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Corporate Information

Vision

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

Mission

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

Core Values

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

Board of Directors

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

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

Audit Committee of the Board

Zafar Iqbal (Chairman)
 Nazrat Bashir
 Mubashir A. Akhtar

e-Vision Committee

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

Board Risk Management Committee

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

Strategic Planning & Monitoring Committee

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

Human Resource & Remuneration Committee

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

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Muhammad Raffat

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

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Contact Detail



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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the nine months ended September 30, 2021. The operating results and appropriations as recommended by the Board are included in the appended table:

	Nine Months ended September 30,		Growth
	2021	2020	
	(Rupees in million)		%
Profit after tax for the period	13,070	12,410	5
Accumulated profits brought forward	66,994	55,821	20
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	2	9	(77)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	355	100	255
Re-measurement gain on defined benefit obligation – net of tax	42	-	100
Profit available for appropriation	80,463	68,340	18
Final cash dividend for the year ended December 31, 2020: Rs. 6.00 per share (2020: Year ended December 31, 2019: Rs. 2.00 per share)	(6,870)	(2,290)	200
First interim cash dividend for the year ending at December 31, 2021: Rs. 2.00 per share (2020: year ended December 31, 2020: Rs. 2 per share)	(2,290)	(2,290)	-
Second interim cash dividend for the year ending at December 31, 2021: Rs. 2.00 per share (2020: year ended December 31, 2020: Rs. Nil per share)	(2,290)	-	100
Transfer to Statutory Reserves	(1,307)	(1,241)	5
Accumulated profits carried forward	67,705	62,519	8
Earnings Per Share (EPS) (Rs.)	11.41	10.84	5

The Board is pleased to announce an interim cash dividend of Rs. 2.00 per share in addition to first and second interim cash dividend of Rs. 2.00 per share each, which has already been paid. Interim cash dividend for the nine months ended September 30, 2021 is Rs 6.00 per share (September 30, 2020: Rs. 2.00 per share, consisting of Rs.2.00 per share for the quarter ended March 31, 2020 and Rs. Nil for the Quarters ended June 30, 2020 and September 30, 2020 due to dividend suspension under the instructions of SBP amid Covid-19 pandemic).

Economic Review

Global economy is on the path of recovery, however, due to uneven vaccine access across regions and risks associated with virus mutations, the pandemic resurgence continuously remained cause of concern for the policy makers. This along with prolonged supply chain disruptions especially in emerging and developing regions have impacted the pace of recovery.

Consequently, International Monetary Fund (IMF) downgraded the Global growth forecast to 5.9% for 2021 in recent Economic Outlook against earlier projection of 6.0%, whereas, anticipated additional fiscal support to counter associated spillovers to the global economy have led to upward revision in Global growth projection to 4.9% for 2022 as compared to earlier estimate of 4.4%.

IMF's Extended Fund Facility program together with prudent monetary and fiscal policies aided the economy of Pakistan to move progressively with IMF's projection of GDP at 3.9% and 4.0% for 2021 and 2022 respectively. Improved projection is attributable to stronger anticipated private investment, improved business activity and a steady vaccine rollout.

Optimistic growth outlook is attributable to strong rebound of services sector's performance manifesting the growth of 4.4% in FY2020-21 as compared to the contraction of 0.6% in FY2019-20. Latest Google Community Mobility Reports exhibit that grocery stores, restaurants and shopping centers' businesses have surpassed their pre-covid levels during July-August 2021.

Early resumption of economic activities and industrial support packages assisted Large Scale Manufacturing (LSM) in gaining momentum as LSM observed an increase of 7.26% in Jul-Aug 2021-22 as compared to only 3.66% in Jul-Aug 2020-21. In August FY 2021-22, 12 out of 15 subsectors of LSM have witnessed positive growth. Automobile, Paper & Board, Pharmaceuticals, Leather Products and Non-Metallic Mineral Products show a remarkable increase of 68%, 30%, 29%, 29% and 23% respectively.

Aggressive domestic demand triggering the imports coupled with elevated Global commodity prices led to Current Account deficit to soar to US\$ 1,113 million during September 2021. Accumulated deficit for Jul-Sep FY2021-22 was recorded at US\$ 3,400 million as compared to a surplus of US\$ 865 million during Jul-Sep FY2020-21.

Exports for the period Jul-Sep FY2021-22 stood at US\$ 8,813 million as compared to US\$ 6,630 million during corresponding period last year, recording a growth of 33%. Major export contributors included Textile, Other Manufacture and Food group

which increased by 37%, 18% and 17% respectively. Simultaneously on YoY basis Textile, Food and Other Manufacture Group reflected healthy growth of 31%, 28% and 7% in September 2021.

Growth of 59% during Jul-Sep FY2021-22 in import of goods and services has overpowered the aforementioned growth impact of exports. Major Imports included Transport, Petroleum, Textile and Food Group which increased by 139%, 91%, 65% and 43% respectively in Jul-Sep FY2021-22. Due to extensive surge in imports, Trade deficit soared to US\$ 10,949 million during Jul-Sep 2021-22 as compared to US\$ 5,816 million during corresponding period last year.

Workers Remittances' unprecedented streak of above \$2.0 billion continued for the 16th consecutive month in September 2021. Workers' Remittances for September 2021 stood at US\$ 2,670 million as against US\$ 2,284 million in September 2020; manifesting a growth of 17%.

Pakistan's Foreign Reserves and Net Reserves with SBP were recorded at US\$ 25,983 million and US\$ 19,254 million respectively as on September 30, 2021.

Overall improved Global sentiment and domestic business activity together with support of progressing IMF stabilization program has strengthened foreign portfolio investment in Pakistan. Resultantly, total Foreign Investment stood at US\$ 1,319 million during Jul-Sep FY 2021-22 as compared to US\$ 312 million during the corresponding period last year.

Pakistani Rupee depreciated by 8.3% against US Dollar since June 30, 2021 to stand at Rs. 170.66 as on September 30, 2021 as compared to an appreciation of 1.2% during the corresponding period last year. This depreciation is primarily driven by surge in imports, which is anticipated to subside moderately owing to recent measures by the SBP to curtail the import of luxury items.

Provisional net tax collection exceeded the target by Rs 167.5 billion to record at Rs. 857.8 billion during Jul-Aug FY2021-22; reflecting a healthy growth of 42.3%.

While inflation declined to 9.0% for YoY September 2021, food price inflation remained elevated at 10.8% due to supply chain disruptions and the upsurge in commodity prices in the global markets.

Economic recovery appears less vulnerable to pandemic-related uncertainty, evident from strong recovery in domestic demand, whereas on the other hand strong pick up in imports, higher international commodity prices and resultant rise in current account deficit coupled with negative real interest rates emphasized State Bank of Pakistan (SBP) on ensuring the appropriate policy mix to safeguard the longevity of growth, keep inflation expectations anchored, and curb the growth in the current account deficit. SBP hence decided to raise the policy rate by 25 bps to bring it to 7.25%.

Financial Review

Pakistan's Banking Industry continues to face manifold challenges emanating from measured economic activity coupled with short-term compression in Net Interest Margins (NIMs) on temporary mismatch in asset and liability repricing after 25bps upward movement in Policy rate. Over the last 1.5 years of pandemic, digitization has become primary hygiene leading to an opportunity for expediting digital disruption initiatives which has massively transformed Banking landscape in Pakistan.

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

Lower yield on Interest bearing assets on the back of comparatively lower average benchmark rates have led to an adverse rate variance on Investments, Advances and Bank Placements in September 2021 as compared to September 2020. This has been partially overcome by generating higher average volumes, restricting the decline in Interest Income to 2%. Resultantly Interest Income stood at Rs. 84,696 million during nine months ended September 30, 2021.

Likewise, Interest expense increased by 2% on account of high borrowing expense attributable to surge in average borrowing volumes. Interest Expense stood at Rs. 50,014 million during nine months ended September 30, 2021 as against Rs. 49,154 million during corresponding period last year. Consequently, Net Interest Income (NII) recorded at Rs. 34,682 million during nine months ended September 30, 2021 as compared to Rs. 37,476 million during corresponding period last year; down by 7%.

Amid the accommodative interest rate environment, Your Bank ensured to emphasize on capitalizing emerging digital financial avenues along with maintaining diversification of revenue streams. As a consequence, fee income registered a significant growth of 23% during September 2021 as compared to 10% growth in September 2020.

Dividend income posted a remarkable growth of 112% to reach at Rs. 1,811 million during nine months ended September 30, 2021 as against a decline of 36% during the corresponding period last year. Increase is primarily attributable to dividend announced by Power & Oil Sector Companies and uplift of restriction on dividend distribution, imposed by SBP on Banking Institutions.

Foreign exchange income stood at Rs. 1,112 million during nine months ended September 30, 2021 as against Rs. 1,295 million during corresponding period last year.

Prudent disposal of equity and fixed income portfolio enabled the Bank to earn capital gain of Rs. 3,523 million during nine months ended September 30, 2021 as compared to Rs. 2,838 million during nine months ended September 30, 2020; reflecting a growth of 24%.

Resultantly, Non-markup income stood at Rs. 11,729 million during nine months ended September 30, 2021; depicting a healthy growth of 28% as against 17% growth in corresponding period last year.

Your Bank's emphasis on optimization helped restricting operating expenses growth to 10% despite hiked inflationary

Directors' Review

pressures, impact of currency devaluation and continuous investment towards technological upgradation. Total Non-markup expense stood at Rs. 25,000 million during nine months ended September 30, 2021.

Your Bank posted Profit before tax of Rs. 21,973 million during nine months ended September 30, 2021 as compared to Rs. 21,443 million during the corresponding period last year. Profit after tax manifested a growth of 5% to record at Rs. 13,070 million during nine months ended September 30, 2021 as compared to Rs. 12,410 million during September 30, 2020. Likewise, Earnings per share (EPS) stood at Rs. 11.41 per share as compared to Rs. 10.84 per share in the corresponding period last year.

Your Bank aims to achieve financial inclusion by promoting digital financial services, to provide uninterrupted and on-the-go banking facilities. Therefore, the Bank has adopted a hybrid expansion strategy comprising of digital as well as branch banking operation. Total Branch outreach stood at 1,407 including 1,283 conventional, 117 Islamic and 7 digital branches. ATM network reached at 1,557 including 1,248 on-site, 303 off-site and 6 Mobile Banking Units (MBU). Average ATM uptime was registered at 96.7% for the nine months ended September 30, 2021.

Total asset base of Your Bank reached at Rs. 1,963 billion as on September 30, 2021 as compared to Rs. 1,590 billion as on December 31, 2020; reflecting a robust growth of 23% well above the 14% Industry growth for the captioned period.

Proactive review of economic scenario led to prudent management of Investment portfolio to counter the pressures from any probable policy rate hike. As a consequence, investments increased by 44% to reach at Rs. 1,197 billion as on September 30, 2021. The growth is primarily driven by deployment of funds in comparatively more liquid options of Floating Pakistan Investment Bonds (PIBs) and Market Treasury Bills (MTBs).

Private sector credit offtake was stimulated as economic recovery gained momentum. Resultantly, Gross Advances reached at Rs. 536 billion as on September 30, 2021; increasing by 5% as compared to a decline of 9% during corresponding period last year. Net advances reached at Rs. 523 billion as on September 30, 2021 as against Rs. 496 billion as on December 30, 2020.

Your Bank continued its momentum towards low infection ratio and high overall coverage ratio which stood at 2.6% and 93.9% respectively. No FSV benefit was availed while determining the provision against non-performing loans, allowed under guidelines of SBP.

Deposit base reached at Rs. 1,354 billion as on September 30, 2021; positing a growth of 11%, in line with industry. Your Bank directed its efforts towards mobilization of low-cost deposit, which is evident from increase of 15% in current deposits to reach at Rs. 564 billion as on September 30, 2021 as compared Rs. 491 billion as on December 31, 2020. Consequently, current deposit to total deposit mix increased to 42% in September 2021 as compared to 40% in December 2020. Current Account Saving Account (CASA) mix stood at 85% as on September 30, 2021.

Your Bank's equity base stood at Rs. 129 billion as on September 30, 2021. Return on Equity and Return on Assets stood at 16.8% and 1.0% respectively. Strong capital positioning of Your Bank is evident from 24.95% Capital Adequacy Ratio (CAR) as on September 30, 2021 as against a statutory requirement of 11.50%.

Future Outlook

Owing to slower growth and tighter financial conditions for emerging markets and developing economies, IMF has maintained its previous projection of 3.3% for Global Output for 2026.

On the domestic front, SBP projects GDP growth in FY 2022 towards the upper end of the forecasted range of 4%-5%. ADB anticipates real GDP to rise by 4.0%. Simultaneously, agriculture sector's growth is expected in line with target of 3.5% as reduction in the area under cultivation of cotton is expected to be counterbalanced by an increase in area for rice, maize and sugarcane.

Asian Development Bank (ADB) expects inflation to slow down to 7.5% in 2022 on the back of supply chain improvement and tax measures through FY 2022 budget. The fiscal deficit is anticipated to narrow down to 6.9% of GDP in FY 2022.

On the external front, Imports are expected to rise in FY 2022 on the back of domestic economic recovery and higher international oil prices. However, Remittances are foreseen to remain inflated, supported by the Roshan Digital Accounts initiative, assisting to narrow down the current account deficit to 1.5% of GDP as compared to the previous forecast of 2% of GDP.

To maintain sustainable service delivery to the customers and general public at all times, Employees' safety and wellbeing is of prime importance to the Bank. Resultantly, Your Bank arranged vaccine facilitation desk for its employees and their families to ensure that whole staff is fully vaccinated without any hassle.

ABL Partners with OLX Mall - an e-commerce platform, to bring unmatched deals and discounts for customers who want to upgrade or purchase smartphones, electronics, home appliances and lifestyle products on discounted prices.

myABL WhatsApp Banking service recently added "Chat with ABL" feature where customers can now chat with ABL representatives 24/7 to get information regarding ABL products and have their queries answered in real-time. Resultantly, myABL WhatsApp Banking accomplishes 200,000 registrations milestone in just 7 months.

To reduce footfall in branches and to increase digitization for ease and convenience of its customers, myABL was introduced with the feature of withholding tax certificate generation. Customers can now download their WHT certificate of any of their linked account conveniently by a single click without having to visit the branch.

In furtherance to capitalize on Your Bank's strategic objective of becoming an 'Employer of Choice', Your Bank secured two prestigious accolades awarded by Pakistan Society of Human Resource Management (PSHRM):

- Best Place to Work in Pakistan 2021 – Winner in Financial Services (consecutive for the 2nd year)
- Best Place to Work in Pakistan 2021 – Top 10 in Large Organizations

Entity Ratings

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

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

Acknowledgement

On behalf of Allied Bank, we would like to extend our acknowledgment to the valued customers for placing their trust in Allied Bank Limited. We would also like to express our gratitude to the worthy shareholders of the Bank for their support, State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies for their guidance and motivation.

We would especially like to recognize hard work and dedication of our employees who in these testing times have performed their duties with utmost commitment and discipline to ensure business continuity and provision of un-interrupted financial services to the customers and public at large.

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

For and on behalf of the Board of Directors.

Azid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: October 27, 2021

ڈائریکٹرز کا تجزیہ

معزز شیئر ہولڈرز:

یورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021ء کو اختتام پزیر ہونے والی تاج پینل کے مدت کے مالیاتی نتائج پیش کرتے ہوئے نہایت سرتعمیرات سے متعلقہ ہیں۔ یورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تفصیل مندرجہ ذیل جدول میں درج ہے:

رقمہ مختصر 30 ستمبر			
2021	2020	نومو%	
ملین روپے			
13,070	12,410	5	ایدا ریگس نتائج
66,994	55,821	20	گزشتہ تین شہ ماہ نتائج
2	9	(77)	غیر بینکاری اثاثہ جات کی قدر و پائیکس سے غیر تصرف شدہ نتائج میں منتقلی خاص ازگیس
355	100	255	مبین اثاثہ جات کی قدر و پائیکس سے غیر تصرف شدہ نتائج میں منتقلی خاص ازگیس
42	-	100	منتقلی فوائدی ذمہ داری کی دوبارہ پائیکس سے حاصل شدہ آمدنی خاص ازگیس
80,463	68,340	18	تصرف کے لیے مستجاب نتائج
حتیٰ پیکس ڈیویڈنڈ برائے سال مختصر 31 دسمبر 2020 - 6 روپے فی حصص			
(6,870)	(2,290)	200	(2020: سال مختصر 31 دسمبر 2019 - 2 روپے فی حصص)
سال کے اختتام کے لیے پہلا عبوری کیش ڈیویڈنڈ 2 روپے فی حصص			
(2,290)	(2,290)	-	(2020: سال مختصر 31 دسمبر 2020 - 2 روپے فی حصص)
سال کے اختتام کے لیے دوسرا عبوری کیش ڈیویڈنڈ 2 روپے فی حصص			
(2,290)	-	100	(2020: سال مختصر 31 دسمبر 2020 - صفر روپے فی حصص)
(1,307)	(1,241)	5	ضوابطی ریورس منتقلی
67,705	62,519	8	آگے منتقل کیا گیا جمع شدہ نتائج
11.41	10.84	5	فی حصص آمدنی (EPS) روپے

یورڈ نہایت سرت سے 2 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے جوکہ 2 روپے فی شیئر کے پہلے اور دوسرے عبوری ڈیویڈنڈ کے علاوہ جس کی پیشتر اداگیس کی جا چکی ہے۔ 30 ستمبر 2021ء کو اختتام پزیر ہونے والے عبوری کیش ڈیویڈنڈ 6 روپے فی شیئر ہے (30 ستمبر 2020ء، 2 روپے فی شیئر جوکہ، 31 مارچ 2020ء کو اختتام پزیر سرمایہ کے لیے 2 روپے فی شیئر اور 30 جون 2020ء اور 30 ستمبر 2020ء کو اختتام پزیر سرمایہ کے لیے مفروضہ فی شیئر کیلئے کوڈ - 19 کی عالمگیر دہانہ میں سحرے ہونے کی وجہ سے اسٹیٹ بینک آف پاکستان نے ڈیویڈنڈ کی اداگیس منسوخ کر دی تھی، پر مشتمل ہے)۔

معاشی جائزہ:

عالمی معیشت اپنی بحالی کی راہ پر گامزن ہے۔ تاہم، مختلف خطوں میں دیکھنے کی غیر متوازن رسائی اور دائرے کے خود کو نئی شکل میں ڈھالنے سے بڑے پیمانے پر معاشی بحالی کے ساتھ ساتھ عالمگیر دہانہ کے دوبارہ نمودار ہونے کے خطرات کا مسلسل برقرار رہنا، فیصلہ سازوں کے لیے پیمائشی کا باعث ہے اور اس کے ساتھ رسد میں رکاوٹوں کی طوالت، خاص طور پر امریکہ اور ترقی پزیر علاقوں میں، کے باعث بحالی کی رفتار کے ساتھ ہونے کا خطرہ ہے۔ جس کی بناء پر عالمی مالیاتی فنڈ (آئی ایم ایف) نے 6 فیصد کے اپنے سابقہ تخمینے کے مقابلے میں حالیہ معاشی پیش بینی میں سال 2021ء کے لیے عالمی نمو کی شرح، کی کے ساتھ، 5.9 فیصد پر توقع کی ہے۔ عالمی معیشت کو لاحق مضمرات سے بچنے کے لیے متوقع اضافی مالی اعانت عالمی نمو کی توقعات میں اضافے کا سبب بنی ہے۔ جوکہ 4.4 فیصد کے ساتھ سابقہ اعداد سے سال 2022ء میں عالمی معیشت کی رفتار کے ساتھ 4.9 فیصد پر درج ہوئی۔

آئی ایم ایف کے ایکسٹنڈڈ فنڈ فیسیلیٹی (Extended Fund Facility) پروگرام اور ایشیائی مالیاتی اور انضمامی پالیسیوں نے پاکستان کی معیشت کو آئی ایم ایف کے سال 2021ء اور 2022ء کے لیے فی ڈی پی پی کی نمو کی بائرنیٹ 3.9 فیصد اور 4 فیصد، تخمینوں کے ساتھ نہایت مستعدی کے ساتھ پیشے میں مدد فراہم کی۔ ان بہتر تخمینوں کی بنیادی وجہ میں نئی سرمایہ کاری کی مضبوط ترقی، بہتر ہونے والی کاروباری سرگرمی اور دیکھنے کی قوی ترقی اور دستیابی کا اہم کردار ہے۔

شہت نمو کی پیش بینی میں خدمات کے شعبے کا مضبوط رول نظر آتا ہے جس میں مالی سال 2020-21 اور 2019 میں 0.6 فیصد کے سیکڑے کے مقابلے میں مالی سال 2020-21 کے دوران 4.4 فیصد کی نمو حاصل ہوئی۔ حالیہ گوگل کمیونٹی موٹیلٹی رپورٹس (Google Community Mobility Reports) میں اس امر کو آشکار کیا گیا ہے کہ گہری سٹوروں، ریسٹورانس اور شاؤپ سٹیز کے کاروباروں نے سال 2021ء کے جولائی تا اگست کے دورانیے میں اپنی کوڈ سے پہلے کی سطح کو عبور کیا ہے۔

معاشی سرگرمیوں کی جلد بحالی اور مضبوطی کے لیے فراہم کیے گئے امدادی چھوٹے بڑے پیمانے کی پیداواری صنعت کو تخریب کرنے میں معاونت کی ہے۔ جس کی بناء پر اہل اس اہم نے مالی سال 2020-21 کے جولائی تا اگست کی مدت میں حاصل کی گئی حصص 3.66 فیصد کی شرح کی نسبت مالی سال 2021-22 کے جولائی تا اگست کے دورانیے میں 7.26 فیصد اضافہ حاصل کیا ہے۔ مالی سال 2021-22 کے اگست کے مہینے میں اہل اس اہم نے 15 میں 12 ذیلی شیئوں میں قیمت نمو دیکھی گئی۔ آٹوموبائل، بچپن اور یورڈ، فارما سیٹیکل، چمڑے کی ایشیا اور غیر مصدقہ صنعتی اشیاء میں بائرنیٹ 66 فیصد، 30 فیصد، 29 فیصد اور 23 فیصد قابل ذکر اضافہ دیکھا گیا۔

داعی طلب میں شرت سے درآمدات میں تیزی اور ایشیائی مالی قیٹوں کے اضافے کے باعث کرنٹ اکاؤنٹ کا شمارہ ستمبر 2021ء کے دوران بڑھتے ہوئے 1,113 ملین امریکی ڈالرز تک پہنچ گیا۔ مالی سال 2021-2022ء کے جولائی تا ستمبر کی مدت کے 865 ملین امریکی ڈالرز کے زائد مال (مرپس) کے مقابلے میں 3,400 ملین امریکی ڈالرز پر ریکارڈ کیا گیا۔

مالی سال 2021-2022ء کے جولائی تا ستمبر کے عرصے میں درآمدات گزشتہ سال کے تقابلی مدت کے 6,630 ملین امریکی ڈالرز کے حجم کے تناسب میں 33 فیصدی کم کے اندراج کے ساتھ 8,813 ملین امریکی ڈالرز پر چا پھٹیں۔ درآمدات میں ٹیکسٹائل، دیگر پیداوار اور خوردویش کے شعبوں کی اہم شمولیت رہی جن میں بالترتیب 31 فیصد، 18 فیصد اور 17 فیصد کا اضافہ درج ہوا۔ اسی مہینے میں سال پر سال کی بنیاد پر ٹیکسٹائل، خوردویش اور دیگر پیداواری شعبوں میں ستمبر 2021ء کے دوران بالترتیب 28 فیصد، 7 فیصد اور 7 فیصدی ترقی دیکھی گئی۔

مالی سال 2021-2022ء کے جولائی تا ستمبر کے عرصے میں ایشیاء و خدمات کے درآمدات میں 59 فیصدی نمو ہوئی، جس نے درآمدات میں ہونے والے اضافے کے زبردست اثر کو برقرار رکھا۔ اہم درآمدات میں ٹرانسپورٹ، پیٹرولیم، ٹیکسٹائل اور خوردویش کے شعبے شامل رہے جن میں مالی سال 2021-2022 کے جولائی تا ستمبر کے عرصے کے دوران بالترتیب 139 فیصد، 91 فیصد، 65 فیصد اور 43 فیصد کا اضافہ ہوا۔ درآمدات میں اس تیز بڑھتی ہوئی چیز سے تھمائی خسارہ گزشتہ سال کی تقابلی مدت کے 5,816 ملین امریکی ڈالرز کے مقابلے میں بڑھتے ہوئے 10,949 ملین امریکی ڈالرز تک چا پھٹا۔

افراد کی ترسیلات کے 2 ملین ڈالرز کے حجم کے قریب رہنے کا مفرد سلسلہ ستمبر 2021 میں مسلسل 16 ویں ماہ میں جاری رہا۔ افرادی ترسیلات ستمبر 2021ء کے 2,284 ملین امریکی ڈالرز کے حجم کی نسبت 17 فیصد کی نمو ظاہر کرتے ہوئے ستمبر 2021ء میں 2,670 ملین امریکی ڈالرز پر چا پھٹیں۔

پاکستان کے غیر ملکی زرمبادلہ کے ذخائر اور اسٹیٹ بینک آف پاکستان کے خالص ذخائر 30 ستمبر 2021 تک، بالترتیب 25,983 ملین امریکی ڈالرز اور 19,254 ملین امریکی ڈالرز پر ریکارڈ ہوئے۔ عالمی جذبات اور داخلی کاروباری سرگرمی میں جمودی بجزی اور اس کے ساتھ آئی ایم ایف کے ترقی پسند استحکام کے پروگرام کی مدد سے پاکستان میں غیر ملکی پورٹ فولیو سرمایہ کاری کو مستحضر کیا۔ جس کے نتیجے میں کلی برادہ راست سرمایہ کاری گزشتہ سال کے تقابلی عرصے میں 312 ملین امریکی ڈالرز کی سطح کے تناسب میں مالی سال 2021-2022ء کے جولائی تا ستمبر کی مدت کے دوران 1,319 ملین امریکی ڈالرز پہنچ گئی۔

پاکستانی روپے میں امریکی ڈالر کے مقابلے میں 30 جون 2021ء سے اب تک 8.3 فیصدی فروشی ہوئی جو گزشتہ سال کے تقابلی عرصے میں حاصل شدہ 1.2 فیصدی افزائش کی نسبت 30 ستمبر 2021ء کو 170.66 روپے فی امریکی ڈالر پر درج ہوا۔ اس فروشی کی بنیاد پر درآمدات میں اضافہ جس میں اسٹیٹ بینک آف پاکستان کی جانب سے پمپس ایشیاء کے درآمد میں کمی کے اقدامات کے باعث قدرے توازن پیدا ہونے کی توقع ہے۔

مالی سال 2021-22ء کے جولائی تا اگست کے عرصے کے دوران خالص ٹیکس کی مجموعی وصولیاں اپنے پورے 167.5 ملین روپے زیادہ پر ریکارڈ ہوئیں۔

تجربہ ستمبر 2021ء میں افراط زر سال پر سال کی بنیاد پر 9 فیصد تک کم ہوا، خوردویش کی قیٹوں میں افراط زر کی شرت، رسد میں درجیش رکاوٹوں اور عالمی منڈیوں میں ایشیاء کی بڑھتی قیٹوں کے باعث 10.8 فیصدی بلند سطح پر برقرار ہے۔

معاشی بحالی، عالمگیر ہوائے مختلف غیر ملکی سے بظاہر کم متاثر نظر آتی ہے، جس کا ثبوت داخلی طلب کے مستحضر اضافے سے ملتا ہے۔ جبکہ خوردویش طرف درآمدات میں ہونے والے توازن اضافے، ایشیاء کی عالمی قیٹوں کی بڑھتی ہوئی قیمتیں میں بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور اس کے ساتھ ملحق ائیرسٹ ریش کے باعث اسٹیٹ بینک آف پاکستان نے طویل اور پائیدار نمو کے تحفظ، افراط زر میں اضافے کی توقعات کو محدود رکھے اور کرنٹ اکاؤنٹ خسارے کی حوصلہ شکنی کے لیے اپنی پالیسی کی ترکیب کو موڈوں رکھے جو نتیجی بنایا ہے۔ لہذا اسٹیٹ بینک آف پاکستان نے پالیسی ریسٹ میں 25 لپی ڈاؤن کے اضافے کے ہونے اس کی شرح کو 7.25 فیصد پر مقرر کیا ہے۔

مالیاتی جائزہ:

پاکستان کی پیکیج کی صنعت محدود معاشی سرگرمی اور اس کے ساتھ پالیسی ریسٹ میں 25 لپی ڈاؤن کے اضافے کے بعد خالص ائیرسٹ راجن میں اضافات اور واجت کی قیٹوں کی تکمیل حاتی میں عارضی ناموافق سے ٹھیل مدت کے سکڑاؤ سے ظہور پزیر کثیر الجہت چیلنجز کا مسلسل سامنا کر رہی ہے۔ عالمگیر ہوائے ملحق گزشتہ ذریعہ سال کے دوران ڈیجیٹلائزیشن، جس نے پاکستان میں ٹیکنالوجی کی صنعت کی تیز ترقی کو روکی ہے، کو ایک ایسے اہم عنصر کے طور پر سامنے آئی ہے۔ جس سے ڈیجیٹل رکاوٹوں کو دور کرنے میں اقدامات کا نتائج پیدا ہوئے۔ اس واقعہ پزیر اور ڈیجیٹل مورتال کے پیش نظر آئی پی کے اپنے ڈیزائن کی رہنمائی میں "ایک تحریک اور قابل پیکی کی تھیل جو کہ ایسی منظم اور مربوط سہولتوں کی فراہمی کو یقینی بنائے جس سے دو صارفین کی سب سے پہلی پند ہو" اپنے تمام اسٹیپ ہولڈرز کے لیے اپنی خدمات کی قدر میں مزید بجزی کی کاروں میں تیزی اور رہا ہے۔

نہجہ کم ہوتے ہوئے شیڈ مارک ریش کی بولت آمدنی کے حال پیداواری اضافات میں کمی سے سرمایہ کے مختلف ریش قرضیات اور بینک پلیسٹیسٹس پر ستمبر 2020ء کے مقابلے میں 2021ء تک ملتی اثرات مرتب ہوئے ہیں۔ اس کی کو جزوی طور پر پورا کرنے کے لیے اوسط پیداوار میں اضافے کے ساتھ ائیرسٹ آمدنی کی تطہیر کو 2 فیصدی شرت پر محدود رکھا گیا۔ جس کے نتیجے میں ائیرسٹ آمدنی 30 ستمبر 2021 کو اہتمام پزیر نوادہ کے عرصے کے دوران اسی طرح، اور قرضہ جات کی مقدار میں اضافے کے باعث ائیرسٹ اثرات 30 ستمبر 2021ء کو اہتمام پزیر نوادہ کی مدت میں گزشتہ سال کے تقابلی عرصے کی 49,154 ملین روپے کی سطح کی نسبت 50,014 ملین روپے پہنچ گئے۔ چنانچہ خالص ائیرسٹ آمدنی (این آئی آئی) 30 ستمبر 2021ء کو اہتمام پزیر نوادہ کی مدت میں گزشتہ سال کے تقابلی عرصے کے 37,476 ملین روپے کے حجم سے 7 فیصدی کمی کے ساتھ 34,682 ملین روپے پر ریکارڈ ہوئی۔

ایک آراء اور مفادات ائیرسٹ ریسٹ کے اجول میں آئیے پی کے نے اپنی آمدنی کے ذرائع میں تنوع کو برقرار رکھنے ہونے سے پیدا ہوتے ڈیجیٹل مالیاتی مواقع سے بھرپور استفادہ حاصل کرنے کے عمل پر خصوصی توجہ کو نتیجی بنایا ہے۔ جس کی بدولت، جس آمدنی میں ستمبر 2020ء میں 10 ملین روپے کے نمو کے مقابلے میں ستمبر 2021ء کے دوران 23 ملین روپے کی نمایاں نمو دیکھی گئی۔

ڈیویڈنڈ کی آمدنی گزشتہ سال کے تقابلی عرصہ میں 36 فیصدی ہونے والی تھی۔ اس کے مقابلے میں 30 ستمبر 2021ء کو اہتمام پٹرول نو ماہ کی مدت کے دوران 112 فیصد کے اہمیت شمارہ اضافے کے ساتھ 1,811 ملین روپے پر پہنچ گئی۔ اس اضافے کی بنیادی وجہ میں جنرل انویسٹمنٹ کے شعبے کی کمپنیوں کی جانب سے ڈیویڈنڈ کے اعلانات اور اسٹیٹ بینک آف پاکستان کی جانب سے بینکاری کے اداروں پر عائد کی گئی ڈیویڈنڈ کی ادائیگی کی پابندیوں کا خاتمہ ہے۔

غیر ملکی کرنسی کی شرح جولائی کی آمدنی گزشتہ سال کے تقابلی عرصہ کی 1,295 ملین روپے کی سطح کی نسبت 30 ستمبر 2021ء کو اہتمام پٹرول نو ماہ کی مدت کے دوران 1,112 ملین روپے پر درج کی گئی۔

اپنے ایکٹیو اور سیویہ آمدنی کے پورٹ فولیو کی دانشمندانہ فروخت نے کمپنیل گین میں 30 ستمبر 2020ء کو اہتمام پٹرول نو ماہ کی مدت کے دوران 2,838 ملین روپے کی سطح کی نسبت 30 ستمبر 2021ء کو اہتمام پٹرول نو ماہ کے عرصے کے دوران 24 فیصد کے اضافے کے ساتھ 3,523 ملین روپے کی آمدنی کو حاصل کیا۔

چنانچہ، نان مارک اپ آمدنی 30 ستمبر 2021ء کو اہتمام پٹرول نو ماہ کے عرصے کے دوران گزشتہ سال کی تقابلی مدت میں حاصل کی گئی 17 فیصد کی نمو کے مقابلے میں 28 فیصد کے مشروط اضافے کو درج کرتے ہوئے، 11,729 ملین روپے پر پہنچ گئی۔ افراط زر کے بڑھتے ہوئے، کرنسی کی قدر میں فروشی کے اثرات اور اپنی ٹیکنالوجی کی بہتری میں مسلسل سرمایہ کاری کے باوجود، بینک کی جانب سے اپنی مؤدبت کو برقرار رکھنے پر خصوصی توجہ کے ساتھ کاروباری اخراجات میں اضافے کو 10 فیصدی شرح پر محدود رکھا گیا۔ 30 ستمبر 2021ء کو اہتمام پٹرول نو ماہ کی مدت کے دوران غیر مارک اپ اخراجات 25,000 ملین روپے پر رہے۔

آپ کے بینک نے گزشتہ سال کے تقابلی عرصے کے 21,443 ملین روپے کے تناسب میں 30 ستمبر 2021ء کو اہتمام پٹرول نو ماہ کے عرصہ میں 21,973 ملین روپے کے منافع قبل ازنگس حاصل کیا۔ منافع بعد ازنگس 30 ستمبر 2020ء تک کے 12,410 ملین روپے کے حجم کی نسبت 30 ستمبر 2021ء میں اہتمام پٹرول نو ماہ کی مدت تک 5 فیصد اضافے کی نمایاں شرح کے ساتھ 13,070 ملین روپے پر درج ہوا۔ اسی طرح فی حصص آمدنی گزشتہ سال کے تقابلی عرصے کی 10.84 روپے فی حصص کی سطح کے تناسب میں 11.41 روپے فی حصص پر پہنچا۔

بینکاری کی خدمات کی فوری اور بااعتماد فراہمی کی فرض سے آپ کا بینک ڈیجیٹل مالیاتی خدمات کے فروغ کے ذریعے مالیاتی شمولیت کے مقاصد کے حصول کے لیے کوشاں ہے۔ لہذا، آپ کے بینک نے صنعت کی دہری حکمت عملی کو اختیار کیا ہے جوکہ ڈیجیٹل اور براہ راست بینکنگ کے کاروبار پر مشتمل ہے۔ برانچوں کی کل تعداد 1,407 رہی جس میں 1,283 روایتی، 117 اسلامک اور 7 ڈیجیٹل برانچیں شامل ہیں۔ اسے ٹی ایم کا نیند ورک 1,557 پر پہنچ گیا جس میں 1,248 آن سائٹ، 303 آف سائٹ اور 6 موہل بینکنگ پوزیشن شامل ہیں۔ 30 ستمبر 2021ء پر اہتمام پٹرول نو ماہ کی مدت کے دوران اسے ٹی ایم کا اہم اولیہ ہاؤس 96.7 فیصد پر درج کیا گیا۔

آپ کے بینک کے کل اثاثوں 31 دسمبر 2020ء کے 1,590 ملین روپے کے مقابلے میں 30 ستمبر 2021ء تک 1,963 ملین روپے پر پہنچ گئے جو کہ 23 فیصدی مشروط نمو کا مظہر ہے۔ یہ شرح مذکورہ مدت میں صنعت کی 14 فیصد کی نمو سے خاصی بلند ہے۔

پالیسی ریسٹ میں متوقع اضافے کے دباؤ سے بچنے کے لیے معاشی صورتحال کے پیش قدم تجربے نے سرمایہ کاری کے پورٹ فولیو کے دانشمندانہ انتظام کی راہ ہموار کی جس کی ودت سرمایہ کاری 30 ستمبر 2021ء تک 44 فیصد کے اضافے کے ساتھ 1,197 ملین روپے پر پہنچ گئی۔ اس اضافے کی بنیادی محرکات میں حکومت پاکستان اور سی سی پی ایف (آئی ٹی بی) اور مارکیٹ ٹریڈر ٹی بی (ایم ٹی بی) میں سیاحت کے نسبت امریزہ مواقع میں سرمائے کی ترسیل رہی۔

معاشی تبدیلی کی تحریک میں اضافے سے نئی شعبے کے قرض کی طلب میں تیزی پیدا ہوئی۔ جس کی بنا پر کل قرضہ جات گزشتہ سال کے تقابلی عرصے کے دوران 9 فیصد کی کمی کے ساتھ 30 ستمبر 2021ء تک 5 فیصد کے اضافے کے ساتھ 536 ملین روپے پر پہنچ گئے۔ خاص قرضہ جات 31 دسمبر 2020ء کے 496 ملین روپے کے مقابلے میں 30 ستمبر 2021ء تک 523 ملین روپے پر پہنچے۔

آپ کے بینک نے کم انٹیکسٹ کی شرح اور مجموعی طور پر بلڈ کوونج کی شرح پر اپنے سڑک کو جاری رکھا جن کی سطح بالترتیب 2.6 فیصد اور 93.9 فیصد پر درج کی گئی۔ غیر فعال قرضوں کے لیے اخراجات (پروویژن) کے شمار میں انٹیٹ بینک آف پاکستان کی جانب سے اجازت کے باوجود جاری فروخت کے فوائد کو شامل نہیں کیا گیا۔

ڈیپازٹس کی اساس 30 ستمبر 2021ء تک 1,354 ملین روپے پر پہنچ گئی جو کہ صنعت کی مطابقت میں 11 فیصدی نمو کی عکاس ہے۔ آپ کے بینک نے کم لاگت کے ڈیپازٹس کے حصول کے لیے اپنی کاوش کو مرکوز کر رکھا جس کا اظہار کرنٹ ڈیپازٹس میں 15 فیصد کے اضافے سے ہے جو کہ 31 ستمبر 2020ء کے 491 ملین روپے کے حجم کے مقابلے میں 30 ستمبر 2021ء تک 564 ملین روپے پر پہنچے۔ چنانچہ، کل ڈیپازٹس میں کرنٹ ڈیپازٹس کا تناسب دسمبر 2020ء میں 40 فیصدی شرح کے مقابلے میں ستمبر 2021ء تک بڑھتے ہوئے 42 فیصد پر درج ہوا۔ کرنٹ اکاؤنٹ ہولڈنگ اکاؤنٹ (کاسا) کی ترکیب 30 ستمبر 2021ء تک 85 فیصد رہی۔

آپ کے بینک کی ایکٹیوٹی کی اساس 30 ستمبر 2021ء تک 129 ملین روپے پر رہی۔ ریٹرن آن ایکٹیوٹی اور ریٹرن آن اینیٹس (Assets) کی شرحیں بالترتیب 16.8 فیصد اور 1.0 فیصد پر رہیں۔ آپ کے بینک کے سرمائے کی مشروط حیثیت کا اندازہ سرمائے کی شمولیت کی شرح، جو کہ 30 ستمبر 2021ء تک 11.50 فیصد کی قانونی مطلوبہ شرح کی نسبت 24.95 فیصد پر درج ہوئی، سے ملتا ہے۔

مشغولگی کی پیش بینی :

اگرچہ اور ترقی پزیر معیشتوں کے لیے سست روی کا ماحول اور کڑے مالیاتی حالات کی وجہ سے آئی ایم ایف نے سال 2026ء کے لیے عالمی پیداوار کے بارے میں 3.3 فیصد کے ساتھ تھوڑے بہتر قرار رکھا ہے۔

داعی ماہر، اسٹیٹ بینک آف پاکستان نے مئی 2022ء کے لیے بی ڈی پی کی نمو کو 4 فیصد سے 5 فیصد کی پیش بینی شروع کی بلکہ سٹیج پر رہنے کی توقعات کا اظہار کیا ہے۔ اسٹین ڈیپوٹ بینک نے حقیقی بی ڈی پی کی نمو 4 فیصد پیش کی ہے۔ اسی مہما میں زراعت کے شعبے میں کپاس کے زریکاشت رتے میں ہونے والی کمی کو چاہل، مٹی اور گنے کی فصل کے لیے زریکاشت رتے میں اضافے سے قوازن فراہم کرتے ہوئے اس کی ماہر 3.5 فیصد کے ہدف کے سبب متاثر ہے۔

اسٹین ڈیپوٹ بینک (ای ڈی پی) نے رسمی صورتحال میں بہتری اور مئی 2022ء کے لیے پیش کیے بجٹ میں اٹھائے گئے اقدامات کی بنیاد پر سال 2022ء میں فراہم کردہ میں کمی سے ساتھ اس شرح 7.5 فیصد پر رہنے کی توقع کی ہے۔ مئی سال 2022ء میں مالیاتی خسارہ کم ہوتے ہوئے بی ڈی پی 6.9 فیصد رہنے کی توقع ہے۔

بیرونی تازہ پر مئی سال 2022ء کے دوران درآمدات میں داخلی معاشی بحالی اور تیل کی بلند ہوتی عالمی قیمتوں کے تاثر میں مزید اضافہ متوقع ہے۔ تاہم، زریکاشت زر کی پیش بینی میں اضافے کی صورتحال برقرار ہے، جس کو روٹن ڈیجیٹل اکاؤنٹس کے اقدامات کا تعاون حاصل رہا، جو کرنٹ اکاؤنٹ کے خسارے کو بی ڈی پی کے 2 فیصد اپنے ماہرہ تخمینے سے کم کرتے ہوئے اسے بی ڈی پی کی 1.5 فیصد تک کی شرح پر لانے میں مددگار ثابت ہوا۔

صارفین اور عوام الناس کو بہتر خدمات فراہم کرنے کے لیے فراہمی کو برقرار رکھنے ہونے والے ملازمین کا تحفظ اور صلاح بینک کے لیے نہایت اہمیت رکھتے ہیں۔ جس کے نتیجے میں آپ کے بینک نے اپنے ملازمین اور ان کے خاندان کے لیے کئی جسمانی و مالیاتی اقدامات کیے ہیں جو کھلی ہوئی معاشی بحالی کے لیے بہترین گواہی کے عمل کو یقینی بنانے کے لیے بہترین کی سہولت کے ڈیکوہ کام کرنے کے اقدامات کیے۔

اسے لپانے کے لیے او ایبل ایس (OLX) مال، جو کہ ایک ای کامرس پلٹ فارم ہے، کے ساتھ شراکت داری کی ہے تاکہ سبے مثال ڈیٹا اور ڈیٹا کاؤنٹس کی فراہمی سے صارفین اپنے موہل فن، ایگزیکٹس، ہوم اپرائسز اور روزمرہ کی اشیاء کو کم قیمتوں پر خریدنے میں مددگار بن سکیں۔

مائی سے لپانے والے بینکنگ کی خدمات میں ابھی حال ہی میں "چٹ سے لپانے والے (Chat with ABL)" کا نچر حصارف کر دیا گیا ہے۔ جس کے تحت اب صارفین سے لپانے والے کی پراڈکٹس کے بارے میں پزیرگی کی "مطمان 24 گھنٹے میں کسی بھی وقت اور تمام ہفتے سے لپانے کے ناموں سے چٹ (Chat) کے ذریعے حاصل کر سکتے ہیں اور اپنے سوالات کا حقیقی وقت میں فوری جواب حاصل کر سکتے ہیں۔ جس کے نتیجے میں 7 ماہ کے عرصے میں مائی سے لپانے والے ڈس ایپ بینکنگ نے 200,000 افرادی رجسٹریشن کے سگ میں کوہر کیا۔

برائچوں میں افراد کی نقل و حمل محدود کرنے اور صارفین کی آسانی اور سہولت کے لیے ڈیجیٹلائزیشن میں اضافہ کی غرض سے مائی سے لپانے والے میں دوہولنگ سگس سرچلیٹ تیار کرنے کے خصوصی نچر کا اضافہ کیا گیا۔ صارفین اب کسی بھی براؤز میں جانے بچھارے اپنے کسی بھی متعلقہ اکاؤنٹ کے دوہولنگ سگس سرچلیٹ کو مصل ایک کلک کے ذریعے ڈاؤن لوڈ کر سکتے ہیں۔

" ایک پندرہ آجر " بننے کے آپ کے بینک کے کلیدی مقصد پر عمل کرنے کے علاوہ آپ کے بینک نے پاکستان سوسائٹی آف ہیومن ریسورس مینجمنٹ (پی ایس ایچ آف ایم) سے دو قابل ذکر وسائل اپاروز حاصل کیے:

- سال 2021ء، پاکستان میں کام کرنے کی سب سے بہتر جگہ (Best Place to Work) مالیاتی خدمات میں (سلسلہ دوسرے سال کے) وز
- سال 2021ء، پاکستان میں کام کرنے کی سب سے بہتر جگہ (Best Place to Work) بڑے اداروں میں مئی 10 پوزیشن شامل

اسٹیبل ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لیٹھ (PACRA) نے بینک کی طویل المدتی اور قلیل المدتی ریٹنگ کو بہتر "AAA" ٹریل سے اور "A1+" (اے ون پلس) کی سطح پر برقرار رکھا ہے۔ یہ درجہ بندی بینک کے قرضہ جات کے اعلیٰ معیار اور اپنی مالیاتی ذمہ داریوں کی ادائیگی کی انتہائی مضبوط صلاحیتوں کی عکاس ہیں۔ آپ کے بینک نے، ملک کے مالیاتی ادارے جو بلڈ ریٹنگ ریٹنگ کے حامل ہیں، کے اپنی اہمیت کے واحد مخصوص گروپ میں اپنی حیثیت کو مزید مستحکم کیا ہے۔

کارپوریٹ گورننس ریٹنگ:

وی ای ایل (VIS) کریڈٹ ریٹنگ ایجنسی نے بینک کی کارپوریٹ گورننس کی درجہ بندی کو "CGR+9" کی سطح پر برقرار رکھا ہے۔ یہ ریٹنگ کارپوریٹ گورننس کے اعلیٰ معیار کا مظہر ہونے کے ساتھ اسے لپانے والے بورڈ اور مینجمنٹ کے ایک مضبوط اور مستحکم گورننس کے نظام (فریم ورک) پر سلسلہ یقین اور اعادہ کو بھی اٹھا کر کرتی ہیں۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بناوٹ کو کارپوریٹ معلومات کے جزد میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز (ماسوائے جنہوں نے اجلاس کی فیس نہ لینے کے اختیار کو اپنا لیا ہے) کو بورڈ یا اور انہی 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 ڈائریکٹرز اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی مشاورات جن پر کریڈٹ کے ذریعہ غور اور چاہنا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

تعلیم و تبحر:

ہم، بورڈ اور مینجمنٹ کی جانب سے، اپنے قابل قدر صارفین کے لائیو بینک پراگنے اجاد کے لیے بہت ممنون ہیں۔ ہم اپنے معزز شیئرز بلورڈ کے بینک کے لیے تعاون پر، اسٹیٹ بینک آف پاکستان، سکیورٹی اینڈ اینٹی کوریپشن کمیشن آف پاکستان، اور دیگر انتظامی اداروں کا ان کی سلسلہ رہنمائی اور اعانت پر انتہائی ممنون سے شکر ادا کرتے ہیں۔

ہم خاص طور پر اپنے ملازمین کا اگلی اہمیت اور بھرپور مدداری کا بھرپور اعتراف کرتے ہیں، جنہوں نے اس کڑی آزمائش کے دور میں اپنے کام کو نہایت تہمتی اور لگن و ترقی سے سرانجام دیا تاکہ کاروبار کے سلسلے کو یقینی بناتے ہوئے اپنے صارفین اور عوام الناس کو بلا تخطی مالیاتی خدمات مہیا کی جاسکیں۔

ہم اس عالمگیر وبا کی جنگ میں تمام انسانیت کی صحت اور تحفظ کے لیے بڑا امیدوار دعا گو ہیں۔

منجانب ویراے یورڈ آف ڈائریکٹرز

محمد نسیم حقار
چیرمین یورڈ آف ڈائریکٹرز

ایز دزاق گل
چیف ایگزیکٹو آفیسر

لاہور

27 اکتوبر 2021ء

UNCONSOLIDATED **FINANCIAL STATEMENTS**

for the nine months ended September 30, 2021

Unconsolidated Statement of Financial Position

(Un-audited) as at September 30, 2021

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	106,704,091	128,391,896
Balances with other banks	8	3,330,098	7,236,502
Lendings to financial institutions - net	9	19,338,561	17,996,123
Investments - net	10	1,196,517,836	829,621,110
Advances - net	11	523,343,181	496,431,756
Fixed assets	12	76,078,441	73,529,440
Intangible assets	13	2,898,631	2,716,789
Deferred tax assets		-	-
Other assets - net	14	34,851,018	34,534,399
		1,963,061,857	1,590,458,015
LIABILITIES			
Bills payable	16	10,647,594	9,622,020
Borrowings	17	427,978,559	193,928,086
Deposits and other accounts	18	1,353,578,610	1,216,678,254
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	1,471,135	3,991,750
Other liabilities	20	40,137,596	34,677,798
		1,833,813,494	1,458,897,908
NET ASSETS			
		129,248,363	131,560,107
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		26,073,681	24,277,184
Surplus on revaluation of assets - net of tax	22	24,019,155	28,837,661
Unappropriated profit		67,704,788	66,994,523
		129,248,363	131,560,107

CONTINGENCIES AND COMMITMENTS

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2021

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Rupees in '000					
Mark-up / return / interest earned	25	84,696,094	86,630,080	31,359,285	24,682,984
Mark-up / return / interest expensed	26	50,014,011	49,154,095	19,695,150	12,388,692
Net mark-up / interest income		34,682,083	37,475,985	11,664,135	12,294,292
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	4,949,865	4,032,182	1,694,189	1,257,312
Dividend income		1,811,163	854,884	718,264	142,678
Foreign exchange income		1,112,401	1,295,358	449,870	608,150
Income from derivatives		-	-	-	-
Gain on securities - net	28	3,523,179	2,837,772	871,325	412,027
Other income	29	332,348	125,985	62,300	27,959
Total non mark-up / interest income		11,728,956	9,146,181	3,795,948	2,448,126
Total income		46,411,039	46,622,166	15,460,083	14,742,418
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	24,420,773	22,108,822	8,260,502	7,534,576
Workers welfare fund		462,104	492,240	151,229	147,988
Other charges	31	116,709	169,225	38,244	79,444
Total non mark-up / interest expenses		24,999,586	22,770,287	8,449,975	7,762,008
Profit before provisions		21,411,453	23,851,879	7,010,108	6,980,410
(Reversals) / provisions and write offs - net	32	(561,253)	2,408,381	(251,709)	199,380
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		21,972,706	21,443,498	7,261,817	6,781,030
Taxation	33	8,903,105	9,033,503	2,954,204	2,784,564
PROFIT AFTER TAXATION		13,069,601	12,409,995	4,307,613	3,996,466
In Rupees					
Basic and Diluted earnings per share	34	11.41	10.84	3.76	3.49

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2021

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Rupees in '000			
Profit after taxation for the period	13,069,601	12,409,995	4,307,613	3,996,466
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	489,537	451,858	602,466	(87,232)
Movement in deficit on revaluation of investments - net of tax	(4,261,502)	(1,561,270)	(1,887,419)	(2,188,691)
	(3,771,965)	(1,109,412)	(1,284,953)	(2,275,923)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	41,632			
Revaluation of fixed assets	(199,010)	-	-	-
Revaluation of non-banking assets	(1,263)	(23,075)	-	-
	(158,641)	(23,075)		
Total comprehensive income	9,138,995	11,277,508	3,022,660	1,720,543

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2021

	Note	September 30, 2021	September 30, 2020
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		21,972,706	21,443,498
Less: Dividend income		(1,811,163)	(854,884)
		20,161,543	20,588,614
Adjustments:			
Depreciation - Operating Fixed Assets		2,709,694	2,671,984
Depreciation - Non Banking Assets		4,426	25,203
Depreciation on right of use assets		1,266,724	1,351,844
Interest expense on lease liability		672,584	764,095
Amortization		297,843	192,748
Net (reversals) / provisions and write offs	32	(517,310)	2,409,516
Unrealized (gain) / loss on revaluation of 'held-for-trading' securities		(195)	1,138
Provision for workers welfare fund		462,104	492,240
Gain on sale of fixed assets		(225,204)	(64,645)
Gain on sale of non-banking assets and other assets		(304)	-
		4,670,362	7,844,123
		24,831,905	28,432,737
(Increase) / decrease in operating assets			
Lendings to financial institutions		(1,342,438)	8,730,864
Held-for-trading securities		(632,675)	17,211,016
Advances		(26,346,509)	42,754,138
Other assets (excluding advance taxation)		(286,413)	8,268,470
		(28,608,035)	76,964,488
Increase / (decrease) in operating liabilities			
Bills payable		1,025,574	1,699,072
Borrowings		234,008,740	(121,056,633)
Deposits and other accounts		136,900,356	73,329,415
Other liabilities (excluding current taxation)		4,516,902	802,072
		376,451,572	(45,226,074)
		372,675,442	60,171,151
Income tax paid		(8,860,147)	(6,875,645)
Net cash flow generated from operating activities		363,815,295	53,295,506
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in 'available-for-sale' securities		(340,853,252)	(50,294,370)
Net investments in 'held-to-maturity' securities		(31,895,260)	(175,691)
Dividend received		1,239,584	851,911
Investments in fixed assets and intangible assets		(6,347,406)	(7,278,021)
Proceeds from sale of fixed assets		870,867	123,924
Effect of translation of net investment in foreign branches		489,537	451,858
Net cash flow used in investing activities		(376,495,930)	(56,320,389)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,549,395)	(1,763,945)
Dividend paid		(11,405,912)	(4,569,277)
Net cash flow used in financing activities		(12,955,307)	(6,333,222)
Effect of exchange rate changes on opening cash and cash equivalents		(1,035,951)	(1,106,341)
Decrease in cash and cash equivalents during the period		(26,671,893)	(10,464,446)
Cash and cash equivalents at beginning of the period		136,620,552	121,588,543
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		109,948,659	111,124,097

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2021

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Investments	Surplus on revaluation of Fixed assets	Non-banking assets	Un-appropriated profit	Total
	Rupees in '000								
Balance as at January 01, 2020 (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 nine months ended September 30, 2020	-	-	-	-	-	-	-	12,409,995	12,409,995
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(1,561,270)	-	-	-	(1,561,270)
Change in revaluation surplus of non-banking assets	-	-	-	-	-	-	(23,075)	-	(23,075)
Effect of translation of net investment in foreign branches	-	451,858	-	-	-	-	-	-	451,858
	-	451,858	-	-	(1,561,270)	-	(23,075)	-	(1,132,487)
Transfer to statutory reserve	-	-	1,241,000	-	-	-	-	(1,241,000)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	1,848,955	(1,848,955)	-	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(25,316)	-	25,316	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(75,063)	-	75,063	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(8,646)	8,646	-
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)
First interim cash dividend for the year ending December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at September 30, 2020	11,450,739	2,273,578	21,683,505	6,000	5,867,711	17,387,572	890,005	62,518,935	122,048,045
Profit after taxation for the three months ended December 31, 2020	-	-	-	-	-	-	-	5,619,462	5,619,462
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(891,761)	-	-	-	(891,761)
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	5,749,574	-	-	5,749,574
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	185,452	-	185,452
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(802,820)	(802,820)
Effect of translation of net investment in foreign branches	-	(247,845)	-	-	-	-	-	-	(247,845)
	-	(247,845)	-	-	(891,761)	5,749,574	185,452	(802,820)	3,892,600
Transfer to statutory reserve	-	-	561,946	-	-	-	-	(561,946)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	408,245	(408,245)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,953)	-	34,953	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(187,699)	-	187,699	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	7,566	(7,566)	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(5,808)	5,808	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Second interim cash dividend for the year ended December 31, 2020 (Rs. 0 per ordinary share)	-	-	-	-	-	-	-	-	-
Third interim cash dividend for the year ended December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2020 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	66,994,523	131,560,107
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	-	13,069,601	13,069,601
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(4,261,502)	-	-	-	(4,261,502)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	489,537	-	-	-	-	-	-	489,537
	-	489,537	-	-	(4,261,502)	(199,010)	(1,263)	41,632	(3,930,606)
Transfer to statutory reserve	-	-	1,306,960	-	-	-	-	(1,306,960)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	4,399	(4,399)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(105,539)	-	105,539	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(249,522)	-	249,522	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(664)	664	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(1,006)	1,006	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,448)	(6,870,448)
First interim cash dividend for the year ending December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ending December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at September 30, 2021	11,450,739	2,515,270	23,552,411	6,000	614,448	22,773,067	631,640	67,704,798	129,248,263

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

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 1,405 (December 31, 2020: 1,400) branches in Pakistan including 117 (December 31, 2020: 117) Islamic banking branches, 1 branch (December 31, 2020: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2020: 1) in Bahrain.

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

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

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

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

2. BASIS OF PRESENTATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

- 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 unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.
- 2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS).
- 2.1.5 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2020.

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, 2020.

3.1 New Standards, Interpretations and amendments adopted by the Bank

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2021. These are considered either to not be relevant or to not have any significant impact on these unconsolidated condensed interim financial statements.

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

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

	Effective date (periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Annual improvements to IFRS Standards 2018 - 2020	January 01, 2022
- IAS 12 - Amendments on Deferred Tax	January 01, 2023
- Amendments on disclosure of Accounting Policies	January 01, 2023

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

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

- IFRS 9 'Financial Instruments', the effective date of the standard has been extended to annual periods beginning on or after January 01, 2022 vide SBP BPRD Circular letter No. 24 dated July 05, 2021. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on Banks' Financial Statements is being assessed and implementation guidelines are awaited.

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, 2020.

5. BASIS OF MEASUREMENT

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

- Certain investments;
- Certain 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, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	December 31, 2020
	Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	29,514,397	21,697,705
Foreign currencies	759,587	868,206
	30,273,984	22,565,911
Remittances in transit	1,488,952	475,807
With State Bank of Pakistan (SBP) in		
Local currency current accounts	44,418,115	62,965,250
Foreign currency current account	104,885	22,221
Foreign currency deposit accounts (non-remunerative)	4,419,179	4,693,248
Foreign currency deposit accounts (remunerative)	8,811,393	9,525,239
	57,753,572	77,205,958
With National Bank of Pakistan in		
Local currency current accounts	16,564,185	25,953,691
Prize Bonds	623,398	2,190,529
	106,704,091	128,391,896
8 BALANCES WITH OTHER BANKS		
In Pakistan		
In deposit accounts	2,000,000	-
Outside Pakistan		
In current accounts	1,294,239	1,885,460
In deposit accounts	35,859	5,351,042
	3,330,098	7,236,502
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings - local currency	5,500,000	6,000,000
Call money lendings - foreign currency	-	3,196,688
Repurchase agreement lendings (Reverse Repo)	2,987,229	7,345,000
Musharaka lendings	5,900,000	500,000
Bai muajjal receivable		
with State Bank of Pakistan	-	954,435
with other financial institutions	4,951,332	-
Certificates of investment	70,000	70,000
	19,408,561	18,066,123
Less: Provision held against lendings to financial institutions	(70,000)	(70,000)
Lendings to financial institutions - net of provision	19,338,561	17,996,123

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021		(Audited) December 31, 2020	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	September 30, 2021				(Audited) December 31, 2020			
	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	632,675	-	195	632,870	-	-	-	-
Available-for-sale securities								
Federal Government Securities*	1,099,358,906	(2,944)	(1,651,282)	1,097,704,680	758,053,707	(12,306)	1,795,459	759,836,860
Shares	17,469,320	(1,842,858)	2,471,848	18,098,310	19,566,119	(2,055,595)	5,787,108	23,297,632
Non Government Debt Securities	22,018,859	(21,071)	187,810	22,185,598	21,433,961	(21,071)	(81,907)	21,330,983
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	(1,084)	23,916	25,000	-	802	25,802
Islamic Naya Pakistan Certificate	847,369	-	-	847,369	-	-	-	-
	1,140,757,146	(1,866,873)	1,007,292	1,139,897,565	800,116,479	(2,088,972)	7,501,462	805,528,969
Held-to-maturity securities								
Federal Government Securities	55,487,401	-	-	55,487,401	23,592,141	-	-	23,592,141
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	55,831,661	(344,260)	-	55,487,401	23,936,401	(344,260)	-	23,592,141
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,197,721,482	(2,211,133)	1,007,487	1,196,517,836	824,552,880	(2,433,232)	7,501,462	829,621,110

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	(Audited) December 31, 2020
Rupees in '000		
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	26,925,736	28,776,013
Pakistan Investment Bonds	285,750,495	81,963,094
GOP Foreign Currency Sukuks (US\$)	563,353	-
Total Investments given as collateral	313,239,584	110,739,107
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,433,232	3,584,114
Exchange adjustments	151	209
Charge / (reversals)		
Charge for the period / year	-	600,351
Reversals for the period / year	(9,513)	(22,851)
	(9,513)	577,500
Reversal on disposals	(212,737)	(1,728,591)
Closing Balance	2,211,133	2,433,232

	(Audited)			
	September 30, 2021		December 31, 2020	
	Non Performing Investments	Provision	Non Performing Investments	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*	4,266,401	2,944	3,995,021	12,306
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	4,631,732	368,275	4,360,352	377,637

* Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at September 30, 2021 amounted to Rs. 52,638.8 million (December 31, 2020: Rs. 21,971.9 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	Performing		Non Performing		Total		
	Audited		Audited		Audited		
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	
Rupees in '000							
11 ADVANCES							
Loans, cash credits, running finances, etc.	495,171,428	459,187,682	12,528,614	12,740,989	507,700,042	471,928,671	
Islamic financing and related assets	39.3	25,280,919	32,642,319	-	25,280,919	32,642,319	
Bills discounted and purchased		2,035,381	4,183,084	1,419,670	3,455,051	5,602,754	
Advances - gross	11.1	522,487,728	496,013,085	13,948,284	14,160,659	536,436,012	510,173,744
Provision against advances							
Specific	11.2 & 11.3	-	-	(13,041,094)	(13,632,529)	(13,041,094)	(13,632,529)
General	11.3	(51,737)	(109,459)	-	-	(51,737)	(109,459)
		(51,737)	(109,459)	(13,041,094)	(13,632,529)	(13,092,831)	(13,741,988)
Advances - net of provision		522,435,991	495,903,626	907,190	528,130	523,343,181	496,431,756

(Audited)
September 30, 2021 December 31, 2020

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	513,948,123	495,717,569
	In foreign currencies	22,487,889	14,456,175
		<u>536,436,012</u>	<u>510,173,744</u>

11.2 Advances include Rs. 13,948.284 million (December 31, 2020: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

	(Audited)			
	September 30, 2021		December 31, 2020	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	62,463	1,912	31,881	121
Substandard	720,171	179,387	253,289	62,451
Doubtful	611,711	305,856	611,064	305,532
Loss	12,553,939	12,553,939	13,264,425	13,264,425
Total	<u>13,948,284</u>	<u>13,041,094</u>	<u>14,160,659</u>	<u>13,632,529</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021				(Audited) December 31, 2020		
	Note	Specific	General	Total	Specific	General	Total
Rupees in '000							
11.3 Particulars of provision against advances							
Opening balance		13,632,529	109,459	13,741,988	15,112,624	39,795	15,152,419
Exchange adjustments		-	1,788	1,788	-	1,478	1,478
Charge for the period / year		302,118	1,766	303,884	911,464	1,404,515	2,315,979
Reversals for the period / year		(807,524)	(61,276)	(868,800)	(630,472)	(1,336,329)	(1,966,801)
		(505,406)	(59,510)	(564,916)	280,992	68,186	349,178
Amounts written off		(86,029)	-	(86,029)	(1,761,087)	-	(1,761,087)
Closing balance		13,041,094	51,737	13,092,831	13,632,529	109,459	13,741,988

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)	
		September 30, 2021	December 31, 2020
Rupees in '000			
12 FIXED ASSETS			
Capital work-in-progress	12.1	3,773,787	2,891,147
Property and equipment		65,064,808	63,434,780
Right-of-Use of Assets		7,239,846	7,203,513
		76,078,441	73,529,440
12.1 Capital work-in-progress			
Civil works		2,583,329	1,958,105
Equipment		33	331,677
Advances to suppliers		1,190,425	601,365
		3,773,787	2,891,147

12.2 Additions to fixed assets

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

	September 30, 2021	September 30, 2020
Rupees in '000		
Capital work-in-progress	625,257	980,332
Property and equipment		
Freehold land	935,442	3,115,551
Leasehold land	343,144	554,130
Building on freehold land	811,031	142,813
Building on leasehold land	211,983	45,985
Furniture and fixture	195,404	246,406
Electrical office and computer equipment	1,797,913	856,621
Vehicles	221,708	73,110
Others-building improvements	475,480	351,110
	4,992,105	5,385,726
Right-of-Use of Assets	1,301,398	465,869
Total	6,918,760	6,831,927

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

12.3 Disposal of fixed assets

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

	Note	September 30, 2021	September 30, 2020
Rupees in '000			
Furniture and fixture		881	354
Electrical office and computer equipment		7,009	1,915
Vehicles		25,743	7,708
Land Freehold		250,000	-
Land Leasehold		291,000	-
Building Freehold		863	48,810
Building Leasehold		74,132	-
Building Improvements		2,678	-
Total		652,306	58,787

				(Audited)
		September 30, 2021	December 31, 2020	
Rupees in '000				

13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	341,878	499,577
Computer Software		2,556,753	2,217,212
		2,898,631	2,716,789
13.1 Capital work-in-progress			
Software		338,879	496,703
Advances to suppliers		2,999	2,874
		341,878	499,577

13.2 Additions to intangible assets

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

	September 30, 2021	September 30, 2020
Rupees in '000		
Directly purchased	637,404	335,044
Capital work-in-progress	278,643	402,780
Total	916,047	737,824

13.3 Disposals of intangible assets

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

	September 30, 2021	September 30, 2020
Rupees in '000		
Directly purchased	19	-
Total	19	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency	19,093,032	19,310,016
	Income / Mark-up accrued in foreign currency	539,284	204,777
	Advances, deposits, advance rent and other prepayments	1,509,828	952,041
	Advance taxation (payments less provisions)	1,868,651	2,358,198
	Non-banking assets acquired in satisfaction of claims	608,868	792,216
	Mark to market gain on forward foreign exchange contracts	1,083,326	-
	Acceptances	4,935,403	5,329,898
	Due from the employees' retirement benefit schemes		
	Pension fund	4,063,324	3,786,440
	Fraud and forgeries	539,610	539,178
	Stationery and stamps in hand	435,160	304,116
	Overdue Foreign Bills Negotiated or Discounted	125,413	107,472
	Home Remittance Cell agent receivable	6,192	83,999
	Receivable from SBP - customers encashments	6,995	-
	Charges receivable	27,160	27,711
	ATM / Point of Sale settlement account	-	830,819
	Suspense Account	530	1,865
	Others	119,392	12,182
		34,962,168	34,640,928
	Less: Provision held against other assets	14.1 (753,420)	(756,559)
	Other assets (net of provision)	34,208,748	33,884,369
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	642,270	650,030
	Other Assets - Total	34,851,018	34,534,399
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	150,758	147,067
	Provision against fraud and forgeries	539,610	539,178
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,069	27,711
	Others	11,688	18,308
		753,420	756,559
14.1.1	Movement in provision held against other assets		
	Opening balance	756,559	862,460
	Charge for the period / year	55,212	65,537
	Reversals	(7,250)	(110,723)
	Net charge	47,962	(45,186)
	Written off / adjusted	(51,101)	(60,715)
	Closing balance	753,420	756,559

15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2021 and December 31, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

(Audited)
September 30, December 31,
2021 2020
Rupees in '000

16 BILLS PAYABLE		
In Pakistan	10,647,594	9,622,020
17 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Repurchase agreement borrowings	265,000,000	69,899,415
Under export refinance scheme	27,279,174	28,781,058
Under payroll refinance scheme	9,555,349	17,579,785
Under long term financing facility	31,063,852	27,462,140
Under financing scheme for renewable energy	534,646	34,461
Under temporary economic refinance scheme	7,289,506	388,385
Other borrowings	7,522	8,432
Under refinance scheme for wages and salaries	187,837	121,270
	340,917,886	144,274,946
Repurchase agreement borrowings from Financial Institutions	50,293,655	40,293,084
Total Secured	391,211,541	184,568,030
Unsecured		
Call borrowings	22,931,668	9,263,438
Trading liability	11,939,880	-
Overdrawn nostro accounts	85,530	43,797
Musharaka borrowing	770,000	-
Mudaraba borrowing	1,000,000	-
Other borrowings	39,940	52,821
Total unsecured	36,767,018	9,360,056
	427,978,559	193,928,086

(Audited)

	September 30, 2021			December 31, 2020		
	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	449,733,172	24,029,529	473,762,701	391,581,042	23,736,666	415,317,708
Savings deposits	488,044,310	17,920,472	505,964,782	461,231,842	33,740,375	494,972,217
Term deposits	144,458,820	44,407,955	188,866,775	107,223,558	35,015,861	142,239,419
Others	28,527,545	41,424	28,568,969	23,540,199	58,247	23,598,446
	1,110,763,847	86,399,380	1,197,163,227	983,576,641	92,551,149	1,076,127,790
Financial Institutions						
Current deposits	61,529,529	19,727	61,549,256	52,236,902	11,655	52,248,557
Savings deposits	81,948,373	-	81,948,373	75,358,579	-	75,358,579
Term deposits	12,879,350	38,398	12,917,748	12,896,350	41,557	12,937,907
Others	6	-	6	5,421	-	5,421
	156,357,258	58,125	156,415,383	140,497,252	53,212	140,550,464
	1,267,121,105	86,457,505	1,353,578,610	1,124,073,893	92,604,361	1,216,678,254

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 816,376 million for September 30, 2021 (December 31, 2020: 746,521 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	(Audited)	
Note	September 30, 2021	December 31, 2020
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	(315,000)	(222,951)
Actuarial gains	(405,919)	(364,286)
Post retirement medical benefits	(42,980)	(42,980)
Workers welfare fund	(1,001,374)	(736,933)
	(1,838,149)	(1,440,026)
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	1,731,887	1,598,517
Surplus on revaluation of investments	392,844	2,625,512
Surplus on revaluation on non-banking assets	10,630	11,058
Accelerated tax depreciation / amortization	1,160,717	1,183,483
Excess of investment in finance lease over written down value of leased assets	13,206	13,206
	3,309,284	5,431,776
	1,471,135	3,991,750
20 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	7,798,826	3,024,818
Mark-up / return / interest payable in foreign currencies	97,767	257,307
Accrued expenses	1,120,737	1,626,257
Retention money payable	543,826	417,668
Unearned commission and income on bills discounted	227,765	247,103
Acceptances	4,935,403	5,329,898
Unclaimed dividends	384,098	363,404
Dividend payable	24,133	-
Branch adjustment account	282,145	268,872
Unrealized loss on forward foreign exchange contracts	-	2,006,994
Provision for:		
Gratuity	609,275	609,275
Employees' medical benefits	1,559,048	1,514,300
Employees' compensated absences	874,926	774,381
Payable to defined contribution plan	47,233	29,657
Provision against off-balance sheet obligations	20.1 310,250	301,093
Security deposits against lease	865,711	757,009
ATM / Point of Sale settlement account	3,595,575	-
Charity fund balance	123	14
Home Remittance Cell overdraft	696,569	1,177,680
With-holding tax payable	252,535	1,835,535
Sundry deposits	3,036,258	2,652,177
Workers welfare fund payable	2,567,626	2,105,522
Present value of lease liability	8,741,554	8,316,966
Others	1,566,213	1,061,868
	40,137,596	34,677,798

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	(Audited)	
	September 30, 2021	December 31, 2020
Rupees in '000		
20.1 Provision against off-balance sheet obligations		
Opening balance	301,093	313,043
Charge for the period / year	12,862	-
Reversals for the period / year	(3,705)	(11,950)
	9,157	(11,950)
Closing balance	310,250	301,093

	(Audited)		(Audited)	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	Number of shares		Rupees in '000	

21 SHARE CAPITAL				
21.1 Authorized capital				
	1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000 15,000,000

21.2 Issued, subscribed and paid-up capital				
Fully paid-up Ordinary shares of Rs. 10/- each				
	406,780,094	406,780,094	Fully paid in cash	4,067,801 4,067,801
	720,745,186	720,745,186	Issued as bonus shares	7,207,452 7,207,452
	1,127,525,280	1,127,525,280		11,275,253 11,275,253

	9,148,550	9,148,550	18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486 91,486
	8,400,000	8,400,000	8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000 84,000
	1,145,073,830	1,145,073,830		11,450,739 11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2020: 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 nine months ended September 30, 2021

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,504,954	24,921,256
Non-banking assets acquired in satisfaction of claims		642,270	650,030
Available-for-sale securities	10.1	1,007,292	7,501,462
		<u>26,154,516</u>	<u>33,072,748</u>
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,731,887)	(1,598,517)
Non-banking assets acquired in satisfaction of claims		(10,630)	(11,058)
Available-for-sale securities		(392,844)	(2,625,512)
		<u>(2,135,361)</u>	<u>(4,235,087)</u>
		<u>24,019,155</u>	<u>28,837,661</u>

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	38,804,689	36,224,791
Commitments	23.2	405,059,001	304,718,422
Other contingent liabilities	23.3	6,784,551	8,594,509
		<u>450,648,241</u>	<u>349,537,722</u>

23.1 Guarantees

Financial guarantees		8,543,418	8,401,931
Performance guarantees		7,436,726	6,014,712
Other guarantees		22,824,545	21,808,148
		<u>38,804,689</u>	<u>36,224,791</u>

23.2 Commitments

Documentary credits and short term trade related transactions:

letters of credit		96,410,791	84,039,527
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	203,146,070	216,047,094
forward government securities transactions	23.2.2	101,585,624	-
operating leases	23.2.3	273,519	349,303
Commitments for acquisition of:			
fixed assets		3,349,620	3,683,381
intangible assets		293,377	599,117
		<u>405,059,001</u>	<u>304,718,422</u>

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		126,941,177	136,626,044
Sale		76,204,893	79,421,050
		<u>203,146,070</u>	<u>216,047,094</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	70,344,756	-
Sale	31,240,868	-
	<u>101,585,624</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	141,566	146,859
Later than one year and not later than five years	105,431	179,634
Later than five years	26,522	22,810
	<u>273,519</u>	<u>349,303</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	<u>6,784,551</u>	<u>8,594,509</u>

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2020 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2020, income tax authorities made certain add backs with aggregate tax impact of Rs.30,096 million (2020: 27,815 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.30,096 million (2020: 27,815 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,700 million (2020: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 1,700 million (2020: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (2020: 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 (2020: 963 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs. 2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier 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.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2020.

	Nine Months Ended		Quarter Ended		
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		Rupees in '000			
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		24,895,565	34,387,646	8,309,981	8,372,414
Investments		59,019,965	50,889,484	22,708,042	16,080,206
Lendings to financial institutions		774,844	1,317,413	336,851	230,347
Balances with banks		5,720	35,537	4,411	17
		84,696,094	86,630,080	31,359,285	24,682,984
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		30,565,238	39,182,751	11,347,065	9,682,248
Borrowings		15,616,750	4,988,056	7,069,014	1,312,340
Cost of foreign currency swaps against foreign currency deposits		3,159,439	4,219,193	1,051,062	1,151,435
Interest expense on lease liability		672,584	764,095	228,009	242,669
		50,014,011	49,154,095	19,695,150	12,388,692
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		1,835,397	1,435,445	722,864	490,334
Branch banking customer fees		1,148,008	969,126	426,886	344,630
Commission on remittances including home remittances		672,768	613,162	135,288	107,029
Investment banking fees		548,921	429,593	153,272	101,814
Commission on trade		335,122	256,665	110,169	100,070
Commission on cash management		159,852	126,217	59,940	42,020
Commission on guarantees		146,146	113,318	45,007	47,326
Commission on bancassurance		80,092	64,970	30,813	17,011
Credit related fees		17,529	20,094	7,034	5,289
Consumer finance related fees		6,030	3,592	2,916	1,789
		4,949,865	4,032,182	1,694,189	1,257,312
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	3,523,556	2,838,910	862,412	413,165
Unrealised - 'held for trading'	10.1	195	(1,138)	9,742	(1,138)
Unrealised - forward government securities		(572)	-	(829)	-
		3,523,179	2,837,772	871,325	412,027

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

Note	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Rupees in '000				
28.1 Realised gain / (loss) on:				
Federal government securities	1,144,377	1,657,324	161,443	75,512
Shares	2,380,559	1,093,163	701,507	337,761
Non government debt securities	(1,380)	(367)	(538)	(108)
Open ended mutual funds	-	88,790	-	-
	3,523,556	2,838,910	862,412	413,165
29 OTHER INCOME				
Recovery of written off mark-up and charges	43,765	736	357	510
Gain on sale of fixed assets - net	225,204	64,645	22,486	3,436
Gain on sale of non-banking assets - net	304	-	-	-
Other assets disposal	35,459	33,950	30,305	15,731
Rent on property	7,851	9,286	2,704	2,286
Fee for attending Board meetings	1,483	1,549	86	617
Income from data centre hosting service	13,287	11,811	4,429	4,429
Gain on sale of islamic financing and related assets	4,995	4,008	1,933	950
	332,348	125,985	62,300	27,959
30 OPERATING EXPENSES				
Total compensation expense	11,184,401	10,346,369	3,744,289	3,465,355
Property expense:				
Depreciation	3,302,067	3,163,981	1,149,457	1,057,611
Rent and taxes	227,704	188,756	26,285	82,051
Utilities cost	1,023,937	862,942	443,183	395,428
Security (including guards)	754,625	729,385	232,534	246,598
Repair and maintenance				
(including janitorial charges)	640,092	607,963	192,056	215,144
Insurance	68,266	61,270	23,138	21,420
	6,016,691	5,614,297	2,066,653	2,018,252
Information technology expenses:				
Depreciation	508,188	571,965	176,028	183,632
Amortization	297,843	192,748	105,208	68,337
Network charges	580,031	529,407	216,332	197,777
Software maintenance	622,845	466,833	239,389	192,273
Hardware maintenance	331,966	301,653	87,098	94,627
Others	5,706	5,383	1,927	(13,614)
	2,346,579	2,067,989	825,982	723,032
Other operating expenses:				
Insurance	1,040,828	873,202	345,847	292,169
Outsourced service costs	601,516	564,551	191,862	188,564
Stationery and printing	267,725	231,795	93,087	83,595
Cash in Transit service charge	408,817	404,591	130,913	145,586
Marketing, advertisement and publicity	720,060	478,624	245,171	68,611
Depreciation	166,163	170,413	55,837	56,335
Travelling and conveyance	133,014	115,210	43,011	28,244
Postage and courier charges	111,938	111,139	13,188	37,544
NIFT clearing charges	108,809	88,721	35,525	28,828
Communication	133,074	136,932	43,902	56,321
Legal and professional charges	131,747	119,601	55,209	66,772
Auditors Remuneration	22,313	12,877	7,482	4,269
Directors fees and allowances	40,050	23,010	16,684	9,883
Fees and allowances to Shariah Board	5,232	4,647	1,883	1,566
Training and development	32,468	52,500	12,179	5,195
Brokerage expenses	81,922	65,978	30,216	26,787
Card related expenses	430,962	225,082	148,348	80,053
Donations	54,328	118,217	4,065	42,886
Others	382,136	283,077	149,169	104,729
	4,873,102	4,080,167	1,623,578	1,327,937
	24,420,773	22,108,822	8,260,502	7,534,576

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2021

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		1,978	22,092	183	21,815
Education cess		35,253	46,930	11,751	23,428
Depreciation - non-banking assets		4,426	25,203	1,310	8,458
Others		75,013	75,000	25,000	25,743
Other assets written off		39	-	-	-
		<u>116,709</u>	<u>169,225</u>	<u>38,244</u>	<u>79,444</u>
32 PROVISIONS AND WRITE OFFS - NET					
(Reversal) / Provision for diminution in the value of investments	10.2.1	(9,513)	588,567	(3,106)	1,007
(Reversal) / Provision against loans and advances	11.3	(564,916)	1,766,314	(250,495)	172,417
Provision against other assets	14.1.1	47,962	39,783	8,326	13,607
Provision against off-balance sheet obligations	20.1	9,157	14,852	(3,705)	13,401
Bad debts written off directly		-	-	-	-
		(517,310)	2,409,516	(248,980)	200,432
Recovery against written off bad debts		(43,943)	(1,135)	(2,729)	(1,052)
		<u>(561,253)</u>	<u>2,408,381</u>	<u>(251,709)</u>	<u>199,380</u>
33 TAXATION					
Current - for the period	33.1	9,349,680	10,099,649	3,068,907	2,981,450
- for prior year		-	-	-	-
		<u>9,349,680</u>	<u>10,099,649</u>	<u>3,068,907</u>	<u>2,981,450</u>
Deferred - current		(446,575)	(1,066,146)	(114,703)	(196,886)
		<u>8,903,105</u>	<u>9,033,503</u>	<u>2,954,204</u>	<u>2,784,564</u>
33.1	This also includes proportionate super tax charge of Rs. 924.002 million (September 30, 2020: Rs. 984.480 million).				
34 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		<u>13,069,601</u>	<u>12,409,995</u>	<u>4,307,613</u>	<u>3,996,466</u>
Number of Shares					
Weighted average number of ordinary shares outstanding during the year		<u>1,145,073,830</u>	<u>1,145,073,830</u>	<u>1,145,073,830</u>	<u>1,145,073,830</u>
Rupees					
Earnings per share - basic and diluted		<u>11.41</u>	<u>10.84</u>	<u>3.76</u>	<u>3.49</u>

There is no dilution effect on basic earnings per share.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

September 30, 2021

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,106,965,050	-	1,106,965,050	-	1,106,965,050
Shares	17,371,296	17,347,381	23,915	-	17,371,296
Non-Government Debt Securities	4,868,241	-	4,868,241	-	4,868,241
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukus, subsidiaries, Bai muajjal)					
	67,313,249	-	-	-	-
Cash and balances with treasury banks	106,704,091	-	-	-	-
Balances with other banks	3,330,098	-	-	-	-
Lendings	19,338,561	-	-	-	-
Advances	523,343,181	-	-	-	-
Other assets	25,873,675	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	55,481,584	-	55,481,584	-	55,481,584
Non-banking assets	1,251,138	-	1,251,138	-	1,251,138
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	126,941,177	-	126,941,177	-	126,941,177
Forward sale of foreign exchange	76,204,893	-	76,204,893	-	76,204,893
Forward purchase of government securities transactions	70,344,756	-	70,344,756	-	70,344,756
Forward sale of government securities transactions	31,240,868	-	31,240,868	-	31,240,868

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	(Audited)				Total
	December 31, 2020				
Carrying Value	Level 1	Level 2	Level 3		
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	768,387,860	-	768,387,860	-	768,387,860
Shares	22,002,505	21,976,703	25,802	-	22,002,505
Non-Government Debt Securities	5,709,108	-	5,709,108	-	5,709,108
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	33,521,637	-	-	-	-
Cash and balances with treasury banks	128,391,896	-	-	-	-
Balances with other banks	7,236,502	-	-	-	-
Lendings	17,996,123	-	-	-	-
Advances	496,431,756	-	-	-	-
Other assets	25,838,425	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	54,415,469	-	54,415,469	-	54,415,469
Non-banking assets	1,442,246	-	1,442,246	-	1,442,246
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	136,626,044	-	136,626,044	-	136,626,044
Forward sale of foreign exchange	79,421,050	-	79,421,050	-	79,421,050
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
	Rupees in '000					
36 SEGMENT INFORMATION						
36.1 Segment Details with respect to Business Activities						
Profit & Loss						
Net mark-up/return/profit	21,653,794	(28,428,089)	39,940,631	1,503,713	12,034	34,682,083
Inter segment revenue - net	(19,097,213)	57,064,898	(33,725,652)	-	(4,242,033)	-
Non mark-up / return / interest income	5,696,137	3,214,147	2,246,301	242,870	329,501	11,728,956
Total Income	8,252,718	31,850,956	8,461,280	1,746,583	(3,900,498)	46,411,039
Segment direct expenses						
Segment direct expenses	490,257	13,031,080	168,236	1,078,899	10,231,114	24,999,586
Total expenses	490,257	13,031,080	168,236	1,078,899	10,231,114	24,999,586
Reversals	(87,742)	(104,447)	-	(62)	753,504	561,253
Profit before tax	7,674,719	18,715,429	8,293,044	667,622	(13,378,108)	21,972,706
Balance Sheet						
Cash & Bank balances	39,795	38,472,703	53,934,026	8,463,757	9,123,908	110,034,189
Investments	36,417,307	-	1,138,940,622	20,659,907	500,000	1,196,517,836
Net inter segment lending	(397,136,347)	1,269,106,415	(880,138,514)	(3,450,506)	11,618,952	-
Lendings to financial institutions	-	-	11,678,526	10,851,332	(3,191,297)	19,338,561
Advances - performing	463,829,379	23,713,567	-	25,280,919	9,663,863	522,487,728
Advances - non-performing	677,084	214,441	-	-	13,056,759	13,948,284
Provision against advances	(334,935)	(127,293)	-	(211)	(12,630,392)	(13,092,831)
Advances - net	464,171,528	23,800,715	-	25,280,708	10,090,230	523,343,181
Others	3,356,997	9,435,874	8,771,952	2,417,511	89,845,756	113,828,090
Total Assets	106,849,280	1,340,815,707	333,186,612	64,222,709	117,987,549	1,963,061,857
Borrowings	93,246,065	5,174,891	328,460,787	4,288,113	(3,191,297)	427,978,559
Deposits & other accounts	-	1,300,842,988	-	51,368,335	1,367,267	1,353,578,610
Net inter segment borrowing	-	-	-	-	-	-
Others	(178,502)	16,784,901	(1,416,546)	3,651,237	33,415,235	52,256,325
Total liabilities	93,067,563	1,322,802,780	327,044,241	59,307,685	31,591,225	1,833,813,494
Equity / Reserves	13,781,717	18,012,927	6,142,371	4,915,024	86,396,324	129,248,363
Total Equity and liabilities	106,849,280	1,340,815,707	333,186,612	64,222,709	117,987,549	1,963,061,857
Contingencies and commitments	100,572,280	28,264,520	304,731,694	6,326,173	10,753,574	450,648,241

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2020					Total
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	31,177,609	(36,566,342)	41,797,113	1,418,422	(350,817)	37,475,985
Inter segment revenue - net	(26,599,001)	62,947,243	(32,337,313)	-	(4,010,929)	-
Non mark-up / return / interest income	3,328,001	2,614,992	2,949,475	143,204	110,509	9,146,181
Total Income	7,906,609	28,995,893	12,409,275	1,561,626	(4,251,237)	46,622,166
Segment direct expenses	476,223	12,411,939	146,082	993,265	8,742,778	22,770,287
Total expenses	476,223	12,411,939	146,082	993,265	8,742,778	22,770,287
Provisions	(1,239,315)	(156,032)	-	(44)	(1,012,990)	(2,408,381)
Profit before tax	6,191,071	16,427,922	12,263,193	568,317	(14,007,005)	21,443,498

	December 31, 2020					Total
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	
(Audited)						
Rupees in '000						
Balance Sheet						
Cash & Bank balances	63,515	56,549,630	70,345,528	3,372,243	5,297,482	135,628,398
Investments	40,137,617	-	769,333,252	19,650,241	500,000	829,621,110
Net inter segment lending	(367,667,313)	1,115,262,750	(753,028,599)	(1,696,240)	7,129,402	-
Lendings to financial institutions	-	-	30,817,586	1,454,435	(14,275,898)	17,996,123
Advances - performing	424,399,594	30,103,282	-	32,642,319	8,867,890	496,013,085
Advances - non-performing	690,533	261,900	-	-	13,208,226	14,160,659
Provision against advances	(397,684)	(152,904)	-	(149)	(13,191,251)	(13,741,988)
Advances - net	424,692,443	30,212,278	-	32,642,170	8,884,865	496,431,756
Others	3,731,162	8,967,967	11,335,908	2,512,076	84,233,515	110,780,628
Total Assets	100,957,424	1,210,992,625	128,803,675	57,934,925	91,769,366	1,590,458,015
Borrowings	81,851,296	5,433,733	111,289,117	9,553,220	(14,199,280)	193,928,086
Deposits & other accounts	-	1,169,568,083	-	41,839,270	5,270,901	1,216,678,254
Others	3,163,510	14,806,920	903,740	2,547,538	26,869,860	48,291,568
Total liabilities	85,014,806	1,189,808,736	112,192,857	53,940,028	17,941,481	1,458,897,908
Equity / Reserves	15,942,618	21,183,889	16,610,818	3,994,897	73,827,885	131,560,107
Total Equity and liabilities	100,957,424	1,210,992,625	128,803,675	57,934,925	91,769,366	1,590,458,015
Contingencies and commitments	93,691,022	20,979,810	216,047,094	5,540,979	13,278,817	349,537,722

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

37 RELATED PARTY TRANSACTIONS

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

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

	September 30, 2021						December 31, 2020					
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	2,969	156,424	-	-	496	-	4,764	196,894	-	-	575
Addition during the period/year	-	98,977	178,877	-	-	4,453	-	17,055	62,385	-	-	4,287
Repaid during the period/year	-	(38,101)	(88,804)	-	-	(4,507)	-	(18,850)	(102,845)	-	-	(4,366)
Closing balance	-	63,845	246,497	-	-	442	-	2,969	156,424	-	-	496

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021						December 31, 2020					
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Other Assets												
Interest / mark-up accrued	-	857	76,615	-	-	-	-	-	74,205	-	-	-
Receivable from staff retirement fund	-	-	-	-	-	3,389,057	-	-	-	-	-	3,138,502
Other receivable	-	-	-	45,349	-	-	-	-	-	26,644	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	803	144,243	40,672	10,007	46,745	26,961,726	2,849	357,194	34,882	24,228	123,315	16,917,539
Received during the period/year	10,222,780	1,629,064	587,521	1,642,046	6,733,242	381,416,747	10,401,559	1,684,041	515,345	1,550,051	12,786,639	330,938,208
Withdrawn during the period/year	(10,221,016)	(1,206,021)	(574,821)	(1,627,356)	(6,683,331)	(376,905,015)	(10,403,605)	(1,696,992)	(509,555)	(1,584,272)	(12,863,209)	(320,894,021)
Closing balance	2,567	567,286	53,372	24,687	96,656	31,473,458	803	144,243	40,672	10,007	46,745	26,961,726
Other Liabilities												
Interest / mark-up payable	-	3,680	52	9	61	168,016	-	-	3	-	130	67,270

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

37.1 RELATED PARTY TRANSACTIONS

	September 30, 2021					September 30, 2020						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Income												
Mark-up/return/interest earned	-	1,253	7,264	-	-	-	-	353	10,734	-	-	-
Fee and commission income	-	19	40	6,429	7	618	2	18	54	4,280	6	504
Dividend income	-	-	-	-	-	2,053	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	-	-	9,383	-	-	14	-	-	3,354
Rental income	-	-	-	7,851	-	-	-	-	-	9,286	-	-
Other Income	-	-	-	88,424	-	-	-	-	124	11,811	-	-
Expense												
Mark-up/return/interest paid	-	11,296	561	1,932	107	843,685	-	11,088	420	2,286	682	759,729
Directors meeting fee	-	39,600	-	-	-	-	-	22,600	-	-	-	-
Remuneration	-	33,270	343,786	-	-	-	-	50,750	300,150	-	-	-
Charge for defined benefit plans	-	769	12,787	-	-	-	-	720	7,006	-	-	-
Contribution to defined contribution plan	-	779	6,244	-	-	-	-	643	3,949	-	-	-
Other expenses**	-	-	-	-	31,661	-	-	-	-	-	30,177	-
Rent expense***	-	-	-	-	11,833	-	-	-	-	-	10,758	-
Charge in respect of staff retirement benefit funds	-	-	-	-	286,287	-	-	-	-	-	-	182,349
Insurance premium paid	-	74	535	-	-	-	-	97	620	-	-	-

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

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

**Other Expenses include: National Management Foundation; Donation of Rs. 30 million for construction of hotel building.

***Rent expense of ABC Branch with related company (Ibrahim Fares Limited) was carried out on terms of arm's length with prior permission of State Bank of Pakistan.

During the period ended September 30, 2021, certain moveable assets having cumulative net book value of Rs. 30,000 were disposed off for Rs. 394,902 to the Key Management Personnel of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	(Audited) December 31, 2020
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	95,349,377	93,659,434
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	95,349,377	93,659,434
Eligible Tier 2 Capital	22,905,122	27,703,024
Total Eligible Capital (Tier 1 + Tier 2)	118,254,499	121,362,458
Risk Weighted Assets (RWAs):		
Credit Risk	350,653,394	345,701,270
Market Risk	28,692,734	41,310,018
Operational Risk	94,653,446	94,653,446
Total	473,999,574	481,664,734
Common Equity Tier 1 Capital Adequacy ratio	20.12%	19.44%
Tier 1 Capital Adequacy Ratio	20.12%	19.44%
Total Capital Adequacy Ratio	24.95%	25.20%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	95,349,377	93,659,434
Total Exposures	2,437,112,611	1,847,990,820
Leverage Ratio	3.91%	5.07%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	700,005,345	526,731,728
Total Net Cash Outflow	353,730,921	293,826,179
Liquidity Coverage Ratio	197.89%	179.27%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,190,453,000	1,167,425,806
Total Required Stable Funding	889,658,342	751,874,375
Net Stable Funding Ratio	133.81%	155.27%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2020: 117 and September 30, 2020: 117) Islamic Banking Branches and 110 (December 31, 2020: 85 and September 30, 2020: 85) Islamic Banking Windows at the end of the period.

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		6,278,423	3,267,478
Balances with other banks		2,185,334	104,765
Due from financial institutions	39.1	10,851,332	1,454,435
Investments	39.2	20,659,907	19,650,241
Islamic financing and related assets - net	39.3	25,280,708	32,642,170
Fixed assets		1,497,881	1,661,209
Intangible assets		538	635
Due from Head Office		-	-
Other assets		919,092	850,232
		67,673,215	59,631,165
LIABILITIES			
Bills payable		1,368,884	481,518
Due to financial institutions		4,288,113	9,553,220
Deposits and other accounts	39.4	51,368,335	41,839,270
Due to Head Office		3,450,506	1,696,240
Subordinated debt		-	-
Other liabilities		2,282,353	2,066,020
		62,758,191	55,636,268
NET ASSETS		4,915,024	3,994,897
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		227,922	(24,583)
Unappropriated profit / (Accumulated loss)	39.5	587,102	(80,520)
		4,915,024	3,994,897
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

Note September 30, September 30,
2021 2020

Rupees in '000

The profit and loss account of the Bank's Islamic Banking Branches for the period ended September 30, 2021 is as follows:

Profit / return earned	39.7	2,837,738	2,931,825
Profit / return expensed	39.8	1,334,025	1,513,403
Net Profit / return		1,503,713	1,418,422
OTHER INCOME			
Fee and commission income		190,636	131,263
Dividend income		-	-
Foreign exchange income		48,362	9,849
Loss on securities		(1,380)	(2,027)
Other income		5,252	4,119
Total other income		242,870	143,204
Total income		1,746,583	1,561,626
OTHER EXPENSES			
Operating expenses		1,078,720	993,242
Workers Welfare Fund		-	-
Other charges		179	23
Total other expenses		1,078,899	993,265
Profit before provisions		667,684	568,361
Provisions and write offs - net		62	44
PROFIT BEFORE TAXATION		667,622	568,317
Taxation		-	-
PROFIT AFTER TAXATION		667,622	568,317

(Audited)

September 30, 2021

December 31, 2020

	September 30, 2021			December 31, 2020		
	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	4,951,332	-	4,951,332	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	954,435	-	954,435
Musharaka Lending	5,900,000	-	5,900,000	500,000	-	500,000
	10,851,332	-	10,851,332	1,454,435	-	1,454,435

(Audited)

September 30, 2021

December 31, 2020

	September 30, 2021		December 31, 2020					
	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	500,000	-	(11,000)	489,000	500,000	-	(21,450)	478,550
-Other Federal Securities	3,624,361	-	-	3,624,361	2,573,429	-	-	2,573,429
	4,124,361	-	(11,000)	4,113,361	3,073,429	-	(21,450)	3,051,979
Non Government Debt Securities								
-Listed	10,736,511	-	169,578	10,906,089	11,273,295	-	(72,477)	11,200,818
-Unlisted	5,640,457	-	-	5,640,457	5,397,744	-	-	5,397,444
	16,376,968	-	169,578	16,546,546	16,670,739	-	(72,477)	16,598,262
Total Investments	20,501,329	-	158,578	20,659,907	19,744,168	-	(93,927)	19,650,241

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah	345,815	381,940
Istisna	523,029	529,049
Financing under Islamic Export Re-finance - Istisna	1,806,029	500,000
Murabaha	69,494	104,532
Musawamah	6,824	314
Islamic Export Re-finance - Business Musharaka	1,150,000	1,000,000
Islamic Re-finance Against Wages and Salaries - Business Musharaka	16,384	40,286
Diminishing Musharaka	12,094,246	11,369,086
Islamic Re-finance Against Renewable Energy Diminishing Musharaka	511,729	40,286
Salam	102,739	233,002
Business Musharaka - Financings	7,944,818	17,935,445
Staff Ijarah	468,973	374,813
Staff Diminishing Musharaka	240,839	133,566
Gross Islamic financing and related assets	25,280,919	32,642,319
Less: provision against Islamic financings		
- Specific	-	-
- General	211	149
	211	149
Islamic financing and related assets - net of provision	25,280,708	32,642,170
39.4 Deposits		
Customers		
Current deposits	11,565,619	8,583,056
Savings deposits	18,972,976	18,482,574
Term deposits	1,630,784	427,416
Other deposits	30,351	1,922,870
	32,199,730	29,415,916
Financial Institutions		
Current deposits	234,891	13,470
Savings deposits	18,933,714	12,409,884
Term deposits	-	-
Other deposits	-	-
	19,168,605	12,423,354
	51,368,335	41,839,270
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	(80,520)	(829,891)
Add: Islamic Banking profit/(loss) for the period	667,622	749,371
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	587,102	(80,520)
39.6 Contingencies and Commitments		
Guarantees	5,027,533	4,409,985
Commitments	277,465	1,084,549
Other contingencies	1,021,175	46,445
	6,326,173	5,540,979

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	September 30, 2020
	Rupees in '000	
39.7 Profit/Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	1,323,070	1,325,993
Investments	1,212,814	1,414,305
Placements	301,854	191,527
	<u>2,837,738</u>	<u>2,931,825</u>
39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	1,021,574	982,850
Due to Financial Institutions	35,658	32,884
Profit paid on Musharaka borrowings	171,636	353,267
Profit paid on Mudaraba borrowings	8,287	33,013
Other expenses (IFRS-16)	96,870	111,389
	<u>1,334,025</u>	<u>1,513,403</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 40.1 The Board of Directors of the Bank in its meeting held on October 27, 2021 has proposed an interim cash dividend for the quarter ended September 30, 2021 of Rs. 2.00 per share (September 30, 2020: cash dividend of Rs. Nil per share). The unconsolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 27, 2021 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED **FINANCIAL STATEMENTS**

for the nine months ended September 30, 2021

Consolidated Statement of Financial Position

(Un-audited) as at September 30, 2021

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	106,696,892	128,388,720
Balances with other banks	8	3,330,098	7,236,502
Lendings to financial institutions - net	9	19,338,561	17,996,123
Investments - net	10	1,198,329,460	831,704,497
Advances - net	11	523,480,016	496,501,833
Fixed assets	12	76,435,815	73,652,142
Intangible assets	13	2,906,295	2,722,951
Deferred tax assets		-	-
Other assets - net	14	35,269,754	34,887,487
		1,965,786,891	1,593,090,255
LIABILITIES			
Bills payable	16	10,647,594	9,622,020
Borrowings	17	427,978,559	193,928,086
Deposits and other accounts	18	1,353,553,913	1,216,668,247
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	1,444,700	3,978,448
Other liabilities	20	40,572,789	35,124,168
		1,834,197,555	1,459,320,969
NET ASSETS			
		131,589,336	133,769,286
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		26,073,681	24,277,184
Surplus on revaluation of assets - net of tax	22	24,065,891	28,837,661
Unappropriated profit		69,999,025	69,203,702
		131,589,336	133,769,286

CONTINGENCIES AND COMMITMENTS

23

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2021

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Rupees in '000					
Mark-up / return / interest earned	25	84,699,560	86,631,705	31,360,894	24,683,614
Mark-up / return / interest expensed	26	50,035,187	49,161,039	19,704,985	12,393,791
Net mark-up / interest income		34,664,373	37,470,666	11,655,909	12,289,823
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	5,564,382	4,602,890	1,915,278	1,446,543
Dividend income		1,970,517	967,301	729,821	145,635
Foreign exchange income		1,112,401	1,295,358	449,870	608,150
Income from derivatives		-	-	-	-
Gain on securities - net	28	3,463,399	2,802,407	829,529	549,057
Other income	29	236,073	104,892	55,167	21,247
Total non mark-up / interest income		12,346,772	9,772,848	3,979,665	2,770,632
Total income		47,011,145	47,243,514	15,635,574	15,060,455
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	24,794,960	22,422,262	8,390,372	7,637,168
Workers welfare fund		468,007	498,394	152,123	152,330
Other charges	31	116,709	169,225	38,244	79,444
Total non mark-up / interest expenses		25,379,676	23,089,881	8,580,739	7,868,942
Profit before provisions		21,631,469	24,153,633	7,054,835	7,191,513
(Reversals) / Provisions and write offs - net	32	(561,253)	2,408,381	(251,709)	199,380
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		22,192,722	21,745,252	7,306,544	6,992,133
Taxation	33	8,991,327	9,111,618	2,981,239	2,835,865
PROFIT AFTER TAXATION		13,201,395	12,633,634	4,325,305	4,156,268
In Rupees					
Basic and Diluted earnings per share	34	11.53	11.03	3.78	3.63

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2021

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Rupees in '000			
Profit after taxation for the period	13,201,395	12,633,634	4,325,305	4,156,268
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	489,537	451,858	602,466	(87,232)
Movement in deficit on revaluation of investments - net of tax	(4,261,502)	(1,561,270)	(1,887,419)	(2,188,691)
	(3,771,965)	(1,109,412)	(1,284,953)	(2,275,923)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	41,632	-	-	-
Revaluation of fixed assets	(199,010)	-	-	-
Revaluation of non-banking assets	(1,263)	(23,075)	-	-
	(158,641)	(23,075)	-	-
Total comprehensive income	9,270,789	11,501,147	3,040,352	1,880,345

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

Muhammad Atif Mirza
Chief Financial Officer

Abdul Aziz Khan
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Mubashir A. Akhtar
Director

Consolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2021

	Note	September 30, 2021	September 30, 2020
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		22,192,722	21,745,252
Less: Dividend income		(1,970,517)	(967,301)
		20,222,205	20,777,951
Adjustments:			
Depreciation - Operating Fixed Assets		2,724,638	2,697,205
Depreciation - Non Banking Assets		4,426	25,203
Depreciation on right of use assets		1,282,918	1,351,844
Interest expense on lease liability		695,678	773,325
Amortization		298,216	194,125
Net (reversals) / provision and write offs	32	(517,310)	2,409,516
Unrealized loss on revaluation of 'held-for-trading' securities		111,890	61,788
Provision for workers welfare fund		468,007	492,240
Gain on sale of fixed assets and non-banking assets - net		(150,370)	(64,649)
		4,918,093	7,940,597
		25,140,298	28,718,548
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(1,342,438)	8,730,864
Held-for-trading securities		(482,194)	17,211,016
Advances		(26,413,267)	42,740,366
Other assets (excluding advance tax)		(368,188)	8,258,771
		(28,606,087)	76,941,017
Increase / (Decrease) in operating liabilities			
Bills payable		1,025,574	1,699,072
Borrowings		234,008,740	(121,056,633)
Deposits and other accounts		136,885,666	73,309,100
Other liabilities (excluding current tax)		4,511,491	823,104
		376,431,471	(45,225,357)
		372,965,682	60,434,208
Income tax paid		(8,936,178)	(6,966,589)
Net cash flow generated from operating activities		364,029,504	53,467,619
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		(340,853,252)	(50,294,370)
Net (investments) from 'held-to-maturity' securities		(31,895,260)	(463,663)
Dividend received		1,398,938	964,328
Investments in fixed assets and intangible assets		(6,690,273)	(7,282,037)
Proceeds from sale of fixed assets		870,912	124,016
Effect of translation of net investment in foreign branches		489,537	451,858
Net cash flow (used in) / generated from investing activities		(376,679,398)	(56,499,868)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,584,159)	(1,780,156)
Dividend paid		(11,405,912)	(4,569,277)
Net cash flow used in financing activities		(12,990,071)	(6,349,433)
Effect of exchange rate changes on opening cash and cash equivalents		204,993	(1,106,341)
Decrease in cash and cash equivalents during the period		(25,434,972)	(10,488,023)
Cash and cash equivalents at beginning of the period		135,376,432	121,604,069
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		109,941,460	111,116,046

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

Muhammad Atif Mirza
Chief Financial Officer

Aziz Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2021

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Surplus on revaluation of			Un-appropriated profit	Total
					Investments	Fixed assets	Non-banking assets		
	Rupees in '000								
Balance as at January 01, 2020 (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 ended September 30, 2020	-	-	-	-	-	-	-	12,633,634	12,633,634
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(1,561,270)	-	-	-	(1,561,270)
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(63,079)	-	(63,079)
Effect of translation of net investment in foreign branches	-	451,858	-	-	-	-	-	-	451,858
Transfer to statutory reserve	-	451,858	1,241,000	-	(1,561,270)	-	(63,079)	(1,241,000)	(1,132,487)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	1,848,955	(1,848,955)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(75,063)	-	75,063	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(25,318)	-	-	(25,318)
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(8,646)	8,646	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(4,580,296)	(4,580,296)
Balance as at September 30, 2020	11,450,739	2,273,578	21,683,505	6,000	5,867,711	17,387,572	880,005	64,603,295	124,132,405
Profit after taxation for the three months ended December 31, 2020	-	-	-	-	-	-	-	5,743,971	5,743,971
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(891,761)	-	-	-	(891,761)
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	5,749,574	-	-	5,749,574
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	185,452	-	185,452
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(802,510)	(802,510)
Effect of translation of net investment in foreign branches	-	(247,849)	-	-	-	-	-	-	(247,849)
Transfer of revaluation surplus on change in use of non-banking assets - net of tax	-	(247,849)	-	-	(891,761)	5,749,574	185,452	(802,510)	3,892,910
Transfer to statutory reserve	-	-	561,946	-	-	-	-	(561,946)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,953)	-	34,953	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(187,699)	187,699	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	7,566	(7,566)	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	(6,808)	5,806
Third interim cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	-
December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2020 (Audited)	11,450,739	2,025,733	22,246,451	6,000	4,875,950	23,322,739	638,972	69,203,702	133,769,286
Profit after taxation for the nine months ended September 30, 2021	-	-	-	-	-	-	-	13,201,395	13,201,395
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(4,261,502)	-	-	-	(4,261,502)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Effect of change in tax rate on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	489,537	-	-	-	-	-	-	489,537
Transfer to statutory reserve	-	489,537	1,306,960	-	(4,261,502)	(199,010)	(1,263)	(41,632)	(3,304,960)
Transferred from surplus on change in use of fixed assets - net of tax	-	-	-	-	-	4,399	(4,399)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(105,539)	-	105,539	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(202,786)	-	-	(202,786)
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(654)	664	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	-	(1,026)	1,026
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(8,870,443)	(8,870,443)
First interim cash dividend for the year ending December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Third interim cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at September 30, 2021	11,450,739	2,515,270	23,552,411	6,000	614,448	22,819,803	631,640	89,999,025	131,899,336

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

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 1,405 (December 31, 2020: 1,400) branches in Pakistan including 117 (December 31, 2020: 117) Islamic banking branches, 1 branch (December 31, 2020: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2020: 1) in Bahrain.

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

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

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

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

Subsidiary Company

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

The management quality rating of the Company, as assigned by JCR-VIS Crediting Rating Company Limited, is AM2++ (Stable) in December 2020.

ABL Asset Management company is managing following funds:

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

2 BASIS OF PRESENTATION

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

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, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparing the audited annual consolidated financial statements of the Group for the year ended December 31, 2020.

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE BANK

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2021. These are considered either to not be relevant or to not have any significant impact on these consolidated condensed interim financial statements.

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

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

	Effective date (periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Annual improvements to IFRS Standards 2018 - 2020	January 01, 2022
- IAS 12 - Amendments on Deferred Tax	January 01, 2023
- Amendments on disclosure of Accounting Policies	January 01, 2023

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

- IFRS 9 'Financial Instruments', the effective date of the standard has been extended to annual periods beginning on or after January 01, 2022 vide SBP BPRD Circular no. 24 dated July 05, 2021. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the application of IFRS 9 on Banks' Financial Statements is being assessed and implementation guidelines are awaited.

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, 2020.

5 BASIS OF MEASUREMENT

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

- Certain investments;
- Certain fixed assets including RoU of assets and corresponding lease liability;

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2021

- 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 Group are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2020.

	September 30, 2021	(Audited) December 31, 2020
Rupees in '000		
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	29,514,463	21,697,765
Foreign currencies	759,587	868,206
	<u>30,274,050</u>	<u>22,565,971</u>
Remittances in transit	1,481,686	472,572
With State Bank of Pakistan (SBP) in		
Local currency current accounts	44,418,115	62,965,250
Foreign currency current account	104,885	22,221
Foreign currency deposit accounts (non-remunerative)	4,419,179	4,693,247
Foreign currency deposit accounts (remunerative)	8,811,393	9,525,239
	<u>57,753,572</u>	<u>77,205,957</u>
With National Bank of Pakistan in		
Local currency current accounts	16,564,186	25,953,691
Prize Bonds	623,398	2,190,529
	<u>106,696,892</u>	<u>128,388,720</u>
8 BALANCES WITH OTHER BANKS		
Outside Pakistan		
In current accounts	3,294,239	1,885,460
In deposit accounts	35,859	5,351,042
	<u>3,330,098</u>	<u>7,236,502</u>
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings - local currency	5,500,000	6,000,000
Call money lendings - foreign currency	-	3,196,688
Repurchase agreement lendings (Reverse Repo)	2,987,229	7,345,000
Musharaka lendings	5,900,000	500,000
Bai muajjal receivable with State Bank of Pakistan	4,951,332	954,435
Certificates of investment	70,000	70,000
	<u>19,408,561</u>	<u>18,066,123</u>
Less: Provision held against lendings to financial institutions	(70,000)	(70,000)
Lendings to financial institutions - net of provision	<u>19,338,561</u>	<u>17,996,123</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021		(Audited) December 31, 2020	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	September 30, 2021				(Audited) December 31, 2020			
	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	632,675	-	195	632,870	-	-	-	-
Open Ended Mutual Fund/ Pension Fund	2,423,710	-	(112,086)	2,311,624	2,574,190	-	9,197	2,583,387
	3,056,385	-	(111,891)	2,944,494	2,574,190	-	9,197	2,583,387
Available-for-sale securities								
Federal Government Securities*	1,099,358,906	(2,944)	(1,651,282)	1,097,704,680	758,053,707	(12,306)	1,795,459	759,836,860
Shares	17,469,320	(1,842,858)	2,471,848	18,098,310	19,566,119	(2,055,595)	5,787,108	23,297,632
Non Government Debt Securities	22,018,859	(21,071)	187,810	22,185,598	21,433,961	(21,071)	(81,907)	21,330,983
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	(1,084)	23,916	25,000	-	802	25,802
Islamic Naya Pakistan Certificate	847,369	-	-	847,369	-	-	-	-
	1,140,757,146	(1,866,873)	1,007,292	1,139,897,565	800,116,479	(2,088,972)	7,501,462	805,528,969
Held-to-maturity securities								
Federal Government Securities	55,487,401	-	-	55,487,401	23,592,141	-	-	23,592,141
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	55,831,661	(344,260)	-	55,487,401	23,936,401	(344,260)	-	23,592,141
Total Investments	1,199,645,192	(2,211,133)	895,401	1,198,329,460	826,627,070	(2,433,232)	7,510,659	831,704,497

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	26,925,736	28,776,013
Pakistan Investment Bonds	285,750,495	81,963,094
Government of Pakistan Foreign Currency Sukuks (US\$)	563,353	-
Total Investments given as collateral	313,239,584	110,739,107
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,433,232	3,584,114
Exchange adjustments	151	209
Charge / (reversals)		
Charge for the period / year	-	600,351
Reversals for the period / year	(9,513)	(22,851)
	(9,513)	577,500
Reversal on disposals during the period/year	(212,737)	(1,728,591)
Closing Balance	2,211,133	2,433,232

	(Audited)			
	September 30, 2021		December 31, 2020	
	NPI	Provision	NPI	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due but impaired*	4,266,401	2,944	3,995,021	12,306
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	4,631,732	368,275	4,360,352	377,637

* Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at September 30, 2021 amounted to Rs. 52,638.8 million (December 31, 2020: Rs. 21,971.9 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

Notes	Performing		Non Performing		Total			
	Audited		Audited		Audited			
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020		
Rupees in '000								
11	ADVANCES							
	Loans, cash credits, running finances, etc.	495,308,263	459,257,759	12,528,614	12,740,989	507,836,877	471,998,748	
	Islamic financing and related assets	25,280,919	32,642,319	-	-	25,280,919	32,642,319	
	Bills discounted and purchased	2,035,381	4,183,084	1,419,670	1,419,670	3,455,051	5,602,754	
	Advances - gross	522,624,563	496,083,162	13,948,284	14,160,659	536,572,847	510,243,821	
	Provision against advances							
	Specific	11.2 & 11.3	-	-	(13,041,094)	(13,632,529)	(13,041,094)	(13,632,529)
	General	11.3	(51,737)	(109,459)	-	-	(51,737)	(109,459)
			(51,737)	(109,459)	(13,041,094)	(13,632,529)	(13,092,831)	(13,741,988)
	Advances - net of provision	522,572,826	495,973,703	907,190	528,130	523,480,016	496,501,833	

(Audited)
September 30, 2021 December 31, 2020

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	514,084,958	495,787,646
	In foreign currencies	22,487,889	14,456,175
		536,572,847	510,243,821

11.2 Advances include Rs. 13,948.284 million (December 31, 2020: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

	(Audited)			
	September 30, 2021		December 31, 2020	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	62,463	1,912	31,881	121
Substandard	720,171	179,387	253,289	62,451
Doubtful	611,711	305,856	611,064	305,532
Loss	12,553,939	12,553,939	13,264,425	13,264,425
Total	13,948,284	13,041,094	14,160,659	13,632,529

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	Note	(Audited)					
		September 30, 2021			December 31, 2020		
		Specific	General	Total	Specific	General	Total
Rupees in '000							
11.3 Particulars of provision against advances							
Opening balance		13,632,529	109,459	13,741,988	15,112,624	39,795	15,152,419
Exchange adjustments		-	1,788	1,788	-	1,478	1,478
Charge for the period / year		302,118	1,766	303,884	911,464	1,404,515	2,315,979
Reversals		(807,524)	(61,276)	(868,800)	(630,472)	(1,336,329)	(1,966,801)
		(505,406)	(59,510)	(564,916)	280,992	68,186	349,178
Amounts written off		(86,029)	-	(86,029)	(1,761,087)	-	(1,761,087)
Closing balance	11.3.1	13,041,094	51,737	13,092,831	13,632,529	109,459	13,741,988

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)	
		September 30, 2021	December 31, 2020
		Rupees in '000	
12 FIXED ASSETS			
Capital work-in-progress	12.1	3,773,787	2,891,147
Property and equipment		65,362,009	63,481,116
Right-of-Use Assets		7,300,019	7,279,879
		76,435,815	73,652,142

12.1 Capital work-in-progress

Civil works	2,583,329	1,958,105
Equipment	33	331,677
Advances to suppliers	1,190,425	601,365
	3,773,787	2,891,147

12.2 Additions to fixed assets

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

	September 30, 2021	September 30, 2020
Rupees in '000		
Capital work-in-progress	625,257	980,332
Property and equipment		
Freehold land	935,442	3,115,551
Leasehold land	343,144	554,130
Building on freehold land	811,031	142,813
Building on leasehold land	211,983	45,985
Furniture and fixture	195,581	246,678
Electrical office and computer equipment	1,801,641	860,360
Vehicles	221,708	73,110
Others-building improvements	475,480	351,110
	4,996,010	5,389,737
Right-of-Use Assets	1,301,398	465,869
Total	6,922,665	6,835,938

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

12.3 Disposal of fixed assets

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

	September 30, 2021	September 30, 2020
	Rupees in '000	
Furniture and fixture	881	354
Electrical office and computer equipment	7,054	2,007
Vehicles	25,743	7,708
Leasehold land	291,000	-
Building on freehold land	863	-
Building on leasehold land	74,132	48,810
Building Improvements	2,678	-
Total	402,351	58,879

	September 30, 2021	December 31, 2020
	Rupees in '000	

	Rupees in '000	
13 INTANGIBLE ASSETS		
Capital work-in-progress	349,542	505,367
Computer Software	2,556,753	2,217,584
	2,906,295	2,722,951

13.1 Capital work-in-progress

Software	338,879	496,703
Advances to suppliers	10,663	8,664
	349,542	505,367

13.2 Additions to intangible assets

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

	September 30, 2021	September 30, 2020
	Rupees in '000	
Directly purchased	637,404	-
Capital work-in-progress	278,643	448,736
Software	-	495,079
Total	916,047	943,815

13.3 Disposals of intangible assets

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

	September 30, 2021	September 30, 2020
	Rupees in '000	
Directly purchased	19	-
	19	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency - net of provision	19,093,023	19,310,016
	Income / Mark-up accrued in foreign currency - net of provision	539,284	204,777
	Advances, deposits, advance rent and other prepayments	1,932,774	1,297,139
	Advance taxation (payments less provisions)	1,864,450	2,366,188
	Non-banking assets acquired in satisfaction of claims	608,868	792,217
	Mark to market gain on forward foreign exchange contracts	1,083,326	-
	Acceptances	4,935,403	5,329,898
	Due from the employees' retirement benefit schemes		
	Pension fund	4,063,324	3,786,440
	Fraud and forgeries	539,610	539,178
	Stationery and stamps in hand	435,160	304,116
	Overdue Foreign Bills Negotiated / Discounted	125,413	107,472
	Home Remittance Cell agent receivable	6,192	83,999
	Receivable from SBP - customers encashments	6,995	-
	Charges receivable	27,160	27,711
	Automated Teller Machine or Point of Sale settlement account	-	830,819
	Suspense Account	530	1,865
	Others	119,392	12,182
		35,380,904	34,994,017
	Less: Provision held against other assets	14.1 (753,420)	(756,559)
	Other assets (net of provision)	34,627,484	34,237,458
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	642,270	650,029
	Other Assets - Total	35,269,754	34,887,487
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	150,758	147,067
	Provision against fraud and forgeries	539,610	539,178
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,069	27,711
	Others	11,688	18,308
		753,420	756,559
14.1.1	Movement in provision held against other assets		
	Opening balance	756,559	862,460
	Charge for the period / year	55,212	65,537
	Reversals	(7,250)	(110,723)
	Net charge	47,962	(45,186)
	Written off / adjusted	(51,101)	(60,715)
	Closing balance	753,420	756,559
15	CONTINGENT ASSETS		

There were no contingent assets of the Bank as at September 30, 2021 and December 31, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

(Audited)
September 30, December 31,
2021 2020

Rupees in '000		
16	BILLS PAYABLE	
	In Pakistan	10,647,594 9,622,020
17	BORROWINGS	
	Secured	
	Borrowings from State Bank of Pakistan	
	Repurchase agreement borrowings	265,000,000 69,899,415
	Under Export Refinance Scheme	27,279,174 28,781,058
	Under Payroll Refinance Scheme	9,555,349 17,579,785
	Under long term financing facility	31,063,852 27,462,140
	Under financing scheme for renewable energy	534,646 34,461
	Under Temporary Economic Refinance Scheme	7,289,506 388,385
	Other borrowings	7,522 8,432
	Under refinance scheme for wages and salaries	187,837 121,270
		340,917,886 144,274,946
	Repurchase agreement borrowings from Financial Institutions	50,293,655 40,293,084
	Total Secured	391,211,541 184,568,030
	Unsecured	
	Call borrowings	22,931,668 9,263,438
	Trading liability	11,939,880 -
	Overdrawn nostro accounts	85,530 43,797
	Musharaka borrowing	770,000 -
	Mudaraba borrowing	1,000,000 -
	Other borrowings	39,940 52,821
	Total unsecured	36,767,018 9,360,056
		427,978,559 193,928,086

	(Audited)						
	September 30, 2021			December 31, 2020			
	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	450,900,088	24,029,630	474,929,718	391,571,035	23,736,666	415,307,701
	Savings deposits	488,044,309	17,920,472	505,964,781	461,241,849	33,740,375	494,982,224
	Term deposits	144,461,871	44,442,087	188,903,958	107,223,558	35,015,861	142,239,419
	Others	28,527,545	41,424	28,568,969	23,540,199	58,247	23,598,446
		1,111,933,813	86,433,613	1,198,367,426	983,576,641	92,551,149	1,076,127,790
	Financial Institutions						
	Current deposits	60,337,916	19,626	60,357,542	52,236,902	11,655	52,248,557
	Savings deposits	81,948,373	-	81,948,373	75,348,572	-	75,348,572
	Term deposits	12,876,300	4,266	12,880,566	12,896,350	41,557	12,937,907
	Others	6	-	6	5,421	-	5,421
		155,162,595	23,892	155,186,487	140,487,245	53,212	140,540,457
		1,267,096,408	86,457,505	1,353,553,913	1,124,063,886	92,604,361	1,216,668,247

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 816,376 million for September 30, 2021 (December 31, 2020: 746,521 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	(Audited)	
	September 30, 2021	December 31, 2020
Rupees in '000		
20.1 Provision against off-balance sheet obligations		
Opening balance	301,093	313,043
Charge for the period / year	12,862	-
Reversals	(3,705)	(11,950)
	9,157	(11,950)
Closing balance	310,250	301,093

21 SHARE CAPITAL

21.1 Authorized capital

(Audited)		(Audited)	
September 30, 2021	December 31, 2020	September 30, 2020	December 31, 2019
No. of shares		Rupees in '000	
1,500,000,000	1,500,000,000	15,000,000	15,000,000
		Ordinary shares of Rs.10/- each	

21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each			
406,780,094	406,780,094	4,067,801	4,067,801
720,745,186	720,745,186	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	91,486	91,486
		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)	
8,400,000	8,400,000	84,000	84,000
1,145,073,830	1,145,073,830	11,450,739	11,450,739
		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.	

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2020: 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 nine months ended September 30, 2021

	Note	September 30, 2021	(Audited) December 31, 2020
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,551,690	24,921,256
Non-banking assets acquired in satisfaction of claims		642,270	650,030
Available-for-sale securities	10.1	1,007,292	7,501,462
		<u>26,201,252</u>	<u>33,072,748</u>
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,731,887)	(1,598,517)
Non-banking assets acquired in satisfaction of claims		(10,630)	(11,058)
Available-for-sale securities		(392,844)	(2,625,512)
		<u>(2,135,361)</u>	<u>(4,235,087)</u>
		<u>24,065,891</u>	<u>28,837,661</u>
23	CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1	38,804,689	36,224,791
Commitments	23.2	405,101,232	304,760,653
Other contingent liabilities	23.3	6,784,551	8,594,509
		<u>450,690,472</u>	<u>349,579,953</u>
23.1	Guarantees		
Financial guarantees		8,543,418	8,401,931
Performance guarantees		7,436,726	6,014,712
Other guarantees		22,824,545	21,808,148
		<u>38,804,689</u>	<u>36,224,791</u>
23.2	Commitments		
Documentary credits and short term trade related transactions:			
letters of credit		96,410,791	84,039,527
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	203,146,070	216,047,094
forward government securities transactions	23.2.2	101,585,624	-
operating leases	23.2.3	273,519	349,303
Commitments for acquisition of:			
fixed assets		3,349,620	3,683,381
intangible assets		293,377	599,117
Other Commitments		42,231	42,231
		<u>405,101,232</u>	<u>304,760,653</u>
23.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		126,941,177	136,626,044
Sale		76,204,893	79,421,050
		<u>203,146,070</u>	<u>216,047,094</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	(Audited)	
	September 30, 2021	December 31, 2020
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	70,344,756	-
Sale	31,240,868	-
	<u>101,585,624</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	141,566	146,859
Later than one year and not later than five years	105,431	179,634
Later than five years	26,522	22,810
	<u>273,519</u>	<u>349,303</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	<u>6,784,551</u>	<u>8,594,509</u>

23.3.2 The income tax assessments of the Group have been finalized upto and including tax year 2020 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2020, income tax authorities made certain add backs with aggregate tax impact of Rs.29,503 million (2020: 27,827 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.29,503 million (2020: 27,827 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. 1,700 million (2020: 1,700 million). The Group appeals before Commissioner Inland Revenue (Appeals) 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. 1,700 million (2020: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 969 million (2020: 963 million). The Group's appeals before CIR(A)/(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. 969 million (2020: 963 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs. 2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Group 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 Group by way of interim orders. Meanwhile, alongwith other banks, Group 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 Group and till then, the Foreign Exchange Regulation Department was restrained from taking any coercive action against the Group. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Group and therefore no provision is made against the impugned penalty.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2020.

	Nine Months Ended		Quarter Ended		
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		24,899,032	34,389,287	8,311,591	8,373,045
Investments		59,019,964	50,889,484	22,708,041	16,080,206
Lendings to financial institutions		774,844	1,317,413	336,851	230,347
Balances with banks		5,720	35,521	4,411	16
		<u>84,699,560</u>	<u>86,631,705</u>	<u>31,360,894</u>	<u>24,683,614</u>
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		30,563,320	39,180,465	11,346,331	9,681,704
Borrowings		15,616,750	4,988,056	7,069,014	1,312,339
Cost of foreign currency swaps against foreign currency deposits		3,159,439	4,219,193	1,051,062	1,151,435
Interest expense on lease liability		695,678	773,325	238,578	248,313
		<u>50,035,187</u>	<u>49,161,039</u>	<u>19,704,985</u>	<u>12,393,791</u>
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		1,835,397	1,435,445	722,864	490,334
Branch banking customer fees		1,768,939	1,544,114	650,265	536,009
Commission on remittances including home remittances		672,768	613,162	135,288	107,029
Investment banking fees		548,921	429,593	153,272	101,814
Commission on trade		335,122	256,665	110,169	100,071
Commission on cash management		153,438	121,937	57,650	39,871
Commission on guarantees		146,146	113,318	45,007	47,326
Commission on bancassurance		80,092	64,970	30,813	17,011
Credit related fees		17,529	20,094	7,034	5,289
Consumer finance related fees		6,030	3,592	2,916	1,789
		<u>5,564,382</u>	<u>4,602,890</u>	<u>1,915,278</u>	<u>1,446,543</u>
28 GAIN ON SECURITIES					
Realised - net	28.1	3,575,862	2,864,195	858,460	433,143
Unrealised - held for trading	10.1	(111,891)	(61,788)	(28,102)	115,914
Unrealised - forward government securities		(572)	-	(829)	-
		<u>3,463,399</u>	<u>2,802,407</u>	<u>829,529</u>	<u>549,057</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	Nine Months Ended		Quarter Ended		
	Note	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Rupees in '000					
28.1 Realised gain / (loss) on:					
Federal government securities		1,144,377	1,657,324	161,443	75,512
Shares		2,380,559	1,093,163	701,507	337,761
Non government debt securities		(1,380)	(367)	(56,796)	(108)
Open Ended Mutual Funds		52,306	114,075	52,306	19,978
		<u>3,575,862</u>	<u>2,864,195</u>	<u>858,460</u>	<u>433,143</u>
29 OTHER INCOME					
Recovery of written off mark-up and charges		43,765	736	357	510
Gain on sale of fixed assets - net		150,066	64,649	22,485	3,440
Gain on sale of non-banking assets - net		304	-	-	-
Other assets disposal		35,460	33,950	30,306	15,731
Fee for attending Board meetings		1,483	1,549	86	616
Gain on sale of islamic financing and related assets		4,995	4,008	1,933	950
		<u>236,073</u>	<u>104,892</u>	<u>55,167</u>	<u>21,247</u>
30 OPERATING EXPENSES					
Total compensation expense		11,452,112	10,574,976	3,835,640	3,546,601
Property expense:					
Depreciation		3,317,011	3,190,023	1,152,621	1,073,519
Rent and taxes		220,010	180,772	23,590	79,771
Utilities cost		1,025,991	866,173	443,232	396,688
Security (including guards)		754,625	729,385	232,535	246,598
Repair and maintenance (including janitorial charges)		659,567	626,736	198,215	221,332
Insurance		71,645	65,352	23,634	22,434
		<u>6,048,849</u>	<u>5,658,441</u>	<u>2,073,827</u>	<u>2,040,342</u>
Information technology expenses:					
Depreciation		508,188	571,965	176,028	183,632
Amortization		298,216	193,303	105,332	68,501
Network charges		580,831	529,407	216,332	197,777
Software maintenance		622,845	466,833	239,389	192,273
Hardware maintenance		331,966	301,653	87,098	94,627
Others		5,706	5,383	1,927	(13,614)
		<u>2,346,952</u>	<u>2,068,544</u>	<u>826,106</u>	<u>723,196</u>
Other operating expenses:					
Insurance		1,040,829	873,202	345,847	292,169
Outsourced service costs		601,516	564,551	191,862	188,564
Stationery and printing		395,143	232,640	219,563	83,793
Cash in Transit service charge		408,817	404,591	130,913	145,586
Marketing, advertisement and publicity		791,822	478,624	274,808	58,480
Depreciation		166,163	170,413	55,837	56,335
Travelling and conveyance		133,565	115,684	43,135	26,691
Postage and courier charges		112,794	116,510	13,302	38,681
NIFT clearing charges		108,809	88,721	35,525	28,828
Communication		137,244	136,931	45,290	56,320
Legal and professional charges		134,981	121,518	56,924	67,821
Auditors Remuneration		23,295	13,896	8,204	4,659
Directors fees and allowances		42,250	24,810	17,084	10,683
Fees and allowances to Shariah Board		5,232	4,647	1,709	1,566
Training and development		32,468	52,500	12,179	5,195
Brokerage expenses		74,846	65,978	23,140	26,787
Card related expenses		303,934	225,083	21,320	80,054
Donations		54,328	118,217	4,065	42,886
Others		379,011	311,785	154,092	111,931
		<u>4,947,047</u>	<u>4,120,301</u>	<u>1,654,799</u>	<u>1,327,029</u>
		<u>24,794,960</u>	<u>22,422,262</u>	<u>8,390,372</u>	<u>7,637,168</u>

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2021

Note	Nine Months Ended		Quarter Ended		
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan	1,978	22,092	332	21,815	
Education cess	35,253	46,930	11,751	23,428	
Depreciation - non-banking assets	4,426	25,203	1,310	8,458	
Others	75,013	75,000	24,850	25,743	
Other assets written off	39	-	1	-	
	116,709	169,225	38,244	79,444	
32 PROVISIONS AND WRITE OFFS - NET					
(Reversal) / Provision for diminution in the value of investments	10.2.1	(9,513)	588,567	(3,106)	1,007
(Reversal) / Provision against loans and advances	11.3	(564,916)	1,766,314	(250,495)	172,417
Provision against other assets	14.1.1	47,962	39,783	8,326	13,607
Provision against off-balance sheet obligations	20.1	9,157	14,852	(3,705)	13,401
Bad debts written off directly		-	-	-	-
		(517,310)	2,409,516	(248,980)	200,432
Recovery of written off bad debts		(43,943)	(1,135)	(2,729)	(1,052)
		(561,253)	2,408,381	(251,709)	199,380

33 TAXATION

Current - for the period	33.1	9,451,035	10,177,764	3,094,309	2,989,090
- for prior year		-	-	-	-
		9,451,035	10,177,764	3,094,309	2,989,090
Deferred - current		(459,708)	(1,066,146)	(113,070)	(153,225)
		8,991,327	9,111,618	2,981,239	2,835,865

33.1 This also includes proportionate super tax charge of Rs. 924.002 million (September 30, 2020 Rs. 984.480 million).

34 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation		13,201,395	12,633,634	4,325,305	4,156,268
Number of Shares					
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830	1,145,073,830	1,145,073,830
Rupees					
Earnings per share - basic and diluted		11.53	11.03	3.78	3.63

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

September 30, 2021

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,106,965,050	-	990,901,712	-	990,901,712
Shares / Open Ended Mutual Funds	19,682,920	17,347,381	2,335,539	-	19,682,920
Non-Government Debt Securities	4,868,241	-	6,211,194	-	6,211,194
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukus, subsidiaries, Bai muajjal)					
	66,813,249	-	-	-	-
Cash and balances with treasury banks	106,696,892	-	-	-	-
Balances with other banks	3,330,098	-	-	-	-
Lendings	19,338,561	-	-	-	-
Advances	523,480,016	-	-	-	-
Other assets	25,873,666	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	55,731,584	-	55,731,584	-	55,731,584
Non-banking assets	1,251,138	-	1,251,138	-	1,251,138
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	126,941,177	-	126,941,177	-	126,941,177
Forward sale of foreign exchange	76,204,893	-	76,204,893	-	76,204,893
Forward purchase of government securities transactions	70,344,756	-	70,344,756	-	70,344,756
Forward sale of government securities transactions	31,240,868	-	31,240,868	-	31,240,868

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	(Audited)				Total
	December 31, 2020				
Carrying Value	Level 1	Level 2	Level 3		
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	759,836,860	-	759,836,860	-	759,836,860
Shares	24,585,893	24,560,091	25,802	-	24,585,893
Non-Government Debt Securities	14,260,108	-	14,260,108	-	14,260,108
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	33,021,638	-	-	-	-
Cash and balances with treasury banks	128,388,720	-	-	-	-
Balances with other banks	7,236,502	-	-	-	-
Lendings	17,996,123	-	-	-	-
Advances	496,501,833	-	-	-	-
Other assets	26,447,917	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	54,415,469	-	54,415,469	-	54,415,469
Non-banking assets	1,442,246	-	1,442,246	-	1,442,246
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	136,626,044	-	136,626,044	-	136,626,044
Forward sale of foreign exchange	79,421,050	-	79,421,050	-	79,421,050
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

September 30, 2021

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
36 SEGMENT INFORMATION							
36.1 Segment Details with respect to Business Activities							
Profit & Loss							
Net mark-up/return/profit	21,653,794	(28,428,089)	39,940,631	1,503,713	(17,708)	12,032	34,664,373
Inter segment revenue - net	(19,097,213)	57,064,898	(33,725,652)	-	-	(4,242,033)	-
Non mark-up / return / interest income	5,696,137	3,214,147	2,246,301	242,870	720,505	226,812	12,346,772
Total Income	8,252,718	31,850,956	8,461,280	1,746,583	702,797	(4,003,189)	47,011,145
Segment direct expenses							
Segment direct expenses	490,257	13,031,080	168,236	1,078,899	407,643	10,203,561	25,379,676
Total expenses	490,257	13,031,080	168,236	1,078,899	407,643	10,203,561	25,379,676
Reversals	(87,742)	(104,447)	-	(62)	-	753,504	561,253
Profit before tax	7,674,719	18,715,429	8,293,044	667,622	295,154	(13,453,246)	22,192,722
Balance Sheet							
Cash & Bank balances	39,795	38,472,703	53,934,026	8,463,757	17,498	9,099,211	110,026,990
Investments	36,417,307	-	1,138,940,622	20,659,907	2,311,624	-	1,198,329,460
Net inter segment lending	(397,136,347)	1,269,106,415	(880,138,514)	(3,450,506)	-	11,618,952	-
Lendings to financial institutions	-	-	11,678,526	10,851,332	-	(3,191,297)	19,338,561
Advances - performing	463,829,379	23,713,567	-	25,280,919	136,835	9,663,863	522,624,563
Advances - non-performing	677,084	214,441	-	-	-	13,056,759	13,948,284
Provision against advances	(334,935)	(127,293)	-	(211)	-	(12,630,392)	(13,092,831)
Advances - net	464,171,528	23,800,715	-	25,280,708	136,835	10,090,230	523,480,016
Others	3,356,997	9,435,874	8,771,952	2,417,511	904,270	89,725,260	114,611,864
Total Assets	106,849,280	1,340,815,707	333,186,612	64,222,709	3,370,227	117,342,356	1,965,786,891
Borrowings	93,246,065	5,174,891	328,460,787	4,288,113	-	(3,191,297)	427,978,559
Deposits & other accounts	-	1,300,842,988	-	51,368,335	-	1,342,590	1,353,553,913
Net inter segment borrowing	(178,502)	16,784,901	(1,416,546)	3,651,237	454,117	33,369,876	52,665,083
Others	93,067,563	1,322,802,780	327,044,241	59,307,685	454,117	31,521,169	1,834,197,555
Total liabilities	13,781,717	18,012,927	6,142,371	4,915,024	2,916,110	85,821,187	131,589,336
Equity / Reserves	106,849,280	1,340,815,707	333,186,612	64,222,709	3,370,227	117,342,356	1,965,786,891
Contingencies and commitments	100,572,280	28,264,520	304,731,694	6,326,173	42,231	10,753,574	450,690,472

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

September 30, 2020

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Profit & Loss							
Net mark-up/return/profit	31,177,609	(36,566,342)	41,797,113	1,418,422	(5,319)	(350,817)	37,470,666
Inter segment revenue - net	(26,599,001)	62,947,243	(32,337,313)	-	-	(4,010,929)	-
Non mark-up / return / interest income	3,328,001	2,614,992	2,949,475	143,204	485,226	251,950	9,772,848
Total Income	7,906,609	28,995,893	12,409,275	1,561,626	479,907	(4,109,796)	47,243,514
Segment direct expenses	476,223	12,411,939	146,082	993,265	178,157	8,884,215	23,089,881
Total expenses	476,223	12,411,939	146,082	993,265	178,157	8,884,215	23,089,881
Provisions	(1,239,315)	(156,032)	-	(44)	-	(1,012,990)	(2,408,381)
Profit before tax	6,191,071	16,427,922	12,263,193	568,317	301,750	(14,007,001)	21,745,252

December 31, 2020 (Audited)

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Balance Sheet							
Cash & Bank balances	63,515	56,549,630	70,345,528	3,372,243	6,832	5,287,474	135,625,222
Investments	40,137,617	-	769,333,252	19,650,241	2,583,387	-	831,704,497
Net inter segment lending	(367,667,313)	1,115,262,750	(753,028,599)	(1,696,240)	-	7,129,402	-
Lendings to financial institutions	-	-	30,817,586	1,454,435	-	(14,275,898)	17,996,123
Advances - performing	424,399,594	30,103,282	-	32,642,319	70,077	8,867,890	496,083,162
Advances - non-performing	690,533	261,900	-	-	-	13,208,226	14,160,659
Provision against advances	(397,684)	(152,904)	-	(149)	-	(13,191,251)	(13,741,988)
Advances - net	424,692,443	30,212,278	-	32,642,170	70,077	8,884,865	496,501,833
Others	3,731,162	8,967,967	11,335,908	2,512,076	521,896	84,193,571	111,262,580
Total Assets	100,957,424	1,210,992,625	128,803,675	57,934,925	3,182,192	91,219,414	1,593,090,255
Borrowings	81,851,296	5,433,733	111,289,117	9,553,220	-	(14,199,280)	193,928,086
Deposits & other accounts	-	1,169,568,083	-	41,839,270	-	5,260,894	1,216,668,247
Net inter segment borrowing	3,163,510	14,806,920	903,740	2,547,538	473,014	26,829,914	48,724,636
Others	85,014,806	1,189,808,736	112,192,857	53,940,028	473,014	17,891,528	1,459,320,969
Total liabilities	15,942,618	21,183,889	16,610,818	3,994,897	2,709,178	73,327,886	133,769,286
Equity / Reserves	100,957,424	1,210,992,625	128,803,675	57,934,925	3,182,192	91,219,414	1,593,090,255
Contingencies and commitments	93,691,022	20,979,810	216,047,094	5,540,979	42,231	13,278,817	349,579,953

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021				September 30, 2020					
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Income										
Mark-up / return / interest earned	-	1,253	7,264	-	-	-	353	10,734	-	-
Sales Commission	-	-	-	-	22,642	-	-	-	-	6,290
Fee and commission income	-	19	40	7	417,483	2	18	54	6	399,653
Dividend income	-	-	-	-	2,063	-	-	-	-	-
Net gain / (loss) on sale of securities	-	-	-	-	9,363	-	-	14	-	3,354
Rental Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	2,237	-	-	124	-	-
Expense										
Mark-up/return/interest paid	-	11,296	561	107	843,835	-	11,098	420	682	759,729
Directors meeting fee	-	41,800	-	-	-	-	24,400	-	-	-
Remuneration	-	33,270	388,210	-	-	-	50,750	323,131	-	-
Other expenses***	-	-	-	-	-	-	-	-	30,177	-
Rent expense**	-	-	-	22,683	-	-	-	-	21,608	-
Charge for defined benefit plans	-	769	13,987	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	779	7,042	-	-	-	-	-	-	-
Insurance premium paid	-	74	535	-	-	-	97	620	-	-
Charge in respect of staff retirement benefit funds	-	-	-	-	298,415	-	-	-	-	192,694

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

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

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

During the period ended September 30, 2021, certain moveable assets having cumulative net book value of Rs. 90,000 were disposed off for Rs. 394,902 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2021

	September 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	97,048,805	95,335,586
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	97,048,805	95,335,586
Eligible Tier 2 Capital	22,951,858	27,690,683
Total Eligible Capital (Tier 1 + Tier 2)	120,000,663	123,026,269
Risk Weighted Assets (RWAs):		
Credit Risk	350,286,342	344,948,463
Market Risk	30,344,770	43,237,570
Operational Risk	96,160,368	96,160,368
Total	476,791,480	484,346,401
Common Equity Tier 1 Capital Adequacy ratio	20.35%	19.68%
Tier 1 Capital Adequacy Ratio	20.35%	19.68%
Total Capital Adequacy Ratio	25.17%	25.40%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	97,048,805	95,335,586
Total Exposures	2,439,276,536	1,850,090,033
Leverage Ratio	3.98%	5.15%

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

39.1 The Board of Directors of the Bank in its meeting held on October 27, 2021 has proposed an interim cash dividend for the quarter ended September 30, 2021 of Rs. 2.00 per share (September 30, 2020: cash dividend of Rs. Nil per share). The consolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2021 do not include the effect of these appropriations which will be accounted for subsequent to period end.

40 GENERAL

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

41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 27, 2021 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Abdul Aziz Khan
Director

Mohammad Naeem Mukhtar
Chairman



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