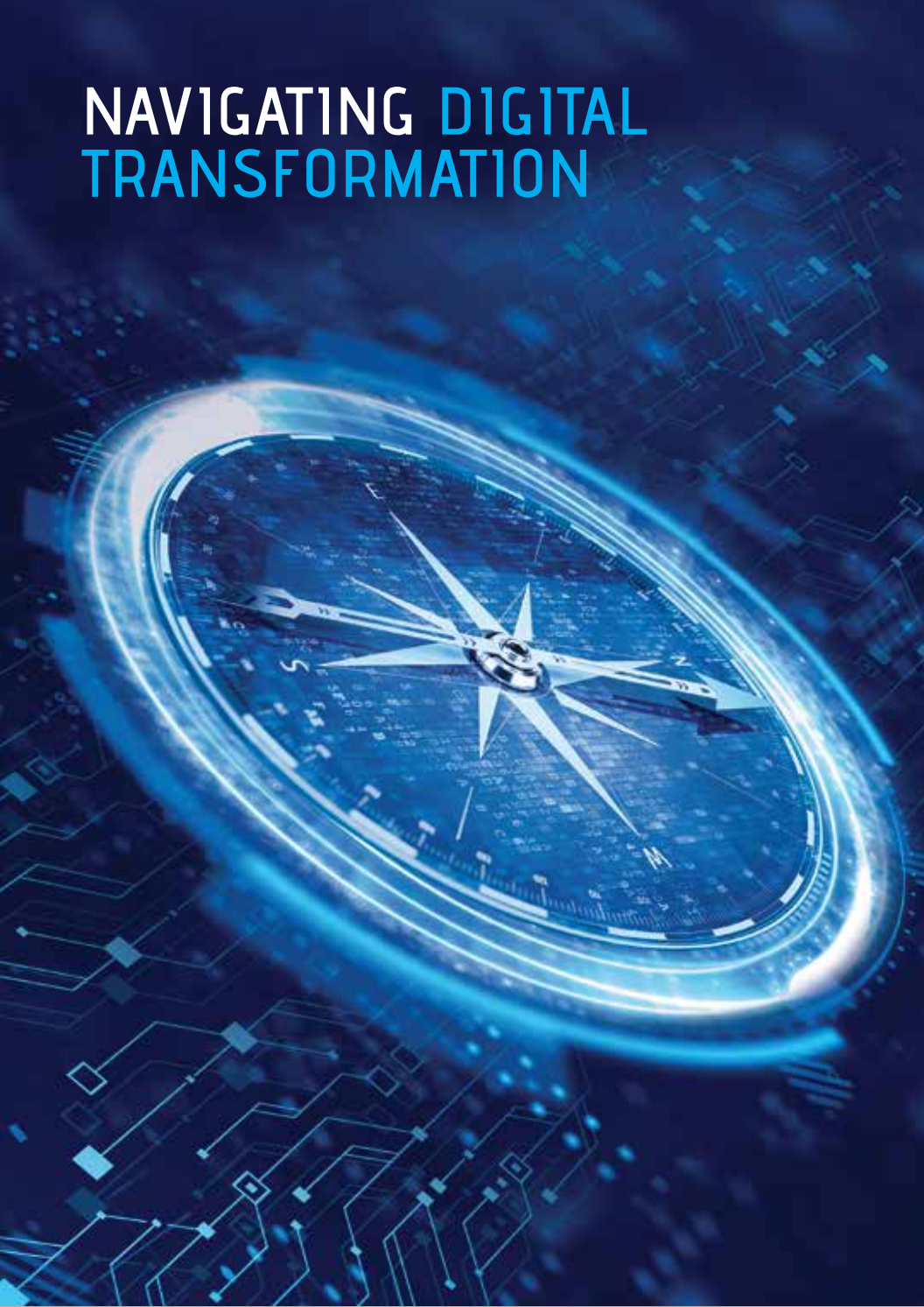


NAVIGATING DIGITAL TRANSFORMATION



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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

3 Tipu Block, New Garden Town,
Lahore 54000,
Pakistan

Contact Detail



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/alliedbankpk



/user/alliedbanktd



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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the quarter ended March 31, 2023. The operating results and appropriations as recommended by the Board are included in the appended table:

	Quarter ended March 31,		Growth
	2023	2022	
	(Rupees in million)		%
Profit after tax for the quarter	7,589	4,828	57
Accumulated profits brought forward	79,653	69,471	15
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	0.36	0.33	9
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	20	33	(39)
Profit available for appropriation	87,262	74,332	17
Final cash dividend for the year ended December 31, 2022: Rs. 2.50 per share (2022: Year ended December 31, 2021: Rs. 2.00 per share)	(2,863)	(2,290)	25
Transfer to Statutory Reserves	(759)	(483)	57
Accumulated profits carried forward	83,640	71,559	17
Earnings Per Share (EPS) (Rs.)	6.63	4.22	57

The Board is pleased to announce an interim cash dividend of Rs. 2.50 per share for the first quarter ended March 31, 2023 (March 31, 2022: Rs. 2.00 per share).

Economic Review

The global economy continues to struggle against the pressures of last three years' cumulative effects of pandemic and Russia-Ukraine conflict. Continuing supply chain disruptions, high inflation and stability measures taken by central banks to keep inflation within targets have weighed on the global economic recovery making it slower than expected. Accordingly, the International Monetary Fund (IMF) has trimmed its earlier estimate of world economic growth from 2.9% to 2.8% for 2023.

On the domestic front, persistent high inflationary pressure, impact of monetary tightening measures, effects of recent floods, political instability, and delay in resumption of IMF Program have kept the economy under stress. IMF in April 2023 has revised Pakistan's projected domestic GDP growth to 0.5% in 2023 which is lower than its previous projection of 2.0%. Similarly, the World Bank has also projected drop in economic growth to 0.4% in 2023.

Large Scale Manufacturing (LSM) declined by 4.4% during Jul-Jan FY2023 on the back of supply chain disruptions, global recessionary pressure and hike in policy rate. During Jul-Jan FY2023, only four sectors witnessed positive growth, i.e., Wearing apparel, Leather Products, Furniture and Other Manufacturing (Footballs).

In Agricultural sector, credit disbursement increased by 28.5% to Rs. 1,073.5 billion during Jul-Feb FY2023 as compared to Rs. 835.3 billion during the same period last year.

On the external side, monthly current account deficit was posted at US\$ 74 million in February 2023 which is the lowest monthly deficit since last two years, driven by improvement in trade balance. Owing to higher contraction in imports as compared to exports, current account deficit reduced to US\$ 3,861 million during Jul-Feb FY2023 as compared to deficit of US\$ 12,077 million during the same period last year.

During Jul-Feb FY2023, exports of goods and services decreased by 6.8% to reach at US\$ 23,417 million as compared to US\$ 25,119 million in the corresponding period last year. Raw Cotton, Fish and Fish preparation, Footballs, Footwear, Surgical goods & Medical instruments and Pharmaceutical products were the main exports commodities.

Imports of goods and services decreased by 22.7% to reach at US\$ 42,506 million during Jul-Feb FY2023 as compared to US\$ 54,972 million during the same period last year.

On MoM basis, Workers' remittances increased by 4.9% during the month of February 2023 as compared to January 2023. During Jul-Feb FY 2023, workers' remittances were recorded at US\$ 17,994 million as compared by US\$ 20,184 million, declining by 10.9%.

Pakistan's total foreign reserves and reserves with SBP stood at US\$ 9,760 million and US\$ 4,208 million respectively as on March 31, 2023.

Foreign Direct Investment (FDI) reached at US\$ 784.4 million during Jul-Feb FY2023 as compared to US\$ 1,315.5 million during the same period last year, decline of 40.4%. Power sector attracted highest FDI of US\$ 346.7 million, equivalent to 44.2% of overall FDI during the aforementioned period. Other major sectors were financial business and oil & gas exploration which contributed 28.6% and 12.5% respectively.

Given the current instability and subdued economic conditions, investor sentiments remained bearish, KSE-100 index closed at 40,001 points as on March 31, 2023 as compared to 44,929 points as end March 31, 2022, a decline by 11%.

Currency in circulation (CIC) and Money supply (M2) witnessed a growth of 13.9% and 13.3% respectively from March 2022 and stood at Rs. 8,273 billion and Rs. 28,796 billion respectively as on March 31, 2023.

US\$ PKR parity depreciated by 25.3% since December 31, 2022 and stood at Rs. 283.79 as on March 31, 2023. National Consumer price index (CPI) increased to 35.4% on YoY basis in March 2023 as compared to 31.5% in the last month and 12.7% in March 2022. Based on the above factors, State Bank of Pakistan (SBP) has continued with strict monetary policy stance to moderate demand, ensure external account stability and pacify inflation and has raised policy rate by 500 basis points since November 2022 to stand at 21% on April 04, 2023.

Financial Review

In this challenging economic environment, performance of Pakistan's banking industry remained resilient and has shown a modest growth. The total asset base of the banking industry stood at Rs. 37,435 billion as at March 31, 2023 as compared to Rs. 34,530 billion as at December 31, 2022; increased by 8%. Investment showed a growth of 7% and reached at Rs. 19,236 billion. Gross Advances of the industry reached at Rs. 11,836 billion decreased by 1% as compared to December 31, 2022. Industry Deposits stood at Rs. 23,562 billion as at March 31, 2023 depicting an increase of 5% against December 31, 2022.

Under the challenging operating environment emanating from macro-economic bottlenecks; Your Bank is guided by its vision "to become a dynamic and efficient bank providing integrated solutions in order to be the first choice Bank for the customers" and has diligently worked towards improvement and accelerated its efforts for value creation for all the stakeholders.

Positive volumetric growth in average earning assets supported by improving spreads and effective duration management of investments enabled the Bank to post higher markup income of Rs. 74,040 million for the quarter ended March 31, 2023; depicting a strong increase of 90% over the corresponding period last year.

Mark-up expense for the quarter ended March 31, 2023 increased by 102% compared with corresponding period last year to reach at Rs. 53,527 million owing to higher average volume and unfavorable rate variance in line with increase in policy rate.

Net markup and interest income registered a growth of 64% to stand at Rs. 20,513 million as at March 31, 2023.

Fee income for the quarter posted a growth of 20% and reached at Rs. 2,518 million. This was accomplished through diversified digital revenue streams, as well as a consistent focus on service enhancement and assuring maximum customer facilitation.

Foreign exchange income of Rs. 3,243 million for the quarter ended March 31, 2023 is higher by Rs. 2,491 million as compared to the corresponding period ended March 31, 2022, majorly attributable to wider spreads, volatility in spot and swaps and higher trade volumes particularly exports and POL imports. Dividend income stands at Rs. 879 million as on 31st March, 2023 decreased by 6%.

Resultantly, Non-markup and interest income increased by 68% to reach at Rs. 6,843 million as at March 31, 2023 as compared to Rs. 4,080 million as at March 31, 2022.

Despite of higher inflation and weakening of USD/PKR parity, increase in operating expenses was restricted to 31%. With an increase of Rs. 2,758 million compared to corresponding period, operating expenses for the first quarter 2023 reached at Rs. 11,621 million. Your Bank's continuous investment in branch expansion and technological transformation also led to a rise in total operating expenses.

Higher net markup income and higher non-markup income partially set off by higher operating expenses and higher provision and write-off resulted in profit before taxation of Rs. 13,426 million for the quarter ended March 31, 2023; displaying a significant growth of 68% as compared to Rs. 8,011 million in the corresponding period last year.

Profit after tax for the quarter ended March 31, 2023 is recorded at Rs. 7,589 million, increased by 57% as compared to Rs. 4,828 million during the same period last year. Earnings per share (EPS) of Your Bank stood at Rs. 6.63 during the quarter ended March 31, 2023 as against Rs. 4.22 in the corresponding period last year.

Your Bank strives towards a hybrid expansion strategy involving combination of digital and "brick and mortar" banking operations, together with bringing more focus towards digital banking products and services. The Bank has a large ATM network of 1,556 machines comprising of 1,297 on-site, 254 off-site and 05 Mobile Banking Units (MBU). At the quarter end, branch outreach closed at 1,453 including 1,329 conventional branches, 117 Islamic banking branches and 07 digital branches.

Total assets of Your Bank are recorded at Rs. 2,270,085 million as on March 31, 2023 showing growth of 1% over total assets at December 31, 2022. Main increase is witnessed in cash and bank balances, other assets and deferred tax assets.

Net assets of Your Bank decreased by 2% to record at Rs. 125,442 million as at March 31, 2023 as against Rs. 127,811 million as at December 31, 2022.

Gross advances and net advances reached at Rs. 796,160 million and Rs. 782,862 million respectively and non-performing advances portfolio stood at Rs. 13,590 million as on March 31, 2023. Your Bank continued its momentum towards low infection ratio and high overall coverage ratio which stood at 1.71% and 97.9% respectively as on March 31, 2023. No FSV benefit was availed while determining the provision against non-performing loans, allowed under guidelines of SBP.

Deposits of the Bank stood at Rs. 1,529,648 million as on March 31, 2023 as compared to Rs. 1,522,297 as on December 31, 2022 registering a growth of 0.5%. Your Bank's Current deposit increased by 12% thereby increasing current deposit

Director's Review

to total deposit mix to 45% as on March 31, 2023 as compared to 40% as on December 31, 2022. Current and Saving Account (CASA) deposit mix stood at 81% as on March 31, 2023.

Amid evolving interest rate risk, investment portfolio duration was optimized. Total investments closed at Rs. 1,130,714 million as on March 31, 2023. The liquidity was primarily placed in Government securities; increasing the Pakistan Investment Bonds contribution in the total investment mix to 96.12% as at March 31, 2023 compared to 96.02% as at December 31, 2022.

Return on Assets, Return on Equity and Capital Adequacy Ratio of Your Bank stood at 1.4%, 24.3% and 18.20% respectively as on March 31, 2023.

Future Outlook

Escalating geopolitical tensions and slowdown in economic activities are hampering the global growth outlook, hence IMF projects the global growth at 3.0% in 2024 as compared to its previous projection of 3.1% for 2024 made in January 2023.

Further, IMF predicts that worldwide inflation will fall from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024 against earlier projection of 6.6% in 2023 and 4.3% in 2024 showing slower reduction than expected.

At domestic front, IMF projected domestic growth at 3.5% in 2024 as compared to its previous projection of 4.4% made in January 2023. Domestic inflation is projected at 21.9% in 2024.

Entity Rating

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

Corporate Governance Rating

VIS Credit Rating Company Limited (VIS) has maintained 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 State Bank of Pakistan. 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

Sheikh Mukhtar Ahmad
*Chairman Board of Directors

Lahore
Date: April 27, 2023

* Mr. Mohammad Naeem Mukhtar, Chairman of the Board was not present in the meeting.

ڈائریکٹرز کا تجزیہ

موزشیر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2023ء کو اختتام پذیر سماہی کے مالیاتی نتائج پیش کرتے ہوئے نہایت سرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سٹاکس کردہ کاروباری نتائج اور تفصیلات مندرجہ ذیل جدول میں درج ہے:

سماہی تختہ 31 مارچ			
نمبر %	2022	2023	
%	ملین روپے		
57	4,828	7,589	سماہی بھاریگس منافع
15	69,471	79,653	گزشتہ قیغ شدہ منافع
9	0.33	0.36	غیر بینکاری اثاثہ جات کی قدر ویکائش سے غیر تصرف شدہ منافع میں منتقلی خالص ازگیس
(39)	33	20	مبین اثاثہ جات کی قدر ویکائش سے غیر تصرف شدہ منافع میں منتقلی خالص ازگیس
17	74,332	87,262	تصرف کے لیے دستیاب منافع
25	(2,290)	(2,863)	حتمی کیش ڈیویڈنڈ برائے سال تختہ 31 دمبر 2022 - 2.50 روپے فی حصص (2022: سال تختہ 31 دمبر 2021 - 2.00 روپے فی حصص)
57	(483)	(759)	ضوابطی ریزرو میں منتقلی
17	71,559	83,640	آگے منتقل کیا گیا قیغ شدہ منافع
57	4.22	6.63	نی حصص آمدنی (EPS) روپے

بورڈ، نہایت سرت سے، 31 مارچ 2023ء اختتام پذیر سماہی کے لیے 2.50 روپے فی شیئر عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے (31 مارچ 2022ء - 2.00 روپے فی شیئر)۔

سماہی جائزہ:

عالمی معیشت گزشتہ تین سال کے دوران عالمگیر دہاء اوروں۔ پیکرین تنازعہ کے مجموعی اثرات سے اب بھی نبرہ آزما ہے۔ رسد کی تزیل میں درجی سلسل رکھاؤں، بلند افراط زر اور مرکزی بینکوں کی جانب سے افراط زر کو سطلابہ ہف کی حد کے اندر رکھنے کے لیے اٹھائے گئے اصلاحاتی اقدامات کے باعث عالمی معیشت کی بحالی قوی سے کہیں زیادہ سرت روی کا شکار ہے، چنانچہ، عالمی مالیاتی فنڈ (آئی ایم ایف) نے سال 2023ء کے لیے دنیا کی سماہی نمو کے اپنے 2.9 فیصد کے سابقہ تخمینے میں تخفیف کرتے ہوئے 2.8 فیصدی شرح پر رہنمی قوی ظاہر کیا ہے۔

داعی اٹھاؤ پر، افراط زر کے سلسل بھٹے داؤ، مالیاتی سختی کے اقدامات کے اثرات، حالیہ سیلاب کے مضمرات، سیاسی نبرہ پٹینی اور آئی ایم ایف کے پروگرام کی بحالی میں تاخیر جیسے عوامل نے معیشت پر اپنا داؤ برقرار رکھا ہے۔ اپریل 2023ء میں آئی ایم ایف نے پاکستان کی متوقع کئی بی ڈی پی کی نمو کا اندازہ 2023ء کے لیے 0.5 فیصد پر مقرر کیا ہے جو کہ اس کے سابقہ 2.0 فیصد کے تخمینے سے کم ہے۔ اسی مٹامٹ میں عالمی بینک نے بھی سال 2023ء کے لیے سماہی نموی متوقع شرح کو کم کر کے 0.4 فیصد پر مقرر کیا ہے۔

رسد کی تزیل میں مائل رکھاؤں، عالمی کساد بازاری کے داؤ اور پالیسی ریمٹ کے اضافوں کے باعث بڑے پیمانے کی پیداواری صنعت میں مالی سال 2023ء کے جولائی تا جنوری کے عرصے کے دوران، 4.4 فیصد کی کمی دیکھی گئی۔ مالی سال 2023ء کے جولائی تا جنوری کی مدت میں محض چار شیوں میں مثبت نمو کا مشاہدہ کیا گیا جن میں لمبوسات، چلوے کی اشیاء، فرنیچر اور دیگر پیداواری شیے (فٹ بال) شامل ہیں۔

زراعت کے شیے میں فراہم کئے گئے قرضہ جات گزشتہ سال کی تقابلی مدت کے 835 ملین روپے کے حجم سے مالی سال 2023ء کے جولائی تا فروری کے عرصے کے دوران 28.5 فیصد کے اضافے کے ساتھ 1,073.5 ملین روپے پر جا پٹھے۔

بیرونی حوالے سے، تجارتی توازن میں بہتری کے باعث فروری 2023ء میں ماہانہ کرنٹ اکاؤنٹ خسارہ 74 ملین امریکی ڈالرز پر ریکارڈ ہوا جو کہ گزشتہ 2 سالوں میں کم ترین ماہانہ خسارہ ہے۔ برآمدات کی نسبت درآمدات میں ہونے والے زیادہ سگراؤ کی بدولت کرنٹ اکاؤنٹ کا خسارہ مالی سال 2023ء کے جولائی تا فروری کی مدت میں گزشتہ سال کے تقابلی عرصے سے 12,077 ملین امریکی ڈالرز، کی نسبت کمی کا اندراج کرتے ہوئے 3,861 ملین امریکی ڈالرز پر رپورٹ کیا گیا۔

مالی سال 2023ء کے جولائی تا فروری کے عرصے کے دوران اشیاء و خدمات کی برآمدات پچھلے سال کے مٹامٹ عرصے سے 25,119 ملین امریکی ڈالرز کے حجم کے متقابلے میں 6.8 فیصد کی درج کرتے ہوئے 23,417 ملین امریکی ڈالرز پر پہنچ گئے۔ خام کپاس۔ مچھلی اور مچھلی سے تیار شدہ اشیاء، فٹ بائز، جوتے، سرجیکل سامان اور آلات اور دواسازی کی مصنوعات اہم برآمدی اشیاء و اجناس تھیں۔

ایشیاد خدمات کی درآمدات گزشتہ سال کے ماضی دورانیے کے 54,972 ملین امریکی ڈالرز کے حجم کی نسبت مالی سال 2023ء کے جولائی تا فروری کی مدت میں 22.7 فیصد کی نمو ظاہر کرتے ہوئے 42,506 ملین امریکی ڈالرز پر رپورٹ کی گئی۔

ماہانہ بنیاد پر، افرادی ترسیلات زر میں جنوری 2023ء کی نسبت فروری 2023ء میں 4.9 فیصد کا اضافہ ہوا۔ مالی سال 2023ء کے جولائی تا فروری کی مدت میں افرادی ترسیلات زر 20,184 ملین ڈالرز کے مقابلے میں 10.9 فیصد کی گروت ظاہر کر کے 17,994 ملین امریکی ڈالرز پر رپورٹ ہوئیں۔

پاکستان کے فیکٹری زرمبادلہ کے کل ذخائر اور اسٹیٹ بینک آف پاکستان کے پاس موجود ذخائر 31 مارچ 2023ء تک بالترتیب 9,760 ملین امریکی ڈالرز اور 4,208 ملین امریکی ڈالرز کی سطح پر درج ہوئے۔

مالی سال 2023ء کے جولائی تا فروری کے عرصہ میں فیکٹری براہ راست سرمایہ کاری گزشتہ سال کی تقابلی مدت کی 1,315.5 ملین امریکی ڈالرز کی سطح سے 40.4 فیصد کی کمی کے ساتھ 784.4 ملین امریکی ڈالرز پر پہنچی گئی۔ توانائی کے شعبے نے فیکٹری براہ راست سرمایہ کاری کسب سے زیادہ متوجہ کیا جس کا حجم 346.7 ملین امریکی ڈالرز رہا۔ جو کہ مندرجہ بالا مدت کے دوران مجموعی براہ راست فیکٹری سرمایہ کاری کے 44.2 فیصد کے مساوی ہے۔ دیگر اہم شعبوں میں مالیاتی کاروبار اور تیل و گیس کی تلاش کے شعبے رہے جن میں بالترتیب 28.6 فیصد اور 12.5 فیصد کی شمولیت رہی۔

موجودہ غیر منظم اور ناقص معاشی صورتحال کے تناظر میں سرمایہ کاروں میں اعتماد کا فقدان رہا۔ کے ایس ای - 100 انڈیکس 31 مارچ 2022 کے 44,929 پوائنٹس کے مقابلے میں 11 فیصد کی کمی کے ساتھ 31 مارچ 2023 تک 40,001 پوائنٹس پر بند ہوا۔

کرنسی کی سرکلیشن (CIC) اور سی سی پی (M2) کی شرح نمود بالترتیب 13.9 فیصد اور 13.3 فیصد مارچ 2022ء سے رہی جبکہ کرنسی کی سرکلیشن (CIC) اور سی سی پی (M2) 31 مارچ 2023ء سے بالترتیب 8,273 ملین روپے اور 28,796 ملین روپے پر جا پہنچی۔

امریکی ڈالرز کے مقابلے میں پاکستانی روپے کی قدر 31 دسمبر 2022ء سے 25.3 فیصد کی فروشی کے ساتھ 31 مارچ 2023ء تک 283,79 روپے فی امریکی ڈالرز پر درج کی گئی۔ صارفین کی قیمتوں کے قومی جدول (نیشنل کونزیومر پرائس انڈیکس) میں مارچ 2022ء کی 12.7 فیصد شرح اور گزشتہ مہینے کی 31.5 فیصد شرح کے مقابلے میں، سال بھر کی بنیاد پر، 35.4 فیصد کا اضافہ ہوا۔ مندرجہ بالا عوامل کے پیش نظر، اسٹیٹ بینک آف پاکستان نے طلب کو متادل کرنے، بیرونی اکاؤنٹ کے استحکام کو یقینی بنانے اور افراط زر کے تدارک کے لیے ایچ آر کے مالیاتی پالیسی تجاویز کو جاری رکھنے کے لیے پالیسی ریٹ میں نومبر 2022ء سے 500 بی پی ایس کے اضافے کے ساتھ اس کی شرح کو 04 اپریل 2023ء تک 21 فیصد پر مقرر کیا ہے۔

مالیاتی جائزہ :

اس مشکل معاشی ماحول میں پاکستان کی بینکاری صنعت نے اپنی پلک کو برقرار رکھنے کے لیے ایک معمولی نمو حاصل کی۔ بینکنگ کی صنعت کے کل اثاثہ جات 31 دسمبر 2022ء کے 34,530 ملین روپے کے حجم کی نسبت 8 فیصد کے اضافے کے ساتھ 31 مارچ 2023ء 37,435 ملین روپے پر پہنچ گئے۔ سرمایہ کاری 7 فیصد کی نمو کے اظہار کے ساتھ 19,236 ملین روپے پر درج ہوئی۔ صنعت کے کل قرضہ جات 31 دسمبر 2022ء سے 1 فیصد کے اضافے کے ساتھ 11,836 ملین روپے پر ریکارڈ ہوئے۔ صنعت کے ڈیپازٹس کا حجم 31 مارچ 2023ء تک 23,562 ملین روپے پر رہا جو کہ 31 دسمبر 2022ء کے مقابلے میں 5 فیصد کے اضافے کا مظہر ہے۔

کلاں معاشی دشواریوں سے ظہور پزیر اس مشکل کاروباری ماحول کے مابین آپ کے بینک نے اپنے "ایک جدید اور موثر بینک جو کہ مصنوعات اور خدمات کے ایک مربوط حل کی فراہمی کے ذریعے اپنے صارفین کی پہلی پسند بننے کی اہلیت رکھتا ہو" کے ویژن سے رجحانی حاصل کرتے ہوئے اپنے اسٹیک ہولڈرز کے لیے قدر سازی میں بہتری اور اضافے کے عمل کو نہایت ترقی اور چابکدستی سے سرانجام دے رہا ہے۔

پیداواری اثاثہ جات میں مضبوط مقداری نمو، نئے بہتر ہوتے پزیر پذیر اور سرمایہ کاری کے دورانیے کے موزوں انتظام کا تعاون بھی حاصل رہا، کی بدولت بینک 31 مارچ 2023ء تک 74,040 ملین روپے کی بلند مارک اپ آمدنی درج کرنے کا اہل ہوا جو کہ گزشتہ سال کی تقابلی مدت سے 90 فیصد کی نہایت توانا شرح کی عکاس ہے۔

مارک اپ اخراجات اپنے بلند اوسط کے حجم اور پالیسی ریٹ کی مطابقت میں ہونے والی ناموافق تبدیلیوں کے نتیجے میں پچھلے سال کے ماضی عرصہ کے تناسب میں 102 فیصد کے اضافے کے اندراج کے ساتھ 53,527 ملین روپے پر جا پہنچے۔ خالص مارک اپ اور انٹرسٹ آمدنی 64 فیصد کی نمو رجسٹر کرتے ہوئے 20,513 ملین روپے پر درج کی گئی۔

اس سرمایہ کے لیے فیکٹری آمدنی 20 فیصد کے اضافے کے ساتھ 2,518 ملین روپے پر رہی۔ یہ پچھلے ڈیجیٹل آمدنی کے متنوع ذرائع، اپنی خدمات کے فروغ پر مسلسل توجہ اور اپنے صارفین کو زیادہ سے زیادہ سہولیات فراہم کرنے کے عمل کو یقینی بنانے کے باعث حاصل کی گئی۔

فیکٹری زرمبادلہ سے مختلف آمدنی، 31 مارچ 2022ء تک کے تقابلی عرصہ کے 2,491 ملین روپے کے حجم سے 31 مارچ 2023ء کو اختتام پذیر سرمایہ کے دوران 3,243 ملین

روپے پر درج ہوئی۔ اس اضافے میں بنیادی کردار وسیع پریڈز، سٹاٹ اور سواپ میں موجود عدم استحکام، تجارت کے بلند حجم اور پٹرولیم مصنوعات کی درآمد کارہا۔ ڈیویڈنڈ کی آمدنی 31 مارچ 2023ء تک 6 فیصد کی آمدنی کے ساتھ 879 ملین روپے پر درج ہوئی۔

اس کے نتیجے میں نان مارک اپ اور انٹرسٹ آمدنی 31 مارچ 2022ء کے 4,080 ملین روپے کے حجم سے 68 فیصد کی بڑھوتی ظاہر کرتے ہوئے 6,843 ملین روپے پر ریکارڈ ہوئی۔

بڑھے افراط زر اور امریکی ڈالر کے مقابلے میں پاکستان روپے کی گرتی قدر کے باوجود کاروباری اخراجات کے اضافے کو 31 فیصدی شرح پر محدود رکھا گیا۔ اپنے قابل عرصے کے حجم سے 2,758 ملین روپے کے اضافے کو ظاہر کرتے ہوئے 31 مارچ 2023ء کو اختتام پذیر سرمایہ کے دوران کاروباری اخراجات 11,621 ملین روپے پر جانچے۔ آپ کے بینک کی برانچوں کے پیملاؤ اور ٹیکنالوجیکل منتقلی کی مدد میں کئی مسلسل سرمایہ کاری بھی کل کاروباری اخراجات میں اضافے کا سبب رہی۔

بلند مبالغہ مارک اپ آمدنی اور زیادہ نان مارک اپ آمدنی کے اثر کو کاروباری اخراجات کے اضافے اور اضافی پروویڈن اور رائٹ آف نے جڑی طور پر ختم کر دیا۔ جس کے نتیجے میں 31 مارچ 2023ء کو اختتام پذیر سرمایہ کے لیے منافع قبل ازینکس 13,426 ملین روپے پر درج کیا گیا جو کہ گزشتہ قابل عرصہ کے 8,011 ملین روپے کے حجم سے 68 فیصدی نہایت قابل قدر اور نمایاں ترقی کا مظہر ہے۔

منافع بعد ازینکس، پچھلے سال کے مسمی عرصہ کی 4,828 ملین روپے کی سطح سے 57 فیصد کا اضافہ ظاہر کرتے ہوئے 31 مارچ 2023ء کو اختتام پذیر سرمایہ کے لیے 7,589 ملین روپے پر ریکارڈ کیا گیا۔ آپ کے بینک کی فی شخص آمدنی گزشتہ سال کے اسی عرصہ کی 4.22 روپے فی شخص کی سطح کے تناسب میں 31 مارچ 2023ء کو اختتام پذیر سرمایہ کے دوران 6.63 روپے فی شخص پر درج کی گئی۔

آپ کا بینک اپنی وسعت کی دہری کھلتی عملی پورل بیروہ جوکہ ڈیجیٹل اور برک اینڈ مارٹر (Brick and Mortar) نظاموں کا مجموعہ ہو اور اس کے ساتھ ڈیجیٹل بینکنگ کی پروڈکٹس اور خدمات پر زیادہ توجہ مرکوز کرکے۔ بینک کا 1,556 اسٹیٹ ایگز پر مشتمل ایک وسیع نیٹ ورک ہے جس میں 1,297 آن سائٹ 254 آف سائٹ اور 05 موبائل بینکنگ پلٹس شامل ہیں۔ اس سرمایہ کے اختتام پر بینک کی برانچوں کی تعداد 1,453 رہی جس میں 1,329 روایتی برانچیں، 117 اسلامک بینکنگ کی برانچیں اور 07 ڈیجیٹل برانچیں شامل ہیں۔

آپ کے بینک کے کل اثاثہ جات 31 دسمبر 2022ء سے 1 فیصد کے اضافے کے ساتھ 31 مارچ 2023ء تک 2,270,085 ملین روپے پر ریکارڈ کیے گئے۔ اس مد میں زیادہ تر اضافہ نکیش اور بینک بیلنس دیگر اثاثہ جات اور موٹرنگس اثاثہ جات میں دیکھا گیا۔ آپ کے بینک کے خالص اثاثہ جات 31 دسمبر 2022ء کے 127,81 ملین روپے کے حجم سے 2 فیصد کی آمدنی کے ساتھ 31 مارچ 2023ء تک 125,442 ملین روپے پر درج کیے گئے۔

کل قرضہ جات اور خالص قرضہ جات کا حجم بالترتیب 796,160 ملین روپے اور 782,862 ملین روپے رہا جبکہ 31 مارچ 2023ء تک غیر فعال قرضہ جات 13,590 ملین روپے تک جا پہنچے۔ آپ کا بینک اپنی کم ترین انفلکشن کی شرح اور مجموعی طور پر بلند کوریج کی شرح کی تحریک کو جاری رکھے ہوئے ہے۔ 31 مارچ 2023ء تک انگی ٹرمینس بالترتیب 1.71 فیصد اور 97.9 فیصد پر ہیں۔ اسٹیٹ بینک آف پاکستان کی گائیڈ لائنز میں اجازت کے باوجود غیر فعال قرضوں سے متعلقہ اخراجات (پروویڈن) کے حصے میں جبری فروخت کے فوائد کو شمار نہیں کیا گیا۔

بینک کے ڈیپازٹس، 31 دسمبر 2022ء کے 1,522,297 ملین روپے کے حجم سے 0.5 فیصد کی نمو کے اندراج کے ساتھ 31 مارچ 2023ء تک 1,529,648 ملین روپے پر درج کیے گئے۔ آپ کے بینک کے کرنٹ ڈیپازٹس میں 12 فیصد کا اضافہ ہوا جس کے باعث کل ڈیپازٹس کی ترکیب میں کرنٹ ڈیپازٹس کا حصہ 31 دسمبر 2022ء کی 40 فیصدی شرح کی نسبت 31 مارچ 2023ء تک بڑھے ہوئے 45 فیصدی شرح پر پہنچ گیا۔ کرنٹ اکاؤنٹ ہویگ اکاؤنٹ (کاسا) کی ترکیب 31 مارچ 2023ء تک 81 فیصد پر رہی۔

انٹرسٹ ریٹ کے ارتقائی خشکات کے مابین، سرمایہ کاری کے پورٹ فولیو کے دراپے کے موزوں انتظام کی بدولت کل سرمایہ کاری 31 مارچ 2023ء تک 1,130,714 ملین روپے پر رہ پڑی ہوئی۔ اس سیلیٹ کو بنیادی طور پر کھوتی ترسکات میں رکھا گیا جس کے باعث پاکستان انویسٹمنٹ بانڈز کی کل سرمایہ کاری کی ترکیب میں شمولیت 31 دسمبر 2022ء کی 96.02 فیصد کی شرح سے بڑھ کر 31 مارچ 2023ء تک 96.12 فیصد پر پہنچ گئی۔

31 مارچ 2023ء تک اثاثہ جات پر آمدنی، سرمائے (ایکویٹی) پر آمدنی اور سرمائے کی مقبولیت کی شرحیں بالترتیب 1.4 فیصد، 24.3 فیصد اور 18.20 فیصد رہیں۔

مشتمل کی پیش بینی:

بڑھے سیاسی و جھراپائی تاؤ اور معاشی سرگرمیوں میں سست روی عالمی معاشی ٹیل بٹنی کے نکل کو متاثر کر رہی ہے۔ چنانچہ، آئی ایم ایف نے جنوری 2023ء میں سال 2024ء کے بارے میں تخمینہ کی گئی 3.1 فیصد کی نمو کی شرح میں تخفیف کر کے اسے 3.0 فیصد پر تجویز کیا ہے۔

مزید برآں، آئی ایم ایف کو توقع ہے کہ دنیا بھر میں افراط زر کی شرح میں سال 2022ء کی 8.7 فیصد کی شرح سال 2023ء میں کم ہو کر 7 فیصد اور سال 2024ء میں 4.9 فیصد پر آجائے گی۔ جبکہ اس بارے میں سابقہ تخمینے سال 2023ء کے لیے 6.6 فیصد اور سال 2024ء کے 4.3 فیصد تھے جبکہ بحالی اور بہتری کے عمل میں توقع سے زیادہ ست روپی ظاہر کرتی ہے۔

داخلی محاذ پر، آئی ایم ایف نے جنوری 2023ء میں کی گئی اپنی 4.4 فیصد کی سابقہ پیش بینی کے مقابلے میں سال 2024ء کے لیے داخلی پیداوار کی نمو کو 3.5 فیصد پر تخمینہ کیا ہے۔ سال 2024ء کے لیے ملکی افراط زر کی شرح 21.9 فیصد رہنے کی توقع کی جا رہی ہے۔

اینٹی ریٹیکو:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کی طویل المدتی اور قلیل المدتی ریٹنگ کو با ترتیب "AAA" ٹریبل اے اور "A1+" (اے ون پلس) کی اعلیٰ سطح پر برقرار رکھا ہے۔ یہ درجہ بنیاداً بینک کے قرضہ جات کے اعلیٰ معیار اور اپنی مالیاتی ذمہ داریوں کی ادائیگیوں کی انتہائی مضبوط صلاحیتوں کی عکاس ہیں۔ آچکے 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 ایس (VIS) کریڈٹ ریٹنگ کمپنی لمیٹڈ نے الائیڈ بینک لمیٹڈ (اے بی ایل) کی کارپوریٹ گورننس کی درجہ بندی کو برقرار رکھتے ہوئے زیادہ سے زیادہ 10 کے پیمانے میں سے "CGR-9++" کی سطح پر قہن 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۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بناوٹ کو کارپوریٹ معلومات کے جڑو میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو بورڈ یا اور اسکی 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 اسٹیٹ بینک آف پاکستان کی قہن 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 سرکوشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

تسلیم و تحسین:

بورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے، ہم اپنے معزز شیئر ہولڈرز اور قابل قدر صارفین کے الائیڈ بینک پر اسکے اعتماد، سکیورٹی اینڈ ایکنجیبل کمیٹی آف پاکستان، اسٹیٹ بینک آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور اعانت پر انتہائی خلوص سے شکر یہ 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 اغراض و مقاصد کے حصول کے لیے انتھک محنت اور لگن کا بھی بھرپور طریقے سے امتزاف کرتے ہیں۔

منجانب دہرائے بورڈ آف ڈائریکٹرز

شیخ مختار احمد

* چیئرمین بورڈ آف ڈائریکٹرز

ایزد رزاق گل

چیف ایگزیکٹو آفیسر

لاہور

27 اپریل 2023ء

* محمد فہم مختار چیئرمین بورڈ آف ڈائریکٹرز بینک میں حاضر نہ تھے۔

UNCONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2023

Unconsolidated Statement of Financial Position

(Un-audited) as at March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	138,872,983	87,913,426
Balances with other banks	8	943,027	3,439,468
Lendings to financial institutions - net	9	33,266,602	28,222,195
Investments - net	10	1,130,714,207	1,123,117,088
Advances - net	11	782,862,123	845,640,176
Fixed assets	12	83,796,507	81,478,561
Intangible assets	13	3,103,363	2,963,902
Deferred tax assets	14	20,961,871	13,001,349
Other assets - net	15	75,564,308	65,196,693
		2,270,084,991	2,250,972,858
LIABILITIES			
Bills payable	17	9,561,703	14,159,643
Borrowings	18	526,623,665	530,414,493
Deposits and other accounts	19	1,529,648,342	1,522,297,479
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	78,809,167	56,289,835
		2,144,642,877	2,123,161,450
NET ASSETS			
		125,442,114	127,811,408
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		35,191,530	31,435,453
Surplus / (Deficit) on revaluation of assets - net of tax	22	(4,840,148)	5,272,401
Unappropriated profit		83,639,993	79,652,815
		125,442,114	127,811,408
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
Mark-up / return / interest earned	25	74,040,237	39,062,377
Mark-up / return / interest expensed	26	53,527,186	26,520,704
Net mark-up / interest income		20,513,051	12,541,673
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,517,989	2,096,713
Dividend income		879,230	934,617
Foreign exchange income		3,242,600	752,062
Income from derivatives		-	-
Gain on securities - net	28	177,832	269,539
Other income	29	25,829	27,297
Total non mark-up / interest income		6,843,480	4,080,228
Total income		27,356,531	16,621,901
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	11,255,799	8,589,954
Workers welfare fund		287,152	170,989
Other charges	31	78,011	102,333
Total non mark-up / interest expenses		11,620,962	8,863,276
Profit before provisions		15,735,569	7,758,625
Provisions and write offs - net	32	2,309,777	(252,443)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		13,425,792	8,011,068
Taxation	33	5,836,975	3,183,194
PROFIT AFTER TAXATION		7,588,817	4,827,874
In Rupees			
Basic and Diluted earnings per share	34	6.63	4.22

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	March 31, 2022
	Rupees in '000	
Profit after taxation for the period	7,588,817	4,827,874
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	2,997,195	344,273
Movement in deficit on revaluation of investments - net of tax	(10,092,621)	(1,196,061)
	(7,095,426)	(851,788)
Total comprehensive income	493,391	3,976,086

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the three months period ended March 31, 2023

	Share capital	Capital reserve	Statutory reserve	Revenue reserve	Surplus/(Deficit) on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve		General reserve	Investments	Fixed assets	Non-banking assets		
	Rupees in '000								
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,721,787	939,176	69,470,607	127,244,539
Profit after taxation for the three months period ended March 31, 2022	-	-	-	-	-	-	-	4,827,874	4,827,874
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(1,196,061)	-	-	-	(1,196,061)
Effect of translation of net investment in foreign branches	-	344,273	-	-	-	-	-	-	344,273
	-	344,273	-	-	(1,196,061)	-	-	-	(851,788)
Transfer to statutory reserve	-	-	482,787	-	-	-	-	(482,787)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	100,477	(100,477)	-	-
Transferred from surplus in respect of incremental depreciation	-	-	-	-	-	(33,221)	-	33,221	-
of fixed assets - net of tax	-	-	-	-	-	-	-	-	-
Transferred from surplus in respect of incremental depreciation	-	-	-	-	-	-	(328)	328	-
of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	11,450,739	3,145,508	24,459,618	6,000	(5,317,897)	22,789,043	838,371	71,559,095	128,930,477
Profit after taxation for the nine months period ended December 31, 2022	-	-	-	-	-	-	-	16,365,947	16,365,947
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(12,815,968)	-	-	-	(12,815,968)
Effect of change in tax rate on revaluation surplus	-	-	-	-	-	-	-	-	-
of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	70,709	-	70,709
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	117,222	117,222
Effect of translation of net investment in foreign branches	-	2,187,732	-	-	-	-	-	-	2,187,732
	-	2,187,732	-	-	(12,815,968)	(174,267)	70,709	117,222	(10,614,572)
Transfer to statutory reserve	-	-	1,636,595	-	-	-	-	(1,636,595)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	(10)	10	-	-
Transferred from surplus in respect of incremental depreciation	-	-	-	-	-	-	-	-	-
of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(90,950)	-	90,950	-
Transferred from surplus in respect of incremental depreciation	-	-	-	-	-	-	(865)	865	-
of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	-	-	-
Surplus realized on disposal of	-	-	-	-	-	-	-	-	-
revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
First interim cash dividend for the year ended	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Third interim cash dividend for the year ended	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,523,816	882,450	79,652,815	127,811,408
Profit after taxation for the three months period ended March 31, 2023	-	-	-	-	-	-	-	7,588,817	7,588,817
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,092,621)	-	-	-	(10,092,621)
Effect of translation of net investment in foreign branches	-	2,997,195	-	-	-	-	-	-	2,997,195
	-	2,997,195	-	-	(10,092,621)	-	-	-	(7,095,426)
Transfer to statutory reserve	-	-	758,882	-	-	-	-	(758,882)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(19,568)	-	19,568	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(360)	360	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	11,450,739	8,330,435	26,855,095	6,000	(28,226,486)	22,504,248	882,090	83,639,993	125,442,114

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,425,792	8,011,068
Less: Dividend income		(879,230)	(934,617)
		12,546,562	7,076,451
Adjustments:			
Depreciation - Operating Fixed Assets		1,067,726	992,427
Depreciation - Non Banking Assets		2,508	1,450
Depreciation on right of use assets		431,619	423,603
Interest expense on lease liability		269,240	235,007
Amortization		139,534	121,891
Net provisions and write offs	32	2,311,956	(188,712)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		6,412	(20,475)
Provision for workers welfare fund		287,152	170,989
Charge for defined benefit plans		118,418	103,998
Gain on sale of fixed assets		(5,225)	(2,110)
		4,629,340	1,838,068
		17,175,902	8,914,519
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(5,044,407)	21,405,025
Held-for-trading securities		(3,526,222)	(20,915,380)
Advances		61,337,999	27,596,240
Other assets (excluding advance taxation)		(8,715,948)	(10,067,499)
		44,051,422	18,018,386
Increase / (Decrease) in operating liabilities			
Bills payable		(4,597,940)	2,133,799
Borrowings		(3,563,235)	(67,351,565)
Deposits and other accounts		7,350,863	4,203,468
Other liabilities (excluding current taxation)		18,896,643	5,515,551
		18,086,331	(55,498,747)
		79,313,655	(28,565,842)
Income tax paid		(7,591,988)	(2,939,504)
Defined benefits paid		(170,494)	(137,246)
Net cash flow generated from / (used in) operating activities		71,551,173	(31,642,592)
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		(22,543,569)	28,129,014
Net investments in 'held-to-maturity' securities		(95,436)	(2,646,866)
Dividend received		616,851	875,446
Investments in fixed assets and intangible assets		(3,237,037)	(1,993,985)
Proceeds from sale of fixed assets		7,843	9,074
Effect of translation of net investment in foreign branches		2,997,195	344,273
Net cash flow (used in) / generated from investing activities		(22,254,153)	24,716,956
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(603,230)	(545,984)
Dividend paid		(3,081)	(13,889)
Net cash flow used in financing activities		(606,311)	(559,873)
Increase / (Decrease) in cash and cash equivalents during the period		48,690,709	(7,485,509)
Cash and cash equivalents at beginning of the period		91,392,750	125,759,774
Effect of exchange rate changes on opening cash and cash equivalents		(475,127)	(641,585)
		90,917,623	125,118,189
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		139,608,332	117,632,680

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

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 1,451 (December 31, 2022: 1,451) branches in Pakistan including 117 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 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 three months period ended March 31, 2023

- 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, 2022.

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, 2022.

3.1 New Standards, Interpretations and amendments adopted by the Bank

Several amendments apply for the first time in 2023, but do not have an impact on the unconsolidated condensed interim financial statements of the Bank:

	Effective date (periods beginning on or after)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
- IFRS 17 - Insurance Contracts	January 01, 2023

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Effective date (periods beginning on or after)
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	January 01, 2024
- IFRS 1 - First time Adoption of IFRS	January 01, 2024

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, 2024 vide SBP BPRD Circular Letter no. 7 dated April 13, 2023. 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, 2022.

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, 2022.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		36,833,411	28,208,976
Foreign currencies		2,311,993	974,226
		39,145,404	29,183,202
Remittances in transit		1,319,315	1,102,799
With State Bank of Pakistan (SBP) in			
Local currency current accounts		63,818,513	56,627,616
Foreign currency current account		152,825	77,448
Foreign currency deposit accounts (non-remunerative)		8,592,651	36,908
Foreign currency deposit accounts (remunerative)		17,238,421	59,118
		89,802,410	56,801,090
With National Bank of Pakistan in			
Local currency current accounts		8,244,215	561,719
Prize Bonds		361,639	264,616
		138,872,983	87,913,426
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	7,500
Outside Pakistan			
In current accounts		586,738	3,209,391
In deposit accounts		348,789	222,577
		935,527	3,431,968
		943,027	3,439,468
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - foreign currency		4,824,462	3,622,894
Repurchase agreement lendings (Reverse Repo)		28,442,140	21,599,301
Musharaka lendings		-	3,000,000
Certificates of investment		70,000	70,000
		33,336,602	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		33,266,602	28,222,195

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023		(Audited) December 31, 2022	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	March 31, 2023				(Audited) December 31, 2022			
	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	3,665,689	-	(6,412)	3,659,277	139,467	-	(134)	139,333
	3,665,689	-	(6,412)	3,659,277	139,467	-	(134)	139,333
Available-for-sale securities								
Federal Government Securities*	1,074,402,740	(1,243,644)	(50,225,188)	1,022,933,908	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987
Shares	18,579,726	(1,670,628)	713,734	17,622,832	18,642,536	(1,670,628)	573,308	17,545,216
Non Government Debt Securities	26,510,731	(21,071)	(6,075)	26,483,585	26,593,534	(21,071)	(34,153)	26,538,310
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	25,000	-	(2,622)	22,378	25,000	-	(2,549)	22,451
	1,119,519,967	(2,935,343)	(49,520,151)	1,067,064,473	1,096,897,309	(2,000,777)	(31,813,798)	1,063,082,734
Held-to-maturity securities								
Federal Government Securities	59,490,457	-	-	59,490,457	59,395,021	-	-	59,395,021
Non Government Debt Securities	320,637	(320,637)	-	-	320,637	(320,637)	-	-
	59,811,094	(320,637)	-	59,490,457	59,715,658	(320,637)	-	59,395,021
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments								
	1,183,496,750	(3,255,980)	(49,526,563)	1,130,714,207	1,157,252,434	(2,321,414)	(31,813,932)	1,123,117,088

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

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2023

	(Audited)	
	March 31, 2023	December 31, 2022
Rupees in '000		
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	4,986,475	9,885,340
Pakistan Investment Bonds	411,682,200	402,614,187
Total Investments given as collateral	416,668,675	412,499,527
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,321,414	2,093,298
Exchange adjustments	79,090	3,795
Charge / (reversals)		
Charge for the period / year	855,476	312,389
Reversals for the period / year	-	(23,622)
	855,476	288,767
Reversal on disposals	-	(64,446)
Closing Balance	3,255,980	2,321,414

	(Audited)			
	March 31, 2023		December 31, 2022	
	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	341,708	341,708
	341,708	341,708	341,708	341,708
Overseas				
Not past due but impaired**	18,755,664	1,243,644	14,772,409	309,078
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
Total	19,097,372	1,585,352	15,114,117	650,786

* 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 March 31, 2023 amounted to Rs. 49,765.7 million (December 31, 2022: Rs. 51,708.9 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

Note	Performing		Non Performing		Total	
	(Audited)		(Audited)		(Audited)	
	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022	March 31, 2023	December 31, 2022
Rupees in '000						
11	ADVANCES					
Loans, cash credits, running finances, etc.	712,912,822	774,934,098	12,208,641	11,718,805	725,121,463	786,652,903
Islamic financing and related assets	39.3 67,164,234	66,762,206	8,385	9,675	67,172,619	66,771,881
Bills discounted and purchased	2,493,539	2,688,351	1,372,761	1,375,202	3,866,300	4,063,553
Advances - gross	11.1 782,570,595	844,384,655	13,589,787	13,103,682	796,160,382	857,488,337
Provision against advances						
Specific	11.2 & 11.3 -	-	(12,941,454)	(1,738,558)	(12,941,454)	(11,738,558)
General	11.3 (356,805)	(109,603)	-	-	(356,805)	(109,603)
	(356,805)	(109,603)	(12,941,454)	(1,738,558)	(13,298,259)	(11,848,161)
Advances - net of provision	782,213,790	844,275,052	648,333	1,365,124	782,862,123	845,640,176

(Audited)
March 31, 2023 December 31, 2022
Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	792,977,440	851,963,940
In foreign currencies	3,182,942	5,524,397
	796,160,382	857,488,337

11.2 Advances include Rs. 13,589,787 million (December 31, 2022: Rs. 13,103,682 million) which have been placed under non-performing status as detailed below:

	March 31, 2023		(Audited) December 31, 2022	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	167,715	462	307,993	237
Substandard	81,858	20,092	133,674	33,222
Doubtful	84,575	42,287	1,159,780	579,890
Loss	13,255,639	12,878,613	11,502,235	11,125,209
Total	13,589,787	12,941,454	13,103,682	11,738,558

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

Note	(Audited)					
	March 31, 2023			December 31, 2022		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
11.3 Particulars of provision against advances						
Opening balance	11,738,558	109,603	11,848,161	12,750,397	100,355	12,850,752
Exchange adjustments	-	10,043	10,043	-	13,589	13,589
Charge for the period / year	1,390,627	241,078	1,631,705	528,225	75,430	603,655
Reversals for the period / year	(187,731)	(3,919)	(191,650)	(998,280)	(79,771)	(1,078,051)
	1,202,896	237,159	1,440,055	(470,055)	(4,341)	(474,396)
Amounts written off	-	-	-	(541,784)	-	(541,784)
Closing balance	12,941,454	356,805	13,298,259	11,738,558	109,603	11,848,161

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.

11.3.2 The Bank maintains general reserve in accordance with the applicable requirements of the Prudential Regulations Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP. General provisions pertaining to overseas branch are made in accordance with the requirements of the regulatory authorities in which the overseas branch operates.

12	FIXED ASSETS	Note	(Audited)	
			March 31, 2023	December 31, 2022
Rupees in '000				
	Capital work-in-progress	12.1	5,847,986	4,317,914
	Property and equipment		69,694,878	69,337,253
	Right-of-Use Assets		8,253,643	7,823,394
			83,796,507	81,478,561
12.1	Capital work-in-progress			
	Civil works		4,753,638	3,304,808
	Equipment		44,592	44,592
	Advances to suppliers		1,049,756	968,514
			5,847,986	4,317,914

12.2 Additions to fixed assets

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

	March 31, 2023	March 31, 2022
Rupees in '000		
Capital work-in-progress	1,836,446	533,225
Property and equipment		
Freehold land	62,765	388,672
Leasehold land	-	10
Building on freehold land	26,986	1,072,900
Building on leasehold land	9,005	133,714
Furniture and fixture	61,755	72,267
Electrical office and computer equipment	1,035,238	761,510
Vehicles	77,854	4,239
Others-building improvements	162,263	106,494
	1,435,866	2,539,806
Right-of-Use Assets	854,965	567,260
Total	4,127,277	3,640,291

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2023

12.3 Disposal of fixed assets

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

	March 31, 2023	March 31, 2022
	Rupees in '000	
Furniture and fixture	951	488
Electrical office and computer equipment	1,667	5,847
Building Improvements	-	6
Total	2,618	6,341

	Note	March 31, 2023	(Audited) December 31, 2022
		Rupees in '000	
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	309,232	275,227
Computer Software		2,794,131	2,688,675
		3,103,363	2,963,902

13.1 Capital work-in-progress

	March 31, 2023	December 31, 2022
Software	306,358	272,353
Advances to suppliers	2,874	2,874
	309,232	275,227

13.2 Additions to intangible assets

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

	March 31, 2023	March 31, 2022
	Rupees in '000	
Capital work-in-progress	264,316	56,236
Software	244,989	284,876
Total	509,305	341,112

13.3 Disposals of intangible assets

The net book value of intangible assets disposed off during the period is Nil.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	(Audited) December 31, 2022
	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	467,098	360,393
Deficit on revaluation of investments	21,293,665	13,679,933
Actuarial losses	308,029	308,029
Post retirement medical benefits	42,980	42,980
Workers welfare fund	1,702,045	1,578,570
	23,886,693	16,042,781
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	(1,765,038)	(1,779,800)
Surplus on revaluation of non-banking assets	(19,075)	(19,347)
Accelerated tax depreciation / amortization	(1,127,503)	(1,229,079)
Excess of investment in finance lease over written down value of leased assets	(13,206)	(13,206)
	(2,924,822)	(3,041,432)
	<u>20,961,871</u>	<u>13,001,349</u>

15 OTHER ASSETS

Income / Mark-up accrued in local currency	56,951,554	49,451,768
Income / Mark-up accrued in foreign currency	1,288,869	1,368,623
Advances, deposits, advance rent and other prepayments	2,729,814	1,857,960
Non-banking assets acquired in satisfaction of claims	601,669	603,545
Branches adjustment account	-	22,909
Mark to market gain on forward foreign exchange contracts	1,894,446	88,177
Mark to market gain on forward government securities transactions	6,102	5,613
Acceptances	5,255,926	4,249,363
Due from the employees' retirement benefit schemes		
Pension fund	5,088,232	4,943,030
Fraud and forgeries	500,486	508,935
Stationery and stamps in hand	663,867	554,145
Overdue Foreign Bills Negotiated or Discounted	307,532	213,136
Home Remittance Cell agent receivable	514	3,511
Receivable from State Bank of Pakistan	26,614	29,684
Charges receivable	40,486	40,497
ATM / Point of Sale settlement account	-	1,041,549
Suspense Account	894	122
Others	84,222	68,137
	75,441,227	65,050,704
Less: Provision held against other assets	(778,084)	(755,808)
Other assets (net of provision)	74,663,143	64,294,896
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	901,165	901,797
Other Assets - Total	<u>75,564,308</u>	<u>65,196,693</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	(Audited)	
	March 31, 2023	December 31, 2022
	Rupees in '000	
15.1 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	131,125	131,125
Provision against fraud and forgeries	500,486	508,935
Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
Charges receivable	39,600	39,600
Others	82,578	51,853
	<u>778,084</u>	<u>755,808</u>

15.1.1 Movement in provision held against other assets

	March 31, 2023	December 31, 2022
Opening balance	755,808	760,152
Charge for the period / year	18,935	111,279
Reversals	(2,510)	(101,280)
Net charge	16,425	9,999
Adjusted / written off	5,851	(14,343)
Closing balance	<u>778,084</u>	<u>755,808</u>

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2023 and December 31, 2022.

	(Audited)	
	March 31, 2023	December 31, 2022
	Rupees in '000	
17 BILLS PAYABLE		
In Pakistan	9,561,703	14,159,643

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

		(Audited)	
		March 31, 2023	December 31, 2022
		Rupees in '000	
18	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	420,000,000	400,000,000
	Under export refinance scheme	32,671,696	36,313,038
	Under payroll refinance scheme	21,151	58,349
	Under long term financing facility	37,444,337	38,403,037
	Under financing scheme for renewable energy	646,750	639,435
	Under temporary economic refinance scheme	13,186,720	13,273,360
	Under refinance scheme for modernization of SMEs	14,318	16,364
	Refinance and credit guarantee scheme for women entrepreneurs	10,115	11,018
	Under refinance scheme for wages and salaries	151,881	163,580
		504,146,968	488,878,181
	Repurchase agreement borrowings from Financial Institutions	9,479,205	12,499,527
		513,626,173	501,377,708
	Unsecured		
	Call borrowings	9,708,314	5,524,914
	Overdrawn nostro accounts	207,678	435,271
	Musharaka borrowing	3,000,000	23,050,000
	Other borrowings	81,500	26,600
		12,997,492	29,036,785
		526,623,665	530,414,493

		(Audited)					
		March 31, 2023			December 31, 2022		
		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	578,644,289	36,226,595	614,870,884	536,148,071	30,632,327	566,780,398
	Savings deposits	507,589,596	19,925,821	527,515,417	543,310,268	16,749,608	560,059,876
	Term deposits	158,195,269	125,079,255	283,274,524	233,500,164	87,679,953	321,180,117
	Others	54,979,594	83,698	55,063,292	32,935,164	65,036	33,000,200
		1,299,408,748	181,315,369	1,480,724,117	1,345,893,667	135,126,924	1,481,020,591
	Financial Institutions						
	Current deposits	10,777,119	72,218	10,849,337	8,621,516	567,020	9,188,536
	Savings deposits	37,103,550	971,338	38,074,888	31,906,055	-	31,906,055
	Term deposits	-	-	-	131,350	50,947	182,297
	Others	-	-	-	-	-	-
		47,880,669	1,043,556	48,924,225	40,658,921	617,967	41,276,888
		1,347,289,417	182,358,925	1,529,648,342	1,386,552,588	135,744,891	1,522,297,479

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 961,670 million for March 31, 2023 (December 31, 2022: Rs. 955,218 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		26,593,183	14,142,993
Mark-up / return / interest payable in foreign currencies		2,744,991	939,083
Present value of lease liability		10,315,725	9,787,444
Accrued expenses		3,117,572	2,642,962
Provision for taxation (provisions less payments)		1,110,586	2,518,808
Retention money payable		476,710	526,630
Deferred income		730,178	667,168
Unearned commission and income on bills discounted		940,430	360,705
Acceptances		5,255,926	4,249,363
Unclaimed dividends		414,380	406,721
Dividend payable		2,872,418	20,473
Branch adjustment account		6,712,245	-
Provision for:			
Gratuity		804,194	804,194
Employees' medical benefits		1,538,679	1,508,820
Employees' compensated absences		1,187,809	1,124,542
Payable to defined contribution plan		74,278	46,506
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		950,258	920,097
ATM / Point of Sale settlement account		1,240,007	-
Charity fund balance		1,707	828
Home Remittance Cell overdraft		948,517	789,995
With-holding tax payable		898,368	5,234,909
Sundry deposits		3,810,714	3,491,981
Workers welfare fund payable		3,958,245	3,671,093
Others		1,813,143	2,135,616
		78,809,167	56,289,835
20.1 Provision against off-balance sheet obligations			
Opening balance		298,904	298,904
Charge for the period / year		-	-
Reversals for the period / year		-	-
		-	-
Closing balance		298,904	298,904

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2023

	(Audited)			(Audited)		
	March 31, 2023	December 31, 2022		March 31, 2023	December 31, 2022	
	Rupees in '000			Rupees in '000		
21	SHARE CAPITAL					
21.1	Authorized capital					
	1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10/- each	15,000,000	15,000,000	
21.2	Issued, subscribed and paid-up capital					
	Fully paid-up Ordinary shares of Rs. 10/- each					
	406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801	
	720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452	
	1,127,525,280	1,127,525,280		11,275,253	11,275,253	
			18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486	91,486	
	9,148,550	9,148,550				
			8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000	84,000	
	8,400,000	8,400,000				
	1,145,073,830	1,145,073,830		11,450,739	11,450,739	

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2022: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
22	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) arising on revaluation of:			
Fixed assets		24,269,286	24,303,616
Non-banking assets acquired in satisfaction of claims		901,165	901,797
Available-for-sale securities		(49,520,151)	(31,813,798)
		(24,349,700)	(6,608,385)
Deferred tax on (surplus) / deficit on revaluation of:			
Fixed assets		(1,765,038)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(19,075)	(19,347)
Available-for-sale securities		21,293,665	13,679,933
		19,509,552	11,880,786
Surplus / (Deficit) on revaluation of assets - net of tax		(4,840,148)	5,272,401

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	56,107,984	49,109,776
Commitments	23.2	375,566,113	408,196,152
Other contingent liabilities	23.3	8,545,443	7,005,967
		440,219,540	464,311,895

23.1 Guarantees

Financial guarantees		5,337,340	5,225,364
Performance guarantees		11,649,171	11,296,136
Other guarantees		39,121,473	32,588,276
		56,107,984	49,109,776

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		136,965,472	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	230,326,596	238,516,233
forward government securities transactions	23.2.2	1,635,993	24,046,280
operating leases	23.2.3	220,718	231,174
Commitments for acquisition of:			
fixed assets		4,964,542	5,672,996
intangible assets		1,452,792	645,539
		375,566,113	408,196,152

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		159,868,586	160,636,134
Sale		70,458,010	77,880,099
		230,326,596	238,516,233

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	(Audited)	
	March 31, 2023	December 31, 2022
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	-	22,219,131
Sale	1,635,993	1,827,149
	<u>1,635,993</u>	<u>24,046,280</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	50,554	58,039
Later than one year and not later than five years	139,373	128,510
Later than five years	30,791	44,625
	<u>220,718</u>	<u>231,174</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	8,545,443	7,005,967

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,841 million (2022: 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.34,841 million (2022: 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 (2022: 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 (2022: 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. 1,144 million (2022: 1,144 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. 1,144 million (2022: 1,144 million).

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

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, 2022.

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
25 MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		27,994,967	12,978,103
Investments		45,216,990	25,420,368
Lendings to financial institutions		593,069	663,016
Balances with banks		235,211	890
		74,040,237	39,062,377
26 MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		32,425,817	16,678,862
Borrowings		20,122,483	8,315,561
Cost of foreign currency swaps against foreign currency deposits		709,646	1,291,274
Interest expense on lease liability		269,240	235,007
		53,527,186	26,520,704
27 FEE AND COMMISSION INCOME			
Card related fees (debit and credit cards)		1,195,802	950,917
Branch banking customer fees		536,474	376,696
Commission on remittances including home remittances		245,701	224,848
Investment banking fees		243,660	295,088
Commission on trade		129,667	119,043
Commission on cash management		97,512	70,707
Commission on guarantees		45,533	31,170
Commission on bancassurance		4,730	18,016
Credit related fees		7,825	6,272
Consumer finance related fees		11,085	3,956
		2,517,989	2,096,713
28 GAIN / (LOSS) ON SECURITIES			
Realised - net	28.1	183,755	256,995
Unrealised - held for trading	10.1	(6,412)	20,475
Unrealised - forward government securities		489	(7,931)
		177,832	269,539
28.1 Realised gain / (loss) on:			
Federal government securities		135,520	46,606
Shares		48,235	210,405
Non Government debt securities		-	(16)
		183,755	256,995

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	March 31, 2022
	Rupees in '000	
29 OTHER INCOME		
Recovery of written off mark-up and charges	36	10,249
Gain on sale of fixed assets - net	5,225	2,110
Other assets disposal	6,021	6,957
Rent on property	5,388	1,753
Fee for attending Board meetings	672	421
Income from data centre hosting service	4,429	4,429
Gain on sale of islamic financing and related assets	4,058	1,378
	25,829	27,297
30 OPERATING EXPENSES		
Total compensation expense	4,626,812	3,976,930
Property expense:		
Depreciation	1,194,877	1,144,781
Rent and taxes	87,316	63,806
Utilities cost	426,115	278,137
Security (including guards)	392,525	320,644
Repair and maintenance (including janitorial charges)	330,389	213,525
Insurance	24,972	23,620
	2,456,194	2,044,513
Information technology expenses:		
Depreciation	232,024	197,511
Amortization	139,534	121,891
Network charges	194,283	162,780
Software maintenance	545,240	232,097
Hardware maintenance	134,932	94,954
Others	604	699
	1,246,617	809,932
Other operating expenses:		
Insurance	435,884	390,310
Outsourced service costs	304,226	211,641
Stationery and printing	109,946	88,921
Cash in Transit service charge	134,346	83,166
Marketing, advertisement and publicity	514,023	176,297
Depreciation	72,444	73,739
Travelling and conveyance	87,522	53,641
Postage and courier charges	52,203	42,158
NIFT clearing charges	47,528	48,250
Communication	40,862	43,803
Legal and professional charges	49,120	61,248
Auditors Remuneration	5,192	4,944
Directors fees and allowances	16,944	12,935
Fees and allowances to Shariah Board	2,461	2,094
Training and development	35,669	25,788
Brokerage expenses	21,195	22,412
Card related expenses	641,794	202,016
Donations	5,667	57,711
Others	349,150	157,505
	2,926,176	1,758,579
	11,255,799	8,589,954

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		503	64,084
Education cess		12,501	11,751
Depreciation - non-banking assets		2,508	1,450
Others		62,499	25,048
		<u>78,011</u>	<u>102,333</u>

32 PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in value of investments	10.2.1	855,476	10,357
Provision / (Reversal) against loans & advances	11.3	1,440,055	(214,184)
Provision against other assets	15.1.1	16,425	15,115
		2,311,956	(188,712)
Recovery of written off bad debts		(2,179)	(63,731)
		<u>2,309,777</u>	<u>(252,443)</u>

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
33 TAXATION			
Current - for the period	33.1	6,183,766	3,360,421
- for prior year		-	-
		6,183,766	3,360,421
Deferred - current		(346,791)	(177,227)
		<u>5,836,975</u>	<u>3,183,194</u>

33.1 This also includes proportionate super tax on high earning persons of Rs. 575.234 million (March 31, 2022: super tax for rehabilitation of temporarily displaced persons of Rs. 341.118 million).

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
34 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation		<u>7,588,817</u>	<u>4,827,874</u>
Number of Shares			
Weighted average number of ordinary shares outstanding during the year		<u>1,145,073,830</u>	<u>1,145,073,830</u>
Rupees			
Earnings per share - basic and diluted		<u>6.63</u>	<u>4.22</u>
There is no dilution effect on basic earnings per share.			

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

March 31, 2023

	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	1,024,135,838	-	1,024,135,838	-	1,024,135,838
Shares	17,266,637	17,244,259	22,378	-	17,266,637
Non-Government Debt Securities	13,379,945	-	13,379,945	-	13,379,945
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	75,931,788	-	-	-	-
Cash and balances with treasury banks	138,872,983	-	-	-	-
Balances with other banks	943,027	-	-	-	-
Lendings	33,266,602	-	-	-	-
Advances	782,862,123	-	-	-	-
Other assets	65,710,686	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	58,976,921	-	58,976,921	-	58,976,921
Non-banking assets	1,502,834	-	1,502,834	-	1,502,834
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	159,868,586	-	159,868,586	-	159,868,586
Forward sale of foreign exchange	70,458,010	-	70,458,010	-	70,458,010
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	1,635,993	-	1,635,993	-	1,635,993

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	(Audited)				
	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,017,093,239		- 1,017,093,239		- 1,017,093,239
Shares	17,189,092	17,166,641	22,451		- 17,189,092
Non-Government Debt Securities	13,134,767		- 13,134,767		- 13,134,767
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	75,699,990				
Cash and balances with treasury banks	87,913,426				
Balances with other banks	3,439,468				
Lendings	28,222,195				
Advances	845,640,176				
Other assets	56,467,341				
Non - Financial Assets measured at fair value					
Operating fixed assets	59,099,625		- 59,099,625		- 59,099,625
Non-banking assets	1,505,342		- 1,505,342		- 1,505,342
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	160,636,134		- 160,636,134		- 160,636,134
Forward sale of foreign exchange	77,880,099		- 77,880,099		- 77,880,099
Forward purchase of government securities transactions	22,219,131		- 22,219,131		- 22,219,131
Forward sale of government securities transactions	1,827,149		- 1,827,149		- 1,827,149

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023					
	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	23,784,580	(29,798,172)	24,927,613	1,386,448	212,582	20,513,051
Inter segment revenue - net	(28,694,732)	58,458,489	(28,437,289)	-	(1,326,468)	-
Non mark-up / return / interest income	1,548,163	1,710,192	3,381,783	88,120	115,222	6,843,480
Total Income	(3,361,989)	30,370,509	(127,893)	1,474,568	(998,664)	27,356,531
Balance Sheet						
Cash & Bank balances	30,397	37,671,211	84,919,094	7,254,330	9,940,978	139,816,010
Investments	42,088,420	-	1,059,574,247	28,551,540	500,000	1,130,714,207
Net inter segment lending	(621,850,498)	1,343,672,570	(783,828,928)	(4,870,928)	66,877,784	-
Lendings to financial institutions	4,824,462	-	39,529,302	-	(11,087,162)	33,266,602
Advances - performing	674,669,840	30,223,502	-	67,164,234	10,513,019	782,570,595
Advances - non-performing	882,335	692,983	-	8,385	12,006,084	13,589,787
Provision against advances	(1,146,239)	(517,635)	-	(5,697)	(11,628,688)	(13,298,259)
Advances - net	674,405,936	30,398,850	-	67,166,922	10,890,415	782,862,123
Operating fixed assets	150,667	54,504,591	11,652	1,134,782	31,098,178	86,899,870
Others	1,971,600	10,336,315	34,702,011	5,172,871	44,343,382	96,526,179
Total Assets	101,620,984	1,476,583,537	434,907,378	104,409,517	152,563,575	2,270,084,991
Borrowings	87,746,333	4,541,677	432,268,383	13,305,756	(11,238,484)	526,623,665
Deposits & other accounts	8,835,256	1,438,960,747	-	78,347,474	3,504,865	1,529,648,342
Net inter segment borrowing	-	-	-	-	-	-
Others	5,039,395	33,081,113	2,638,995	4,451,503	43,159,864	88,370,870
Total liabilities	101,620,984	1,476,583,537	434,907,378	96,104,733	35,426,245	2,144,642,877
Equity / Reserves	-	-	-	8,304,784	117,137,330	125,442,114
Total Equity and liabilities	101,620,984	1,476,583,537	434,907,378	104,409,517	152,563,575	2,270,084,991
Contingencies and commitments	168,782,154	22,049,825	231,962,589	2,188,480	15,236,492	440,219,540

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

March 31, 2022

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	10,520,151	(15,410,336)	16,544,182	586,095	301,581	12,541,673
Inter segment revenue - net	(10,878,762)	30,478,957	(18,136,207)	-	(1,463,988)	-
Non mark-up / return / interest income	1,748,587	1,382,592	789,240	96,982	62,827	4,080,228
Total Income	1,389,976	16,451,213	(802,785)	683,077	(1,099,580)	16,621,901
Segment direct expenses	170,618	4,490,710	59,526	364,716	3,777,706	8,863,276
Total expenses	170,618	4,490,710	59,526	364,716	3,777,706	8,863,276
Provisions	1,113	(28,868)	-	10	280,188	252,443
Profit before tax	1,220,471	11,931,635	(862,311)	318,371	(4,597,098)	8,011,068

December 31, 2022 (Audited)

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	118,949	23,235,294	52,356,522	9,172,647	6,469,482	91,352,894
Investments	41,851,146	-	1,052,517,808	28,248,134	500,000	1,123,117,088
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	10,554,643	844,384,655
Advances - non-performing	632,538	506,437	-	9,675	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	(11,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	11,190,417	845,640,176
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	31,115,736	84,442,463
Others	6,314,510	14,881,391	28,651,784	3,434,983	24,915,374	78,198,042
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	3,134,965	1,522,297,479
Others	2,250,883	28,225,961	1,072,206	3,445,447	35,454,981	70,449,478
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	35,049,643	2,123,161,450
Equity / Reserves	-	-	-	7,312,344	120,499,064	127,811,408
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	13,608,676	464,311,895

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

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

	(Audited)											
	March 31, 2023					December 31, 2022						
	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	-	66,875	358,217	1,672,000	961,476	2,935	-	63,811	301,793	-	-	1,242
Addition during the period/year	-	70,649	49,714	7,221,000	10,969,511	6,602	-	66,521	163,059	1,672,000	18,724,508	20,000
Repaid during the period/year	-	(19,700)	(60,794)	(5,896,000)	(11,085,169)	(8,860)	-	(63,457)	(106,635)	-	(17,763,032)	(18,307)
Closing balance	-	117,824	347,137	2,997,000	845,818	677	-	66,875	358,217	1,672,000	961,476	2,935

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023					December 31, 2022						
	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	-	6,289	94,605	-	14,983	-	-	5,128	83,943	-	11,489	-
Receivable from staff retirement fund	-	-	-	-	-	4,153,657	-	-	-	-	-	4,228,764
Other receivable	-	-	-	105,868	-	-	-	-	-	60,679	-	-
Borrowings												
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	1,716	53,731	51,333	21,629	111,965	2,128,234	100,304	381,278	46,188	17,578	60,450	38,313,174
Received during the period/year	1,551,898	78,802	300,292	1,983,834	92,598	75,839,519	14,706,290	376,987	801,274	3,598,102	245,176	425,704,709
Withdrawn during the period/year	(1,553,430)	(54,859)	(307,102)	(1,969,800)	(127,155)	(69,523,448)	(14,804,878)	(714,534)	(796,129)	(3,594,051)	(183,661)	(461,889,649)
Closing balance	184	77,678	44,523	35,573	77,408	8,544,305	1,716	53,731	51,333	21,629	111,965	2,128,234
Other Liabilities												
Interest / mark-up payable	-	617	19	12	247	16,914	-	-	-	-	-	-
Contingencies and Commitments												
Other contingencies	-	-	-	-	4,900,967	-	-	-	-	-	50,931	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	(Audited)	
	March 31, 2023	December 31, 2022
	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	97,436,637	106,760,942
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	97,436,637	106,760,942
Eligible Tier 2 Capital	5,966,500	7,092,854
Total Eligible Capital (Tier 1 + Tier 2)	103,403,137	113,853,796
Risk Weighted Assets (RWAs):		
Credit Risk	409,835,465	419,653,095
Market Risk	32,619,861	31,359,204
Operational Risk	125,820,000	125,820,001
Total	568,275,326	576,832,300
Common Equity Tier 1 Capital Adequacy ratio	17.15%	18.51%
Tier 1 Capital Adequacy Ratio	17.15%	18.51%
Total Capital Adequacy Ratio	18.20%	19.74%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	97,436,637	106,760,942
Total Exposures	2,461,739,534	2,387,468,058
Leverage Ratio	3.96%	4.47%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	569,192,636	670,660,455
Total Net Cash Outflow	313,934,440	400,489,567
Liquidity Coverage Ratio	181.31%	167.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,482,618,823	1,444,409,109
Total Required Stable Funding	984,492,169	967,845,390
Net Stable Funding Ratio	150.60%	149.24%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2022: 117 and March 31, 2022: 117) Islamic Banking Branches and 160 (December 31, 2022: 135 and March 31, 2022: 110) Islamic Banking Windows at the end of the period.

		March 31, 2023	December 31, 2022
		(Audited)	
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		6,972,555	6,801,281
Balances with other banks		281,775	2,371,366
Due from financial institutions	39.1	-	3,000,000
Investments	39.2	28,551,540	28,248,134
Islamic financing and related assets - net	39.3	67,166,922	66,767,995
Fixed assets		1,133,308	1,220,562
Intangible assets		1,474	1,507
Due from Head Office		-	-
Other assets		5,172,871	3,434,983
		109,280,445	111,845,828
LIABILITIES			
Bills payable		917,585	233,943
Due to financial institutions		13,305,756	27,105,292
Deposits and other accounts	39.4	78,347,474	71,870,126
Due to Head Office		4,870,928	2,112,619
Subordinated debt		-	-
Other liabilities		3,533,918	3,211,504
		100,975,661	104,533,484
NET ASSETS		8,304,784	7,312,344
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus / (Deficit) on revaluation of assets		(37,638)	13,189
Unappropriated profit	39.5	4,242,422	3,199,155
		8,304,784	7,312,344
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	March 31, 2022
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended March 31, 2023 is as follows:		
Profit / return earned	39.7	3,847,181
Profit / return expensed	39.8	2,460,733
Net Profit / return	1,386,448	586,095
OTHER INCOME		
Fee and commission income	72,486	73,667
Dividend income	-	-
Foreign exchange income	11,575	21,973
Loss on securities	-	(16)
Other income	4,059	1,358
Total other income	88,120	96,982
Total income	1,474,568	683,077
OTHER EXPENSES		
Operating expenses	429,489	364,716
Workers Welfare Fund	-	-
Other charges	-	-
Total other expenses	429,489	364,716
Profit before provisions	1,045,079	318,361
Provisions and write offs - net	1,812	(10)
PROFIT BEFORE TAXATION	1,043,267	318,371
Taxation	-	-
PROFIT AFTER TAXATION	1,043,267	318,371

	(Audited)					
	March 31, 2023			December 31, 2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
39.1 Due from Financial Institutions						
Musharaka Lending	-	-	-	3,000,000	-	3,000,000
	-	-	-	3,000,000	-	3,000,000

	(Audited)							
	March 31, 2023				December 31, 2022			
	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	13,076,275	-	(116,271)	12,960,004	13,075,605	-	(67,540)	13,008,065
-Other Federal Securities	2,457,346	-	-	2,457,346	2,021,081	-	-	2,021,081
	15,533,621	-	(116,271)	15,417,350	15,096,686	-	(67,540)	15,029,146
Non Government Debt Securities								
-Listed	9,383,750	-	9,290	9,393,040	9,445,000	-	11,386	9,456,386
-Unlisted	3,741,150	-	-	3,741,150	3,762,602	-	-	3,762,602
	13,124,900	-	9,290	13,134,190	13,207,602	-	11,386	13,218,988
Total Investments	28,658,521	-	(106,981)	28,551,540	28,304,288	-	(56,154)	28,248,134

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	(Audited) December 31, 2022
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah Financing	503,562	584,319
Advance Against Ijarah	2,564	-
Murabaha Financing	244,053	643,374
Advance Against Murabaha	-	128,347
Diminishing Musharakah	13,034,804	13,393,139
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	522,044	525,291
Advance Against Diminishing Musharakah	144,320	152,644
Advance Against Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	1,120	2,000
Business Musharakah Financing	48,266,736	47,183,573
Business Musharakah - Islamic Export Re-Finance	1,230,000	1,230,000
Business Musharakah - Islamic Re-Finance Against Wages And Salaries	-	-
Istisna Financing	-	-
Istisna Inventory	100,000	1,000,000
Advance Against Istisna	369,999	69,997
Advance Against Istisna - Financing Under Islamic Export Re-Finance	1,455,000	555,000
Musawamah Financing	21,542	42,534
Advance Against Musawamah	-	-
Salam Financing	74,798	-
Advance Against Salam	54,446	109,932
Ijarah Financing - Staff	680,796	615,692
Diminishing Musharakah Financing - Staff	348,020	346,327
Advance Against Ijarah - Staff	54,467	107,857
Advance Against Diminishing Musharakah - Staff	64,348	81,855
Gross Islamic financing and related assets	67,172,619	66,771,881
Less: provision against Islamic financings		
- Specific	4,192	2,419
- General	1,505	1,467
	5,697	3,886
Islamic financing and related assets - net of provision	67,166,922	66,767,995
39.4 Deposits		
Current deposits	17,030,948	15,998,485
Savings deposits	19,788,512	20,591,430
Term deposits	4,210,268	3,198,250
Other deposits	3,583,810	4,025,263
	44,613,538	43,813,428
Financial Institutions		
Current deposits	509,429	262,459
Savings deposits	33,224,507	27,794,239
Term deposits	-	-
Other deposits	-	-
	33,733,936	28,056,698
	78,347,474	71,870,126

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	(Audited) December 31, 2022
	Rupees in '000	

39.5 Islamic Banking Business Unappropriated Profit

Opening Balance	3,199,155	729,561
Add: Islamic Banking profit for the period	1,043,267	2,469,594
Closing Balance	<u>4,242,422</u>	<u>3,199,155</u>

39.6 Contingencies and Commitments

-Guarantees	1,249,499	1,249,848
-Commitments	643,529	930,995
-Other contingencies	295,452	846,808
	<u>2,188,480</u>	<u>3,027,651</u>

	March 31, 2023	March 31, 2022
	Rupees in '000	

39.7 Profit/Return Earned on Financing, Investments and Placement

Profit earned on:		
Financing	2,757,827	1,303,350
Investments	1,086,724	622,176
Placements	2,630	27,893
	<u>3,847,181</u>	<u>1,953,419</u>

39.8 Profit on Deposits and other Dues Expensed

Deposits and other accounts	1,517,088	648,834
Due to Financial Institutions	75,183	17,846
Profit paid on Musharaka borrowings	834,494	668,752
Profit paid on Mudaraba borrowings	425	-
Other expenses (IFRS-16)	33,543	31,892
	<u>2,460,733</u>	<u>1,367,324</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 The Board of Directors of the Bank in its meeting held on April 27, 2023 has proposed an interim cash dividend for the quarter ended March 31, 2023 of Rs. 2.5 per share (March 31, 2022: cash dividend of Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2023

Consolidated Statement of Financial Position

(Un-audited) as at March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	138,852,585	87,904,863
Balances with other banks	8	943,027	3,439,468
Lendings to financial institutions - net	9	33,266,602	28,222,195
Investments - net	10	1,135,778,866	1,126,716,510
Advances - net	11	780,080,665	844,218,560
Fixed assets	12	84,139,726	81,823,836
Intangible assets	13	3,116,171	2,973,145
Deferred tax assets	14	20,959,498	13,037,316
Other assets - net	15	75,867,229	65,536,679
		2,273,004,369	2,253,872,572
LIABILITIES			
Bills payable	17	9,560,703	14,159,643
Borrowings	18	526,623,665	530,414,493
Deposits and other accounts	19	1,529,612,769	1,522,275,850
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	79,216,808	56,758,278
		2,145,013,945	2,123,608,264
NET ASSETS		127,990,424	130,264,308
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		35,191,530	31,435,453
Surplus / (Deficit) on revaluation of assets - net of tax	22	(4,793,412)	5,319,137
Unappropriated profit		86,141,567	82,058,979
		127,990,424	130,264,308

CONTINGENCIES AND COMMITMENTS

23

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
Mark-up / return / interest earned	25	73,971,224	39,064,838
Mark-up / return / interest expensed	26	53,533,610	26,523,614
Net mark-up / interest income		20,437,614	12,541,224
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,755,544	2,261,851
Dividend income		912,420	952,991
Foreign exchange income		3,242,600	752,062
Income from derivatives		-	-
Gain on securities - net	28	286,786	258,701
Other income	29	17,804	21,115
Total non-markup / interest income		7,215,154	4,246,720
Total Income		27,652,768	16,787,944
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	11,396,366	8,724,684
Workers welfare fund		290,265	171,615
Other charges	31	78,011	102,333
Total non-markup / interest expenses		11,764,642	8,998,632
Profit before provisions		15,888,126	7,789,312
Provisions and write offs - net	32	2,309,777	(252,443)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		13,578,349	8,041,755
Taxation	33	5,894,122	3,192,093
PROFIT AFTER TAXATION		7,684,227	4,849,662
In Rupees			
Basic and Diluted earnings per share	34	6.71	4.24

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	March 31, 2022
	Rupees in '000	
Profit after taxation for the period	7,684,227	4,849,662
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	2,997,195	344,273
Movement in deficit on revaluation of investments - net of tax	(10,092,621)	(1,196,061)
	(7,095,426)	(851,788)
Total Comprehensive Income	588,801	3,997,874

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Statement of Changes in Equity

(Un-audited) for the three months period ended March 31, 2023

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Surplus/(Deficit) on revaluation of			Un-appropriated profit	Total
					Investments	Fixed assets	Non-banking assets		
Rupees in '000									
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,768,523	939,176	71,822,518	129,643,186
Profit after taxation for three months ended March 31, 2022	-	-	-	-	-	-	-	4,849,662	4,849,662
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(1,196,061)	-	-	-	(1,196,061)
Effect of translation of net investment in foreign branches	-	344,273	-	-	-	-	-	-	344,273
	-	344,273	-	-	(1,196,061)	-	-	-	(851,788)
Transfer to statutory reserve	-	-	482,787	-	-	-	-	(482,787)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	100,477	(100,477)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(33,221)	-	-	33,221
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(328)	328	-
Transactions with owners recognized directly in equity									
Final cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at March 31, 2022	11,450,739	3,145,508	24,459,619	6,000	(5,317,697)	22,835,779	838,371	73,932,794	131,350,912
Profit after taxation for the nine months period ended December 31, 2022	-	-	-	-	-	-	-	16,397,823	16,397,823
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(12,815,968)	-	-	-	(12,815,968)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	70,709	-	70,709
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	117,811	117,811
Effect of translation of net investment in foreign branches	-	2,187,732	-	-	-	-	-	-	2,187,732
	-	2,187,732	-	-	(12,815,968)	(174,267)	70,709	117,811	(10,613,983)
Transfer to statutory reserve	-	-	1,636,595	-	-	-	-	(1,636,595)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	(10)	10	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(90,950)	-	-	90,950
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(865)	865	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners, recognized directly in equity									
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)
Third interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,193,865)	22,570,552	882,450	82,058,979	130,264,308
Profit after taxation for the nine months period ended March 31, 2023	-	-	-	-	-	-	-	7,684,227	7,684,227
Other Comprehensive Income									
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,092,621)	-	-	-	(10,092,621)
Effect of translation of net investment in foreign branches	-	2,997,195	-	-	-	-	-	-	2,997,195
	-	2,997,195	-	-	(10,092,621)	-	-	-	(7,095,426)
Transfer to statutory reserve	-	-	758,882	-	-	-	-	(758,882)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(19,568)	-	-	19,568
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(360)	360	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Balance as at March 31, 2023	11,450,739	8,330,435	26,804,596	6,000	(28,226,496)	22,550,984	882,000	86,141,567	127,990,424

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		13,578,349	8,041,755
Less: Dividend income		(912,420)	(952,991)
		12,665,929	7,088,764
Adjustments:			
Depreciation - Operating Fixed Assets		1,075,955	999,311
Depreciation - Non Banking Assets		2,508	1,450
Depreciation on right of use assets		431,619	423,603
Interest expense on lease liability		270,572	238,771
Amortization		139,674	121,891
Net provisions and write offs	32	2,311,956	(188,712)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		(89,564)	(6,520)
Provision for workers welfare fund		290,265	171,615
Charge for defined benefit plans		118,418	103,998
Gain on sale of fixed assets		(5,225)	(2,110)
		4,546,178	1,863,297
		17,212,107	8,952,061
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(5,044,407)	21,405,025
Held-for-trading securities		(4,755,730)	(20,801,128)
Advances		62,697,841	27,584,195
Other assets (excluding advance taxation)		(8,679,914)	(10,481,960)
		44,217,790	17,706,132
Increase / (Decrease) in operating liabilities			
Bills payable		(4,598,940)	2,133,799
Borrowings		(3,563,235)	(67,351,565)
Deposits and other accounts		7,336,919	4,207,643
Other liabilities (excluding current taxation)		18,709,099	5,460,297
		17,883,843	(55,549,826)
		79,313,740	(28,891,633)
Income tax paid		(7,648,104)	(2,960,376)
Defined benefits paid		(148,277)	(135,986)
Net cash flow generated from / (used in) operating activities		71,517,359	(31,987,995)
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		(22,543,569)	28,473,274
Net investments in 'held-to-maturity' securities		(95,436)	(2,646,866)
Dividend received		650,041	893,820
Investments in fixed assets and intangible assets		(3,280,716)	(1,997,841)
Proceeds from sale of fixed assets		7,843	9,074
Effect of translation of net investment in foreign branches		2,997,195	344,271
Net cash flow (used in) / generated from investing activities		(22,264,642)	25,075,732
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(570,761)	(548,504)
Dividend paid		(3,081)	(13,889)
Net cash flow used in financing activities		(573,842)	(562,393)
Increase / (Decrease) in cash and cash equivalents during the period		48,678,875	(7,474,656)
Cash and cash equivalents at beginning of the period		91,384,187	125,629,648
Effect of exchange rate changes on opening cash and cash equivalents		(475,127)	(517,351)
		90,909,060	125,112,297
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		139,587,935	117,637,641

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

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 1,451 (December 31, 2022: 1,451) branches in Pakistan including 117 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 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 Company has been assigned an Asset Manager rating of 'AMI' by Pakistan Credit Rating Agency Limited (denoting a very High Management Quality with Stable Outlook) dated October 28, 2022

ABL Asset Management Company is managing the following funds:

- ABL Income Fund	Launched on September 20, 2008
- ABL Stock Fund	Launched on June 28, 2009
- ABL Cash Fund	Launched on July 30, 2010
- ABL Islamic Income Fund	Launched on July 30, 2010
- ABL Government Securities Fund	Launched on November 30, 2011
- ABL Islamic Stock Fund	Launched on June 12, 2013
- ABL Pension Fund	Launched on August 20, 2014
- ABL Islamic Pension Fund	Launched on August 20, 2014
- ABL Islamic Financial Planning Fund	Launched on December 22, 2015
- ABL Financial Planning Fund	Launched on December 31, 2015
- ABL Islamic Dedicated stock fund	Launched on December 19, 2016
- 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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

2 BASIS OF PRESENTATION

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

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, 2022.

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE BANK

Several amendments apply for the first time in 2023, but do not have an impact on the consolidated condensed interim financial statements of the Group:

	EFFECTIVE DATE (PERIODS BEGINNING ON OR AFTER)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
- IFRS 17 - Insurance Contracts	January 01, 2023

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

The following standard or 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, 2024
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	January 01, 2024
- IFRS 1 - First time Adoption of IFRS	January 01, 2024

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, 2024 vide SBP BPRD Circular Letter no. 7 dated April 13, 2023. 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 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, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

5 BASIS OF MEASUREMENT

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

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

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

		(Audited)
	March 31, 2023	December 31, 2022
	Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	36,833,481	28,210,054
Foreign currencies	2,311,993	974,226
	39,145,474	29,184,280
Remittances in transit	1,298,847	1,093,158
With State Bank of Pakistan (SBP) in		
Local currency current accounts	63,818,513	56,627,616
Foreign currency current account	152,825	77,448
Foreign currency deposit accounts (non-remunerative)	8,592,651	36,908
Foreign currency deposit accounts (remunerative)	17,238,421	59,118
	89,802,410	56,801,090
With National Bank of Pakistan in		
Local currency current accounts	8,244,215	561,719
Prize Bonds	361,639	264,616
	138,852,585	87,904,863
8 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	7,500	7,500
Outside Pakistan		
In current accounts	586,738	3,209,391
In deposit accounts	348,789	222,577
	935,527	3,431,968
	943,027	3,439,468
		(Audited)
	March 31, 2023	December 31, 2022
	Rupees in '000	
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings - local currency	4,824,462	3,622,894
Repurchase agreement lendings (Reverse Repo)	28,442,140	21,599,301
Musharaka lendings	-	3,000,000
Certificates of investment	70,000	70,000
	33,336,602	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)
Lendings to financial institutions - net of provision	33,266,602	28,222,195

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023		December 31, 2022	
	Classified Lending	Provision Held	Classified Lending	Provision Held
(Audited)				
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	March 31, 2023				December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Audited)								
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	3,665,689	-	(6,412)	3,659,277	139,467	-	(134)	139,333
Open Ended Mutual Funds/ Pension Funds	5,468,683	-	95,976	5,564,659	4,239,175	(1,100)	(138,653)	4,099,422
	9,134,372	-	89,564	9,223,936	4,378,642	(1,100)	(138,787)	4,238,755
Available-for-sale securities								
Federal Government Securities*	1,074,402,740	(1,243,644)	(50,225,188)	1,022,933,908	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987
Shares	18,579,726	(1,670,628)	713,734	17,622,832	18,642,536	(1,670,628)	573,308	17,545,216
Non Government Debt Securities	26,510,731	(21,071)	(6,075)	26,483,585	26,593,534	(21,071)	(34,153)	26,538,310
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	25,000	-	(2,622)	22,378	25,000	-	(2,549)	22,451
	1,119,519,967	(2,935,343)	(49,520,151)	1,067,064,473	1,096,897,309	(2,000,777)	(31,813,798)	1,063,082,734
Held-to-maturity securities								
Federal Government Securities	59,490,457	-	-	59,490,457	59,395,021	-	-	59,395,021
Non Government Debt Securities	320,637	(320,637)	-	-	320,637	(320,637)	-	-
	59,811,094	(320,637)	-	59,490,457	59,715,658	(320,637)	-	59,395,021
Total Investments	1,188,465,433	(3,255,980)	(49,430,587)	1,135,778,866	1,160,991,609	(2,322,514)	(31,952,585)	1,126,716,510

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	(Audited)	
	March 31, 2023	December 31, 2022
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	4,986,475	9,885,340
Pakistan Investment Bonds	411,682,200	402,614,187
Total Investments given as collateral	<u>416,668,675</u>	<u>412,499,527</u>
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,322,514	2,093,298
Exchange adjustments	79,090	3,795
Charge / (reversals)		
Charge for the period / year	855,476	313,489
Reversals for the period / year	(1,100)	(23,622)
	854,376	289,867
Reversal on disposals	-	(64,446)
Closing Balance	<u>3,255,980</u>	<u>2,322,514</u>

	(Audited)			
	March 31, 2023		December 31, 2022	
	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	341,708	341,708
	341,708	341,708	341,708	341,708
Overseas				
Not past due but impaired*	18,755,664	1,243,644	14,772,409	309,078
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
Total	<u>19,097,372</u>	<u>1,585,352</u>	<u>15,114,117</u>	<u>650,786</u>

* 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 March 31, 2023 amounted to Rs. 49,765.7 million (December 31, 2022: Rs. 51,708.9 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

Note	(Audited)						
	March 31, 2023			December 31, 2022			
	Specific	General	Total	Specific	General	Total	
Rupees in '000							
11.3	Particulars of provision against advances						
	Opening balance	11,738,558	109,603	11,848,161	12,750,397	100,355	12,850,752
	Exchange adjustments	-	10,043	10,043	-	13,589	13,589
	Charge for the period / year	1,390,627	241,078	1,631,705	528,225	75,430	603,655
	Reversals for the period / year	(187,731)	(3,919)	(191,650)	(998,280)	(79,771)	(1,078,051)
		1,202,896	237,159	1,440,055	(470,055)	(4,341)	(474,396)
	Amounts written off	-	-	-	(541,784)	-	(541,784)
	Closing balance	12,941,454	356,805	13,298,259	11,738,558	109,603	11,848,161

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.

11.3.2 The Bank maintains general reserve in accordance with the applicable requirements of the Prudential Regulations Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP. General provision pertaining to overseas branch are made in accordance with the requirements of the regulatory authorities in the overseas branch operates.

12	FIXED ASSETS	Note	(Audited)	
			March 31, 2023	December 31, 2022
Rupees in '000				
	Capital work-in-progress	12.1	5,847,986	4,317,914
	Property and equipment		70,013,311	69,623,941
	Right-of-Use Assets		8,278,429	7,881,981
			84,139,726	81,823,836
12.1	Capital work-in-progress			
	Civil works		4,753,638	3,304,808
	Equipment		44,592	44,592
	Advances to suppliers		1,049,756	968,514
			5,847,986	4,317,914

12.2 Additions to fixed assets

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

	March 31, 2023	March 31, 2022
Rupees in '000		
Capital work-in-progress	1,836,446	533,225
Property and equipment		
Freehold land	62,765	388,672
Leasehold land	-	10
Building on freehold land	26,986	1,072,900
Building on leasehold land	9,005	133,714
Furniture and fixture	61,755	72,267
Electrical office and computer equipment	1,035,238	762,822
Vehicles	77,854	4,239
Others-building improvements	162,263	106,494
	1,435,866	2,541,118
Right-of-Use Assets	854,965	567,260
Total	4,127,277	3,641,603

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

12.3 Disposal of fixed assets

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

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
Furniture and fixture		951	488
Electrical office and computer equipment		1,667	5,847
Building Improvements		-	6
Total		<u>2,618</u>	<u>6,341</u>
			(Audited)
		March 31, 2023	December 31, 2022
Rupees in '000			

13 INTANGIBLE ASSETS

Capital work-in-progress	13.1	309,232	275,227
Computer Software		2,806,939	2,697,918
		<u>3,116,171</u>	<u>2,973,145</u>

		March 31, 2023	March 31, 2022
Rupees in '000			

13.1 Capital work-in-progress

Software		306,358	272,353
Advances to suppliers		2,874	2,874
		<u>309,232</u>	<u>275,227</u>

13.2 Additions to intangible assets

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

		March 31, 2023	March 31, 2022
Rupees in '000			
Capital work-in-progress		264,316	56,236
Software		244,989	284,876
Total		<u>509,305</u>	<u>341,112</u>

13.3 Disposals of intangible assets

The net book value of intangible assets disposed off during the period is Nil.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	(Audited) December 31, 2022
	Rupees in '000	
15.1 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	131,125	131,125
Provision against fraud and forgeries	500,486	508,935
Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
Charges receivable	39,600	39,600
Others	82,578	51,853
	778,084	755,808
15.1.1 Movement in provision held against other assets		
Opening balance	755,808	760,152
Charge for the period / year	18,935	111,279
Reversals	(2,510)	(101,280)
Net charge	16,425	9,999
Adjusted / written off	5,851	(14,343)
Closing balance	778,084	755,808

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2023 and December 31, 2022.

	Note	March 31, 2023	(Audited) December 31, 2022
		Rupees in '000	
17 BILLS PAYABLE			
In Pakistan		9,560,703	14,159,643
18 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Repurchase agreement borrowings		420,000,000	400,000,000
Under export refinance scheme		32,671,696	36,313,038
Under payroll refinance scheme		21,151	58,349
Under long term financing facility		37,444,337	38,403,037
Under financing scheme for renewable energy		646,750	639,435
Under temporary economic refinance scheme		13,186,720	13,273,360
Under refinance scheme for modernization of SMEs		14,318	16,364
Refinance and credit guarantee scheme for women entrepreneurs		10,115	11,018
Under refinance scheme for wages and salaries		151,881	163,580
		504,146,968	488,878,181
Repurchase agreement borrowings from financial institutions		9,479,205	12,499,527
Total secured		513,626,173	501,377,708
Unsecured			
Call borrowings		9,708,314	5,524,914
Trading liability		-	-
Overdrawn nostro accounts		207,678	435,271
Musharaka borrowing		3,000,000	23,050,000
Other borrowings		81,500	26,600
Total unsecured		12,997,492	29,036,785
		526,623,665	530,414,493

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023			(Audited) December 31, 2022		
	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	578,608,716	36,226,595	614,835,311	536,126,442	30,632,327	566,758,769
Savings deposits	507,589,596	19,925,821	527,515,417	543,310,268	16,749,608	560,059,876
Term deposits	158,195,269	125,079,255	283,274,524	233,500,164	87,679,953	321,180,117
Others	54,979,594	83,698	55,063,292	32,935,164	65,036	33,000,200
	1,299,373,175	181,315,369	1,480,688,544	1,345,872,038	135,126,924	1,480,998,962
Financial Institutions						
Current deposits	10,777,119	72,218	10,849,337	8,621,516	567,020	9,188,536
Savings deposits	37,103,550	971,338	38,074,888	31,906,055	-	31,906,055
Term deposits	-	-	-	131,350	50,947	182,297
Others	-	-	-	-	-	-
	47,880,669	1,043,556	48,924,225	40,658,921	617,967	41,276,888
	1,347,253,844	182,358,925	1,529,612,769	1,386,530,959	135,744,891	1,522,275,850

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 961,670 million for March 31, 2023 (December 31, 2022: Rs. 955,218 million).

	Note	(Audited)	
		March 31, 2023	December 31, 2022
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		26,593,183	14,142,993
Mark-up / return / interest payable in foreign currencies		2,744,991	939,083
Present value of lease liability		10,379,909	9,856,040
Accrued expenses		3,248,419	2,809,173
Provision for taxation (provisions less payments)		1,111,617	2,524,609
Retention money payable		476,710	526,630
Deferred income		730,178	667,168
Unearned commission and income on bills discounted		940,430	360,705
Acceptances		5,255,926	4,249,363
Unclaimed dividends		414,380	406,721
Dividend payable		2,872,418	20,473
Branch adjustment account		6,712,245	-
Provision for:			
Gratuity		804,194	804,194
Employees' medical benefits		1,560,896	1,532,798
Employees' compensated absences		1,187,809	1,124,542
Payable to defined contribution plan		74,278	46,506
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		950,258	920,097
ATM / Point of Sale settlement account		1,240,007	-
Charity fund balance		1,707	828
Home Remittance Cell overdraft		948,517	789,995
With-holding tax payable		898,722	5,238,560
Sundry deposits		3,810,714	3,491,981
Workers welfare fund payable		4,000,069	3,717,187
Others		1,960,327	2,289,728
		79,216,808	56,758,278

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

		(Audited)	
		March 31, 2023	December 31, 2022
		Rupees in '000	
20.1	Provision against off-balance sheet obligations		
	Opening balance	298,904	298,904
	Charge for the period / year	-	-
	Reversals	-	-
		-	-
	Closing balance	298,904	298,904

21 SHARE CAPITAL

21.1 Authorized capital

		(Audited)				(Audited)	
		March 31, 2023	December 31, 2022			March 31, 2023	December 31, 2022
		No. of shares				Rupees in '000	

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

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

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2022: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
22	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,316,022	24,350,352
Non-banking assets acquired in satisfaction of claims		901,165	901,797
Available-for-sale securities		(49,520,151)	(31,813,798)
		(24,302,964)	(6,561,649)
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,765,038)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(19,075)	(19,347)
Available-for-sale securities		21,293,665	13,679,933
		19,509,552	11,880,786
Surplus / (deficit) on revaluation of assets - net of tax		(4,793,412)	5,319,137

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	56,107,984	49,109,776
Commitments	23.2	375,569,193	408,199,232
Other contingent liabilities	23.3	8,545,443	7,005,967
		440,222,620	464,314,975

23.1 Guarantees

Financial guarantees		5,337,340	5,225,364
Performance guarantees		11,649,171	11,296,136
Other guarantees		39,121,473	32,588,276
		56,107,984	49,109,776

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		136,965,472	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	230,326,596	238,516,233
forward government securities transactions	23.2.2	1,635,993	24,046,280
operating leases	23.2.3	220,718	231,174
Commitments for acquisition of:			
fixed assets		4,967,622	5,676,076
intangible assets		1,452,792	645,539
		375,569,193	408,199,232

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		159,868,586	160,636,134
Sale		70,458,010	77,880,099
		230,326,596	238,516,233

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	(Audited) December 31, 2022
Rupees in '000			
23.2.2	Commitments in respect of forward government securities transactions		
	Purchase	-	22,219,131
	Sale	1,635,993	1,827,149
		<u>1,635,993</u>	<u>24,046,280</u>
23.2.3	Commitments in respect of operating leases		
	Not later than one year	50,554	58,039
	Later than one year and not later than five years	139,373	128,510
	Later than five years	30,791	44,625
		<u>220,718</u>	<u>231,174</u>
23.3	Other contingent liabilities		
23.3.1	Claims against the Bank not acknowledged as debt	8,545,443	7,005,967

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,866 million (2022: 32,766 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.34,866 million (2022: 32,766 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. 1,720 million (2022: 1,720 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. 1,720 million (2022: 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. 1,144 million (2022: 1,144 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. 1,144 million (2022: 1,144 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.

24 DERIVATIVE INSTRUMENTS

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

- 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, 2022.

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
25	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	27,925,955	12,980,573
	Investments	45,216,990	25,420,367
	Lendings to financial institutions	593,069	663,016
	Balances with banks	235,210	882
		73,971,224	39,064,838
26	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	32,424,035	16,678,008
	Borrowings	20,129,357	8,315,561
	Cost of foreign currency swaps against foreign currency deposits	709,646	1,291,274
	Interest expense on lease liability	270,572	238,771
		53,533,610	26,523,614
27	FEE AND COMMISSION INCOME		
	Card related fees (debit and credit cards)	1,195,802	950,917
	Branch banking customer fees	774,029	543,642
	Commission on remittances including home remittances	245,701	224,848
	Investment banking fees	243,660	295,088
	Commission on trade	129,667	119,043
	Commission on cash management	97,512	68,899
	Commission on guarantees	45,533	31,170
	Commission on bancassurance	4,730	18,016
	Credit related fees	7,825	6,272
	Consumer finance related fees	11,085	3,956
		2,755,544	2,261,851
28	GAIN ON SECURITIES		
	Realised - net	28.1	196,734
	Unrealised - held for trading	10.1	89,563
	Unrealised - forward government securities		489
			(7,931)
			286,786
			258,701
28.1	Realised gain / (loss) on:		
	Federal government securities	135,520	46,606
	Shares	48,235	210,405
	Non Government debt securities	-	(16)
	Open Ended Mutual Funds	12,979	3,117
		196,734	260,112
29	OTHER INCOME		
	Recovery of written off mark-up and charges	36	10,249
	Gain on sale of fixed assets - net	5,225	2,110
	Other assets disposal	6,021	6,957
	Rent on property	1,792	-
	Fee for attending Board meetings	672	421
	Gain on sale of islamic financing and related assets	4,058	1,378
		17,804	21,115

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	Note	March 31, 2023	March 31, 2022
Rupees in '000			
30	OPERATING EXPENSES		
	Total compensation expense	4,740,859	4,077,113
	Property expense:		
	Depreciation	1,200,225	1,148,705
	Rent and taxes	83,834	62,919
	Utilities cost	428,141	280,621
	Security (including guards)	392,525	320,644
	Repair and maintenance (including janitorial charges)	336,299	220,307
	Insurance	26,097	24,821
		2,467,121	2,058,017
	Information technology expenses:		
	Depreciation	232,024	197,511
	Amortization	139,674	121,891
	Network charges	194,283	162,780
	Software maintenance	545,240	232,097
	Hardware maintenance	134,932	94,954
	Others	604	699
		1,246,757	809,932
	Other operating expenses:		
	Insurance	435,884	390,310
	Outsourced service costs	304,226	211,641
	Stationery and printing	110,339	89,467
	Cash in Transit service charge	134,346	83,166
	Marketing, advertisement and publicity	515,834	190,787
	Depreciation	75,324	76,699
	Travelling and conveyance	89,141	54,225
	Postage and courier charges	52,203	42,158
	NIFT clearing charges	47,528	48,250
	Communication	42,639	45,466
	Legal and professional charges	49,726	62,073
	Auditors Remuneration	5,436	5,188
	Directors fees and allowances	17,844	14,335
	Fees and allowances to Shariah Board	2,461	2,094
	Training and development	35,669	25,788
	Brokerage expenses	21,195	22,412
	Card related expenses	641,794	202,016
	Donations	5,667	57,711
	Others	354,373	155,836
		2,941,629	1,779,622
		11,396,366	8,724,684
31	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	503	64,084
	Education cess	12,501	11,751
	Depreciation - non-banking assets	2,508	1,450
	Others	62,499	25,048
		78,011	102,333

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

		March 31, 2023	March 31, 2022
Rupees in '000			
32	PROVISIONS AND WRITE OFFS - NET		
	Provision for diminution in value of investments	10.2.1 855,476	10,357
	Provision / (Reversal) against loans & advances	11.3 1,440,055	(214,184)
	Provision against other assets	15.1.1 16,425	15,115
	Bad debts written off directly	-	-
		2,311,956	(188,712)
	Recovery of written off bad debts	(2,179)	(63,731)
		<u>2,309,777</u>	<u>(252,443)</u>

33 TAXATION

	Current - for the period	33.1 6,240,913	3,369,320
	- for prior year	-	-
		6,240,913	3,369,320
	Deferred - current	(346,791)	(177,227)
		<u>5,894,122</u>	<u>3,192,093</u>

33.1 This also includes proportionate super tax on high earning persons of Rs. 575.234 million (March 31, 2022: super tax for rehabilitation of temporarily displaced persons of Rs. 341.118 million).

34 EARNINGS PER SHARE - BASIC AND DILUTED

	Profit after taxation	7,684,227	4,849,662
		Number of Shares	
	Weighted average number of ordinary shares outstanding during the year	1,145,073,830	1,145,073,830
		Rupees	
	Earnings per share - basic and diluted	6.71	4.24
	There is no dilution effect on basic earnings per share.		

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:

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

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

	March 31, 2023				Total
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,024,135,838	-	1,024,135,838	-	1,024,135,838
Shares	22,831,296	17,244,259	5,587,037	-	22,831,296
Non-Government Debt Securities	13,379,945	-	13,379,945	-	13,379,945
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	75,431,788	-	-	-	-
Cash and balances with treasury banks	138,852,585	-	-	-	-
Balances with other banks	943,027	-	-	-	-
Lendings	33,266,602	-	-	-	-
Advances	780,080,665	-	-	-	-
Other assets	65,669,164	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	58,976,921	-	58,976,921	-	58,976,921
Non-banking assets	1,502,834	-	1,502,834	-	1,502,834
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	159,868,586	-	159,868,586	-	159,868,586
Forward sale of foreign exchange	70,458,010	-	70,458,010	-	70,458,010
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	1,635,993	-	1,635,993	-	1,635,993

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	(Audited)				Total
	December 31, 2022				
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,017,093,238		- 1,017,093,238		- 1,017,093,238
Shares	21,288,515	17,166,642	4,121,873		- 21,288,515
Non-Government Debt Securities	13,381,967		- 13,381,967		- 13,381,967
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	74,952,790	-	-	-	-
Cash and balances with treasury banks	87,913,426	-	-	-	-
Balances with other banks	3,439,468	-	-	-	-
Lendings	28,222,195	-	-	-	-
Advances	845,640,176	-	-	-	-
Other assets	56,467,341	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,099,625	-	59,099,625	-	59,099,625
Non-banking assets	1,505,342	-	1,505,342	-	1,505,342
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	160,636,134		- 160,636,134		- 160,636,134
Forward sale of foreign exchange	77,880,099		- 77,880,099		- 77,880,099
Forward purchase of government securities transactions	22,219,131		- 22,219,131		- 22,219,131
Forward sale of government securities transactions	1,827,149		- 1,827,149		- 1,827,149

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

March 31, 2023

	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	23,784,580	(29,798,172)	24,927,613	1,386,448	(75,437)	212,582	20,437,614
Inter segment revenue - net	(28,694,732)	58,458,489	(28,437,289)	-	-	(1,326,466)	-
Non mark-up / return / interest income	1,548,163	1,710,192	3,381,783	88,120	382,441	104,455	7,215,154
Total Income	(3,361,989)	30,370,509	(127,893)	1,474,568	307,004	(1,009,431)	27,652,768
Balance Sheet							
Segment direct expenses	208,884	5,298,670	68,465	429,489	154,447	5,604,687	11,764,642
Total expenses	208,884	5,298,670	68,465	429,489	154,447	5,604,687	11,764,642
Provisions	(2,033,254)	(424,709)	-	(1,812)	-	149,998	(2,309,777)
Profit before tax	(5,604,127)	24,647,130	(196,358)	1,043,267	152,557	(6,464,120)	13,578,349
Balance Sheet							
Cash & Bank balances	30,397	37,671,211	84,919,094	7,254,330	16,174	9,904,406	139,795,612
Investments	42,088,420	-	1,059,574,247	28,551,540	5,564,659	-	1,135,778,866
Net inter segment lending	(621,850,498)	1,343,672,570	(783,828,928)	(4,870,928)	-	66,877,784	-
Lendings to financial institutions	4,824,462	-	39,529,302	-	-	(11,087,162)	33,266,602
Advances - performing	674,669,840	30,223,502	-	67,164,234	215,542	7,516,019	779,789,137
Advances - non-performing	882,335	692,983	-	8,385	-	12,006,084	13,589,787
Provision against advances	(1,146,239)	(517,635)	-	(5,697)	-	(11,628,688)	(13,298,259)
Advances - net	674,405,936	30,398,850	-	67,166,922	215,542	7,893,415	780,080,665
Operating fixed assets	150,667	54,504,591	11,652	1,134,782	431,164	31,023,041	87,255,897
Others	1,971,600	10,336,315	34,702,011	5,172,871	408,789	44,235,141	96,826,727
Total Assets	101,620,984	1,476,583,537	434,907,378	104,409,517	6,636,328	148,846,625	2,273,004,369
Liabilities							
Borrowings	87,746,333	4,541,677	432,268,383	13,305,756	-	(11,238,484)	526,623,665
Deposits & other accounts	8,835,256	1,438,960,747	-	78,347,474	-	3,469,292	1,529,612,769
Net inter segment borrowing	-	-	-	-	-	-	-
Others	5,039,395	33,081,113	2,638,995	4,451,503	3,512,881	40,053,624	88,777,511
Total liabilities	101,620,984	1,476,583,537	434,907,378	96,104,733	3,512,881	32,284,432	2,145,013,945
Equity / Reserves							
Total Equity and liabilities	101,620,984	1,476,583,537	434,907,378	104,409,517	6,636,306	148,846,647	2,273,004,369
Contingencies and commitments							
Contingencies and commitments	168,782,154	22,049,825	231,962,589	2,188,480	3,080	15,236,492	440,222,620

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

March 31, 2022

	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	10,520,151	(15,410,336)	16,544,182	586,095	(449)	301,581	12,541,224
Inter segment revenue - net	(10,878,762)	30,478,957	(18,136,207)	-	-	(1,463,988)	-
Non mark-up / return / interest income	1,748,587	1,382,592	789,240	96,982	174,482	54,837	4,246,720
Total Income	1,389,976	16,451,213	(802,785)	683,077	174,033	(1,107,570)	16,787,944
Segment direct expenses	170,618	4,490,710	59,526	364,716	143,346	3,769,716	8,998,632
Total expenses	170,618	4,490,710	59,526	364,716	143,346	3,769,716	8,998,632
Provisions	1,113	(28,868)	-	10	-	280,188	252,443
Profit before tax	1,220,471	11,931,635	(862,311)	318,371	30,687	(4,597,098)	8,041,755

December 31, 2022 (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	118,949	23,235,294	52,356,522	9,172,647	13,066	6,447,853	91,344,331
Investments	41,851,146	-	1,052,517,808	28,248,134	4,099,422	-	1,126,716,510
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	-	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	-	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	250,384	8,882,643	842,963,039
Advances - non-performing	632,538	506,437	-	9,675	-	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	-	(11,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	250,384	9,518,417	844,218,560
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	429,655	31,040,599	84,796,981
Others	6,314,510	14,881,391	28,651,784	3,434,983	436,631	24,854,696	78,573,995
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	5,229,158	153,219,263	2,253,872,572
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	-	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	-	3,113,336	1,522,275,850
Others	2,250,883	28,225,961	1,072,206	3,445,447	2,201,121	33,722,303	70,917,921
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	2,201,121	33,295,336	2,123,608,264
Equity / Reserves	-	-	-	7,312,344	3,028,037	119,923,927	130,264,308
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	5,229,158	153,219,263	2,253,872,572
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	3,080	13,608,676	464,314,975

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023				December 31, 2022 (Audited)					
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Other Assets										
Interest / mark-up accrued	-	6,269	94,632	14,963	-	-	5,128	83,943	11,489	-
Receivable from staff retirement fund	-	-	-	-	4,153,657	-	-	-	-	4,228,764
Other receivable	-	-	-	-	212,908	-	64,669	-	-	212,908
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	-
Borrowings during the period/year	-	-	-	-	-	-	-	-	-	-
Settled during the period/year	-	-	-	-	-	-	-	-	-	-
Transfer in/(out)-net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Subordinated debt										
Opening balance	-	-	-	-	-	-	-	-	-	-
Issued / Purchased during the period/year	-	-	-	-	-	-	-	-	-	-
Redemption/Sold during the period/year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	1,716	53,731	51,233	111,965	2,128,234	100,304	391,278	46,188	60,450	38,313,174
Received during the period/year	1,551,898	187,152	300,232	92,538	75,939,619	14,706,230	376,987	801,274	245,176	425,704,709
Withdrawn during the period/year	(1,553,450)	(143,376)	(307,102)	(127,155)	(69,523,448)	(14,604,878)	(714,594)	(796,129)	(193,661)	(461,689,649)
Closing balance	184	77,506	44,523	77,408	8,544,405	1,716	53,731	51,333	111,965	2,128,234
Other Liabilities										
Interest / mark-up payable	-	617	19	247	18,914	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	15,161	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	4,900,967	-	-	-	-	50,931	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023			March 31, 2022		
	Parent	Directors management personnel	Associates* Other related parties	Parent	Directors management personnel	Associates* Other related parties
	Rupees in '000					
Income						
Mark-up/return/interest earned	-	1,822	4,448	14,983	13	1,088
Sales commission	-	-	-	-	9,386	-
Fee and commission income	1	18	66	1,327	120,286	2
Dividend income	-	-	-	-	33,150	-
Net gain on sale of securities	-	-	3	-	-	-
Rental income	-	-	-	-	-	-
Other income	-	-	368	-	-	-
Expense						
Mark-up/return/interest paid	-	546	478	389	225,776	6,980
Directors meeting fee	-	16,300	-	-	-	14,200
Remuneration	-	47,270	245,662	-	-	28,925
Charge for defined benefit plans	-	180	4,059	-	-	315
Contribution to defined contribution plan	-	625	2,578	-	-	296
Other expenses**	-	299	595	6,590	78,066	296
Charge in respect of staff retirement benefit funds	-	-	-	4,982	-	-
Insurance premium paid	-	-	-	-	-	30
	-	-	-	-	-	176
	-	-	-	-	-	44
	-	-	-	-	-	210,329
	-	-	-	-	-	5,267
	-	-	-	-	-	2,544
	-	-	-	-	-	33,342
	-	-	-	-	-	7,861
	-	-	-	-	-	82,279

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.

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

**Rent expense of ABL Branch with associated company (Ibrahim Fibres Limited & Ibratrim Agencies Pvt. 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 March 31, 2023, certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 211,000 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

	March 31, 2023	(Audited) December 31, 2022
	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	97,354,724	107,746,226
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	97,354,724	107,746,226
Eligible Tier 2 Capital	4,693,662	6,381,466
Total Eligible Capital (Tier 1 + Tier 2)	102,048,386	114,127,692
Risk Weighted Assets (RWAs):		
Credit Risk	407,517,264	418,485,475
Market Risk	32,365,900	32,571,828
Operational Risk	127,315,019	127,315,019
Total	567,198,183	578,372,322
Common Equity Tier 1 Capital Adequacy ratio	17.16%	18.63%
Tier 1 Capital Adequacy Ratio	17.16%	18.63%
Total Capital Adequacy Ratio	17.99%	19.73%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	97,354,724	107,746,226
Total Exposures	2,464,608,629	2,381,055,186
Leverage Ratio	3.95%	4.53%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	569,192,636	670,660,455
Total Net Cash Outflow	313,934,440	400,489,567
Liquidity Coverage Ratio	181.31%	167.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,482,618,823	1,444,409,109
Total Required Stable Funding	984,492,169	967,845,390
Net Stable Funding Ratio	150.60%	149.24%

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2023

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on April 27, 2023 has proposed an interim cash dividend for the quarter ended March 31, 2023 of Rs. 2.5 per share (March 31, 2022: cash dividend Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

40 GENERAL

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

41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman



Allied Bank Limited

3 Tipu Block, New Garden Town, Lahore, Pakistan.
Tel. 92 42 3588 0043

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