



1st Quarterly
Report
2020



Contents

Corporate Information	02
Director's Review	04

Unconsolidated Financial Statements of Allied Bank Limited

Unconsolidated Statement of Financial Position	12
Unconsolidated Profit and Loss Account	13
Unconsolidated Statement of Comprehensive Income	14
Unconsolidated Statement of Cash Flow	15
Unconsolidated Statement of Changes in Equity	16
Notes to the Unconsolidated Condensed Interim Financial Statements	17

Consolidated Financial Statements of Allied Bank Limited and its Subsidiary

Consolidated Statement of Financial Position	48
Consolidated Profit and Loss Account	49
Consolidated Statement of Comprehensive Income	50
Consolidated Statement of Cash Flow	51
Consolidated Statement of Changes in Equity	52
Notes to the Consolidated Condensed Interim Financial Statements	53

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

Mr. Mohammad Naeem Mukhtar
 Mr. Sheikh Mukhtar Ahmad
 Mr. Muhammad Waseem Mukhtar
 Mr. Abdul Aziz Khan
 Dr. Muhammad Akram Sheikh
 Mr. Zafar Iqbal
 Ms. Nazrat Bashir
 Mr. Tahir Hassan Qureshi

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

Mr. Zafar Iqbal (Chairman)
 Mr. Muhammad Waseem Mukhtar
 Dr. Muhammad Akram Sheikh

Strategic Planning & Monitoring Committee

Mr. Muhammad Waseem Mukhtar (Chairman)
 Mr. Abdul Aziz Khan
 Ms. Nazrat Bashir
 Mr. Tahir Hassan Qureshi

Board Risk Management Committee

Mr. Sheikh Mukhtar Ahmad (Chairman)
 Mr. Abdul Aziz Khan
 Dr. Muhammad Akram Sheikh
 Mr. Tahir Hassan Qureshi

Human Resource & Remuneration Committee

Mr. Abdul Aziz Khan (Chairman)
 Mr. Muhammad Waseem Mukhtar
 Dr. Muhammad Akram Sheikh
 Mr. Tahir Hassan Qureshi (Permanent Invitee)

e-Vision Committee

Mr. Mohammad Naeem Mukhtar (Chairman)
 Mr. Zafar Iqbal
 Ms. Nazrat Bashir
 Mr. Tahir Hassan Qureshi

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Mr. Mehmud ul Hassan

Company Secretary

Mr. Muhammad Raffat

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

M/s. CDC Share Registrar Services
Limited. (CDCSRSL)

Registered & Head Office

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Director's Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the first quarter ended March 31, 2020. The operating results and appropriations as recommended by the Board are included in the appended table:

	Quarter ended March 31,		Growth
	2020	2019	
	(Rupees in million)		%
Profit after tax for the period	4,018	2,985	35
Accumulated profits brought forward	55,821	52,500	6
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	3	1	200
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	25	27	(7)
Profit available for appropriation	59,867	55,512	8
Final cash dividend for the year ended December 31, 2019: Rs. 2.00 per share (2019: Year ended December 31, 2018: Rs. 2.00 per share)	(2,290)	(2,290)	-
Transfer to Statutory Reserves	(402)	(298)	35
Accumulated profits carried forward	57,175	52,924	8
Earnings Per Share (EPS) (Rs.)	3.51	2.61	35

The Board is pleased to announce an interim cash dividend of Rs. 2.00 per share for the first quarter ended March 31, 2020 (March 31, 2019: Rs. 2.00 per share)

Economic Review

Emerging economic tailwinds instigated by a broad-based shift towards an accommodative monetary policy stance, subsiding US-China trade tensions and finalization of the Brexit deal indicated recovery in global activity in 2020. However, the outbreak of coronavirus (COVID-19) pandemic has adversely affected the global economy. According to International Monetary Fund, global growth is projected to contract by 3 percent in 2020 with repercussions far worse than the global financial crisis during 2008-09.

Lockdowns in all parts of the world have led towards significant economic and social disruptions; impacting supply and value chains and consequently weakening consumer demand. Sectors involving physical interactions including retail trade, automobiles, tourism, aviation, maritime, transportation, construction, real estate, financial services, education, and oil have been severely impacted by the confinement measures. Global containment efforts along with monetary stimulus are directed to reduce systemic stress, support confidence and contain the amplification of the shock.

On the domestic front in Pakistan, emergence of COVID-19 pandemic has dampened the country's economic growth horizon, unfolding realization of downside risks posed by a hampered consumer demand amidst temporary business shutdowns and delayed harvest of crops to control the pandemic. State Bank of Pakistan (SBP) has projected the country's economic growth to contract by 1.5 percent for FY 2019-20, despite witnessing strength in economic fundamentals during the first eight months of FY 2019-20.

Decisive policy actions and stabilization measures undertaken to combat trade imbalances have yielded positive results to date. The current account deficit contracted by 71% to US\$ 2.76 billion during the first eight months of FY 2019-20 as compared to US\$ 9.46 billion in the corresponding period of FY 2018-19; the improvement driven primarily by 16% contraction in imports and a modest growth of 1% and 6% in exports and workers remittances respectively.

However, during the month of March, reinvigorated hopes of revival in country's exports witnessed a setback as the adverse impacts of global trade contraction spilled over. Uptrend in exports, hence witnessed a slowdown and closed the month with a decline of 7.6% compared to the preceding month despite transition towards a flexible market-oriented exchange rate, availability of low-cost funding for export-oriented sectors under SBP's refinancing facilities and an improving "ease of doing" business metric.

During the third quarter of FY 2019-20 foreign portfolio investment has witnessed a trend reversal, with outflows crossing US\$ 2 billion in March 2020.

The aforementioned divestment also led towards increased market volatility and depreciation in the domestic foreign exchange market; PKR falling by more than 8% against the US\$ in March to close the quarter at a parity of Rs. 166.40 per US\$. Notwithstanding the recent market volatility, a narrowing current account deficit extended much needed support to the improving SBP's foreign exchange (FX) reserves which closed the quarter at a healthy level of US\$ 17.387 billion.

In view of the prevailing uncertainty, investor sentiments remained bearish as the KSE-100 index closed end March at 29,232 points against 40,735 points as at end December 2019 witnessing a cumulative decline of 28%.

Money supply (M2) witnessed a growth of 3% during the quarter ended March 2020, mainly driven by a 6% increase in currency in circulation which stood at Rs. 5,622 billion at end March 2020. The industry deposits registered a growth of 3.4% during the quarter ended March 2020 to close at Rs.15,069 billion.

Consumer Price Index for the month of March 2020 clocked in at 10.2% on a year on year (YoY) basis, depicting a significant dip of 2.2% from the preceding month of February 2020; the decline attributable primarily to a downward trajectory witnessed in non-perishable food item prices amidst realization of administrative actions taken by the Government of Pakistan (GoP), leeway provided by a 4.4% MoM decline in transportation index on the back of sharp fall in global oil prices and slowdown in external and domestic debt due to the ongoing COVID-19 pandemic.

The evolving macroeconomic scenario amidst the ongoing COVID-19 outbreak has primarily laid the foundation for prompting the monetary easing process; the State Bank of Pakistan hence reducing the policy rate by a cumulative 425 bps to bring the policy rate down to 9%.

Financial Review

Amidst heightened customer expectations, emerging competition from FinTech's and operational disruptions as a result of the ongoing COVID-19 outbreak are setting the stage for radically reshaping the global banking landscape.

Advancements in e-banking technology are enabling businesses and individuals to remotely access key banking services, thus shifting the horizon from traditional banking towards increased familiarity and adoption of improved and advanced e-banking avenues. Therefore, the banks' ability to manifest opportunities by leveraging technological progressions, insights and intelligent analytics shall eventually determine their ability to foster future growth and improve global competitiveness.

Pakistan's banking sector is also navigating through an enigmatic economic and operating scenario which encompasses multi-faceted challenges emanating from changing business models, increasing regulatory compliance requirements, disruptive technological advancements, looming cyber security threats and rising risk of asset quality deterioration amidst low business generation and private sector credit demand due to the ongoing COVID-19 outbreak.

Under the current challenging circumstances, Your Bank, while remaining fully cognizant of the high downside risks to the economic and operating outlook, given the uncertainty about the duration, magnitude and persistence of measures to contain the outbreak, has invoked its business continuity policy. Banking being an essential service to the nation remained the prime focus of Your Bank under these testing times. The main thrust remained on offering free of cost services to the nation through all digital banking channels in addition to the physical branch network.

COVID-19 pandemic related precautionary directives, announced by the Government of Pakistan in the last ten days of March 2020, have disrupted social and economic activity throughout the country. The quarter under review, however, largely witnessed business as usual. As a result positive volumetric growth in average earning assets, improving spreads within an upward rising yield curve that led to 308bps increase in the average policy rate, effective management of repricing gaps, availing interbank lending opportunities and sizeable growth achieved in low cost and no cost deposits has enabled Your Bank's to increase net interest income by 21%, which aggregated to reach Rs. 11,616 million compared to Rs. 9,585 million posted in the corresponding period of 2019.

Improved branch banking services in a highly competitive operating environment along with diversification of revenue streams through continuous enrichment of the service suite, strategic business arrangements with leading technology platforms including an agreement entered into with the National Institutional Facilitation Technologies (NIFT), during the quarter, for enabling transaction of payments through NIFT's digital financial services platform under the brand name "NIFT ePay" to allow customers to conduct e-commerce transactions directly through their accounts (CASA) or wallets and rising customer confidence amidst concrete steps undertaken to circumvent emerging cyber security and data governance threats has enabled Your Bank to post a double digit growth of 11% in fee income which thereby reached Rs. 1,543 million.

Continued active participation as a Primary Dealer (PD) along-with prudent disposal of Pakistan Investment Bonds amidst the evolving yield curve expectations and staggered derecognition of equity portfolio within an uncertain macro-economic scenario, while observing a 12% reduction in dividend income, has resulted in capital gains of Rs. 1,101 million realized during the quarter. Correspondingly, non-markup income stood at Rs. 2,850 million as against Rs. 2,537 million in the corresponding period of 2019; reflecting a growth of 12%.

Digitization space in Pakistan is transforming rapidly towards more convenient and flexible ways of Banking. Your Bank while maintaining its resolve in contributing towards SBP's Financial Inclusion agenda, stayed conscious of the evolving operating scenario and emerging technological developments, hence resorting more focus on e-banking and digital channels; ATM network thereby expanded to 1,549 ATMs consisting of 1,201 on-site, 345 off-site and 3 Mobile Banking Units (MBU) offering banking services of cash collection and cash payment while also operating as an ATM on wheels. Branch outreach, which expanded to 1,395 branches as at December 2019, is undergoing optimization and closed at 1,388 in March 2020; including 1,271 conventional and 117 Islamic Banking Branches.

Continued spending towards technological uplift for the "Digital Age", investment in human resource, regulatory compliance costs amidst FATF related rising KYC and AML/CFT requirements and cybersecurity measures have predominantly escalated the operating cost. As a result, operating expenses increased 19% during the quarter.

Existing systematic risks amidst the ensuing economic slowdown were further compounded by the unfolding implications of COVID-19 outbreak; increasing market uncertainty culminated into a lack luster performance by the Pakistan Stock Exchange (PSX) and the Bank prudently recognized a net charge of Rs. 579 million for diminution in value of investments.

Your Bank's Profit Before Tax increased to Rs. 6,581 million for the quarter ended March 2020, compared to Rs. 6,250 million in corresponding period of 2019; registering growth of 5%.

Profit after tax stood at Rs. 4,018 million as against Rs. 2,985 million achieved in the corresponding period thereby depicting a growth rate of 35%. Consequently, EPS of Your Bank stood at Rs. 3.51 per share against an EPS of Rs.2.61 per share in the corresponding period.

In line with the stagnancy witnessed in overall industry advances, gross advances portfolio closed at Rs. 476,758 million. Persistent focus on maintaining a robust risk management framework, enabled Your Bank to further reduce its Non-Performing Loan portfolio to Rs. 15,841 million at end March 2020 from Rs. 15,854 million as at December 2019.

Infection and coverage ratio of Your Bank at end March 2020 stood at 3.3% and 96.2% respectively; significantly outperforming the December 2019 industry infection and coverage ratio of 8.1% and 84.7% respectively. No FSV benefit was availed while determining the provision against Non-Performing advances, allowed under guidelines of the State Bank of Pakistan.

Total deposits of Your Bank stood at Rs. 1,041,881 million at end March 2020; depicting a 7% market share of the total industry deposits.

Proactively monitoring investment portfolio in the backdrop of enhanced market volatility and changing interest rates scenario, duration was optimized and overall portfolio reduced to close the quarter at Rs. 673,808 million; Accordingly, the totals assets of Your Bank closed at Rs. 1,362,830 million while the Bank's equity base closed at Rs.113,298 million.

Capital Adequacy Ratio of the Bank stood at 23% against the statutory requirement of 11.5% which is indicative of a strong capital positioning of Your Bank.

Future Outlook

The economic adversities emanating from the ongoing COVID-19 outbreak continue to mount across the globe as countries grapple with the emerging pandemic situation; tracking sharp rise in new infections and enforcing containment measures to flatten the rising curve.

Amidst the ensuing uncertainty, it remains of paramount importance for the Government of Pakistan to try and assess the possible economic scenarios given the country's pre-existing conditions of limited fiscal space, declining economic activity, exogenous pressures and constrained resources while concurrently undertaking measures to promptly respond to the unfolding developments.

Director's Review

While the fall in global oil prices and a weaker import demand due to COVID-19 outbreak manifests into a positive impact on the current account balance; the country's Balance of Payment dynamics remain strained as the recently gained traction in export growth is hampered due to a waning external demand, remittances decline due to deteriorating economic indicators in Gulf Cooperation Council countries and external financing needs emerge amidst rising fiscal imbalances and foreign capital outflows.

Amidst the evolving macroeconomic scenario, realization of US\$ 1.4 billion fund credit under IMF's Rapid Financing Instrument (RFI) and materialization of envisaged IMF debt rescheduling and financial support committed by multilateral partners shall assist in fulfilling the potential financing gap while also extending imperative support to SBP's FX reserves and a deteriorating US\$/PKR parity.

The downwards trajectory witnessed in inflationary pressures, as aforementioned, is expected to persist with projections for the current fiscal year being downgraded to the lower end of the earlier envisaged range of 11%-12% and expected to fall further in the next fiscal year, notwithstanding any unforeseen shocks to headline inflation due to supply side disruptions and rupee depreciation; hence remaining in line with SBP's medium term objective of bringing inflation to within a range of 5%-7%.

The recently announced financial stimulus package of Rs 1,200 billion, by the Government of Pakistan, entailing steep cut in domestic fuel prices, stipend for daily wage earners, expansion in scope of cash assistance under Ehsas program, immediate release of export refunds by Federal Board of Revenue, deferment of utility bill payments and additional allocation for the utility stores corporation shall cushion the impact of COVID-19 outbreak on the most vulnerable social segments while also extending much needed support to the affected businesses.

The SBP while reducing the policy rate by a cumulative 425 bps has also swiftly undertaken measures to support liquidity and credit conditions and to safeguard financial stability by facilitating access to financial services, improving credit flows to borrowers, easing loan repayments, expanding refinancing facilities to stimulate investment in the manufacturing sector, assist hospitals and medical centers in purchase of COVID-19 testing and treating equipment and support payment of worker's wages to incentivize businesses against workforce layoffs and simplifying procedures for exporters and importers including withdrawal of advance payment limits on COVID-19 related imports, extension in export performance periods for Long Term Financing Facility and extension in realization of export proceeds and arrival of goods under advance payments.

In these testing times, Your Bank continues to play its positive role as a responsible corporate citizen by contributing towards supporting vulnerable social segments, through charitable donations and provision of necessary medical supplies, disseminating awareness on controlling measures for combating the spread of COVID-19 pandemic, promoting the use of digital channels for fulfilling banking needs, while striving to deliver uninterrupted banking services. Resultantly Your Bank successfully ensured payment of Rs. 20 billion worth of salary and pension funds during the first 10 days of lockdown.

Your Bank would continue to provide utmost facilitation to the deserving obligors under various SBP financial relief schemes and keep a close watch on advances portfolio to mitigate the credit risk. The year 2020 would be a challenging year for the banking industry in terms of contraction in growth and earnings. The Bank's strategy to further enhancing digital banking services would continue while remaining cautious to optimize operating efficiency according to the unusual circumstances.

Entity Rating

Pakistan Credit Rating Agency (PACRA) maintained 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.

Corporate Governance Rating

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

Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report.

Non-Executive Directors (excluding those who have opted not to receive meeting fee on voluntary basis) are paid a reasonable and appropriate remuneration for attending the Board and/or its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence. No fee is paid to the directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Acknowledgement

On behalf of Allied Bank Limited, we would like to extend our acknowledgment to the valued customers for placing their trust in the Bank. We would also like to express our sincerest gratitude to the worthy shareholders of the Bank for their support, employees for all the hard work, dedication and deliverance of services in these testing times, State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies for their guidance and motivation.

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

For and on behalf of the Board of Directors.

Tahir Hassan Qureshi
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: April 22, 2020

ڈائریکٹرز کا تجزیہ

موزڈ شیئر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2020ء کو اختتام پذیر کیلئے سرمایہ کے مالیاتی نتائج پیش کرتے ہوئے نہایت مرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور خصوصیات مندرجہ ذیل جدول میں درج ہیں:

سرمایہ مختصر 31 مارچ		
نمو	2019ء	2020ء
فیصد	ملین روپے	
35%	2,985	4,018
6%	52,500	55,821
200%	1	3
(7%)	27	25
8%	55,512	59,867
-	(2,290)	(2,290)
35%	(298)	(402)
8%	52,924	57,175
35%	2.61	3.51

بورڈ اجتنائی مسرت کے ساتھ 31 مارچ 2020ء کو اختتام پذیر کیلئے سرمایہ کے لئے 2 روپے فی حصص کی مجموعی کیش ڈیویڈنڈ کا اعلان کرتا ہے (31 مارچ 2019ء - 2 روپے فی حصص)۔

معاشی جائزہ

ماہیگیری پالیسی کے ایک معاشی بنیاد کو اختیار کرنے کے ذریعہ ایجاد فیصلے، جس نے امریکہ اور چین کے مابین تجارتی تناؤ اور بریگزٹ کی ڈیل کی تکمیل کے مراحل کو بہت ڈال دیا ہے۔ امریکہ معاشی رخ سال 2020ء میں عالمی سرگرمیوں میں بہتری کے مظہر ہیں۔ تاہم کرناہاؤس (کوڈ 19) کی عالمگیر وبا کے پھیلاؤ نے عالمی معیشت کو بری طرح متاثر کیا ہے۔ عالمی مالیاتی فنڈ کے مطابق عالمی نمو سال 2020ء میں 3 فیصد تک گرنے کی توقع ہے جبکہ اس کے ضمن اثرات سال 2008 - 09ء کے عالمی مالیاتی بحران سے کہیں زیادہ ہولناک ہو سکتے ہیں۔

پوری دنیا کے ہر حصہ میں لاک ڈاؤن سے نمایاں معاشی اور سماجی تھقل پیدا ہوا ہے جس سے رمد اور قدرتی فراہمی متاثر ہوئی اور نتیجاً صارفین کی طلب میں کمی واقع ہوئی۔ فطری تلامت کے حاصل شعبہ جات جن میں پرچون کے کاروبار، آٹو موٹو، سیاحت، ہوائی، سمندری تجارت، نقل و حمل (ٹرانسپورٹیشن)، تعمیراتی شعبہ، (ریٹیل اسٹور) چائینا کی خرید و فروخت، مالیاتی خدمات، تعلیم اور تیل شامل ہیں ان حدود و قیود کے اقدامات سے شدید متاثر ہوئے ہیں۔ محدود کرنے کی عالمی کاوشوں اور اس کے ساتھ مالیاتی سہولتوں کی فراہمی سے عمومی دباؤ کم کرنے، اتحاد کی بحالی اور اس بحران کی گھنٹی کے تدارک میں مدد مل سکتی ہے۔

پاکستان کے داخلی معاذ پر کوڈ - 19 کے ظہور نے اس عالمی دباؤ کو قابو کرنے کے لیے کاروبار کی عارضی بندش اور فصولوں کی کٹائی میں تاخیر جیسے حالات کے تاثر میں صارفین کی ضروریات و طلب میں گراؤ کے خدشے کو بے نقاب کرتے ہوئے، ملک کی معاشی نمو کے خاتمہ کو مزید گہرا کر دیا ہے۔ اسٹینڈنگ بینک آف پاکستان نے اپنی سال 2019-20ء کے پہلے آٹھ ماہ کے دوران معیشت کے بنیادی عوامل میں بہتری اور مثبت اشاروں کی موجودگی کے باوجود مالی سال 2020 - 2019ء کے لیے ملک کی معاشی نمو کی شرح 1.5 فیصد تک گرنے کی پیش بینی کی ہے۔

تجارتی عدم توازن سے بچنے کے لیے انتظام کے اقدامات اور پالیسی کے فیصلوں کے نفاذ نے اب تک کی تاریخ تک حوصلہ افزاء نتائج دیئے ہیں۔ کرنٹ اکاؤنٹ کا خسارہ مالی سال 2018 - 2019ء کے عرصہ کی 9.46 بلین امریکی ڈالرز کے مقابلہ میں مالی سال 2020 - 2019ء کے پہلے آٹھ ماہ کے دوران 71 فیصد کمی کے ساتھ 2.76 بلین امریکی ڈالرز تک آ گیا۔ اس بہتری کی بنیادی وجوہات میں درآمدات میں 16 فیصد کمی کی اور برآمدات اور افرادی ترسیلات زر میں پانچویں 1 فیصد اور 6 فیصد ایک معمولی اضافہ شامل ہے۔

تاہم، مارچ کے مہینے کے دوران عالمی تجارت کے سکلنے کے مثبت اثرات کے سبب ملک کی برآمدات میں اضافہ کی امیدوں کو ایک دھچکا لگا۔ برآمدات میں بہتری کا رجحان اس سروس رومی کا سامنا کرتے ہوئے، مارکیٹ پر منحصر ایک گھٹا شرح تبادلہ کو اپنانے، اسٹینڈنگ بینک آف پاکستان کی برآمدی شعبہ کے لیے کم لاگت کے قرضوں کی فراہمی کی سہولتوں اور کاروبار میں آسانی کے بہتر نتائج کے باوجود، پچھلے مہینے کے مقابلہ میں اس ماہ کے اختتام تک 7.6 فیصد کمی تیزی کا شکار ہوا۔

مالی سال 2020 - 2019ء کی تیسری سرمایہ کاری کے پورٹ فولیو میں وابہی کا رجحان دیکھا گیا جس کی مدد میں مارچ 2020ء میں 2 بلین امریکی ڈالرز سے زیادہ کا اخراج ہوا۔

سرمایہ کاری کی مذکورہ بالا واپسی نے مارکیٹ کی طیران پذیری اور داخلی زرمبادلہ کی مارکیٹ میں فرسودگی میں بھی اضافہ کیا ہے۔ جیسا کہ پاکستانی روپیہ کی قدر مارچ کے مہینے میں امریکی ڈالر کے مقابلے میں 8 فیصد سے بھی زیادہ ہو گئی اور اس سرمایہ کے اختتام تک 166.40 روپے فی امریکی ڈالر پر بند ہوئی۔ مارکیٹ کی حالیہ طیران پذیری سے قطع نظر، مسلسل کم ہوتا کرتا اکاؤنٹ کا خسارہ، اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر کی بھری کے لیے نہایت مطلوبہ تعاون فراہم کرنے کا باعث بنا ہے، جو کہ اس سرمایہ کے اختتام تک 17.387 بلین امریکی ڈالر کی ایک مضبوط سطح پر بند ہوئے۔

موجودہ غیر یقینی کی صورت حال کو مدنظر رکھتے ہوئے، سرمایہ کار زیادہ پرامید نظر نہیں آتے جیسا کہ کے ایس ای- 100 انڈیکس دسمبر 2019ء کے اختتام تک کے 40,735 پوائنٹس کی سطح سے 28 فیصد کی کمی کے ساتھ مارچ کے اختتام تک 29,732 پوائنٹس پر بند ہوا۔

کرنسی کی رسد (مسی جلائی) (نیم 2) میں مارچ 2020ء کو اختتام پذیر سرمایہ کے دوران 3 فیصد کی خودکھی گئی۔ جس میں نمایاں کردار کرنسی کی سرکٹین کا ہے جو مارچ 2020ء کے اختتام تک 6 فیصد کے اضافے کے ساتھ 5,622 بلین روپے پر جا پہنچا۔ صنعت کے ڈیپازٹس مارچ 2020ء کو اختتام پذیر سرمایہ کے دوران 3.4 فیصد کی نمو کے ساتھ 15,069 بلین روپے پر درج ہوئے۔

صارفین کی قیمتوں کے جدول برائے مارچ 2020ء میں سال بہ سال کی بنیاد پر 10.2 فیصد تک کی افزائش ہوئی جو کہ پچھلے ماہ یعنی فروری 2020ء سے 2.2 فیصد کی نمایاں کمی کو ظاہر کرتی ہے۔ اس کی کے بنیادی عوامل میں حکومت پاکستان کی طرف سے فیبر پائیدار خورد ووش کی ایشیاء کی قیمتوں میں کمی کے رجحان کو برقرار رکھنے کے لیے اٹھائے گئے انتظامی اقدامات، تیل کی عالمی قیمتوں میں کمی کی بنیاد پر ذرائع آمدورفت کی قیمتوں میں ماہانہ بنیاد پر 4.4 فیصد کی گپک اور کوڈ- 19 کی جاری عالمگیر وبا کی بدولت بیرونی اور داخلی قرض کی ادائیگیوں میں تاخیر کی سہولت شامل ہیں۔

کوڈ- 19 کے جاری پھیلاؤ سے متاثر، جیڑی سے بلٹی، میکرو ڈاکٹاک (کاماشی) صورت حال نے متاثرہ شعبوں کے لئے مالیاتی سہولتوں اور آسانیاں فراہم کرنے کے عمل کی بنیاد رکھ دی ہے۔ چنانچہ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں مجموعی طور پر 425 بی پی ایس کی کمی کر کے اس کی شرح کا 9 فیصد پر گریڈ کیا ہے۔

مالیاتی جائزہ

صارفین کی بروقتی توقعات، فن ٹیک (FinTech) سے ابھرنے والی مسابقت اور کوڈ- 19 کی دہائے جاری پھیلاؤ کے نتیجے میں ہونے والی کاروباری بندشوں کے باعث عالمی بینکاری کی صورت حال تیزی سے تہمتیں بوری ہے۔

ای۔ بینکنگ ٹیکنالوجی میں ترقی کاروبار اور افراد کو اس قابل کر رہی ہے کہ دو بینکاری کی گلیوری خدمات تک دور سے رسائی حاصل کر سکیں چنانچہ، جدید اور بہتر ای۔ بینکنگ کے ذرائع سے ہم آہنگی اور انکو اختیار کرنے کی وجہ سے صارفین کی توجہ روایتی بینکاری کے نظام سے بتدریج تبدیل ہو رہی ہے۔ لہذا بینک کی ٹیکنالوجی کی ترویج و ترقی کے ذریعے مواقع پیدا کرنے، آگے کی پیش بینی اور داخترانہ جائزہ کی ملاحیت مستحق میں جیڑی ترقی اور عالمی مسابقت کو بھجرتانے کی استعداد کار کا تعین کرنے میں معاون ثابت ہو گی۔

پاکستان میں بینکاری کا شعبہ بدلنے کاروباری ماڈز، شواہلی مطلوبہ کی تقیل میں اضافہ، ٹیکنالوجی کی ترقی میں حائل رکاوٹوں، بڑھتے ہوئے سائبر سیکیورٹی کے خطرات اور کوڈ- 19 کے جاری پھیلاؤ کے باعث کاروباری مواقع اور فنی شعبہ میں قرض کی طلب میں کمی کے تناظر میں الاضحات کے معیار بارے بڑھتے خدمات جیسے کرائیجمنٹ چیلنجز کی بدولت معاشی اور کاروباری فیبر یقینی کے دور سے گزر رہا ہے۔

موجودہ مشکل صورتحال میں آپکے بینک نے، اس دہائے کے پھیلاؤ کی مدت، اکی شدت اور اس سے بچاؤ کے اقدامات میں فیبر یقینی صورتحال سے معاشی اور کاروباری پیش بینی میں گمراہی کے بلند ترین خدمات کا عمل اور رکھتے ہوئے، اپنے کاروبار جاری رکھنے کی (بزنس کونٹینیٹی) پالیسی پر عمل کا آغاز کر دیا ہے۔ اس کڑے دور میں قوم کے لیے بینکاری کی ناگزیر سہولیات کی فراہمی آپکے بینک کی خصوصی توجہ کا مرکز ہے۔

برائج نیٹ ورک کی طبعی موجودگی کے ساتھ ساتھ تمام ڈیجیٹل بینکنگ کے ذرائع سے قوم کے لیے تمام خدمات کا بغیر فیس اجراء ایک سبکدلی کی حیثیت رکھتا ہے۔ مارچ 2020ء کے آخری دن ڈوں میں حکومت پاکستان کی جانب سے کوڈ- 19 کی عالمگیر دہائے سے مختلف علاقائی نمائندگی کی ہدایات کے باعث پورے ملک میں معاشی اور سماجی سرگرمیوں میں قفل پیدا ہوا ہے۔ تاہم اس زیر توجہ سرمایہ کاروبار کو زیادہ عرصہ اسے معمول کے مطابق دیکھا ہے۔ جس کے نتیجے میں اوسط کاروباری الاضحات میں مثبت تبدیلی نمود آئی ہے بڑھتے خط کا بناء پر بہتر سہولتوں، جس کے باعث اوسط پالیسی ریٹ میں 308 بی پی ایس کا اضافہ ہو، مختلف ثقافت کی قیمتوں کی تحقیق نو کا موزوں انتظام، بینکوں کے مابین قرض کی دستیاب سہولتوں سے استفادہ اور بغیر پیم لاگت کے ڈیپازٹس کے حصول میں خاطر خواہ کامیابی نے آپکے بینک کی خالص انٹرنسٹ آمدنی میں 21 فیصد کا اضافہ کیا ہے۔ جس کا مجموعی حجم سال 2019ء کے تقابلی عرصہ کی 9,585 بلین روپے کی سطح کی نسبت 11,616 بلین روپے پر پہنچ گیا۔

شدید مسابقتی ماحول میں برائج بینکنگ کی خدمات میں بہتری اور اس کے ساتھ اپنی خدمات میں مسلسل تنوع اور جدیدیت سے آمدنی کے ذرائع میں توسیع، معروف ٹیکنالوجی پلیٹ فارمز کے ساتھ کاروباری اختلالات کی سخت عملی، جس میں اس سرمایہ کے دوران پیش پیش ٹیکنالوجی (NIFT - National Institutional Facilitation Technologies) کے مابین پلیٹ فارم جس کا نام نخت ای- پی (NIFT E - Pay) ہے، کے ذریعے ڈیجیٹل ادائیگیوں کا لین دین کیا جاسکے گا تاکہ صارفین اپنے کاروبار (CASA) اکاؤنٹس یا دولت (Wallet) کے ذریعے براہ راست ای کامرس (E - Commerce) کا لین دین کر سکیں اور اس بارے میں صارفین کے بڑھتے اعتماد کو برقرار رکھنے کے لیے ان اقدامات نے آپکے بینک کو اپنی فیس کی آمدنی میں 11 فیصد کی دہرے بہتوں پر مشتمل نمو حاصل کرنے کا اہل کیا ہے جس کا مجموعی حجم 1,543 بلین روپے تک پہنچ گیا ہے۔

پرائمری ڈیلر کے طور پر مسلسل مستعد شہریت اور اس کے ساتھ آمدنی کی خط میں بلتی توقعات اور پہنچنے والے دوچار کلاں معاشی صورتحال میں اپنے ایکٹیو پورٹ فولیو کی بتدریج تہمتی کے تناظر میں پاکستان انویسٹمنٹ باڈر کی داخترانہ فروخت کے باعث اس سرمایہ میں 1,101 بلین روپے کا کٹھن گین حاصل ہوا۔ جبکہ ڈیویڈنڈ آمدنی میں 12 فیصد کی کمی دیکھی گئی۔ تقابلی طور پر فیبر

مارک اپ آمدنی سال 2019ء کے مابقی عرصہ کے 2,537 ملین روپے کے حجم سے 12 فیصدی بڑھتی کا مظاہرہ کرتے ہوئے 2,850 ملین روپے پر درج کی گئی۔

پاکستان میں پینٹا پزیشن کی تعداد اپنی بہت کم تیزی سے بدلتے ہوئے بیکاری کو مزید گھٹاد اور سہل بنی رہی ہے۔ آئی پی ٹیک، اسٹیٹ بینک آف پاکستان کے مالی ثمریت کے ایجنڈے میں اپنی حدودی کو برقرار رکھنے کے مزم کا اعادہ کرتے ہوئے اس بدلتے کاروباری ماحول اور ابھرتی ہوئی ٹیکنالوجی کی پیش رفت سے مکمل طور پر آگاہ ہے۔ چنانچہ ای۔ بینکنگ اور ڈیجیٹل چیلنجز کے فروغ پر زیادہ توجہ مرکوز کرتے ہوئے ہے۔ اس کے مد نظر اسے ٹی ایم کے نیٹ ورک کو 1,549 اے ٹی ایمز تک وسیع کر دیا گیا ہے۔ جن میں 1,201 آن سائٹ، 345 آف سائٹ اور تین موبائل بینکنگ پیش شال ہیں جو کہ پینٹا پزیشن پر اسے ٹی ایم کے طور پر کام کرتے ہوئے نقد رقم کی وصولی اور ادائیگی کی بیکاری کی خدمات پیش کر رہے ہیں۔ مابقیوں کی وسعت، جو کہ دسمبر 2019 تک پھیلنے ہوئے 1,395 برانچوں تک پہنچ گئی تھی، میں قدرے اضافہ کی گئی ہے اور ابھی تعداد مارچ 2020ء تک 1,388 پر اختتام پذیر ہوئی۔ ان میں 1,271 روایتی اور 117 اسلامی بیکاری کی برانچیں شامل ہیں۔

ڈیجیٹل دور کے لیے اپنی ٹیکنالوجی کی بہتری کے لیے مسلسل جاری اخراجات، افرادی ذرائع میں سرمایہ کاری، ایف اے ٹی ایف (FATF) سے متعلقہ بڑھتے ہوئے کے واے سی (KYC) اور اے ایم ایل ای سی ایف ٹی (AML / CFT) کے مطالبات کے تناظر میں ضوابطی تعمیل کی لاگت اور سرمایہ کی کمی کے اقدامات نے کاروباری لاگت میں نمایاں طور پر اضافہ کیا ہے۔ لہذا، اس سماجی کے دوران کاروباری اخراجات میں 19 فیصد کا اضافہ دیکھا گیا۔

موجودہ منظم خدمات میں گہری معاشی سختی میں، کووڈ - 19 کے پھیلاؤ سے ظہور پذیر مضر اثرات کے باعث، مزید اضافہ ہو گیا۔ مارکیٹ میں غیر یقینی کی اس اثر صورتحال نے پاکستان اسٹاک ایکسچینج کی کارکردگی کو گھٹا دیا اور بینک کو دانشمندی کا مظاہرہ کرتے ہوئے اپنی سرمایہ کاری کی قدر میں گہری کمی کے لیے 579 ملین روپے کے اخراجات کا تقین کرنا پڑا۔

آپ کے بینک کا منافع قبل از ٹیکس سال 2019ء، کی تھالی مدت کے 6,250 ملین روپے کے حجم سے 5 فیصد کے اضافہ کو درج کرتے ہوئے مارچ 2020ء کو اختتام پذیر سماجی کے لیے 6,581 ملین روپے پر رپورٹ ہوا۔ منافع بعد از ٹیکس گزشتہ تھالی مدت میں حاصل کردہ 2,985 ملین روپے کے مقابلہ میں 35 فیصد کی کمی کو ظاہر کرتے ہوئے 4,018 ملین روپے پر چاہیگا۔ جس کے نتیجہ میں آپ کے بینک کی ای ٹی ایم گزشتہ تھالی مدت کی 2.61 روپے فی ٹیکر کی سطح کے تناسب میں 3.51 روپے فی ٹیکر پر درج کی گئی۔

صنعت کے مجموعی قرضہ جات میں پائے جانے والے مجموعی مطابقت میں کل قرضہ جات کا پورٹ فولیو 476,758 ملین روپے پر بند ہوا۔ اپنے خدمات کے نفاذ کے نظام کی مضبوطی پر جاری توجہ سے آپ کے بینک نے غیر فعال قرضہ جات کے دسمبر 2019ء، میں 15,854 ملین روپے کے حجم کو مارچ 2020ء، کے اختتام تک مزید کم کرنے کے لیے اس پورٹ فولیو کو 15,841 ملین روپے پر چھٹکا دیا ہے۔

آپ کے بینک کی پینٹا پزیشن اور کوریج کی شرح دسمبر 2019ء تک صنعت کی باہر تیزی مطلوبہ 8.1 فیصد اور 84.7 فیصدی شرحوں سے نمایاں اضافہ کے ساتھ مارچ 2020ء کے اختتام تک باہر تیزی 3.3 فیصد اور 96.2 فیصد پر بڑھاؤ ہوئی۔ اسٹیٹ بینک آف پاکستان کی رضامندی کے اصولوں میں اجازت کے باوجود، غیر فعال قرضوں کے اخراجات کے تینوں کے لیے جبری فروخت کے دستیاب فائدہ کا شمار نہیں کیا گیا۔

آپ کے بینک کے کل ڈیپازٹ مارچ 2020ء کے اختتام تک صنعت کے کل ڈیپازٹ میں اپنے 7 فیصد کے حصہ کی نمائندگی کرتے ہوئے 1,041,811 ملین روپے پر چاہیگا۔

مارکیٹ کی بدلتی طائرانہ پزیری اور انٹرنیٹ کے بلڈی صورتحال کے پیش نظر بینک نے اپنی سرمایہ کاری کے پورٹ فولیو کی مجموعی نمائندگی کے ساتھ اس کے حجم میں دلچسپی اور مجموعی طور پر کمی کی ہے جس کے باعث سماجی کے اختتام پر اس کا حجم 673,808 ملین روپے پر بند ہوا۔ چنانچہ، آپ کے بینک کے کل اثاثہ جات 1,362,830 ملین روپے پر بند ہوئے جبکہ بینک کی سراسر کی اس کا حجم 113,298 ملین روپے رہا۔

سراسر کی صورتی (کیپٹل ریٹیکولیشن) 11.5 فیصدی قانونی مطلوبہ شرح کے مقابلہ میں 23 فیصد پر درج ہوئی جو آپ کے بینک کے مضبوط سراسر کا مظہر ہے۔

مشتمل کی پیش بینی

کووڈ - 19 کے موجودہ پھیلاؤ سے ظاہر ہونے والی مالی بحالی کے مخالف کے سامنے پورے کردہ ارض پر چھاتے جارہے ہیں جیسا کہ تمام ممالک اس عالمگیر وبا سے پیدا ہونے والی صورتحال سے بڑھتے ہوئے نئے پینٹا پزیشن کی جلد از جلد مٹوانے لگے اور اس کے بلند ہونے کو معتدل کرنے کے لیے نقل و حرکت کو محدود کرنے کے اقدامات پر توجہ سے عمل جوا رہا ہیں۔

اس غیر یقینی صورتحال کے درمیان یہ امر نہایت اہمیت کا حامل ہے کہ حکومت پاکستان آئے دن کی بدلتی صورتحال سے بڑھتے کے اقدامات اٹھانے سے پہلے، اس ملک کو پھیلنے سے ہی درپیش مسائل جن میں حدود ضوابطی، معاشی، گہری معاشی سرگرمیاں، درپوزی دباؤ اور حدود وسائل کی روٹی میں متوقع معاشی مظاہرے کو دیکھنے اور پرکھنے کی کوشش کرے۔

تیل کی عالمی قیمتوں کے گرنے اور کووڈ - 19 کے پھیلاؤ سے درآمدی طلب میں گراؤ سے کرنت اکانٹ پینٹا پزیشن پر مثبت اثرات بھی آئے ہیں۔ تاہم ملک کی ادائیگیوں کے توازن پر؛ برآمدات، جن میں بھی حالی حال میں بہتری نظر آ رہی ہے، کی نمو کے متاثر ہونے، (گھٹ کر پینٹا پزیشن) یعنی توازن کی کوشش پر مشتمل ممالک میں اثر ہوئی معاشی صورتحال کے باعث تیز رفتاری کی کمی اور بڑھتے ہوئے مالی عدم توازن اور درپوزی سرمایہ کے اخراج سے یہ درپوزی قرضوں کی ضرورت کے باعث مسلسل دباؤ پر قرار ہے۔

تعمیر پر کل معاشی مظاہرے کے تناظر میں آئی ایم ایف کے سہ ماہی رپورٹس آئی آر ایف آئی (RFI - Rapid Financing Instrument) کے تحت 1.4 بلین امریکی ڈالرز کی وصولی، آئی ایم ایف کو ادا کردہ قرض کے مؤخر ہونے اور کثیر اطراف شرکت اداروں سے مالی اعانت کی یقین دہانی قرض اور سرمایہ کے متوقع غلاء کو پرکھنے میں مددگار ثابت ہوئی اور اس کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان کے غیر ملکی زر مبادلہ کے ذخائر اور پاکستانی روپیہ اور امریکی ڈالر کے مابین شرح تبادلہ کو ناگزیر شرح تبادلہ اور سرمایہ بھی فراہم کرے گی۔

افراط زر کے دباؤ میں کمی کے اس رخ کے، مذکورہ بالا عمل کے پیش نظر، جاری رہنے کی توقع ہے اور اس دوران مالی سال میں اس کی شرح پھیلنے سے تخمینہ شدہ 11 فیصد سے 12 فیصد کی شرح کے کم تر بین مقام تک رہنے کی توقع ہے۔ جبکہ ایک مالی سال میں اس کی شرح میں مزید کمی کا اعادہ ہے۔ یہ سائے نمایاں افراط زر کو کسی ناگہانی یا ناپیدہ خطرے سے جو کہ سامان رمد میں رکھنا اور

روپے کی قدر میں فروشی سے رونما ہو سکتے ہیں، سے قطع نظر اختیار کیا گیا ہے۔ اگرچہ یہ اسٹیٹ بینک آف پاکستان کی افراط زر کو 5 فیصد سے 7 فیصد کی حد میں لانے کے درمیانی مدت کے مقاصد کے عین مطابق ہے۔

حکومت پاکستان کی جانب سے حال ہی میں اعلان کردہ 1200 ارب روپے کے ریلیف چیک جس میں ٹیکس کی قیمتوں میں نمایاں کمی، یومیہ اجرت پر کام کرنے والوں کے لیے وظیفہ، احساس پروگرام کے تحت نقد امداد کی فراہمی میں وسعت، یونیٹری بلز کی ادائیگیوں میں تاخیر اور یونیٹری سٹورز کارپوریشن کے لیے اضافی رقم کو مختص کرنے سے معاشرے کے کمزور ترین طبقے پر کووڈ-19 کے پھیلاؤ کے اثرات کو کم کرنے میں مدد حاصل ہوگی اور معاشرہ کاروبار کے لیے بھی ضروری تعاون فراہم کرے گی۔

اسٹیٹ بینک آف پاکستان نے جہاں پالیسی ریہٹ میں مجموعی طور پر 425 ٹی بی ایس کی کمی ہے وہاں مالی استحکام کے تحفظ اور سیال پیری اور قرض کی شرائط میں آسانیاں فراہم کرنے کے کئی اہم اقدامات بھی اٹھائے ہیں۔ جن میں مالیاتی خدمات تک رسائی، قرض پانڈگان کے لیے فراہمی میں بہتری، قرض کی ادائیگیوں میں آسانی، صنعت سازی کے شعبہ میں سرمایہ کاروں کو قرض کی دوبارہ فراہمی میں وسعت، ہسپتالوں اور میڈیکل سٹورز کو کووڈ-19 کی ٹیسٹنگ اور دیگر ضروری طبی سامان کی خریداری میں مدد اور کاروباروں کو اپنے ملازمین کی ملازمت کو برقرار رکھنے میں مدد فراہم کرنے کے لیے اگلی اجرت کی ادائیگی میں سہولت، برآمدکنندگان اور درآمدکنندگان کے لیے طریقہ کار میں آسانی جس میں کووڈ-19 سے متعلقہ درآمدات میں پیشگی ادائیگیوں میں سہولت، طویل مدت کے قرض کی سہولت کے لیے برآمدات کو عملی جامہ پہنانے کی مدت میں توسیع، درآمدات سے متعلقہ وصولیوں کے حصول میں توسیع اور اشیاء کی پیشگی ادائیگیوں کے تحت آمد کی سہولت شامل ہیں۔

اس سزے دور میں آپکا بینک، بینکاری کی خدمات کی بلا تعطل فراہمی کو یقینی بنانے کے لیے نئی فرہمیاتی عملیات اور ضروری طبی سامان کی فراہمی، کووڈ-19 کی مانگیرواہ سے پہلے کے اقدامات کی آگاہی اور تھیر، بینکاری کی ضرورت کو پورا کرنے کے لیے ڈیجیٹل پیمنٹس فروغ کے ساتھ معاشرے کے کمزور طبقے سے تعاون کے ذریعے، اپنے ایک ذمہ دار کارپوریٹ شہری کے مثبت کردار کو جاری رکھے ہوئے ہے۔ جس کے نتیجے میں آپ کے بینک نے لاک ڈاؤن کے پچھلے دنوں میں 20 ملین روپے تنخواہوں اور پیشینہ فز کی ادائیگیوں کے لیے استعمال کیے ہیں۔

اسٹیٹ بینک آف پاکستان کی مختلف مالیاتی سہولتوں کی سببوں کے تحت مستحق قرض پانڈگان کی ہر ممکن مدد اور اپنے قرض کے پورٹ فولیو کو درپیش کسی بھی خدشے کے تدارک کے لیے ان کی کڑی نگرانی کے عمل کو جاری رکھے ہوئے ہے۔ سال 2020ء میں بینکنگ کی صنعت کے لیے محدود آمدنی اور نمونے حوالے سے ایک مشکل سال ہے۔ بینک اپنی ڈیجیٹل بینکنگ کی خدمات میں مزید وسعت کی حکمت عملی کو ان غیر معمولی حالات کے مطابق اپنی کاروباری صلاحیت کے بہترین استعمال کا مکمل ادراک رکھتے ہوئے، جاری رکھے گا۔

اسٹیٹریٹنگ

دی پاکستان کریڈٹ ریٹنگ ایجنسی لیٹڈ (PACRA) نے الٹریٹریٹنگ کی طویل المدتی ریٹنگ کو "AAA" فریل اے پر جبکہ قلیل المدتی ریٹنگ کو "A1+" (اے ون پلس) کی اعلیٰ سطح پر برقرار رکھا ہے۔ یہ درجہ بنیادی بینک کی مضبوط صحتی سرمایہ کی بنیاد اور سیال پیری کے اعلیٰ معیار کو ظاہر کرتی ہیں۔

کارپوریٹ گورننس ریٹنگ:

دی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی لیٹڈ نے الٹریٹریٹنگ لیٹڈ کی کارپوریٹ گورننس کی درجہ بندی کو "CGR+9" کی سطح پر برقرار رکھا ہے۔ ریٹنگ کی یہ کارپوریٹ گورننس کے اعلیٰ ترین معیار اور بورڈ اور آپ کے بینک کی مینجمنٹ کے ایک مضبوط اور منظم گورننس کے نظام (فریم ورک) پر مسلسل یقین اور امداد کا مظہر ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بنیاد کو کارپوریٹ معلومات کے جزو میں درج کیا گیا ہے۔

غیر انتظامی ڈائریکٹرز (سوائے سائے جنہوں نے اجلاس کی فہم نہیلے کے اختیار کو اپنایا ہے) کو بورڈ یا اور اکی 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 سمجھوتہ ممکن ہے۔ جو ڈائریکٹر اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی مشاورات جن پر کمیٹیوں کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

حلیہ و حسیں

ہم الٹریٹریٹنگ کی جانب سے، اپنے قابل قدر صارفین اور معزز شیئر ہولڈرز سے الٹریٹریٹنگ پرائے اتحاد سکیورٹی اینڈ انچسٹریٹنگ میں پاکستان، اسٹیٹ بینک آف پاکستان اور دیگر انتظامی اداروں کا ان کی مسلسل رضامندی اور تعاون پر شکور ہیں۔ ہم صارفین کی توقعات پر پورا اترنے کے لیے اپنے سٹاف ممبروں کی مختلف محنت اور اس دہا کے دوران بہترین خدمت کی فراہمی اور بینک کے افراطی و مقاصد کے حصول کے لیے اگلی گن پر بھی نہایت شکرگزار ہیں۔

ہم اس عالمی دہا کے مقابلے میں بنی نو انسان کی صحت اور تحفظ کے لیے دعا گو ہیں

مخائب و ہراسے بورڈ آف ڈائریکٹرز

محمد عظیم بخاری
چیرمین بورڈ آف ڈائریکٹرز

طاہر حسن قریشی
چیف ایگزیکٹو آفیسر

لاہور

22 اپریل 2020ء

UNCONSOLIDATED **FINANCIAL STATEMENTS**

for the three months period ended March 31, 2020

Unconsolidated Statement of Financial Position

(Un-audited) as at March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	86,845,722	119,943,828
Balances with other banks	8	683,861	602,582
Lendings to financial institutions - net	9	33,525,365	13,606,921
Investments - net	10	673,807,907	757,956,993
Advances - net	11	461,522,727	485,015,881
Fixed assets	12	63,095,359	62,114,648
Intangible assets	13	2,450,635	1,969,051
Deferred tax assets		-	-
Other assets - net	14	40,898,262	39,911,348
		1,362,829,838	1,481,121,252
LIABILITIES			
Bills payable	16	7,370,601	7,878,626
Borrowings	17	157,603,048	266,448,386
Deposits and other accounts	18	1,041,880,546	1,049,043,032
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	3,614,931	5,898,310
Other liabilities	20	39,062,832	36,502,065
		1,249,531,958	1,365,770,419
NET ASSETS		113,297,880	115,350,833
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		22,129,244	22,270,225
Surplus on revaluation of assets - net of tax	22	22,542,399	25,808,658
Unappropriated profit		57,175,498	55,821,211
		113,297,880	115,350,833

CONTINGENCIES AND COMMITMENTS

23

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

Mehmud ul Hassan
Chief Financial Officer

Nazrat Bashir
Director

Tahir Hassan Qureshi
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Dr. Muhammad Akram Sheikh
Director

Unconsolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
Mark-up / return / interest earned	25	32,070,713	24,344,388
Mark-up / return / interest expensed	26	20,454,489	14,759,298
Net mark-up / interest income		11,616,224	9,585,090
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	1,543,192	1,386,295
Dividend income		377,709	429,252
Foreign exchange (loss) / income		(188,408)	630,434
Income from derivatives		-	-
Gain / (loss) on securities - net	28	1,101,310	(4,376)
Other income	29	15,863	95,224
Total non mark-up / interest income		2,849,666	2,536,829
Total income		14,465,890	12,121,919
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	7,014,321	5,914,062
Workers welfare fund		144,313	132,045
Other charges	31	45,394	30,044
Total non mark-up / interest expenses		7,204,028	6,076,151
Profit before provisions		7,261,862	6,045,768
Provisions / (reversals) and write offs - net	32	680,931	(203,754)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		6,580,931	6,249,522
Taxation	33	2,563,240	3,264,766
PROFIT AFTER TAXATION		4,017,691	2,984,756
In Rupees			
Basic and Diluted earnings per share	34	3.51	2.61

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	March 31, 2019
	Rupees in '000	
Profit after taxation for the period	4,017,691	2,984,756
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	(542,750)	72,499
Movement in deficit on revaluation of investments - net of tax	(3,214,671)	(493,353)
	(3,757,421)	(420,854)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
Movement in deficit on revaluation of non-banking assets - net of tax	(23,075)	-
	(23,075)	-
Total comprehensive income	237,195	2,563,902

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

Mehmud ul Hassan
Chief Financial Officer

Nazrat Bashir
Director

Tahir Hassan Qureshi
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Dr. Muhammad Akram Sheikh
Director

Unconsolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		6,580,931	6,249,522
Less: Dividend income		(377,709)	(429,252)
		6,203,222	5,820,270
Adjustments:			
Depreciation		899,499	803,325
Depreciation on right of use assets		434,554	-
Interest expense on lease liability		276,792	-
Amortization		62,527	109,773
Net provision / (reversals) and write offs	32	681,014	(154,198)
Unrealized gain / (loss) on revaluation of 'held-for-trading' securities		(178,781)	1,786
Provision for workers welfare fund - net		144,313	132,045
Gain on sale of fixed assets - net		(4,341)	(82,613)
		2,315,577	810,118
		8,518,799	6,630,388
(Increase) / decrease in operating assets			
Lendings to financial institutions		(19,918,444)	(111,954,485)
Held-for-trading securities		1,941,739	(3,886,665)
Advances		23,371,792	17,178,743
Other assets (excluding advance taxation)		(1,440,709)	(3,194,331)
		3,954,378	(101,856,738)
Increase / (decrease) in operating liabilities			
Bills payable		(508,025)	(450,330)
Borrowings		(109,037,255)	(135,914,149)
Deposits and other accounts		(7,162,486)	23,067,270
Other liabilities (excluding current taxation)		2,398,814	4,865,679
		(114,308,952)	(108,431,530)
		(101,835,775)	(203,657,880)
Income tax paid		(2,156,826)	(2,438,011)
Net cash flow used in operating activities		(103,992,601)	(206,095,891)
CASH FLOW FROM INVESTING ACTIVITIES			
Net realizations from 'available-for-sale' securities		76,591,747	197,380,945
Net (investments) / realizations from 'held-to-maturity' securities		(59,093)	19,541
Dividend received		149,826	74,567
Investments in fixed assets and intangible assets		(2,397,737)	(1,493,227)
Proceeds from sale of fixed assets		9,699	85,785
Effect of translation of net investment in foreign branches		(542,750)	72,499
Net cash flow generated from investing activities		73,751,692	196,140,110
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(688,626)	-
Dividend paid		(2,279,209)	(2,120,317)
Net cash flow used in financing activities		(2,967,835)	(2,120,317)
Effect of exchange rate changes on opening cash and cash equivalents		(1,591,583)	(282,770)
Decrease in cash and cash equivalents during the period		(34,800,327)	(12,358,868)
Cash and cash equivalents at beginning of the period		122,073,785	101,802,615
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		87,273,458	89,443,747

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the three months period ended March 31, 2020

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve		Surplus on revaluation of			Un-appropriated profit	Total
				General reserve	Investments	Fixed assets	Non-banking assets			
Rupees in '000										
Balance as at January 01, 2019 (Audited)	11,450,739	1,239,301	19,031,214	6,000	5,185,769	15,755,409	2,135,996	52,500,405	107,304,833	
Profit after taxation for the three months period ended March 31, 2019	-	-	-	-	-	-	-	2,984,756	2,984,756	
Other Comprehensive Income										
Deficit on revaluation of investments - net of tax	-	-	-	-	(493,353)	-	-	-	(493,353)	
Effect of translation of net investment in foreign branches	-	72,499	-	-	-	-	-	-	72,499	
	-	72,499	-	-	(493,353)	-	-	-	(420,854)	
Transfer to statutory reserve	-	-	298,476	-	-	-	-	(298,476)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(26,793)	-	26,793	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(557)	557	-	
Transactions with owners recognized directly in equity										
Final cash dividend for the year ended December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at March 31, 2019	11,450,739	1,311,800	19,329,690	6,000	4,692,416	15,728,616	2,135,439	52,923,887	107,578,587	
Profit after taxation for the nine months period ended December 31, 2019	-	-	-	-	-	-	-	11,128,155	11,128,155	
Other Comprehensive Income										
Surplus on revaluation of investments - net of tax	-	-	-	-	2,736,565	-	-	-	2,736,565	
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	770,648	-	770,648	
Re-measurement loss on defined benefit obligation-net of tax	-	-	-	-	-	-	-	(502,598)	(502,598)	
Effect of translation of net investment in foreign branches	-	509,920	-	-	-	-	-	-	509,920	
	-	509,920	-	-	2,736,565	-	770,648	(502,598)	3,514,535	
Transfer to statutory reserve	-	-	1,112,615	-	-	-	-	(1,112,615)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(79,891)	-	79,891	-	
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(9,729)	-	9,729	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,667)	1,667	-	
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(163,739)	163,739	-	
Transactions with owners, recognized directly in equity										
First interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Second interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Third interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)	
Balance as at December 31, 2019 (Audited)	11,450,739	1,821,720	20,442,505	6,000	7,428,981	15,638,996	2,740,681	55,821,211	115,350,833	
Profit after taxation for the three months period ended March 31, 2020	-	-	-	-	-	-	-	4,017,691	4,017,691	
Other Comprehensive Income										
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,214,671)	-	-	-	(3,214,671)	
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(23,075)	-	(23,075)	
Effect of translation of net investment in foreign branches	-	(542,750)	-	-	-	-	-	-	(542,750)	
	-	(542,750)	-	-	(3,214,671)	-	(23,075)	-	(3,780,496)	
Transfer to statutory reserve	-	-	401,769	-	-	-	-	(401,769)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(25,338)	-	25,338	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(3,175)	3,175	-	
Transactions with owners, recognized directly in equity										
Final cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at March 31, 2020	11,450,739	1,278,970	20,844,274	6,000	4,214,310	15,613,658	2,714,431	57,175,496	113,297,880	

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

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 1,386 (December 31, 2019: 1,393) branches in Pakistan including 117 (December 31, 2019: 117) Islamic banking branches, 1 branch (December 31, 2019: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2019: 1) in Bahrain.

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

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

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

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

2. BASIS OF PRESENTATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2020

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

- 2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in the financial statements of the Bank.
- 2.1.5 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2019.

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, 2019.

3.1 New Standards, Interpretations and amendments adopted by the Bank

The Bank has adopted the following new standards, interpretations and amendments to accounting standards that are effective in the current period:

- Amendments to IFRS 3 'Business Combinations'
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Changes in Accounting Estimates and Errors'.

The adoption of above standards, interpretations and amendments did not have any material effect on these unconsolidated condensed interim financial statements of the Bank.

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

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 01, 2021:

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – for Banks and DFIs, the effective date of the standard has been extended to annual periods beginning on or after January 01, 2021 vide SBP BPRD circular no. 4 dated October 23, 2019. 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 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. According to

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

SBP BPRD Circular Letter No. 15 dated March 26, 2020, the Banks / DFIs are required to have a parallel run of IFRS 9 from July 01, 2020 and are also required to prepare pro-forma financial statements which includes the impact of IFRS 9 for the year ended December 31, 2019.

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, 2019.

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:

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

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2019.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		23,992,387	13,645,304
Foreign currencies		1,868,837	1,008,793
		<u>25,861,224</u>	<u>14,654,097</u>
Remittances in transit		1,991,313	1,528,644
With State Bank of Pakistan (SBP) in			
Local currency current accounts		31,551,658	51,250,399
Foreign currency current account		54,021	91,812
Foreign currency deposit accounts (non-remunerative)		4,811,090	5,515,729
Foreign currency deposit accounts (remunerative)		14,374,731	16,509,764
		<u>50,791,500</u>	<u>73,367,704</u>
With National Bank of Pakistan in			
Local currency current accounts		8,018,358	30,059,400
Prize Bonds		183,327	333,983
		<u>86,845,722</u>	<u>119,943,828</u>
8 BALANCES WITH OTHER BANKS			
Outside Pakistan			
In current accounts		407,006	300,295
In deposit accounts		276,855	302,287
		<u>683,861</u>	<u>602,582</u>
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)		30,670,323	2,052,491
Musharaka lendings		-	1,000,000
Bai muajjal receivable with State Bank of Pakistan		892,711	2,704,142
Bai muajjal receivable with other financial institutions		1,962,331	7,850,288
Certificates of investment		70,000	70,000
		<u>33,595,365</u>	<u>13,676,921</u>
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		<u>33,525,365</u>	<u>13,606,921</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020		(Audited) December 31, 2019	
	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, 2020				(Audited) December 31, 2019			
	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	17,920,657	-	178,781	18,099,438	19,862,396	-	5,767	19,868,163
Available-for-sale securities								
Federal Government Securities*	600,981,630	(15,154)	4,365,487	605,331,963	677,300,056	(15,961)	1,689,073	678,973,168
Shares	23,077,894	(3,632,475)	1,784,914	21,230,333	24,349,646	(3,202,822)	9,686,372	30,833,196
Non Government Debt Securities	14,520,342	(21,071)	15,064	14,514,335	13,633,213	(21,071)	(37,667)	13,574,475
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	(4,988)	20,012	63,834	-	91,424	155,258
	639,642,558	(3,668,700)	6,160,477	642,134,335	716,384,441	(3,239,854)	11,429,202	724,573,789
Held-to-maturity securities								
Federal Government Securities	13,074,134	-	-	13,074,134	13,015,041	-	-	13,015,041
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	13,418,394	(344,260)	-	13,074,134	13,359,301	(344,260)	-	13,015,041
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	671,481,609	(4,012,960)	6,339,258	673,807,907	750,106,138	(3,584,114)	11,434,969	757,956,993

* 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, 2020

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
10.1.1 Investments given as collateral		
Market Treasury Bills	78,176,180	145,442,739
Pakistan Investment Bonds	185,452	48,417,010
GOP Foreign Currency Sukuks (US\$)	2,332,854	2,957,611
Total Investments given as collateral	80,694,486	196,817,360
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	3,584,114	2,654,539
Exchange adjustments	1,222	3,163
Charge / (reversals)		
Charge for the period / year	600,000	1,118,302
Reversals for the period / year	(21,017)	(139,161)
	578,983	979,141
Reversal on disposals	(151,359)	(52,729)
Closing Balance	4,012,960	3,584,114

	(Audited)			
	March 31, 2020		December 31, 2019	
	NPL	Provision	NPL	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due but impaired*	4,165,913	15,154	3,869,387	15,961
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
Total	4,531,244	380,485	4,234,718	381,292

* Provision represents expected credit loss provisioning in overseas branch.

The State Bank of Pakistan (SBP) has granted relaxation with respect to classification or provisioning vide SBP BPRD Circular Letter No. 13 of 2020 during the period ended March 31, 2020, however impairment was charged in line with accounting policy of the Bank.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at March 31, 2020 amounted to Rs. 11,512.3 million (December 31, 2019: Rs. 10,848.5 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	Performing		Non Performing		Total	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Rupees in '000							
11	ADVANCES						
	Loans, cash credits, running finances, etc.	442,048,368	467,845,262	14,439,233	14,450,873	456,487,601	482,296,135
	Islamic financing and related assets	39.3	15,186,121	12,615,228	-	15,186,121	12,615,228
	Bills discounted and purchased		3,682,710	3,853,892	1,401,305	5,084,015	5,256,937
	Advances - gross	11.1	460,917,199	484,314,382	15,840,538	476,757,737	500,168,300
	Provision against advances						
	Specific	11.2 & 11.3	-	-	(15,207,125)	(15,112,624)	(15,112,624)
	General	11.3	(27,885)	(39,795)	-	(27,885)	(39,795)
			(27,885)	(39,795)	(15,207,125)	(15,235,010)	(15,152,419)
	Advances - net of provision		460,889,314	484,274,587	633,413	461,522,727	485,015,881

(Audited)
March 31, 2020 December 31, 2019

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	463,664,990	484,420,108
	In foreign currencies	13,092,747	15,748,192
		476,757,737	500,168,300

11.2 Advances include Rs. 15,840,538 million (December 31, 2019: Rs. 15,853,918 million) which have been placed under non-performing status as detailed below:

	(Audited)	
	March 31, 2020	December 31, 2019
	Non Performing Loans	Specific Provision
	Non Performing Loans	Specific Provision
Rupees in '000		
Category of Classification:		
Domestic		
Other Assets Especially Mentioned	100,770	5,171
Substandard	395,212	98,148
Doubtful	481,500	240,750
Loss	14,863,056	14,863,056
Total	15,840,538	15,207,125

15,853,918 15,112,624

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020			(Audited) December 31, 2019		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
11.3 Particulars of provision against advances						
Opening balance	15,112,624	39,795	15,152,419	15,533,497	15,868	15,549,365
Exchange adjustments	-	1,759	1,759	-	(896)	(896)
Charge for the period / year	263,809	-	263,809	589,752	24,823	614,575
Reversals	(169,308)	(13,669)	(182,977)	(1,008,707)	-	(1,008,707)
	94,501	(13,669)	80,832	(418,955)	24,823	(394,132)
Amounts written off	-	-	-	(1,918)	-	(1,918)
Closing balance	15,207,125	27,885	15,235,010	15,112,624	39,795	15,152,419

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

	Note	(Audited)	
		March 31, 2020	December 31, 2019
Rupees in '000			
12 FIXED ASSETS			
Capital work-in-progress	12.1	3,821,009	2,991,144
Property and equipment		51,270,981	51,103,181
Right-of-Use Assets		8,003,369	8,020,323
		63,095,359	62,114,648

12.1 Capital work-in-progress

Civil works	3,068,228	2,219,464
Equipment	6,547	6,546
Advances to suppliers	746,234	765,134
	3,821,009	2,991,144

12.2 Additions to fixed assets

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

	March 31, 2020	March 31, 2019
Rupees in '000		
Capital work-in-progress	619,664	306,019
Property and equipment		
Freehold land	510,733	504,081
Leasehold land	-	25
Building on freehold land	15,854	117,079
Building on leasehold land	4,311	73,135
Furniture and fixture	91,848	72,236
Electrical office and computer equipment	329,720	367,566
Vehicles	40,759	233,706
Others-building improvements	30,633	159,582
	1,023,858	1,527,410
Right-of-Use Assets	383,722	-
Total	2,027,244	1,833,429

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2020

12.3 Disposal of fixed assets

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

	March 31, 2020	March 31, 2019
	Rupees in '000	
Furniture and fixture	200	64
Electrical office and computer equipment	1,062	1,596
Vehicles	4,096	1,386
Total	5,358	3,046

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
13 INTANGIBLE ASSETS		
Capital work-in-progress	894,768	644,315
Computer Software	1,555,867	1,324,736
Total	2,450,635	1,969,051

13.1 Capital work-in-progress

	March 31, 2020	December 31, 2019
Software	867,971	617,519
Advances to suppliers	26,797	26,796
Total	894,768	644,315

13.2 Additions to intangible assets

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

	March 31, 2020	March 31, 2019
	Rupees in '000	
Directly purchased	293,658	124,462
Capital work-in-progress	250,452	-
Total	544,110	124,462

13.3 Disposals of intangible assets

No intangible assets disposed off during the period.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency	18,351,224	20,573,788
	Income / Mark-up accrued in foreign currency	201,779	245,676
	Advances, deposits, advance rent and other prepayments	1,470,314	888,144
	Advance taxation (payments less provisions)	3,194,533	3,817,847
	Non-banking assets acquired in satisfaction of claims	1,607,220	1,609,193
	Mark to market gain on forward foreign exchange contracts	3,188,133	-
	Acceptances	5,196,295	5,182,716
	Due from the employees' retirement benefit schemes		
	Pension fund	4,565,297	4,440,411
	Fraud and forgeries	510,470	524,357
	Stationery and stamps in hand	337,399	286,343
	Overdue Foreign Bills Negotiated / Discounted	118,764	97,601
	Home Remittance Cell agent receivable	114,156	93,978
	Receivable from SBP - customers encashments	667	6,033
	Charges receivable	27,277	32,329
	Suspense Account	279	1,387
	Others	38,094	96,535
		38,921,901	37,896,338
	Less: Provision held against other assets	14.1 (860,724)	(862,460)
	Other assets (net of provision)	38,061,177	37,033,878
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,837,085	2,877,470
	Other Assets - Total	40,898,262	39,911,348

14.1 Provision held against other assets

	Advances, deposits, advance rent and other prepayments	125,014	120,584
	Provision against fraud and forgeries	510,470	524,357
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,277	32,327
	Suspense account	6,453	6,453
	Others	167,215	154,444
		860,724	862,460

14.1.1 Movement in provision held against other assets

	Opening balance	862,460	787,203
	Charge for the period / year	15,003	213,529
	Reversals	(505)	(112,865)
	Net charge	14,498	100,664
	Written off / adjusted	(16,234)	(25,407)
	Closing balance	860,724	862,460

15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2020 and December 31, 2019.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
16	BILLS PAYABLE		
	In Pakistan	7,370,601	7,878,626
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	78,041,100	170,120,570
	Under Export Refinance Scheme	23,470,353	22,523,266
	Under Long Term Financing Facility	23,413,769	21,852,621
		124,925,222	214,496,457
	Repurchase agreement borrowings from Financial Institutions	2,332,854	26,585,287
	Total Secured	127,258,076	241,081,744
	Unsecured		
	Call borrowings	30,027,289	24,602,435
	Overdrawn nostro accounts	256,125	64,207
	Musharakah borrowings	-	700,000
	Other borrowings	61,558	-
	Total Unsecured	30,344,972	25,366,642
		157,603,048	266,448,386

	(Audited)						
	March 31, 2020			December 31, 2019			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
18	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	305,020,459	27,998,885	333,019,344	327,547,304	20,719,488	348,266,792
	Savings deposits	428,927,031	15,906,550	444,833,581	403,489,789	21,019,875	424,509,664
	Term deposits	114,193,479	55,245,898	169,439,377	107,203,269	63,293,352	170,496,621
	Others	16,237,865	33,193	16,271,058	19,207,173	30,890	19,238,063
		864,378,834	99,184,526	963,563,360	857,447,535	105,063,605	962,511,140
	Financial Institutions						
	Current deposits	42,010,539	23,098	42,033,637	39,711,458	41,039	39,752,497
	Savings deposits	36,084,434	-	36,084,434	33,722,513	-	33,722,513
	Term deposits	150,350	43,344	193,694	10,011,200	40,261	10,051,461
	Others	5,421	-	5,421	3,005,421	-	3,005,421
		78,250,744	66,442	78,317,186	86,450,592	81,300	86,531,892
		942,629,578	99,250,968	1,041,880,546	943,898,127	105,144,905	1,049,043,032

- 18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 628,087 million for December 31, 2019 (December 31, 2018: 585,901 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
19 DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on			
Provision against investments		(19,093)	(19,093)
Provision against other assets		(38,959)	(38,959)
Provision against off balance sheet obligations		(14,824)	(14,824)
Provision against advances		(163,694)	(115,184)
Post retirement medical benefits		(42,980)	(42,980)
Workers welfare fund		(571,489)	(520,980)
		(851,039)	(752,020)
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		1,077,819	1,091,465
Surplus on revaluation of investments		1,946,167	4,000,221
Surplus on revaluation on non-banking assets		122,655	136,789
Actuarial gains		68,002	68,002
Accelerated tax depreciation / amortization		1,238,121	1,340,647
Excess of investment in finance lease over written down value of leased assets		13,206	13,206
		4,465,970	6,650,330
		3,614,931	5,898,310
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		10,320,682	4,323,269
Mark-up / return / interest payable in foreign currencies		670,064	519,548
Accrued expenses		1,967,034	1,544,570
Retention money payable		352,400	342,559
Unearned commission and income on bills discounted		132,501	115,745
Acceptances		5,196,295	5,182,716
Unclaimed dividends		340,266	330,514
Dividend payable		24,745	23,558
Branch adjustment account		1,452,709	41,140
Unrealized loss on forward foreign exchange contracts		-	2,714,153
Provision for:			
Gratuity		606,906	606,906
Employees' medical benefits		1,363,844	1,365,237
Employees' compensated absences		662,981	668,547
Early retirement		375,271	337,527
Payable to defined contribution plan		37,188	84,946
Provision against off-balance sheet obligations	20.1	319,744	313,043
Security deposits against lease		706,101	712,112
ATM / Point of Sale settlement account		205,841	1,243,494
Charity fund balance		27	15
Home Remittance Cell overdraft		383,502	490,972
With-holding tax payable		274,324	2,345,071
Sundry deposits		2,502,693	2,451,078
Workers welfare fund payable		1,632,827	1,488,514
Present value of lease liability		8,745,715	8,555,677
Others		789,172	701,154
		39,062,832	36,502,065

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

		(Audited)	
		March 31, 2020	December 31, 2019
Rupees in '000			
20.1	Provision against off-balance sheet obligations		
	Opening balance	313,043	306,342
	Charge for the period / year	6,701	6,701
	Reversals	-	-
		6,701	6,701
	Closing balance	319,744	313,043
		(Audited)	
		March 31, 2020	December 31, 2019
Rupees in '000			
21	SHARE CAPITAL		
21.1	Authorized capital		
		1,500,000,000	1,500,000,000
		Ordinary shares of Rs.10/- each	15,000,000
			15,000,000
21.2	Issued, subscribed and paid-up capital		
	Fully paid-up Ordinary shares of Rs. 10/- each		
	406,780,094	406,780,094	Fully paid in cash
			4,067,801
			4,067,801
	720,745,186	720,745,186	Issued as bonus shares
			7,207,452
			7,207,452
	1,127,525,280	1,127,525,280	
			11,275,253
			11,275,253
	9,148,550	9,148,550	18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)
			91,486
			91,486
	8,400,000	8,400,000	8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.
			84,000
			84,000
	1,145,073,830	1,145,073,830	
			11,450,739
			11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2019: 972,510,410 (84.93%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		16,691,478	16,730,460
Non-banking assets acquired in satisfaction of claims		2,837,085	2,877,470
Available-for-sale securities		6,160,477	11,429,202
		25,689,040	31,037,132
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,077,820)	(1,091,464)
Non-banking assets acquired in satisfaction of claims		(122,654)	(136,789)
Available-for-sale securities		(1,946,167)	(4,000,221)
		(3,146,641)	(5,228,474)
Surplus on revaluation of assets - net of tax		22,542,399	25,808,658

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	37,928,728	32,308,285
Commitments	23.2	435,549,290	423,987,452
Other contingent liabilities	23.3	8,923,603	8,923,603
		482,401,621	465,219,340

23.1 Guarantees

Financial guarantees		8,623,829	4,594,077
Performance guarantees		5,677,567	5,508,570
Other guarantees		23,627,332	22,205,638
		37,928,728	32,308,285

23.2 Commitments

Documentary credits and short term trade related transactions:

letters of credit		42,970,302	60,392,362
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	382,856,602	358,881,918
forward government securities transactions	23.2.2	6,448,670	513,938
Commitments for acquisition of:			
fixed assets		3,270,815	4,199,234
intangible assets		2,901	-
		435,549,290	423,987,452

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		234,893,385	220,381,401
Sale		147,963,217	138,500,517
		382,856,602	358,881,918

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	49,297	464,217
Sale	6,399,373	49,721
	6,448,670	513,938
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	8,923,603	8,923,603

23.3.2 The income tax assessments of the Bank are finalized upto and including tax year 2019 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2019, income tax authorities made certain add backs with aggregate tax impact of Rs.25,455 million (December 31, 2019: 25,455 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 and references before higher forums against unfavorable decisions. Pending finalization of appeals and references no provision is made by the Bank on aggregate sum of Rs. 25,455 million (December 31, 2019: 25,455 million). The management is confident that the outcome of these appeals and 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 (December 31, 2019: 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 is made against the said demand of Rs. 1,700 million (December 31, 2019: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (December 31, 2019: 963 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 963 million (December 31, 2019: 963 million).

23.3.3 As a result of default by Fateh Textile Mills in complying with the terms of compromise decree passed in August 2002 by the Honourable High Court of Sindh, 16,376,106 shares of ABL were sold in accordance with section 19 (3) of the Financial Institutions (Recovery of Finances) Ordinance, 2001, after complying with the due and complete transparent process. Sealed bids were invited from interested parties. The bidding process was scheduled for July 23, 2004 and Rs. 25 per share was fixed reserve price. On the bid date, the highest offer for these shares was received at a rate of Rs. 25.51 per share. The bid was approved and the successful bidder had deposited an amount of Rs. 417.75 million with the Bank.

Fateh Textile Mills Limited filed suit in the High Court of Sindh challenging the above sale of shares. The High Court had not granted a stay order against the said sale. The sale of shares was, therefore, concluded.

23.3.4 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

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2020

decide the appeals. Subsequently, the earlier CPs were disposed of vide order dated January 15, 2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department was restrained from taking any coercive action against the Bank. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision is made against the impugned penalty.

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies used to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2019.

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
25 MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		14,058,848	10,635,991
Investments		17,206,404	9,280,550
Lendings to financial institutions		759,098	4,355,274
Balances with banks		46,363	72,573
		<u>32,070,713</u>	<u>24,344,388</u>
26 MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		16,927,261	11,882,441
Borrowings		1,554,888	2,190,195
Cost of foreign currency swaps against foreign currency deposits		1,695,548	686,662
Interest expense on lease liability		276,792	-
		<u>20,454,489</u>	<u>14,759,298</u>
27 FEE AND COMMISSION INCOME			
Card related fees (debit and credit cards)		521,215	374,596
Branch banking customer fees		340,796	340,285
Commission on remittances including home remittances		196,644	229,384
Investment banking fees		265,392	251,824
Commission on trade		84,921	85,965
Commission on cash management		44,522	28,075
Commission on guarantees		41,335	24,114
Commission on bancassurance		35,843	30,368
Credit related fees		11,480	20,609
Consumer finance related fees		1,044	1,075
		<u>1,543,192</u>	<u>1,386,295</u>
28 GAIN / (LOSS) ON SECURITIES			
Realised - net	28.1	922,529	(2,590)
Unrealised - held for trading	10.1	178,781	(1,786)
		<u>1,101,310</u>	<u>(4,376)</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	March 31, 2019
	Rupees in '000	
28.1 Realised gain / (loss) on:		
Federal government securities	480,201	(1,161)
Shares	353,675	(1,237)
Non Government debt securities	(137)	(192)
Open ended mutual funds	88,790	-
	922,529	(2,590)
29 OTHER INCOME		
Recovery of written off mark-up and charges	226	107
Gain on sale of fixed assets - net	4,341	82,845
Other assets disposal	6,586	10,389
Rent on property	1,787	1,178
Fee for attending Board meetings	412	705
Gain on disposal of Islamic financing and related assets	2,511	-
	15,863	95,224
30 OPERATING EXPENSES		
Total compensation expense	3,316,330	2,866,655
Property expense:		
Depreciation	1,035,032	560,010
Rent and taxes	51,734	500,226
Utilities cost	241,208	198,540
Security (including guards)	242,689	191,756
Repair and maintenance (including janitorial charges)	197,952	116,476
Insurance	18,433	16,908
	1,787,048	1,583,916
Information technology expenses:		
Depreciation	191,988	155,786
Amortization	62,527	109,773
Network charges	161,826	129,822
Software maintenance	87,585	89,492
Hardware maintenance	58,954	29,980
Others	1,562	1,678
	564,442	516,531
Other operating expenses:		
Insurance	293,255	243,258
Outsourced service costs	192,752	140,294
Stationery and printing	103,117	101,258
Cash in Transit service charge	114,408	85,149
Marketing, advertisement and publicity	275,575	59,979
Depreciation	58,136	50,870
Travelling and conveyance	57,794	32,088
Postage and courier charges	37,159	30,164
NIFT clearing charges	31,650	27,972
Communication	21,752	22,458
Legal and professional charges	27,764	21,747
Auditors Remuneration	5,331	7,234
Directors fees and allowances	6,991	5,204
Fees and allowances to Shariah Board	1,515	1,514
Training and development	16,380	14,971
Donations	8,631	1,596
Others	94,291	101,204
	1,346,501	946,960
	7,014,321	5,914,062

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		277	-
Education cess		11,751	-
Depreciation - non-banking assets		8,366	4,959
Others		25,000	25,000
Other assets written off		-	85
		<u>45,394</u>	<u>30,044</u>
32 PROVISIONS AND WRITE OFFS - NET			
Provision for diminution in the value of investments	10.2.1	578,983	7,314
Provision / (reversal) against loans and advances	11.3	80,832	(176,067)
Provision against other assets	14.1.1	14,498	14,555
Provision against off-balance sheet obligations	20.1	6,701	-
Bad debts written off directly		-	-
		681,014	(154,198)
Recovery of written off bad debts		(83)	(49,556)
		<u>680,931</u>	<u>(203,754)</u>

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
33 TAXATION			
Current - for the period	33.1	2,778,431	2,574,885
- for prior year		-	834,833
		2,778,431	3,409,718
Deferred - current		(215,191)	(144,952)
		<u>2,563,240</u>	<u>3,264,766</u>

33.1 This also includes proportionate super tax charge of Rs. 288.626 million, levied on taxable income of the Bank for the tax year 2021 vide Finance Supplementary (Second Amendment) Act, 2019.

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
34 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation		<u>4,017,691</u>	<u>2,984,756</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>3.51</u>	<u>2.61</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, 2020

	March 31, 2020			(Audited) December 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees in '000					
35.1 Fair value of non-financial assets						
Fixed assets	-	46,826,676	-	41,974,966	-	41,974,966
Non-banking assets	-	4,444,305	-	4,486,663	-	4,486,663

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

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV 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.

	March 31, 2020					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
36 SEGMENT INFORMATION						
36.1 Segment Details with respect to Business Activities						
Profit & Loss						
Net mark-up/return/profit	12,746,487	(15,803,297)	14,355,605	487,708	(170,279)	11,616,224
Inter segment revenue - net	(12,676,508)	26,791,823	(13,579,493)	-	(535,822)	-
Non mark-up / return / interest income	1,370,182	938,152	471,234	47,449	22,649	2,849,666
Total Income	1,440,161	11,926,678	1,247,346	535,157	(683,452)	14,465,890
Segment direct expenses	138,282	3,893,895	31,846	318,181	2,821,824	7,204,028
Total expenses	138,282	3,893,895	31,846	318,181	2,821,824	7,204,028
Provisions	(781,003)	(44,637)	-	(9)	144,718	(680,931)
Profit before tax	520,876	7,988,146	1,215,500	216,967	(3,360,558)	6,580,931
Balance Sheet						
Cash & Bank balances	161,990	31,127,810	43,763,042	2,377,941	10,098,800	87,529,583
Investments	36,768,631	-	622,892,170	13,647,106	500,000	673,807,907
Net inter segment lending	(397,242,009)	978,685,093	(602,439,047)	(260,734)	21,256,697	-
Lendings to financial institutions	10,416,147	-	30,670,323	2,855,042	(10,416,147)	33,525,365
Advances - performing	416,481,759	20,568,468	-	15,186,121	8,680,851	460,917,199
Advances - non-performing	505,475	348,356	-	-	14,986,707	15,840,538
Provision against advances	(222,876)	(158,400)	-	(30)	(14,853,704)	(15,235,010)
Advances - net	416,764,358	20,758,424	-	15,186,091	8,813,854	461,522,727
Others	7,995,728	9,307,165	3,729,667	2,856,407	82,555,289	106,444,256
Total Assets	74,864,845	1,039,878,492	98,616,155	36,661,853	112,808,493	1,362,829,838
Borrowings	68,989,566	2,368,051	95,661,579	1,000,000	(10,416,148)	157,603,048
Deposits & other accounts	-	1,010,075,709	-	29,869,537	1,935,300	1,041,880,546
Net inter segment borrowing	-	-	-	-	-	-
Others	1,728,190	20,197,985	(4,195,339)	2,185,046	30,132,482	50,048,364
Total liabilities	70,717,756	1,032,641,745	91,466,240	33,054,583	21,651,634	1,249,531,958
Equity / Reserves	4,147,089	7,236,747	7,149,915	3,607,270	91,156,859	113,297,880
Total Equity and liabilities	74,864,845	1,039,878,492	98,616,155	36,661,853	112,808,493	1,362,829,838
Contingencies and commitments	59,690,248	13,432,517	389,305,272	7,744,081	12,229,503	482,401,621

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2019					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	9,722,909	(10,920,833)	10,408,464	281,609	92,941	9,585,090
Inter segment revenue - net	(9,764,229)	20,095,427	(10,293,130)	-	(38,068)	-
Non mark-up / return / interest income	944,393	822,725	633,101	35,218	101,392	2,536,829
Total Income	903,073	9,997,319	748,435	316,827	156,265	12,121,919
Segment direct expenses	141,294	3,641,543	27,973	287,586	1,977,755	6,076,151
Inter segment expense allocation	-	-	-	-	-	-
Total expenses	141,294	3,641,543	27,973	287,586	1,977,755	6,076,151
Provisions	78,685	(14,698)	-	-	139,767	203,754
Profit before tax	840,464	6,341,078	720,462	29,241	(1,681,723)	6,249,522
December 31, 2019 (Audited)						
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	59,821	51,303,207	61,984,899	2,045,240	5,153,243	120,546,410
Investments	47,128,653	-	697,876,038	12,452,302	500,000	757,956,993
Net inter segment lending	(413,717,279)	972,381,940	(557,387,800)	159,062	(1,435,923)	-
Lendings to financial institutions	4,753,821	-	2,052,492	11,554,430	(4,753,822)	13,606,921
Advances - performing	437,660,414	25,631,709	-	12,615,228	8,407,031	484,314,382
Advances - non-performing	511,117	461,688	-	-	14,881,113	15,853,918
Provision against advances	(127,779)	(205,889)	-	(20)	(14,818,731)	(15,152,419)
Advances - net	438,043,752	25,887,508	-	12,615,208	8,469,413	485,015,881
Others	7,072,635	8,706,936	7,215,579	2,752,910	78,246,987	103,995,047
Total Assets	83,341,403	1,058,279,591	211,741,208	41,579,152	86,179,898	1,481,121,252
Borrowings	63,149,483	2,415,660	203,936,638	1,700,000	(4,753,395)	266,448,386
Deposits & other accounts	-	1,012,571,004	-	34,389,411	2,082,617	1,049,043,032
Others	2,413,361	16,402,958	1,917,549	2,143,144	27,401,989	50,279,001
Total liabilities	65,562,844	1,031,389,622	205,854,187	38,232,555	24,731,211	1,365,770,419
Equity / Reserves	17,778,559	26,889,969	5,887,021	3,346,597	61,448,687	115,350,833
Total Equity and liabilities	83,341,403	1,058,279,591	211,741,208	41,579,152	86,179,898	1,481,121,252
Contingencies and commitments	78,732,154	12,055,398	359,395,856	1,907,886	13,128,046	465,219,340

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

37 RELATED PARTY TRANSACTIONS

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

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

	(Audited)													
	March 31, 2020					December 31, 2019								
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
Rupees in 1000														
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	-	-	25,000	-	-	-	500,000	351	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	(651)	-	-
Closing balance	-	-	-	500,000	-	-	25,000	-	-	-	500,000	-	-	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	4,764	196,884	-	-	-	575	-	8,704	264,404	-	-	-	593
Addition during the period/year	-	1,502	15,125	-	-	-	1,752	-	25,719	97,754	-	-	-	9,129
Repaid during the period/year	-	(2,003)	(31,111)	-	-	-	(1,619)	-	(29,659)	(165,274)	-	-	-	(9,147)
Closing balance	-	4,263	180,898	-	-	-	708	-	4,764	196,884	-	-	-	575

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020						(Audited) December 31, 2019							
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
	Rupees in '000													
Other Assets														
Interest / mark-up accrued	-	6,516	69,420	-	-	-	-	-	7,860	69,367	-	-	-	3,705,491
Receivable from staff retirement fund	-	-	-	3,904,579	-	-	-	-	-	-	7,348	-	-	-
Other receivable	-	-	-	7,653	-	-	-	-	-	-	-	-	-	-
Borrowings														
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts														
Opening balance	2,849	357,194	34,632	32,135	123,315	-	16,907,899	1,784	24,424	70,387	42,628	82,381	-	18,286,008
Received during the period/year	1,993,612	27,182	126,023	350,481	984,773	-	72,576,147	8,594,379	1,824,926	524,039	1,009,775	7,718,711	-	247,333,950
Withdrawn during the period/year	(1,995,775)	(328,675)	(127,423)	(361,114)	(1,097,680)	-	(88,975,673)	(8,593,314)	(1,492,156)	(559,794)	(1,020,268)	(7,677,777)	-	(248,692,059)
Closing balance	666	55,701	33,232	21,502	10,408	-	20,508,373	2,849	357,194	34,632	32,135	123,315	-	16,907,899
Other Liabilities														
Interest / mark-up payable	-	1,579	148	-	-	-	103,021	-	-	-	-	599	-	116,997

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

37.1 RELATED PARTY TRANSACTIONS

	March 31, 2020				March 31, 2019									
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
	Rupees in '000													
Income														
Mark-up/return/interest earned	-	155	3,956	-	-	-	-	-	74	4,301	-	-	-	-
Fee and commission income	1	-	22	2,154	2	-	202	-	2	20	2,189	18	-	172
Net gain on sale of securities	-	-	10	-	-	-	3,354	-	-	-	-	-	-	421
Rental income	-	-	-	1,787	-	-	-	-	-	-	1,178	-	-	-
Other income	-	-	-	4,429	-	-	-	-	-	-	-	-	-	-
Expense														
Mark-up/return/interest paid	-	2,402	171	1,106	117	-	306,621	-	566	159	527	316	-	178,436
Directors meeting fee	-	6,750	-	-	-	-	-	-	4,900	-	-	-	-	-
Remuneration	-	8,250	59,044	-	-	-	-	-	7,460	60,537	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	110	-
Rent expense**	-	-	-	-	3,508	-	-	-	-	-	-	3,403	-	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance premium paid	-	39	211	-	-	-	56,661	-	25	61	-	-	-	14,390

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	(Audited)	
	March 31, 2020	December 31, 2019
	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	81,885,566	80,480,270
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	81,885,566	80,480,270
Eligible Tier 2 Capital	17,009,761	22,351,157
Total Eligible Capital (Tier 1 + Tier 2)	98,895,327	102,831,427
Risk Weighted Assets (RWAs):		
Credit Risk	312,216,964	345,902,918
Market Risk	34,249,278	44,703,919
Operational Risk	83,485,603	83,485,603
Total	429,951,845	474,092,440
Common Equity Tier 1 Capital Adequacy ratio	19.05%	16.98%
Tier 1 Capital Adequacy Ratio	19.05%	16.98%
Total Capital Adequacy Ratio	23.00%	21.69%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	81,885,566	80,480,270
Total Exposures	1,546,906,434	1,798,987,646
Leverage Ratio	5.29%	4.47%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	461,992,734	460,376,621
Total Net Cash Outflow	292,197,903	274,294,059
Liquidity Coverage Ratio	158.11%	167.84%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	996,263,909	1,007,506,800
Total Required Stable Funding	604,263,087	703,906,177
Net Stable Funding Ratio	164.87%	143.13%

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2020

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2019: 117 and March 31, 2019: 117) Islamic Banking Branches and 60 (December 31, 2019: 60 and March 31, 2019: 10) Islamic Banking Windows at the end of the period.

		March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		2,312,322	1,985,765
Balances with other banks		65,619	59,475
Due from financial institutions	39.1	2,855,042	11,554,430
Investments	39.2	13,647,106	12,452,302
Islamic financing and related assets - net	39.3	15,186,091	12,615,208
Fixed assets		1,958,454	2,041,413
Intangible assets		732	764
Due from Head Office		-	159,062
Other assets		897,221	710,733
		36,922,587	41,579,152
LIABILITIES			
Bills payable		242,033	164,687
Due to financial institutions		1,000,000	1,700,000
Deposits and other accounts	39.4	29,869,537	34,389,411
Due to Head Office		260,734	-
Subordinated debt		-	-
Other liabilities		1,943,013	1,978,457
		33,315,317	38,232,555
NET ASSETS		3,607,270	3,346,597
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		(305)	(305)
Surplus on revaluation of assets		120,194	76,488
Accumulated losses	39.5	(612,619)	(829,586)
		3,607,270	3,346,597
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	March 31, 2019
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended March 31, 2020 is as follows:		
Profit / return earned	39.7	1,053,152
Profit / return expensed	39.8	565,444
Net Profit / return	487,708	281,609
OTHER INCOME		
Fee and commission income	45,679	38,636
Dividend income	-	-
Foreign exchange income / (loss)	1,000	(3,464)
Loss on securities	(1,797)	(203)
Other income	2,567	249
Total other income	47,449	35,218
Total income	535,157	316,827
OTHER EXPENSES		
Operating expenses	318,181	287,586
Workers Welfare Fund	-	-
Other charges	-	-
Total other expenses	318,181	287,586
Profit / (loss) before provisions	216,976	29,241
Provisions and write offs - net	9	-
PROFIT BEFORE TAXATION	216,967	29,241
Taxation	-	-
PROFIT AFTER TAXATION	216,967	29,241

	(Audited)					
	March 31, 2020			December 31, 2019		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
39.1 Due from Financial Institutions						
Bai Muajjal Receivable from other Financial Institutions	1,962,331	-	1,962,331	7,850,288	-	7,850,288
Bai Muajjal Receivable from State Bank of Pakistan	892,711	-	892,711	2,704,142	-	2,704,142
Musharaka Lending	-	-	-	1,000,000	-	1,000,000
	2,855,042	-	2,855,042	11,554,430	-	11,554,430

	(Audited)							
	March 31, 2020				December 31, 2019			
	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	1,972,143	-	29,357	2,001,500	876,500	-	(8,765)	867,735
-Other Federal Securities	2,368,375	-	-	2,368,375	2,300,521	-	-	2,300,521
	4,340,518	-	29,357	4,369,875	3,177,021	-	(8,765)	3,168,256
Non Government Debt Securities								
-Listed	2,210,336	-	21,494	2,231,830	2,222,735	-	15,910	2,238,645
-Unlisted	7,045,401	-	-	7,045,401	7,045,401	-	-	7,045,401
	9,255,737	-	21,494	9,277,231	9,268,136	-	15,910	9,284,046
Total Investments	13,596,255	-	50,851	13,647,106	12,445,157	-	7,145	12,452,302

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah	280,417	294,553
Istisna	535,979	504,728
Murabaha	13,794	114,409
Islamic Export Re-finance - Business Musharakah	1,000,000	1,000,000
Diminishing Musharaka	4,681,610	3,200,020
Finance against Dishonored Bills	-	309,737
Business Musharka - Financings	8,233,293	6,752,116
Staff Ijarah	340,414	348,929
Staff Diminishing Musharakah	100,614	90,736
Gross Islamic financing and related assets	15,186,121	12,615,228
Less: provision against Islamic financings		
- Specific	-	-
- General	30	20
	30	20
Islamic financing and related assets - net of provision	15,186,091	12,615,208
39.4 Deposits		
Current deposits	6,409,457	6,015,518
Savings deposits	14,427,297	11,754,139
Term deposits	1,488,492	1,518,756
Other deposits	1,875,397	2,089,570
	24,200,643	21,377,983
Financial Institutions		
Current deposits	4,663	5,057
Savings deposits	5,664,231	8,196,371
Term deposits	-	4,810,000
Other deposits	-	-
	5,668,894	13,011,428
	29,869,537	34,389,411
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	(829,586)	(906,202)
Add: Islamic Banking profit / (loss) for the period	216,967	76,616
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	(612,619)	(829,586)
39.6 Contingencies and Commitments		
-Guarantees	4,214,304	200,370
-Commitments	3,369,100	1,660,217
-Other contingencies	160,677	47,299
	7,744,081	1,907,886

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	March 31, 2019
	Rupees in '000	
39.7 Profit/Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	473,994	176,005
Investments	565,871	267,787
Placements	13,287	123,002
	<u>1,053,152</u>	<u>566,794</u>
39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	420,739	118,862
Due to Financial Institutions	13,463	122,579
Profit paid on Musharaka borrowings	93,292	43,331
Profit paid on Mudaraba borrowings	652	256
Other profit expenses	375	157
Other expenses (IFRS-16)	36,923	-
	<u>565,444</u>	<u>285,185</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 The Board of Directors of the Bank in its meeting held on April 22, 2020 has proposed interim cash dividend for the quarter ended March 31, 2020 of Rs. 2.00 per share (March 31, 2019: cash dividend Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2020 do not include the effect of these appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2020.

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 22, 2020 by the Board of Directors of the Bank.

Mehmud ul Hassan
Chief Financial Officer

Nazrat Bashir
Director

Tahir Hassan Qureshi
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Dr. Muhammad Akram Sheikh
Director

CONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2020

Consolidated Statement of Financial Position

(Un-audited) as at March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	86,836,840	119,935,126
Balances with other banks	8	683,861	602,582
Lendings to financial institutions - net	9	33,525,365	13,606,921
Investments - net	10	675,329,806	759,654,427
Advances - net	11	461,570,546	485,051,568
Fixed assets	12	63,212,805	62,240,062
Intangible assets	13	2,457,286	1,975,898
Deferred tax assets		-	-
Other assets - net	14	41,342,205	40,316,857
		1,364,958,714	1,483,383,441
LIABILITIES			
Bills payable	16	7,370,601	7,878,626
Borrowings	17	157,603,048	266,448,386
Deposits and other accounts	18	1,041,859,044	1,049,018,804
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	3,580,199	5,912,375
Other liabilities	20	39,514,691	36,913,696
		1,249,927,583	1,366,171,887
NET ASSETS		115,031,131	117,211,554
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		22,129,244	22,270,225
Surplus on revaluation of assets - net of tax	22	22,542,399	25,808,658
Unappropriated profit		58,908,749	57,681,932
		115,031,131	117,211,554

CONTINGENCIES AND COMMITMENTS

23

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
Mark-up / return / interest earned	25	32,071,244	24,344,612
Mark-up / return / interest expensed	26	20,455,226	14,758,771
Net mark-up / interest income		11,616,018	9,585,841
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	1,718,614	1,532,528
Dividend income		387,673	429,389
Foreign exchange (loss) / income		(188,408)	630,434
Income from derivatives		-	-
Gain on securities - net	28	869,469	77,373
Other income	29	14,076	94,046
Total non-markup / interest income		2,801,424	2,763,770
Total Income		14,417,442	12,349,611
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	7,118,552	6,007,698
Workers welfare fund		144,313	134,726
Other charges	31	45,394	30,044
Total non-markup / interest expenses		7,308,259	6,172,468
Profit before provisions		7,109,183	6,177,143
Provisions / (reversals) and write offs - net	32	680,931	(203,754)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		6,428,252	6,380,897
Taxation	33	2,538,031	3,286,923
PROFIT AFTER TAXATION		3,890,221	3,093,974
In Rupees			
Basic and Diluted earnings per share	34	3.40	2.70

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	March 31, 2019
	Rupees in '000	
Profit after taxation for the period	3,890,221	3,093,974
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	(542,750)	72,499
Movement in deficit on revaluation of investments - net of tax	(3,214,671)	(493,353)
	(3,757,421)	(420,854)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of non-banking assets - net of tax	(23,075)	-
	(23,075)	-
Total Comprehensive Income	109,725	2,673,120

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

Mehmud ul Hassan
Chief Financial Officer

Nazrat Bashir
Director

Tahir Hassan Qureshi
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Dr. Muhammad Akram Sheikh
Director

Consolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		6,428,252	6,380,897
Less: Dividend income		(387,673)	(429,252)
		6,040,579	5,951,645
Adjustments:			
Depreciation		865,814	804,877
Depreciation on right of use assets		434,554	-
Interest expense on lease liability		280,476	-
Amortization		64,094	110,557
Net provision / (reversals) and write offs	32	681,014	(154,198)
Unrealized gain / (loss) on revaluation of 'held-for-trading' securities		293,130	(34,236)
Provision for workers welfare fund - net		144,313	134,726
Gain on sale of fixed assets - net		(3,235)	(83,363)
		2,760,160	778,363
		8,800,739	6,730,008
(Increase) / decrease in operating assets			
Lendings to financial institutions		(19,918,444)	(111,954,485)
Held-for-trading securities		1,998,044	(3,932,392)
Advances		23,335,575	17,196,620
Other assets (excluding advance taxation)		(1,114,767)	(3,186,869)
		4,300,408	(101,877,126)
Increase / (decrease) in operating liabilities			
Bills payable		(508,025)	(450,330)
Borrowings		(109,037,255)	(135,914,149)
Deposits and other accounts		(7,183,988)	23,056,674
Other liabilities (excluding current taxation)		3,585,012	4,889,168
		(113,144,256)	(108,418,637)
		(100,043,109)	(203,565,755)
Income tax paid		(2,181,267)	(2,457,989)
Net cash flow used in operating activities		(102,224,376)	(206,023,744)
CASH FLOW FROM INVESTING ACTIVITIES			
Net realizations from 'available-for-sale' securities		76,535,441	197,380,945
Net (investments) / realizations from 'held-to-maturity' securities		(59,093)	19,541
Dividend received		169,753	74,567
Investments in fixed assets and intangible assets		(2,532,777)	(1,563,051)
Proceeds from sale of fixed assets		9,699	86,500
Effect of translation of net investment in foreign branches		(542,750)	72,499
Net cash flow generated from investing activities		73,580,273	196,071,001
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(694,030)	-
Dividend paid		(2,279,209)	(2,120,317)
Net cash flow used in financing activities		(2,973,239)	(2,120,317)
Effect of exchange rate changes on opening cash and cash equivalents		(1,591,583)	(282,770)
Decrease in cash and cash equivalents during the period		(33,208,925)	(12,355,830)
Cash and cash equivalents at beginning of the period		120,473,501	101,791,762
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		87,264,576	89,435,932

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes in Equity

(Un-audited) for the three months period ended March 31, 2020

	Share capital	Capital reserve		Revenue reserve		Surplus on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve	Statutory reserve	General reserve	Investments	Fixed assets	Non-banking assets			
Rupees in '000										
Balance as at January 01, 2019 (Audited)	11,450,739	1,239,301	19,031,214	6,000	5,185,769	15,755,409	2,135,996	53,985,383	108,789,811	
Profit after taxation for the three months period ended March 31, 2019	-	-	-	-	-	-	-	3,093,974	3,093,974	
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	
Deficit on revaluation of investments - net of tax	-	-	-	-	(493,353)	-	-	-	(493,353)	
Effect of translation of net investment in foreign branches	-	72,499	-	-	-	-	-	-	72,499	
	-	72,499	-	-	(493,353)	-	-	-	(420,854)	
Transfer to statutory reserve	-	-	298,476	-	-	-	-	(298,476)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(26,793)	-	26,793	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(557)	557	-	
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-	
Final cash dividend for the year ended December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at March 31, 2019	11,450,739	1,311,800	19,329,660	6,000	4,692,416	15,728,616	2,135,439	54,518,083	109,172,783	
Profit after taxation for the nine months period ended December 31, 2019	-	-	-	-	-	-	-	11,394,789	11,394,789	
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	
Surplus on revaluation of investments - net of tax	-	-	-	-	2,736,565	-	-	-	2,736,565	
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	770,648	-	770,648	
Re-measurement loss on defined benefit obligation-net of tax	-	-	-	-	-	-	-	(502,707)	(502,707)	
Effect of translation of net investment in foreign branches	-	509,920	-	-	-	-	-	-	509,920	
	-	509,920	-	-	2,736,565	-	770,648	(502,707)	3,514,426	
Transfer to statutory reserve	-	-	1,112,815	-	-	-	-	(1,112,815)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(79,891)	-	79,891	-	
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(9,729)	-	9,729	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,667)	1,667	-	
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	-	(163,739)	163,739	-	
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-	
First interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Second interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Third interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)	
Balance as at December 31, 2019 (Audited)	11,450,739	1,821,720	20,442,505	6,000	7,428,981	15,638,996	2,740,681	57,681,932	117,211,554	
Profit after taxation for the nine months period ended March 31, 2020	-	-	-	-	-	-	-	3,890,221	3,890,221	
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,214,671)	-	-	-	(3,214,671)	
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(23,075)	-	(23,075)	
Effect of translation of net investment in foreign branches	-	(542,750)	-	-	-	-	-	-	(542,750)	
	-	(542,750)	-	-	(3,214,671)	-	(23,075)	-	(3,780,496)	
Transfer to statutory reserve	-	-	401,769	-	-	-	-	(401,769)	-	
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net tax	-	-	-	-	-	(25,338)	-	25,338	-	
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(3,175)	3,175	-	
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-	
Final cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at March 31, 2020	11,450,739	1,278,970	20,844,274	6,000	4,214,310	15,613,658	2,714,431	58,908,749	115,031,131	

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

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

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 1,386 (December 31, 2019: 1,393) branches in Pakistan including 117 (December 31, 2019: 117) Islamic banking branches, 1 branch (December 31, 2019: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2019: 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"). The Company received certificate of commencement of business on 31 December 2007. The Company has also obtained license to carry out business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005. The registered office of the Company is situated at Plot no. 14, Main Boulevard, DHA Phase VI, Lahore. The Company is a wholly owned subsidiary of Allied Bank Limited ("the holding Company").

The management quality rating of the Company, as assigned by JCR-VIS Crediting Rating Company Limited, is AM2++ (Stable) in December 2019.

ABL Asset Management Company is managing the following funds:

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

2 BASIS OF PRESENTATION

These consolidated financial statements consists of holding company and its subsidiary company for the three months ended March 31, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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, 2019.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

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 Bank for the year ended December 31, 2019.

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE BANK

The Bank has adopted the following new standards, interpretations and amendments to accounting standards that are effective in the current period:

- Amendments to IFRS 3 'Business Combinations'
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Changes in Accounting Estimates and Errors'.

The adoption of above standards, interpretations and amendments did not have any material effect on these consolidated condensed interim financial statements of the Bank.

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

The following standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan will be effective for accounting periods beginning on or after January 01, 2021:

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – for Banks and DFIs, the effective date of the standard has been extended to annual periods beginning on or after January 01, 2021 vide SBP BPRD circular no. 4 dated October 23, 2019. 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 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. According to SBP BPRD Circular Letter No. 15 dated March 26, 2020, the Banks / DFIs are required to have a parallel run of IFRS 9 from July 01, 2020 and are also required to prepare pro-forma financial statements which includes the impact of IFRS 9 for the year ended December 31, 2019.

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, 2019.

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:

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

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2019.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	(Audited)			
	March 31, 2020		December 31, 2019	
	Classified Lending	Provision Held	Classified Lending	Provision Held
	Rupees in '000			
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	(Audited)							
	March 31, 2020				December 31, 2019			
	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	17,920,657	-	178,781	18,099,438	19,862,396	-	5,767	19,868,163
Open Ended Mutual Funds/ Pension Funds	2,261,968	-	(240,069)	2,021,899	2,061,722	-	135,712	2,197,434
	20,182,625	-	(61,288)	20,121,337	21,924,118	-	141,479	22,065,597
Available-for-sale securities								
Federal Government Securities*	600,981,630	(15,154)	4,365,487	605,331,963	677,300,056	(15,961)	1,689,073	678,973,168
Shares	23,077,894	(3,632,475)	1,784,914	21,230,333	24,349,646	(3,202,822)	9,686,372	30,833,196
Non Government Debt Securities	14,520,342	(21,071)	15,064	14,514,335	13,633,213	(21,071)	(37,667)	13,574,475
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	(4,988)	20,012	63,834	-	91,424	155,258
	639,642,558	(3,668,700)	6,160,477	642,134,335	716,384,441	(3,239,854)	11,429,202	724,573,789
Held-to-maturity securities								
Federal Government Securities	13,074,134	-	-	13,074,134	13,015,041	-	-	13,015,041
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	13,418,394	(344,260)	-	13,074,134	13,359,301	(344,260)	-	13,015,041
Total Investments	673,243,577	(4,012,960)	6,099,189	675,329,806	751,667,860	(3,584,114)	11,570,681	759,654,427

* 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, 2020

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	78,176,180	145,442,739
Pakistan Investment Bonds	185,452	48,417,010
GOP Foreign Currency Sukuks (US\$)	2,332,854	2,957,611
Total Investments given as collateral	<u>80,694,486</u>	<u>196,817,360</u>
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	3,584,114	2,654,539
Exchange adjustments	1,222	3,163
Charge / reversals		
Charge for the period / year	600,000	1,118,302
Reversals for the period / year	(21,017)	(139,161)
Reversal on disposals	(151,359)	(52,729)
	427,624	926,412
Closing Balance	<u>4,012,960</u>	<u>3,584,114</u>

	(Audited)			
	March 31,2020		December 31, 2019	
	NPI	Provision	NPI	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due*	4,165,913	15,154	3,869,387	15,961
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
Total	<u>4,531,244</u>	<u>380,485</u>	<u>4,234,718</u>	<u>381,292</u>

* Provision represents expected credit loss provisioning in overseas branch.

The State Bank of Pakistan (SBP) has granted relaxation with respect to classification or provisioning vide SBP BPRD Circular Letter No. 13 of 2020 during the period ended March 31, 2020, however impairment was charged in line with accounting policy of the Bank.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at March 31, 2020 amounted to Rs. 11,512.3 million (December 31, 2019: Rs. 10,848.5 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

Note	(Audited)		(Audited)		(Audited)			
	Performing		Non Performing		Total			
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019		
Rupees in '000								
11	ADVANCES							
	Loans, cash credits, running finances, etc.	442,096,167	467,880,949	14,439,233	14,450,873	456,535,420	482,331,822	
	Islamic financing and related assets	15,186,121	12,615,228	-	-	15,186,121	12,615,228	
	Bills discounted and purchased	3,682,710	3,853,892	1,401,305	1,403,045	5,084,015	5,256,937	
	Advances - gross	11.1	460,965,018	484,350,069	15,840,538	15,853,918	476,805,556	500,203,987
	Provision against advances							
	Specific	11.2 & 11.3	-	-	(15,207,125)	(15,112,624)	15,207,125	15,112,624
	General	11.3	(27,885)	(39,795)	-	-	(27,885)	(39,795)
			(27,885)	(39,795)	(15,207,125)	15,112,624	(15,235,010)	(15,152,419)
	Advances - net of provision		460,937,133	484,310,274	633,413	741,294	461,570,546	485,051,568

(Audited)
March 31, 2020 December 31, 2019

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	463,712,809	484,455,795
	In foreign currencies	13,092,747	15,748,192
		<u>476,805,556</u>	<u>500,203,987</u>

11.2 Advances include Rs. 15,840,538 million (December 31, 2019: Rs. 15,853,918 million) which have been placed under non-performing status as detailed below:

	March 31, 2020		(Audited) December 31, 2019	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	100,770	5,171	35,436	449
Substandard	395,212	98,148	809,938	202,107
Doubtful	481,500	240,750	196,952	98,476
Loss	14,863,056	14,863,056	14,811,592	14,811,592
Total	<u>15,840,538</u>	<u>15,207,125</u>	<u>15,853,918</u>	<u>15,112,624</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020			(Audited) December 31, 2019		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
11.3	Particulars of provision against advances					
Opening balance	15,112,624	39,795	15,152,419	15,533,497	15,868	15,549,365
Exchange adjustments	-	1,759	1,759	-	(896)	(896)
Charge for the period / year	263,809	-	263,809	589,752	24,823	614,575
Reversal	(169,308)	(13,669)	(182,977)	(1,008,707)	-	(1,008,707)
	94,501	(13,669)	80,832	(418,955)	24,823	(394,132)
Amounts written off	-	-	-	(1,918)	-	(1,918)
Closing balance	15,207,125	27,885	15,235,010	15,112,624	39,795	15,152,419

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

	Note	(Audited)	
		March 31, 2020	December 31, 2019
Rupees in '000			
12	FIXED ASSETS		
Capital work-in-progress	12.1	3,821,009	2,991,144
Property and equipment		51,325,722	51,161,710
Right-of-Use Assets		8,066,074	8,087,208
		63,212,805	62,240,062

12.1 Capital work-in-progress

Civil works	3,068,228	2,219,464
Equipment	6,547	6,546
Advances to suppliers	746,234	765,134
	3,821,009	2,991,144

12.2 Additions to fixed assets

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

	March 31, 2020	March 31, 2019
	Rupees in '000	
Capital work-in-progress	619,664	306,019
Property and equipment		
Freehold land	510,733	504,081
Leasehold land	-	25
Building on freehold land	15,854	117,079
Building on leasehold land	4,311	73,135
Furniture and fixture	91,848	72,236
Electrical office and computer equipment	330,410	367,804
Vehicles	40,759	233,706
Others-building improvements	30,633	159,582
	1,024,548	1,527,648
Right-of-Use Assets	383,722	-
Total	2,027,934	1,833,667

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

12.3 Disposal of fixed assets

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

	March 31, 2020	March 31, 2019
Rupees in '000		
Furniture and fixture	200	64
Electrical office and computer equipment	1,062	1,596
Vehicles	4,096	1,386
Total	<u>5,358</u>	<u>3,046</u>

	March 31, 2020	(Audited) December 31, 2019
Rupees in '000		

13 INTANGIBLE ASSETS

Capital work-in-progress	900,557	650,104
Computer Software	1,556,729	1,325,794
	<u>2,457,286</u>	<u>1,975,898</u>

13.1 Capital work-in-progress

	March 31, 2020	March 31, 2019
Rupees in '000		
Software	867,971	623,308
Advances to suppliers	32,586	26,796
	<u>900,557</u>	<u>650,104</u>

13.2 Additions to intangible assets

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

	March 31, 2020	March 31, 2019
Rupees in '000		
Directly purchased	293,658	124,462
Capital work-in-progress	250,452	-
Total	<u>544,110</u>	<u>124,462</u>

13.3 Disposals of intangible assets

No intangible assets were disposed off during the period.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency	18,351,224	20,573,788
	Income / Mark-up accrued in foreign currency	201,779	245,676
	Advances, deposits, advance rent and other prepayments	1,914,257	1,293,653
	Advance taxation (payments less provisions)	3,194,533	3,817,847
	Non-banking assets acquired in satisfaction of claims	1,607,220	1,609,193
	Mark to market gain on forward foreign exchange contracts	3,188,133	-
	Acceptances	5,196,295	5,182,716
	Due from the employees' retirement benefit schemes		
	Pension fund	4,565,297	4,440,411
	Fraud and forgeries	510,470	524,357
	Stationery and stamps in hand	337,399	286,343
	Overdue Foreign Bills Negotiated / Discounted	118,764	97,601
	Home Remittance Cell agent receivable	114,156	93,978
	Receivable from SBP - customers encashments	667	6,033
	Charges receivable	27,277	32,329
	Suspense Account	279	1,387
	Others	38,094	96,535
		39,365,844	38,301,847
	Less: Provision held against other assets	14.1 (860,724)	(862,460)
	Other assets (net of provision)	38,505,120	37,439,387
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,837,085	2,877,470
	Other Assets - total	41,342,205	40,316,857
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	125,014	120,584
	Fraud and forgeries	510,470	524,357
	Overdue FBN / FBD	24,295	24,295
	Charges receivable	27,277	32,327
	Suspense account	6,453	6,453
	Others	167,215	154,444
		860,724	862,460
14.1.1	Movement in provision held against other assets		
	Opening balance	862,460	787,203
	Charge for the period / year	15,832	213,529
	Reversals	(2,823)	(112,865)
	Written off / adjusted	(14,745)	(25,407)
	Closing balance	860,724	862,460
15	CONTINGENT ASSETS		
	There were no contingent assets of the Bank as at March 31, 2020 and December 31, 2019.		

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
16	BILLS PAYABLE		
	In Pakistan	7,370,601	7,878,626

		March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	78,041,100	170,120,570
	Under Export Refinance Scheme	23,470,353	22,523,266
	Under Long Term Financing Facility	23,413,769	21,852,621
		124,925,222	214,496,457
	Repurchase agreement borrowings from Financial Institutions	2,332,854	26,585,287
	Total secured	127,258,076	241,081,744
	Unsecured		
	Call borrowings	30,027,289	24,602,435
	Overdrawn nostro accounts	256,125	64,207
	Musharaka borrowing	-	700,000
	Other borrowings	61,558	-
	Total unsecured	30,344,972	25,366,642
		157,603,048	266,448,386

	March 31, 2020			(Audited) December 31, 2019			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
18	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	304,998,957	27,998,885	332,997,842	327,523,076	20,719,488	348,242,564
	Savings deposits	428,927,031	15,906,550	444,833,581	403,505,248	21,019,875	424,525,123
	Term deposits	114,193,479	55,245,898	169,439,377	107,203,269	63,293,352	170,496,621
	Others	16,237,865	33,193	16,271,058	19,207,173	30,890	19,238,063
		864,357,332	99,184,526	963,541,858	857,438,766	105,063,605	962,502,371
	Financial Institutions						
	Current deposits	42,010,539	23,098	42,033,637	39,711,458	41,039	39,752,497
	Savings deposits	36,084,434	-	36,084,434	33,707,054	-	33,707,054
	Term deposits	150,350	43,344	193,694	10,011,200	40,261	10,051,461
	Others	5,421	-	5,421	3,005,421	-	3,005,421
		78,250,744	66,442	78,317,186	86,435,133	81,300	86,516,433
		942,608,076	99,250,968	1,041,859,044	943,873,899	105,144,905	1,049,018,804

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 628,087 million for December 31, 2019 (December 31, 2018: 585,901 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	(Audited)	
	March 31, 2020	December 31, 2019
	Rupees in '000	
19 DEFERRED TAX LIABILITIES		
Deductible Temporary Differences on		
Provision against investments	(19,093)	(19,093)
Provision against other assets	(38,959)	(43,039)
Provision against off balance sheet obligations	(14,824)	(14,824)
Provision against advances	(163,694)	(115,184)
Post retirement medical benefits	(47,496)	(42,980)
Workers welfare fund	(571,489)	(520,980)
	(855,555)	(756,100)
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	1,077,820	1,091,465
Surplus on revaluation of investments	1,910,156	4,015,045
Surplus on revaluation on non-banking assets	122,655	136,789
Actuarial gains	68,002	68,002
Accelerated tax depreciation / amortization	1,243,915	1,344,767
Excess of investment in finance lease over written down value of leased assets	13,206	12,407
	4,435,754	6,668,475
	3,580,199	5,912,375

		(Audited)	
	Note	March 31, 2020	December 31, 2019
		Rupees in '000	
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		10,320,682	4,323,269
Mark-up / return / interest payable in foreign currencies		670,064	519,548
Accrued expenses		2,085,245	1,640,767
Retention money payable		352,400	342,559
Unearned commission and income on bills discounted		132,501	115,745
Acceptances		5,196,295	5,182,716
Unclaimed dividends		340,266	330,514
Dividend payable		24,745	23,558
Branch adjustment account		1,452,709	41,140
Unrealized loss on forward foreign exchange contracts		-	2,714,153
Provision for:			
Gratuity		622,477	620,977
Employees' medical benefits		1,363,844	1,365,237
Employees' compensated absences		662,981	668,547
Early retirement		375,271	337,527
Payable to defined contribution plan	20.1	37,188	84,946
Provision against off-balance sheet obligations		319,744	313,043
Security deposits against lease		706,101	712,112
ATM / Point of Sale settlement account		205,841	1,243,494
Charity fund balance		27	15
Home Remittance Cell overdraft		383,502	490,972
With-holding tax payable		277,497	2,348,629
Sundry deposits		2,502,693	2,451,078
Workers welfare fund payable		1,666,767	1,522,454
Present value of lease liability		8,811,793	8,625,316
Others		1,004,058	895,380
		39,514,691	36,913,696

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	313,043	306,342
Charge for the period / year	6,701	6,701
Reversals	-	-
Net reversal	6,701	6,701
Closing balance	319,744	313,043

21 SHARE CAPITAL

21.1 Authorized capital

	(Audited)			(Audited)	
	March 31, 2020	December 31, 2019		March 31, 2020	December 31, 2019
	No. of shares			Rupees in '000	
	1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000

21.2 Issued, subscribed and paid-up capital

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

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2019: 972,510,410 (84.93%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		16,691,478	16,730,460
Non-banking assets acquired in satisfaction of claims		2,837,085	2,877,470
Available-for-sale securities		6,160,477	11,429,202
		25,689,040	31,037,132
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,077,820)	(1,091,464)
Non-banking assets acquired in satisfaction of claims		(122,654)	(136,789)
Available-for-sale securities		(1,946,167)	(4,000,221)
		(3,146,641)	(5,228,474)
Surplus on revaluation of assets - net of tax		22,542,399	25,808,658
23	CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1	37,928,728	32,308,285
Commitments	23.2	435,591,521	424,029,683
Other contingent liabilities	23.3	8,923,603	8,923,603
		482,443,852	465,261,571
23.1	Guarantees		
Financial guarantees		8,623,829	4,594,077
Performance guarantees		5,677,567	5,508,570
Other guarantees		23,627,332	22,205,638
		37,928,728	32,308,285
23.2	Commitments		
Documentary credits and short term trade related transactions:			
letters of credit		42,970,302	60,392,362
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	382,856,602	358,881,918
forward government securities transactions	23.2.2	6,448,670	513,938
Commitments for acquisition of:			
fixed assets		3,270,815	4,199,234
intangible assets		2,901	-
Other Commitments		42,231	42,231
		435,591,521	424,029,683
23.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		234,893,385	220,381,401
Sale		147,963,217	138,500,517
		382,856,602	358,881,918

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	(Audited) December 31, 2019
Rupees in '000			
23.2.2	Commitments in respect of forward government securities transactions		
	Purchase	49,297	464,217
	Sale	6,399,373	49,721
		6,448,670	513,938
23.3	Other contingent liabilities		
23.3.1	Claims against the Bank not acknowledged as debt	8,923,603	8,923,603

23.3.2 The income tax assessments of the Group have been finalized up to and including tax year 2019 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments up to tax year 2018, income tax authorities made certain add backs with aggregate tax impact of Rs.25,467 million (December 31, 2018: Rs.24,344 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.25,467 million (December 31, 2018: Rs.24,344 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs.1,720 million (December 31, 2018: Rs.1,556 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Group; therefore, no provision has been made against the said demand of Rs.1,720 million (December 31, 2018: Rs.1,556 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs.963 million (December 31, 2018: Rs.900 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs.963 million (December 31, 2018: Rs.900 million).

23.3.3 As a result of default by Fateh Textile Mills in complying with the terms of compromise decree passed in August 2002 by the Honourable High Court of Sindh, 16,376,106 shares of ABL were sold in accordance with section 19 (3) of the Financial Institutions (Recovery of Finances) Ordinance, 2001, after complying with the due and complete transparent process. Sealed bids were invited from interested parties. The bidding process was scheduled for July 23, 2004 and Rs. 25 per share was fixed reserve price. On the bid date, the highest offer for these shares was received at a rate of Rs. 25.51 per share. The bid was approved and the successful bidder had deposited an amount of Rs. 417.75 million with the Bank.

Fateh Textile Mills Limited filed suit in the High Court of Sindh challenging the above sale of shares. The High Court had not granted a stay order against the said sale. The sale of shares was, therefore; concluded.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

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

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies used to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2019.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
25	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	14,059,379	10,636,263
	Investments	17,206,404	9,280,550
	Lendings to financial institutions	759,098	4,355,274
	Balances with banks	46,363	72,525
		<u>32,071,244</u>	<u>24,344,612</u>
26	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	16,926,156	11,881,914
	Borrowings	1,554,888	2,190,195
	Cost of foreign currency swaps against foreign currency deposits	1,695,548	686,662
	Interest expense on lease liability	278,634	-
	Cost of foreign currency swaps against foreign currency deposits	<u>20,455,226</u>	<u>14,758,771</u>
27	FEE AND COMMISSION INCOME		
	Card related fees (debit and credit cards)	519,127	374,596
	Branch banking customer fees	518,371	488,708
	Commission on remittances including home remittances	196,644	229,384
	Investment banking fees	265,392	251,824
	Commission on trade	84,921	85,965
	Commission on cash management	44,456	25,962
	Commission on guarantees	41,335	24,114
	Commission on bancassurance	35,843	30,368
	Credit related fees	11,480	20,532
	Consumer finance related fees	1,045	1,075
		<u>1,718,614</u>	<u>1,532,528</u>
28	GAIN ON SECURITIES		
	Realised - net	28.1	930,758
	Unrealised - held for trading	10.1	(61,289)
			<u>869,469</u>
28.1	Realised gain / (loss) on:		
	Federal government securities	480,201	(1,161)
	Shares	353,675	(1,237)
	Non Government debt securities	(137)	(192)
	Open Ended Mutual Funds	97,019	45,727
		<u>930,758</u>	<u>43,137</u>
29	OTHER INCOME		
	Recovery of written off mark-up and charges	226	107
	Gain on sale of fixed assets - net	4,341	82,845
	Other assets disposal	6,998	10,389
	Rent on property	-	-
	Fee for attending Board meetings	-	705
	Gain on disposal of islamic financing and related assets	2,511	-
		<u>14,076</u>	<u>94,046</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
Rupees in '000			
30	OPERATING EXPENSES		
	Total compensation expense	3,384,903	2,912,440
	Property expense:		
	Depreciation	1,042,116	561,562
	Rent and taxes	50,720	503,505
	Utilities cost	242,788	201,359
	Security (including guards)	242,689	191,756
	Repair and maintenance (including janitorial charges)	204,913	116,476
	Insurance	19,778	17,889
		1,803,004	1,592,547
	Information technology expenses:		
	Depreciation	191,988	155,786
	Amortization	63,311	110,557
	Network charges	161,826	129,822
	Software maintenance	87,585	89,492
	Hardware maintenance	58,954	29,980
	Others	1,562	1,678
		565,226	517,315
	Other operating expenses:		
	Insurance	293,255	243,258
	Outsourced service costs	192,752	140,294
	Stationery and printing	103,366	101,959
	Cash in Transit service charge	114,408	85,149
	Marketing, advertisement and publicity	279,539	83,423
	Depreciation	58,136	50,870
	Travelling and conveyance	59,490	32,949
	Postage and courier charges	39,891	32,098
	NIFT clearing charges	31,650	27,972
	Communication	21,752	22,458
	Legal and professional charges	28,077	22,088
	Auditors Remuneration	5,501	7,381
	Directors fees and allowances	7,591	5,804
	Fees and allowances to Shariah Board	1,613	1,514
	Training and development	16,380	14,971
	Donations	8,631	1,596
	Others	103,387	111,612
		1,365,419	985,396
		7,118,552	6,007,698
31	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	277	-
	Education cess	11,751	-
	Depreciation - non-banking assets	8,366	4,959
	Others	25,000	25,000
	Other assets written off	-	85
		45,394	30,044

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

		March 31, 2020	March 31, 2019
Rupees in '000			
32	PROVISIONS AND WRITE OFFS - NET		
	Provision for diminution in the value of investments	10.2.1	578,983
	Provision / (reversal) against loans and advances	11.3	80,832
	Provision against other assets	14.1.1	14,498
	Provision against off-balance sheet obligations	20.1	6,701
	Bad debts written off directly		-
			681,014
	Recovery of written off bad debts		(83)
			(203,754)
		680,931	(203,754)

33 TAXATION

	Current - for the period	33.1	2,753,222	2,597,042
	- for prior year		-	834,833
			2,753,222	3,431,875
	Deferred - current		(215,191)	(144,952)
			2,538,031	3,286,923

33.1 This also includes proportionate super tax charge of Rs. 288.626 million, levied on taxable income of the Bank for the tax year 2021 vide Finance Supplementary (Second Amendment) Act, 2019.

34 EARNINGS PER SHARE - BASIC AND DILUTED

	Profit after taxation	3,890,221	3,093,974
		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	3.40	2.70

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

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:

	March 31, 2020											
	Carrying Value			Fair Value								
	Held to Maturity	Held for Trading	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Rupees in '000												
On-Balance sheet Financial Instruments												
Financial assets-measured at fair value												
Investments												
Shares / Open Ended Mutual Funds	-	2,021,899	18,988,173	-	-	-	21,020,072	18,978,161	2,041,911	-	-	21,020,072
Federal Government Securities	-	18,099,438	605,331,963	-	-	-	623,431,401	623,431,401	-	-	-	623,431,401
Non Government Debt Securities	-	-	5,116,606	-	-	-	5,116,606	-	5,116,606	-	-	5,116,606
Financial assets-not measured at fair value												
Cash and balances with treasury banks	-	-	-	-	-	86,836,840	-	86,836,840	-	-	-	-
Balances with other banks	-	-	-	-	683,861	-	-	683,861	-	-	-	-
Lendings	-	-	-	33,525,365	-	-	33,525,365	-	-	-	-	-
Advances	-	-	-	461,570,546	-	-	461,570,546	-	-	-	-	-
Other assets	-	-	-	-	34,646,214	-	-	34,646,214	-	-	-	-
Investments (H/M, unlisted ordinary shares, term certificates, sukus, subsidiaries)	13,074,134	20,121,337	12,687,953	-	-	-	25,761,727	18,978,161	630,589,818	-	-	649,588,079
Financial liabilities-measured at fair value												
Trading Liability	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities-not measured at fair value												
Bills payable	-	-	-	-	-	7,370,601	7,370,601	-	-	-	-	-
Borrowings	-	-	-	-	-	157,603,048	157,603,048	-	-	-	-	-
Deposits and other accounts	-	-	-	-	-	1,041,855,044	1,041,855,044	-	-	-	-	-
Other liabilities	-	-	-	-	-	37,742,238	37,742,238	-	-	-	-	-
	-	-	-	-	-	1,244,574,931	1,244,574,931	-	-	-	-	-
Off-balance sheet financial instruments-measured at fair value												
Forward foreign exchange contracts	-	-	-	-	-	382,856,602	382,856,602	-	-	-	-	382,856,602
Forward Government securities transactions	-	-	-	-	-	6,448,670	6,448,670	-	-	-	-	6,448,670
	-	-	-	-	-	389,305,272	389,305,272	-	-	-	-	389,305,272

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

35.1 Fair value of non-financial assets

	March 31, 2020				December 31, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000							
Fixed assets	-	46,826,676	-	46,826,676	-	41,974,966	-	41,974,966
Non-banking assets	-	4,444,305	-	4,444,305	-	4,486,663	-	4,486,663

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

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV 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.

March 31, 2020

	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management	Others	Total
	Rupees in '000						
36 SEGMENT INFORMATION							
36.1 Segment Details with respect to Business Activities							
Profit & Loss							
Net mark-up/return/profit	12,746,487	(15,803,297)	14,355,605	487,708	(206)	(170,279)	11,616,018
Inter segment revenue - net	(12,676,508)	26,791,823	(13,579,493)	-	-	(635,822)	-
Non mark-up / return / interest income	1,370,182	938,152	471,234	47,449	(39,872)	14,279	2,801,424
Total Income	1,440,161	11,926,678	1,247,346	535,157	(40,078)	(691,822)	14,417,442
Segment direct expenses	138,282	3,893,895	31,846	318,181	112,601	2,813,454	7,308,259
Total expenses	138,282	3,893,895	31,846	318,181	112,601	2,813,454	7,308,259
Provisions	(781,003)	(44,637)	-	(9)	-	144,718	(680,931)
Profit before tax	520,876	7,988,146	1,215,500	216,967	(152,679)	(3,360,558)	6,428,252
Balance Sheet							
Cash & Bank balances	161,990	31,127,810	43,763,042	2,377,941	12,619	10,077,299	87,520,701
Investments	36,768,631	-	622,892,171	13,647,106	2,021,898	-	675,329,806
Net inter segment lending	(397,242,009)	978,685,093	(602,439,047)	(260,734)	-	21,256,697	-
Lendings to financial institutions	10,416,147	-	30,670,323	2,855,042	-	(10,416,147)	33,525,365
Advances - performing	416,481,759	20,568,468	-	15,186,121	47,820	8,680,850	460,965,018
Advances - non-performing	505,475	348,356	-	-	-	14,986,707	15,840,538
Provision against advances	(222,876)	(158,400)	-	(30)	-	(14,853,704)	(15,235,010)
Advances - net	416,764,358	20,758,424	-	15,186,091	47,820	8,813,853	461,570,546
Others	7,995,728	9,307,165	3,729,667	2,856,407	610,425	82,512,904	107,012,296
Total Assets	74,864,845	1,039,878,492	98,616,156	36,661,853	2,692,762	112,244,606	1,364,958,714
Borrowings	68,989,566	2,368,051	95,661,579	1,000,000	-	(10,416,148)	157,603,048
Deposits & other accounts	-	1,010,075,709	-	29,869,537	-	1,913,798	1,041,859,044
Net inter segment borrowing	-	-	-	-	-	-	-
Others	1,728,190	20,197,985	(4,195,339)	2,185,046	459,512	30,090,097	50,465,491
Total liabilities	70,717,756	1,032,641,745	91,466,240	33,054,583	459,512	21,587,747	1,249,927,583
Equity / Reserves	4,147,089	7,236,747	7,149,915	3,607,270	2,233,250	90,656,860	115,031,131
Total Equity & liabilities	74,864,845	1,039,878,492	98,616,155	36,661,853	2,692,762	112,244,607	1,364,958,714
Contingencies and commitments	59,690,248	13,432,517	389,305,272	7,744,081	42,231	12,229,503	482,443,852

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

March 31, 2019

	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management	Others	Total
Rupees in '000							
Profit & Loss							
Net mark-up/return/profit	9,722,909	(10,920,833)	10,408,464	281,609	751	92,941	9,585,841
Inter segment revenue - net	(9,764,229)	20,095,427	(10,293,130)	-	-	(38,068)	-
Non mark-up / return / interest income	944,393	822,725	633,101	35,218	230,308	98,025	2,763,770
Total Income	903,073	9,997,319	748,435	316,827	231,059	152,898	12,349,611
Segment direct expenses	141,294	3,641,543	27,973	287,586	99,684	1,974,388	6,172,468
Inter segment expense allocation	-	-	-	-	-	-	-
Total expenses	141,294	3,641,543	27,973	287,586	99,684	1,974,388	6,172,468
Provisions	78,685	(14,698)	-	-	-	139,767	203,754
Profit before tax	840,464	6,341,078	720,462	29,241	131,375	(1,681,723)	6,380,897

December 31, 2019 (Audited)

	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management	Others	Total
Rupees in '000							
Balance Sheet							
Cash & Bank balances	59,821	51,303,207	61,984,899	2,045,240	15,525	5,129,016	120,537,708
Investments	47,128,653	-	697,876,038	12,452,302	2,197,434	(134,379)	759,520,048
Net inter segment lending	(413,717,279)	972,381,940	(567,387,800)	159,062	-	(1,435,923)	-
Lendings to financial institutions	4,753,821	-	2,052,492	11,554,430	-	(4,753,822)	13,606,921
Advances - performing	437,660,414	25,631,709	-	12,615,228	35,688	8,407,031	484,350,070
Advances - non-performing	511,117	461,688	-	-	-	14,881,113	15,853,918
Provision against advances	(127,779)	(205,889)	-	(20)	-	(14,818,731)	(15,152,419)
Advances - net	438,043,752	25,887,508	-	12,615,208	35,688	8,469,413	485,051,569
Others	7,072,635	8,706,936	7,215,579	2,752,910	545,118	78,239,639	104,532,817
Total Assets	83,341,403	1,058,279,591	211,741,208	41,579,152	2,793,765	85,513,944	1,483,249,063
Borrowings	63,149,483	2,415,660	203,936,638	1,700,000	-	(4,753,395)	266,448,386
Deposits & other accounts	-	1,012,571,004	-	34,389,411	-	2,058,389	1,049,018,804
Others	2,413,361	16,402,958	1,917,549	2,143,144	433,045	27,394,639	50,704,696
Total liabilities	65,562,844	1,031,389,622	205,854,187	38,232,555	433,045	24,699,633	1,366,171,886
Equity / Reserves	17,778,559	26,889,969	5,887,021	3,346,597	2,360,720	60,814,311	117,077,177
Total Equity and liabilities	83,341,403	1,058,279,591	211,741,208	41,579,152	2,793,765	85,513,944	1,483,249,063
Contingencies and commitments	78,732,154	12,055,398	359,395,856	1,907,886	42,231	13,128,046	465,261,571

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

RELATED PARTY TRANSACTIONS

The Group 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.

	March 31, 2020					December 31, 2019 (Audited)						
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	2,197,434	-	-	-	-	-	351	-	1,859,024
Investment made during the period/year	-	-	-	981,223	-	-	-	-	-	-	-	4,276,363
Investment redeemed/disposed off during the period/year	-	-	-	(916,688)	-	-	-	-	-	-	-	(4,073,665)
(Deficit) / surplus	-	-	-	(240,070)	-	-	-	-	-	-	-	135,712
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(351)	-	-
Closing balance	-	-	-	2,021,899	-	-	-	-	-	-	-	2,197,434
Provision for diminution in value	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	4,764	196,884	575	-	-	8,704	264,404	-	-	-	593
Addition during the period/year	-	1,502	15,125	1,752	-	-	25,719	97,754	-	-	-	9,129
Repaid during the period/year	-	(2,003)	(31,111)	(1,619)	-	-	(23,659)	(165,274)	-	-	-	(9,147)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	4,263	180,898	708	-	-	4,764	196,884	-	-	-	575
Provision held against advances	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020			March 31, 2019								
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
	Rupees in '000											
Income												
Mark-up/return/interest earned	-	155	3,956	-	-	-	-	74	4,901	-	-	-
Sales commission	-	-	-	-	-	1,910	-	-	-	-	-	6,599
Fee and commission income	1	-	22	2	-	127,985	-	2	20	18	-	122,201
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain on sale of securities	-	-	10	-	-	3,354	-	-	-	-	-	421
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Expense												
Mark-up/return/interest paid	-	2,402	171	117	-	306,521	-	566	159	316	-	306,521
Directors meeting fee	-	7,350	-	-	-	-	-	5,300	-	-	-	-
Remuneration	-	8,250	63,147	-	-	-	-	7,460	64,629	-	-	-
Other expenses**	-	-	-	-	-	-	-	-	-	110	-	-
Rent expense	-	-	-	7,125	-	-	-	-	-	7,020	-	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	-	-	-	-	-	-	-
Insurance premium paid	-	39	211	-	-	57,167	-	25	61	-	-	15,741

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2020

	March 31, 2020	(Audited) December 31, 2019
	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	83,289,478	82,135,834
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	83,289,478	82,135,834
Eligible Tier 2 Capital	17,009,761	22,351,157
Total Eligible Capital (Tier 1 + Tier 2)	100,299,239	104,486,991
Risk Weighted Assets (RWAs):		
Credit Risk	311,549,173	345,197,859
Market Risk	35,931,833	49,574,917
Operational Risk	84,845,040	84,845,040
Total	432,326,046	479,617,816
Common Equity Tier 1 Capital Adequacy ratio	19.27%	17.13%
Tier 1 Capital Adequacy Ratio	19.27%	17.13%
Total Capital Adequacy Ratio	23.20%	21.79%
	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	83,289,478	82,135,834
Total Exposures	1,548,959,430	1,801,242,634
Leverage Ratio	5.38%	4.56%

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on April 22, 2020 has proposed interim cash dividend for the quarter ended March 31, 2020 of Rs. 2.00 per share (March 31, 2019: cash dividend Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2020 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2020.

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 22, 2020 by the Board of Directors of the Bank.

Mehmud ul Hassan
Chief Financial Officer

Tahir Hassan Qureshi
President and Chief Executive

Dr. Muhammad Akram Sheikh
Director

Nazrat Bashir
Director








Mohammad Naeem Mukhtar
Chairman










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