-	3,534	10,463	15	-	-	1,253	7,264	-	-
Sales Commission	-	-	-	-	-	-	-	-	-	22,642
Fee and commission income	4	73	209	2	341,643	-	19	40	7	417,483
Dividend Income	-	-	-	-	75,232	-	-	-	-	2,053
Net gain / (loss) on sale of securities	-	-	-	-	13,110	-	-	-	-	9,363
Rental Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	2,237
Expense										
Mark-up/return/interest paid	-	9,926	705	307	1,140,374	-	11,296	561	107	843,895
Directors meeting fee	-	37,600	-	-	-	-	41,800	-	-	-
Remuneration	-	48,435	388,157	-	-	-	33,270	368,210	-	-
Other expenses**	-	-	-	38,794	-	-	-	-	31,661	-
Rent expense**	-	-	-	13,016	-	-	-	-	22,683	-
Charge for defined benefit plans	-	982	15,563	-	-	-	769	13,997	-	-
Contribution to defined contribution plan	-	-	-	-	-	-	-	-	-	-
Insurance premium paid	-	920	9,037	-	-	-	779	7,042	-	-
Charge in respect of staff retirement benefit funds	-	149	629	-	-	-	74	535	-	-
	-	-	-	-	235,691	-	-	-	-	298,415

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

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

**Rent expense of ABL Branch with associated company (Ibrahīm Fibres Limited) was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan.

During the period ended September 30, 2022, certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 193,000 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2022

	September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	104,593,169	98,872,275
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	104,593,169	98,872,275
Eligible Tier 2 Capital	11,222,301	20,126,655
Total Eligible Capital (Tier 1 + Tier 2)	115,815,470	118,998,930
Risk Weighted Assets (RWAs):		
Credit Risk	417,264,577	388,470,764
Market Risk	37,826,011	34,566,906
Operational Risk	105,933,865	105,933,865
Total	561,024,453	528,971,535
Common Equity Tier 1 Capital Adequacy ratio	18.64%	18.69%
Tier 1 Capital Adequacy Ratio	18.64%	18.69%
Total Capital Adequacy Ratio	20.64%	22.50%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	104,593,169	98,872,275
Total Exposures	2,245,528,630	2,490,193,486
Leverage Ratio	4.66%	3.97%

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1** The Board of Directors of the Bank in its meeting held on October 20, 2022 has proposed an interim cash dividend for the quarter ended September 30, 2022 of Rs. 2.00 per share (September 30, 2021: cash dividend of Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2022 do not include the effect of these appropriations which will be accounted for subsequent to period end.

40 GENERAL

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

41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 20, 2022 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Mubashir A. Akhtar
Director

Mohammad Naeem Mukhtar
Chairman

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