

NAVIGATING DIGITAL TRANSFORMATION



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Corporate Information

Vision

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

Mission

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

Core Values

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

Board of Directors

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

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

Audit Committee of the Board

Zafar Iqbal (Chairman)
 Nazrat Bashir
 Mubashir A. Akhtar

e-Vision Committee

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

Board Risk Management Committee

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

Strategic Planning & Monitoring Committee

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

Human Resource & Remuneration Committee

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

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

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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 half year ended June 30, 2023. The operating results and appropriations as recommended by the Board are included in the appended table:

	Half year ended June 30,		Growth
	2023	2022	
	(Rupees in million)		%
Profit after tax for the period	17,443	6,887	153
Accumulated profits brought forward	79,653	69,471	15
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	1	26	(96)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	35	62	(44)
Re-measurement on defined benefit obligation – net of tax	43	34	26
Profit available for appropriation	97,175	76,480	27
Final cash dividend for the year ended December 31, 2022: Rs. 2.50 per share (2022: Year ended December 31, 2021: Rs. 2.00 per share)	(2,863)	(2,290)	25
First interim cash dividend for the year ending at December 31, 2023: Rs. 2.50 per share (2022: year ended December 31, 2022: Rs. 2.00 per share)	(2,863)	(2,290)	25
Transfer to Statutory Reserves	(1,744)	(689)	153
Accumulated profits carried forward	89,705	71,211	26
Earnings Per Share (EPS) (Rs.)	15.23	6.01	153

The Board is pleased to announce an interim cash dividend of Rs. 2.50 per share in addition to first interim cash dividend of Rs. 2.50 per share, which has already been paid. Interim cash dividend for the half year ended June 30, 2023 is Rs. 5.00 per share (June 30, 2022 Rs. 4.00 per share)

Economic Review

Global Economic activity remained sluggish due to post pandemic effects, continued Russia-Ukraine conflict, higher inflation and resultant monetary tightening measures adopted by most of the central banks. Higher borrowing cost due to contractionary monetary policies have also curtailed demand for credit and slowed down the economic activity.

Inflation remained high and continued to erode household purchasing power. However, as the result of measures taken by most of the economies to tame inflation, global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024. Notwithstanding these challenges, International Monetary Fund (IMF) has slightly improved its estimate of global growth to 3.0% from earlier projection of 2.8% for 2023 and kept projection for 2024 unchanged at 3.0%.

Pakistan's economy being also affected, has continued to counter prevailing challenges. Lingering effects of floods, volatility in commodity prices, and tightening of the external and domestic financing conditions have adversely impacted the economic growth. Consequently, IMF has recently revisited its estimate of the domestic GDP growth for 2023 at negative 0.5% as compared to its previous estimate of positive 0.5% in April 2023. However, signing a nine-month Stand-By Arrangement (SBA) with IMF, amounting to US\$ 3 billion has played a vital role in boosting the foreign exchange reserves position of the country immediately after the disbursement of first tranche of US\$ 1.2 billion.

Large Scale Manufacturing (LSM) showed negative growth due to supply chain disruptions, inflationary pressures and ongoing strict policy stance at domestic level to stabilize macroeconomic imbalances. LSM growth reduced by 14.37% Year on Year (YoY) basis in May 2023, whereas on Month on Month (MoM) basis it grew by 5.88% despite above mentioned hurdles. In FY23, a major decline of 37.4% has been witnessed in the production of automobile sector and total sales dropped by 37.8%.

In Agriculture sector, the credit disbursement increased by 25% to reach at Rs. 1,776 billion during FY23 as compared to Rs. 1,419 billion disbursed last year.

Current Account (CA) showed improvement in FY23 and posted deficit of US\$ 2.6 billion in FY23 as compared to a deficit of US\$ 17.5 billion last fiscal year. Containment of imports through administrative measures played a main role in contraction in CA deficit. However, on MoM basis, CA depicted a growth of 52% to stand at surplus of US\$ 334 million during June 2023, compared to US\$ 220 million recorded in previous month.

Imports of goods and services declined by 29% to stand at US\$ 60,013 million for the FY23 as compared to US\$ 84,485 million during FY22. On YoY basis, a decline of 55% is recorded in imports to stand at US\$ 3,847 million during June 2023 as compared to US\$ 8,533 million during June 2022. Petroleum products, Petroleum crude, Liquefied natural gas, Palm oil, Plastic materials, Iron & steel and Medicinal products remained major contributors in imports.

During FY23, exports of goods and services stood at US\$ 35,210 million as compared to US\$ 39,595 million during FY22, registering a decline of 11%. On YoY basis, a decline of 29% has been observed with exports of US\$ 2,698 million during June 2023 as compared to US\$ 3,794 million during June 2022. The major contributors in exports during FY23 include Raw cotton, Fish & fish preparation, Football, Foot wear, Surgical goods & Medical instruments and Pharmaceutical products.

Decline in exports remained lower than reduction in imports which resulted in contraction in trade deficit. Consequently, trade deficit stood at US\$ 24,803 million during FY23 as compared to deficit of US\$ 44,890 million last year.

Workers' remittances were recorded at US\$ 27,024 million during FY23 as compared to US\$ 31,279 million during FY22, which is less than last year by 14%. Whereas on MoM basis, it showed a growth of 4% to stand at US\$ 2,184 million during June 2023 as compared to US\$ 2,103 million for the month of May 2023.

Net Foreign Reserves and Total Liquid Foreign Reserves with SBP were recorded at US\$ 9,181 million and US\$ 4,467 million respectively as on June 30, 2023 as compared to US\$ 15,450 million and US\$ 9,815 million as on June 30, 2022.

Net Foreign Direct Investment was recorded at US\$ 1,456 million during FY23 as compared to US\$ 1,936 million in FY22, a negative growth of 25%. Net portfolio investment has recorded an outflow of US\$ 1,026 million during FY23 as compared to outflow of US\$ 78 million in FY22. Total Foreign Investment during FY23 recorded an outflow of US\$ 430 million as against US\$ 1,858 million in last fiscal year.

Money supply (M2) reached at Rs. 31,530 billion as on June 30, 2023 and registered a YoY growth of 14%, whereas currency in circulation (CIC) stood at Rs. 9,149 billion as on June 30, 2023 posting YoY growth of 21%.

Net provisional Tax collection, grew by 16.6% to stand at Rs. 7,169.1 billion during Jul-Jun FY23 against Rs. 6,148.5 billion last year. Domestic tax collection was recorded at Rs. 6,234 billion demonstrating an increase of 21% during FY23 owing to higher collection from direct taxes, whereas contraction is noted on custom duty on imports by 7.5%. On the other hand, expenditure grew by 20% to reach Rs. 8,850 billion during Jul-May FY23, resulting growth of 5.5% in fiscal deficit to reach at Rs. 4,652 billion during Jul-May FY23 compared to deficit of 5.2% in the corresponding period last year.

The performance of Stock Market remained bearish, KSE 100 index closed at 41,453 points at the end of June 2023 and Market capitalization of PSX matured at Rs. 6,369 billion as on June 30, 2023.

US\$-PKR parity has depreciated significantly by 26% since December 2022 to stand at Rs. 285.99 as on June 30, 2023. In June 2023, on year-on-year basis, Consumer Price Index (CPI) declined to 29.4% from 38% in May 2023, however, it remained elevated compared to 21.3% in June 2022. Accordingly, State Bank of Pakistan continued with strict monetary policy stance to pacify demand, ensure external account stability and check the inflation and has raised policy rate by 600 basis points since November 2022 to stand at 22% in June 2023.

Financial Review

Despite numerous obstacles, banking industry of Pakistan performed well. The total asset base of the banking industry increased by 14% to reach at Rs. 39,445 billion as on June 30, 2023 as compared to Rs. 34,530 billion as on December 31, 2022. Gross advances stood at Rs. 12,202 billion as on June 30, 2023 as against Rs. 11,913 billion as on December 31, 2022 increased by 2%. Total Investments depicted a growth of 17% and stood at Rs. 20,896 billion during the period under review as compared to Rs. 17,902 billion as on June 30, 2022. Total Deposits of the industry reached at Rs. 25,508 billion as on June 30, 2023 as against Rs. 22,467 billion as on June 30, 2022, showing an increase of 14%.

Your Bank remained cognizant of the high downside risks to the economic and operating environment and pursued its approach of consistent growth through robust risk management framework and enhancing customers experience using technological driven automation and digitization.

SBP's tight policy measures continued increasing policy rate to 22% in June 2023 as compared to 13.75% in June 2022 with a motive to curb inflation, bring price stability and sustainable growth. Resultantly, yields on Investments, Advances and Bank Placements have increased. Interest income increased by 93% to reach at Rs. 169,131 million for the half year ended June 30, 2023 as compared to Rs. 87,567 million for the corresponding half year ended June 30, 2022.

Markup expenses increased by 97% to reach at Rs. 118,228 million for the half year ended June 30, 2023 as compared to Rs. 60,052 million for the half year ended June 30, 2022. Resultantly, Net Interest Income (NIM) stood at Rs. 50,902 million for the half year ended June 30, 2023 as compared to Rs. 27,515 million for the corresponding half year ended June 30, 2022.

Your Bank's continuous focus on investing in its digital financial avenues together with maintaining diversification of revenue streams facilitated a robust fee income growth of 29% to reach at Rs. 5,055 million during half year ended June 30, 2023 as compared to Rs. 3,932 million during corresponding period. Above mentioned surge is primarily on account of Card related fee, Investment banking fee and income from branch banking.

Dividend income increased by 23% to reach at Rs. 1,634 million for the half year ended June 30, 2023 as compared to Rs. 1,325 million for the corresponding half year ended June 30, 2022.

Foreign Exchange (FX) income reached at Rs. 4,360 million during half year ended June 30, 2023 as compared to Rs. 4,296 million during the half year ended June 30, 2022, increased by 1.5%. Your Bank earned capital gain of Rs. 211 million during the half year ended June 30, 2023 as compared to Rs. 1,139 million for the half year ended June 30, 2022.

Total income registered at Rs. 62,210 million during the half year ended June 30, 2023 as against Rs. 38,255 million for the corresponding half year ended June 30, 2022, increased by 63%.

Director's Review

Despite multiple factors of inflationary pressure and increased spending towards technological enhancement, your Bank was successful to restrict administrative expenses at Rs. 24,263 million during the first half of 2023 as compared to Rs. 18,886 million during the first half of 2022.

Your bank posted profit before tax of Rs. 35,204 million during the half year ended June 30, 2023 which is higher by 75% as compared to Rs. 20,118 million for corresponding period last year.

Your Bank posted profit after tax (PAT) for the half year ended June 30, 2023 of Rs. 17,443 million, higher by 153% as compared to the corresponding half year ended June 30, 2022. In line with profit after tax, earnings per share (EPS) of Your Bank also increased to Rs. 15.23 as compared to Rs. 6.01 against the corresponding period.

Without comprising on the branch banking operations Your Bank geared up its focus on evolving digital needs of the customers. Resultantly, Branch outreach was expanded to 1,465 branches including 1,340 conventional, 118 Islamic banking branches and 07 digital branches. Meanwhile, Your Bank exhibits robust ATM network of 1,565 machines including 1,309 on-site, 251 off-site and 05 Mobile Banking Units (MBU) with ATM uptime average of 95% during the half year ended June 30, 2023.

Total assets of Your Bank recorded at Rs. 2,353,684 million increased by 5% as on June 30, 2023 as compared to Rs. 2,250,973 million as on December 31, 2022. This increase is mainly attributable to increase in Cash and balances with other banks, Other assets and Investments by Rs. 71,474 million, Rs. 28,063 million and Rs. 15,392 million respectively.

Net assets of Your Bank stood at Rs. 136,650 million as on June 30, 2023 as compared to Rs. 127,811 million showing an increase of 7%.

Due to effective monitoring under tough operating environment, non-performing advances portfolio of Your Bank was restricted to Rs. 13,522 million as on June 30, 2023. Gross advances and net advances reached at Rs. 830,677 million and Rs. 817,355 million respectively. Your bank continued its momentum towards low infection ratio and high overall coverage ratio which stood at 1.63% and 98.52% respectively. No forced sale value (FSV) benefit was availed while determining the provision against non-performing loans, allowed under SBP's guidelines.

Deposit base of the bank, with the growth of 9% stood at Rs. 1,665,118 million as on June 30, 2023 as compared to Rs. 1,522,297 million as on December 31, 2022. Your Bank's current account base increased to Rs. 727,549 million during the first half of the 2023, hence Current deposits to total deposits ratio stood at 43.7% as on June 30, 2023 as compared to 40% as on December 31, 2022. Also, Current account and saving account mix to total deposits (CASA) improved to 81.3% as on June 30, 2023 compared to 78.9% as on December 31, 2022.

Effective funds deployment in investments resulted in increase in investment portfolio by Rs. 15,392 million to reach at Rs. 1,138,509 million as on June 30, 2023 showing an increase of 1% as compared to Rs. 1,123,117 million as on December 31, 2022. This increase is attributable to liquidity placement in Government securities.

Your Bank's equity base stood at Rs. 136,650 million as at June 30, 2023 as compared to Rs. 127,811 million as at December 31, 2022. Return on Assets (ROA) and Return on Equity (ROE) stood at a robust level of 1.5% and 27.1% respectively. Capital Adequacy ratio (CAR) of the Bank stood at 19.76% against statutory requirement of 11.5% which is indicative of strong capital footing of Your Bank.

Future Outlook

Looking ahead, global economic activity is gaining momentum gradually despite of several downside risks of policy tightening and high inflation. IMF's projection of global growth has anticipated slightly upward movement in 2023 while it has been projected to remain unchanged in 2024 as compared to the earlier estimate.

As constant tight, proactive and data-driven monetary policy is persisting going forward, IMF projects Pakistan's GDP growth at 2.5% in FY24.

At the domestic level, SBP projected real GDP growth in the range of 2.0% to 3.0% for FY24 as compared to 0.3% in FY23, owing to the rebound in rice and cotton output and improved outlook for manufacturing, construction and allied services.

SBP continues to maintain a tight monetary policy stance with aim of containing inflation and achieving positive real interest rates on forward looking basis and anticipates gradual and slow fall in inflation to bring it down to the medium-term target range of 5-7% by end of FY25.

With the aim of extending financial inclusion and serving significantly growing freelancer industry; Your Bank has developed and launched Freelancer Account which is specifically tailored to cater to the diverse financial needs of Freelancers. With its innovative, cost effective and competitive features; this account empowers freelancers with financial independence, convenience and flexibility.

Allied bank continues its journey towards achieving distinction in providing world class banking through resilient risk management, robust regulatory compliance of local and international requirements, sound business strategy, strong technological infrastructure and digital services excellence. This has translated into winning following awards by international prestigious institutions:

1. Best Domestic Bank in Pakistan 2023 – by FinanceAsia Country Awards.
2. Best Bank for Diversity and Inclusion in Pakistan 2023 – by Asiamoney.
3. App & web-Enabled Market Awards-myABL Digital Banking App - by Pakistan Digital Awards

Entity Rating

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

Corporate Governance Rating

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

Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report. Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board of Directors and its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence and is within the prescribed threshold defined by SBP. No fee is paid to the Directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Acknowledgement

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

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

For and on behalf of the Board of Directors.

Aizid Razaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: August 17, 2023

ڈائریکٹرز کا تجزیہ

معزز شیئر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2023ء کو اختتام پذیر ششماہی کے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری

نتائج اور تفصیلات مندرجہ ذیل جدول میں درج ہے:

ششماہی ختم شدہ 30 جون			
نمبر %	2022	2023	
%	ملین روپے		
153	6,887	17,443	بعد از ٹیکس منافع
15	69,471	79,653	گزشتہ جمع شدہ منافع
(96)	26	1	غیر بینکاری اثاثہ جات کی قدر دہنی پیکش سے غیر تصرف شدہ منافع میں منتقلی۔ خالص از ٹیکس
(44)	62	35	مبین اثاثہ جات کی قدر دہنی پیکش سے غیر تصرف شدہ منافع میں منتقلی۔ خالص از ٹیکس
26	34	43	منتوبین فوائے کی ذمہ داری کی دوبارہ پیکش سے حاصل شدہ آمدنی۔ خالص از ٹیکس
27	76,480	97,175	تصرف کے لیے دستیاب منافع
25	(2,290)	(2,863)	حتیٰ کیش ڈیویڈنڈ برائے سال ختم شدہ 31 دسمبر 2022 - 2.50 روپے فی حصص (2022: سال ختم شدہ 31 دسمبر 2021 - 2.00 روپے فی حصص)
25	(2,290)	(2,863)	پہلا کیش ڈیویڈنڈ برائے سال ختم شدہ 31 دسمبر 2023 - 2.50 روپے فی حصص (2022: سال ختم شدہ 31 دسمبر 2022 - 2.00 روپے فی حصص)
153	(689)	(1,744)	ضوابطی ریزرو میں منتقلی
26	71,211	89,705	آگے منتقل کیا گیا مباح شدہ منافع
153	6.01	15.23	فی حصص آمدنی (EPS) روپے

بورڈ نہایت مسرت سے 2.50 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے جو کہ 2.50 روپے فی شیئر کے پہلے عبوری ڈیویڈنڈ جس کی پیشتر ادائیگی کی جا چکی ہے، کے علاوہ ہے۔ 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران عبوری کیش ڈیویڈنڈ کی سطح 5 روپے، فی حصص رہی (30 جون 2022 - 4.00 روپے فی حصص)

معاشی جائزہ:

عالمگیر وادے کے مضمرات، روس و یوکرین کے جاری تنازعے، افراط زر اور اس کے تدارک کے لیے روڈل کے طور پر دنیا کے بیشتر مرکزی بینکوں کی جانب سے اختیار کیے گئے کڑے مالیاتی پالیسی کی بناء پر عالمی معیشت سرگرمی سست روی کا شکار ہے۔ سکوڑا کی ان پالیسیوں کی بدولت قرض کی لاگت کے بڑھنے سے انکی طلب میں کمی واقع ہوئی اور معاشی سرگرمیوں میں بھی سست روی کا باعث بنی۔

افراط زر میں بلندی کا رجحان برقرار ہے اور صارفین کی قوت خرید کو بری طرح متاثر کر رہا ہے۔ تاہم، افراط زر پر قابو پانے کے لیے معیشتوں کی جانب سے اٹھائے گئے اقدامات کی وجہ سے عالمی میلان (سریشی) افراط زر سال 2022ء کی 8.7 فیصد کی سطح سے متوقع طور پر کمی کے ساتھ سال 2023ء کے لیے 6.8 فیصد اور سال 2024ء میں 5.2 فیصد تک آسکتا ہے۔ ان غذائے سے قطع نظر، عالمی مالیاتی فنڈ (آئی ایم ایف) نے سال 2023ء کے اپنے سابقہ 2.8 فیصد کی نمو کے تخمینے پر نظر ثانی کرتے ہوئے اسے قدرے بہتری کے ساتھ 3 فیصد پر سمجھوڑا کیا ہے اور سال 2024ء کے لیے اس شرح کو بغیر کسی تبدیلی کے 3 فیصد پر ہی امدادہ کیا ہے۔

پاکستان کی معیشت بھی ان عوامل سے متاثر ہے اور خود کو درپیش چیلنجز سے مسلح نبرد آزما ہے۔ سیلابوں کے طویل ہوتے مضر اثرات، اجناس کی قیمتوں میں تیز اتار چڑھاؤ اور بیرونی و اندرونی قرضوں کی فراہمی کی مشکل صورتحال سے معاشی نمو میں منفی اثرات مرتب ہوئے ہیں۔ جس کے نتیجے میں، آئی ایم ایف نے اپریل 2023ء میں کیے گئے جی ڈی پی کی مثبت نمو کے 0.5 فیصد کے ساتھ تخمینے پر نظر ثانی کرتے ہوئے سال 2023ء کے لیے داخلی جی ڈی پی کی نمو کی شرح کو منفی 0.5 فیصد پر تخمینہ کیا ہے۔ تاہم، آئی ایم ایف کے ساتھ 3 بلین امریکی ڈالرز کی ہائٹ کے 9 ماہ کے لیے منظور کیا گیا اسٹیڈی اسٹیٹس کا معاہدہ، 1.2 بلین امریکی ڈالرز کی بجلی قسط کی وصولی کی شکل میں، ملک کے غیر ملکی زرمبادلہ کے ذخائر کی بہتری میں اہم کردار ادا کرے گا۔

رشد کی فراہمی میں حائل رکاوٹوں، افراط زر کے دباؤ اور میکرو اکنامک (کلاں معاشی) عدم توازن کے تدارک کے لیے داخلی سطح پر جاری کڑے مالیاتی پیمانے کی بدولت بڑے پیمانے کی پیداواری صنعت (ایل ایس ایم۔ LSM) میں منفی نمو دیکھنے میں آئی۔ ایل ایس ایم (LSM) کی نمو میں مئی 2023ء کے دوران، سال بہ سال کی بنیاد پر، 14.37 فیصد کی کمی واقع ہوئی۔ جبکہ مندرجہ بالا مشکلات کے باوجود، ماہانہ بنیاد پر، اس کی شرح میں 5.88 فیصد اضافہ دیکھا گیا۔ مالی سال 2023ء میں آٹو موٹیل کے شعبے کی پیداوار میں 37.4 فیصد نمایاں کمی نظر آئی اور آئی کل فروخت 37.8 فیصد تک گر گئی۔

زراعت کے شعبے میں فراہم کیے گئے قرضعات، گزشتہ سال کے تقسیم شدہ 1,419 بلین روپے کے مقابلے میں 25 فیصد کے اضافے کے ساتھ 1,776 بلین روپے پر پہنچ گئے۔ سال 2023ء میں کرنٹ اکاؤنٹ کا خسارہ گزشتہ مالی سال کے 17.5 بلین امریکی ڈالرز کے حجم کی نسبت بہتری کا مظاہرہ کرتے ہوئے 2.6 بلین امریکی ڈالرز کی سطح پر درج ہوا۔ انتظامی اقدامات کے ذریعے درآمدات پر کنٹرول، کرنٹ اکاؤنٹ کے خسارے کو محدود رکھنے کی بنیادی وجہ رہی۔ تاہم، ماہانہ بنیاد پر، جون 2023ء کے دوران کرنٹ اکاؤنٹ کا حجم گزشتہ ماہ کے 220 بلین امریکی ڈالرز کی نسبت 52 فیصد کمی کے ساتھ 334 بلین امریکی ڈالرز کے سرچس پر ریکارڈ ہوا۔

اشیاء و خدمات کی درآمدات، مالی سال 2022ء کے دوران کے 84,485 بلین امریکی ڈالرز کی نسبت 29 فیصد کمی کے ساتھ 60,013 بلین امریکی ڈالرز پر درج ہوئیں۔ سال بہ سال کی بنیاد پر، درآمدات جون 2022ء کے دوران ریکارڈ کی گئی 8,533 بلین امریکی ڈالرز کے مقابلے میں جون 2023ء تک 55 فیصد کمی کے اعداد و شمار کے ساتھ 3,847 بلین امریکی ڈالرز پر ریکارڈ کی گئیں۔ پٹرولیم پراڈکٹس، خام پٹرولیم، سیال شدہ قدرتی گیس، پام آئل، پلاسٹک خام مال، لوہے اور اسٹیل اور طبی پراڈکٹس درآمدات میں نمایاں شمولیت کے طور پر برقرار رہی۔

اشیاء و خدمات کی درآمدات مالی سال 2022ء کی 39,595 بلین امریکی ڈالرز کی سطح کی نسبت مالی سال 2023ء کے دوران 11 فیصد کمی کے ساتھ 35,210 بلین امریکی ڈالرز پر درج ہوئیں۔ سال بہ سال کی بنیاد پر 29% فیصد کمی کے ساتھ، درآمدات جون 2022ء کے دوران ریکارڈ کی گئی 3,794 بلین ڈالرز کی نسبت جون 2023ء کے دوران، 2,698 بلین امریکی ڈالرز پر دیکھی گئیں۔ سال 2023ء کے دوران درآمدات میں خام کپاس، مچھلی اور مچھلی سے تیار کردہ پراڈکٹس، فنت بال، جوتے، سرنگی اشیاء اور طبی آلات اور فارماسیوٹیکل پراڈکٹس کی نمایاں شمولیت رہی۔

برآمدات کی کمی، درآمدات میں ہونے والی کمی سے بہرہ لوگم رہی جس کے نتیجے میں تجارتی خسارے میں سگڑا پیدا ہوا۔ چنانچہ، تجارتی خسارہ گزشتہ سال کے 44,890 بلین امریکی ڈالرز کے خسارے کی نسبت مالی سال 2023ء کے دوران 24,803 بلین امریکی ڈالرز پر پہنچ گیا۔

افراد کی ترسیلات زر، مالی سال 2022ء کے دوران 4 فیصد کے اضافے کے اعداد و شمار کے ساتھ 2,184 بلین امریکی ڈالرز پر درج ہوئی۔ اسٹیٹ بینک آف پاکستان کے خالص غیر ملکی زرمبادلہ کے ذخائر 30 جون 2022ء کی 15,450 بلین امریکی ڈالرز اور 9,815 بلین امریکی ڈالرز کی بازنس سطح کے مقابلے میں 30 جون 2022ء تک بازنس 9,181 بلین امریکی ڈالرز اور 4,467 بلین امریکی ڈالرز پر شمار ہوئے۔

خالص غیر ملکی براہ راست سرمایہ کاری مالی سال 2022ء کی 1,936 بلین امریکی ڈالرز کی سطح سے 25 فیصد کمی کے ساتھ جون 2023ء میں 1,456 بلین امریکی ڈالرز پر درج کی گئی۔ اگرچہ، مالی سال 2023ء کے دوران سرمایہ کاری کے خالص پورٹ فولیو میں مالی سال 2022ء کے 78 بلین امریکی ڈالرز کے اخراج کی نسبت 1,026 بلین امریکی ڈالرز کی واپسی دیکھی گئی۔ مالی سال 2023ء کے دوران کل غیر ملکی براہ راست سرمایہ کاری میں گزشتہ مالی سال کے 1,858 بلین امریکی ڈالرز کی سطح کی نسبت 430 بلین امریکی ڈالرز کا اخراج دیکھا گیا۔

منفی سیلابی (M2) 30 جون 2023ء تک، سال بہ سال کی بنیاد پر، 14 فیصد کمی نمو رجسٹر کرتے ہوئے 31,530 بلین روپے پر پہنچ گئی جبکہ کرنسی کی سرکولیشن، سال بہ سال کی بنیاد پر، 21 فیصد کمی کے ساتھ 9,149 بلین روپے پر جا پہنچی۔

لیکن خالص عارضی وصولیاں گزشتہ سال کے حاصل شدہ 6,148.5 بلین روپے کی نسبت مالی سال 2023ء کے جولائی تا جون کے عرصہ کے دوران، 16.6 فیصد کے اضافے

کے ساتھ 7,169.1 بلین روپے تک پہنچ گئیں۔ براہ راست ٹیکس کی وصولیوں میں اضافے کی بناء پر مالی سال 2023ء کے دوران ٹیکس کی داخلی وصولیاں 21 فیصد کے اضافے کے اظہار کے ساتھ 6,234 بلین روپے پر درج ہوئیں جبکہ درآمدات پر کسٹم ڈیوٹی کی مد میں 7.5 فیصد کا سکوڑا دیکھا گیا۔ دوسری جانب، اخراجات مالی سال 2023ء کے جولائی تا ستمبر کی مدت کے دوران 20 فیصد کے اضافے کے ساتھ 8,850 بلین روپے پر پہنچ گئے جس کی بدولت مالی سال 2023ء کے جولائی تا ستمبر کے عرصے کے دوران، گزشتہ سال کے تقابلی مدت کی 5.2 فیصدی شرح کے مقابلے میں 5.5 فیصدی شرح کے ساتھ 4,652 بلین روپے پر درج ہوا۔

اسٹاک مارکیٹ میں مندری کا رجحان برقرار رہا۔ کے ایس ای 100 انڈیکس جون 2023ء کے اختتام تک 41,453 پوائنٹس پر بند ہوا اور پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کی مارکیٹ کپچلرٹیزیشن (capitalization) کی تکمیل 30 جون 2023ء تک 6,369 بلین روپے پر رہی۔

دسمبر 2022ء سے ایک پاکستانی روپے کی امریکی ڈالر کے مقابلے میں شرح تبادلہ 26 فیصدی نمایاں فرسودگی کا شکار ہو کر 30 جون 2023ء تک 285.99 روپے فی امریکی ڈالر پہنچ گئی۔ جون 2023ء میں، سال ہرسال کی بنیاد پر، صارف قیمتوں کا جدول (کنزیومر پرائس انڈیکس) ستمبر 2023ء کی 38 فیصدی شرح سے کم ہو 29.4 فیصدی پر درج ہوا۔ تاہم، جون 2022ء کی 21.3 فیصدی شرح سے اب بھی خاصا بلند ہے۔ چنانچہ، اسٹیٹ بینک آف پاکستان نے اپنے نئے مالیاتی پالیسی بیانے کو برقرار رکھا تاکہ طلب کو معتدل، بیرونی اکاؤنٹ کے استحکام کو یقینی اور افراط زر پر قابو پایا جاسکے۔ اور پالیسی ریٹ میں نومبر 2022ء سے اب تک 600 بیسز پوائنٹس کا اضافہ کرتے ہوئے جون 2023ء تک اس کی شرح کو 22 فیصدی پر منتقل کیا۔

مالیاتی جائزہ:

بے شمار دشواریوں کے باوجود پاکستانی بینکاری کی صنعت نے بہتر کردگی کا مظاہرہ کیا ہے۔ بینکاری کی صنعت کے کل اثاثہ جات 31 دسمبر 2022ء کی 34,530 بلین روپے کی سطح سے 14 فیصد کے اضافے کے ساتھ 30 جون 2023ء تک 39,445 بلین روپے پر ریکارڈ ہوئے۔ کل قرضہ جات 31 دسمبر 2022ء کے 11,913 بلین روپے کے حجم سے 2 فیصد کے اضافے کے ساتھ 30 جون 2023ء تک 12,202 بلین روپے پر درج کئے گئے۔ کل سرمایہ کاری 30 جون 2022ء کے 17,902 بلین روپے کے حجم کے مقابلے میں 17 فیصدی نمو کے اندراج کے ساتھ 20,896 بلین روپے پر پہنچ گئی۔ صنعت کے کل ڈپازٹس 30 جون 2022ء کی 22,467 بلین روپے کی سطح سے 14 فیصد کے اضافے کے ساتھ 30 جون 2023ء تک 25,508 بلین روپے پر بڑھا کر رکھے گئے۔

آپ کے بینک نے معیشت اور کاروباری ماحول کو لائحہ عملدرمات کا مکمل ادراک رکھتے ہوئے اپنے مضبوط انتظامی ڈھانچے اور صارفین کے لیے مزید بہولیت کی فراہمی میں اضافے کو ٹیکنالوجی سے مزین خود کار ریت اور ڈیجیٹلائزیشن کے ذریعے اپنی مسلسل اور پائیدار نمو کی حکمت عملی کو جاری رکھا ہے۔ اسٹیٹ بینک آف پاکستان کی جانب سے افراط زر پر قابو پانے اور مضبوط نمو کے حصول کی خاطر قیمتوں میں استحکام کے لیے اپنے نئے پالیسی اقدامات کو جاری رکھا گیا اور پالیسی ریٹ میں مزید اضافہ کرتے ہوئے اسے جون 2022ء کی 13.75 فیصدی فیصدی شرح کے مقابلے میں جون 2023ء تک 22 فیصدی شرح پر منتقل کر دیا۔ جس کے نتیجے میں سرمایہ کاری، قرضہ جات اور بینک پلیمینٹس (placements) کی آمدنی میں اضافہ ہوا۔

انٹرسٹ آمدنی، 30 جون 2022ء کو اختتام پذیر ششماہی کے دوران کے 87,567 بلین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران 93 فیصد کے اضافے کے ساتھ 169,131 بلین روپے پر جا پہنچی۔ مارک اپ اخراجات جون 2022ء کو اختتام پذیر ششماہی کے دوران کے 60,052 بلین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران 97 فیصد کے اضافے کے ساتھ 118,228 بلین روپے پر درج ہوئے۔ جس کے نتیجے میں خالص انٹرسٹ آمدنی، 30 جون 2022ء کو اختتام پذیر ششماہی کے دوران کے 27,515 بلین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران 50,902 بلین روپے پر بڑھا ہوئی۔

آپ کے بینک کی اپنے ڈیجیٹل مالیاتی شعبوں اور مواقع میں مسلسل سرمایہ کاری اور اپنی آمدنی کے بہاؤ میں تنوع برقرار رکھنے پر خصوصی توجہ کے باعث فیصلہ آمدنی گزشتہ سال کے تقابلی عرصہ کے 3,932 بلین روپے کی نسبت 29 فیصدی تواتر شرح نمو کے ساتھ 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران 5,055 بلین روپے پر درج ہوئی۔ اس افزودگی کی بنیادی وجہ کارڈ سے متعلقہ ٹیکس، انویسٹمنٹ بینکنگ کی فیس اور برانچ بینکنگ کی آمدنی رہی۔

ڈیوڈنٹ آمدنی جون 2022ء کو اختتام پذیر تقابلی ششماہی کے دوران کے 1,325 بلین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران 23 فیصد کے اضافے کے ساتھ 1,634 بلین روپے پر جا پہنچی۔

فنانس کھینچ آمدنی 30 جون 2022ء کو اختتام پذیر ششماہی کے دوران کے 4,296 بلین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران

1.5 فیصد کے اضافے کے ساتھ 4,360 ملین روپے پر چاہی۔ آپ کے بینک نے کیٹل گین کی مدد سے جون 2022ء کو اختتام پذیر شدہ مالیاتی کے دوران کے 1,139 ملین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر شدہ مالیاتی کے دوران 211 ملین روپے کی آمدنی حاصل کی۔

کل آمدنی 30 جون 2022ء کو اختتام پذیر شدہ مالیاتی کے دوران کے 38,255 ملین روپے کے حجم کی نسبت 30 جون 2023ء کو اختتام پذیر شدہ مالیاتی کے دوران 63 فیصد کے اضافے کے ساتھ 62,210 ملین روپے پر درج کی گئی۔

افراط زر کے دباؤ کے متعدد عوامل اور اپنی ٹیکنالوجی بھری میں بڑھتے اخراجات کے باوجود آپ کا بینک اپنے انتظامی اخراجات کو سال 2022ء کی پہلی ششماہی کے دوران کے 18,886 ملین روپے کی نسبت سال 2023ء کی پہلی ششماہی کے دوران 24,263 ملین روپے تک محدود رکھنے میں کامیاب رہا۔

آپ کے بینک نے گزشتہ مالیاتی مدت کے 20,118 ملین روپے کے مقابلے میں 30 جون 2023ء کو اختتام پذیر شدہ مالیاتی کے 35,204 ملین روپے کا منافع قبل از ٹیکس درج کیا جو کہ 75 فیصد بلندی کی شرح کا مظہر ہے۔

آپ کے بینک کا منافع بعد از ٹیکس 30 جون 2022ء کو اختتام پذیر شدہ مالیاتی کی نسبت 30 جون 2023ء کو اختتام پذیر شدہ مالیاتی کے دوران 153 فیصد کے اضافے کے ساتھ 17,443 ملین روپے پر درج ہوا۔ منافع بعد از ٹیکس کی مطابقت میں آپ کے بینک کی فیصد آمدنی بھی اپنی مالیاتی مدت کی 6.01 روپے فی حصص کی سطح کے مقابلے میں 15.23 روپے فی حصص تک بڑھی۔

اپنی براؤن بینکنگ کے کاروبار پر کوئی سمجھوتہ کیے بغیر آپ کے بینک نے اپنے صارفین کی بڑھتی ڈیجیٹل ضروریات کی تکمیل پر اپنی توجہ میں اضافہ کیا ہے۔ جس کے نتیجے میں برانچوں کے نینٹ ورک کی تعداد بڑھتے ہوئے 1,465 برانچوں تک پہنچ گئی جس میں 1,340 روایتی، 118 اسلامک بینکنگ کی برانچیں اور 07 ڈیجیٹل برانچیں شامل ہیں۔ دریں اثناء آپ کے بینک کے اے ٹی ایف کا مضبوط نیٹ ورک بھی 1,565 مشینوں پر پہنچ گیا جس میں 1309 آن سائٹ، 251 آف سائٹ اور 05 موبائل بینکنگ کے پوز شامل ہیں اور اس کے ساتھ 30 جون 2023ء کو اختتام پذیر شدہ مالیاتی کے دوران اسے ٹی ایم اپ ہارم کی اوسط شرح 95 فیصد رہی۔

آپ کے بینک کے کل اثاثہ جات دسمبر 2022ء کے 2,250,973 ملین روپے کے حجم سے 5 فیصد کے اضافے کے ساتھ 30 جون 2023ء تک 2,353,684 ملین روپے پر درج کئے گئے۔ اس اضافے کی بنیادی وجہ میں کیش اور دیگر بینکنگ کے ساتھ برقرار ہیلڈنگ، دیگر اثاثہ جات اور سرمایہ کاری میں بالترتیب 71,474 ملین روپے، 28,063 ملین روپے اور 15,392 ملین روپے کا اضافہ تھا۔

آپ کے بینک کے خالص اثاثہ جات 30 جون 2022ء تک کی 127,811 ملین روپے کی سطح کے مقابلے میں 30 جون 2023ء تک 7 فیصد کے اضافے کے ساتھ 136,650 ملین روپے پر ریکارڈ ہوئے۔

ایک مشکل کاروباری ماحول میں نگرانی کے موثر نظام کے باعث آپ کے بینک نے غیر فعال قرضہ جات 30 جون 2023ء تک 13,522 ملین روپے تک محدود رہے۔ آپ کے بینک کے کل قرضہ جات اور خالص قرضہ جات بالترتیب 830,677 ملین روپے اور 817,355 ملین روپے پر چاہیے۔ آپ کے بینک نے اپنی کم انپیکشن شرح اور مجموعی کوریج کی بلند شرح کی تحریک کو برقرار رکھا جن کی سطح بالترتیب 1.63 فیصد اور 98.52 فیصد پر درج کی گئی۔ اسٹیٹ بینک آف پاکستان کی گائیڈ لائنز میں اجازت کے باوجود غیر فعال قرضہ جات کے اخراجات (پروویژن) کا تعین کرنے کے لیے جاری فروخت کے فوائد کا شمار نہیں کیا گیا۔

آپ کے بینک کی ڈیپازٹ کی اساس 31 دسمبر 2022ء کے 1,522,297 ملین روپے کے حجم کی نسبت 30 جون 2023ء تک 9 فیصد کی نمو کے ساتھ 1,665,118 ملین روپے پر چاہی۔ سال 2023ء کی پہلی ششماہی کے دوران آپ کے بینک کی کرنٹ اکاؤنٹ کی اساس 727,549 ملین روپے تک بڑھ گئی۔ لہذا، کرنٹ ڈیپازٹس کی کل ڈیپازٹس میں شمولیت کی شرح 31 دسمبر 2022ء کی 40 فیصد کی سطح کے مقابلے میں 30 جون 2023ء تک 43.7 فیصد پر درج ہوئی۔ کل ڈیپازٹس کی ترکیب میں کرنٹ اکاؤنٹ اور سیونگ اکاؤنٹ کی شرح بھی 31 دسمبر 2022ء کی 78.9 فیصد کی سطح کے مقابلے میں بہتری کے ساتھ 81.3 فیصد کی شرح پر پہنچی گئی۔

سرمایہ کاری میں موزوں اور بروقت فنڈز فراہمی کے نتیجے میں سرمایہ کاری کا پورٹ فولیو 30 جون 2023ء تک 1,138,509 ملین روپے پر شمار ہوا جو کہ 31 دسمبر 2022ء کے 1,123,117 ملین روپے کے حجم سے 1 فیصد کے اضافے کا مظہر ہے۔ اس بروہتی کی بنیادی وجہ حکومتی تسکات میں دستیاب وسائل و رقم کی پلمینٹ (placement) تھی۔

آپ کے بینک کی ایکٹیوٹی کی اساس 31 دسمبر 2022ء کی 127,811 ملین روپے سطح کی نسبت 30 جون 2023ء تک 136,650 ملین روپے رہی۔ اثاثہ جات کی آمدنی اور ایکٹیوٹی کی آمدنی بالترتیب 1.5 فیصد اور 27.1 فیصد کی مضبوط شرح پر درج ہوئی۔ بینک کے سرمائے کی معقولیت کی شرح (کمیٹیل ایڈیکوسی ریشو) 11.5 فیصد کی مطلوبہ شرح کی نسبت 19.76 فیصد پر ریکارڈ ہوئی جوکہ آپ کے بینک کے سرمائے کی مضبوط بنیاد کی غماز ہے۔

مستقبل کی پیش بینی :

مستقبل پر نظر ڈالیں تو سخت پالیسی اور بلند افراط زر کے مضمرات اور منفی رجحان کے باوجود عالمی معاشی سرگرمیاں بتدریج تحریک پکڑ رہی ہیں۔ چنانچہ آئی ایم ایف نے اپنے سابقہ تخمینے میں سال 2023ء کے لیے عالمی نمو میں قدرے بہتری کی توقع کی ہے جبکہ سال 2024ء میں یہ شرح بھرتی ریکورڈ کے برابر رہنے کی توقع ہے۔

جیسا کہ ایک مسلسل کڑی، پیش قدم اور اعداد و شمار پر منحصر مالیاتی پالیسی مستقبل میں بھی جاری رہنے کی امید ہے۔ آئی ایم ایف، نے مالی سال 2024ء میں پاکستان کی بی ڈی پی کی نمو 2.5 فیصد پر تخمینہ کی ہے۔

داخلی شرح پر اسٹیٹ بینک آف پاکستان نے جاول اور کپاس کی فصل کے اندازوں سے کم پیداوار اور قیامات و پیداواری شعبے اور دیگر خدمات کی بہتر پیش بینی کی بناء پر ترقیاتی بی ڈی پی کی نمو کی شرح مالی سال 2023ء کی 0.3 فیصد کی شرح کی نسبت مالی سال 2024ء میں 3 تا 2 فیصد پر تخمینہ کی ہے۔

اسٹیٹ بینک آف پاکستان نے افراط زر پر قابو رکھنے اور مستقبل میں مثبت حقیقی انٹرسٹ ریٹ کے حصول کے لیے اپنے کڑے مالیاتی پالیسی کو جاری رکھا جس سے افراط زر کی شرح قدرے سست اور بتدریج کی سطح کے ساتھ مالی سال 2025ء کے اختتام تک 5 تا 7 فیصد کی درمیانی مدت کی ٹارگٹ ریٹ تک آنے کی توقع کی ہے۔

ترقی کی منازل کو نمایاں طور پر عبور کرتی فری لانسر صنعت کی ضروریات کو پورا کرنے اور اعلیٰ مالی شمولیت میں اضافے کے غرض سے، آپ کے بینک نے فری لانسرز کے لیے "الائیڈ فری لانسر اکاؤنٹ" کے نام سے ایک نئی پراڈکٹ کا اجراء کیا ہے۔ جس کو معاشرے کے ترقی پسند شعبے کی جانب سے بھرپور پذیرائی مل رہی ہے۔ اپنی منفرد، کم لاگت اور مسابقتی خصوصیات سے مزین یہ اکاؤنٹ فری لانسرز کو مالیاتی خود بخاری، آسانی اور پھداری کے تمام مواقع مہیا کرتا ہے۔

الائیڈ بینک اپنے مضبوط رسک منجمنٹ کے نظام، تمام داخلی اور بین الاقوامی مطلوبات کی بروقت انضامی کلیات، کامیاب کاروباری حکمت عملی، مضبوط ٹیکنالوجیکل انتظامی ڈھانچے اور ڈیجیٹل خدمات کے اعلیٰ معیار کے ذریعے دنیا کی بہترین بینکنگ کی خدمات فراہم کرنے کی منفرد صلاحیت کے حصول کی راہ پر مسلسل گامزن ہے۔ اس امر کا اظہار معتبر بین الاقوامی اداروں کی جانب سے دیئے گئے مندرجہ ذیل غیر معمولی ایوارڈز سے ہوتا ہے:

- بیسٹ ڈومیسٹک بینک ان پاکستان- 2023 (Best Domestic Bank in Pakistan) نائنس ایٹھ ایوارڈز کی جانب سے
- بیسٹ بینک فار ڈائیورسٹی اینڈ انکلیوژن ان پاکستان 2023 (Best Bank for Diversity and inclusion) - ایشیا نمونی کی جانب سے
- ایپ ایوارڈ ویب ایسیٹبل مارکیٹ ایوارڈز (App & Web - Enabled Market Award) مائی اے نی ایل ڈیجیٹل بینکنگ ایپ - پاکستان ڈیجیٹل ایوارڈز کی جانب سے۔

ایشیا ریشنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لیٹڈ (PACRA) نے بینک کی طویل المدتی اور قلیل المدتی ریٹنگ کو بالترتیب "AAA" فریل اے اور "A1+" (اے ون پلس) کی اعلیٰ سطح پر برقرار رکھا ہے۔ یہ درجہ بنیاداً بینک کے قرضہ جات کے اعلیٰ معیار اور اپنی مالیاتی ذمہ داریوں کی ادائیگیوں کی انتہائی مضبوط صلاحیتوں کی عکاس ہیں۔ آپ کے بینک نے، ملک کے مالیاتی ادارے جو بلند ترین کریڈٹ ریٹنگ کے حامل ہیں، کے اپنی نوعیت کے مخصوص گروپ میں اپنی شہیت کو مزید تقویت کیا ہے۔

کارپوریٹ گورننس ریٹنگ:

وی آئی ایس (VIS) کریڈٹ ریٹنگ ایجنسی لیٹڈ نے الائیڈ بینک لیٹڈ (اے ایل) کی کارپوریٹ گورننس کی درجہ بندی کو برقرار رکھتے ہوئے زیادہ سے زیادہ 10 کے پیمانے میں سے "CGR-9++" کی سطح پر تصنیف کیا ہے۔ کارپوریٹ گورننس کی "CGR-9++" کی یہ ریٹنگ بینک کے مضبوط اور منظم گورننس کے نظام (فریم ورک) پر مسلسل یقین اور اعادہ کا مظہر ہیں۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بناوٹ کو کارپوریٹ معلومات کے جزو میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو بورڈ یا اور انکی 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 اور یہ اسٹیٹ بینک آف پاکستان کی تعین کردہ حدود کی مطابقت میں ہے۔ جو ڈائریکٹرز اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا

نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پر سرکولیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

تسلیم حسین :

بورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے، ہم اپنے معزز شیئرز ہولڈرز اور قابل قدر صارفین کے الائنڈ بیک پر اسکے اعتماد، سکیورٹی اینڈ ایکچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور اعانت پر انتہائی خلوص سے شکریہ ادا کرتے ہیں۔

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

منجانب و برائے بورڈ آف ڈائریکٹرز

محمد نسیم مختار
چیئر مین بورڈ آف ڈائریکٹرز

ایزد رزاق گل
چیئف ایگزیکٹو آفیسر

لاہور

17 اگست 2023ء

Independent Auditors' Review Report

To the members of Allied Bank Limited

REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Allied Bank Limited ("the Bank") as at 30 June 2023, and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the three months period ended 30 June 2023 and 2022 have not been reviewed by us and we do not express a conclusion on them, as we are required to review only the cumulative figures for the six-month period ended 30 June 2023.

The engagement partner on the review resulting in this independent auditor's report is Mr. Arslan Khalid.

EY Ford Rhodes
Chartered Accountants

Date: 28 August 2023

Lahore

UDIN: RR2023101919OfmB0Pb

UNCONSOLIDATED **FINANCIAL STATEMENTS**

for the half year ended June 30, 2023

Unconsolidated Statement of Financial Position

(Un-audited) as at June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	159,387,421	87,913,426
Balances with other banks	8	11,549,629	3,439,468
Lendings to financial institutions - net	9	21,521,771	28,222,195
Investments - net	10	1,138,509,023	1,123,117,088
Advances - net	11	817,355,036	845,640,176
Fixed assets	12	86,233,686	81,478,561
Intangible assets	13	3,077,015	2,963,902
Deferred tax assets	14	22,790,139	13,001,349
Other assets - net	15	93,259,832	65,196,693
		2,353,683,552	2,250,972,858
LIABILITIES			
Bills payable	17	7,982,568	14,159,643
Borrowings	18	470,666,734	530,414,493
Deposits and other accounts	19	1,665,118,472	1,522,297,479
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	73,265,731	56,289,835
		2,217,033,505	2,123,161,450
NET ASSETS			
		136,650,047	127,811,408
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		36,272,857	31,435,453
(Deficit) / Surplus on revaluation of assets - net of tax	22	(778,224)	5,272,401
Unappropriated profit		89,704,675	79,652,815
		136,650,047	127,811,408

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the half year ended June 30, 2023

	Note	Half Year Ended		Quarter Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000					
Mark-up / return / interest earned	25	169,130,748	87,567,089	95,090,511	48,504,712
Mark-up / return / interest expensed	26	118,228,336	60,051,703	64,701,150	33,530,999
Net mark-up / interest income		50,902,412	27,515,386	30,389,361	14,973,713
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	5,055,146	3,932,265	2,537,157	1,835,552
Dividend income		1,633,632	1,325,194	754,402	390,577
Foreign exchange income		4,359,797	4,295,911	1,117,197	3,543,849
Income from derivatives		-	-	-	-
Gain on securities - net	28	211,106	1,139,428	33,274	869,889
Other income	29	48,358	46,470	22,529	19,173
Total non mark-up / interest income		11,308,039	10,739,268	4,464,559	6,659,040
Total income		62,210,451	38,254,654	34,853,920	21,632,753
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	23,370,451	18,246,220	12,114,652	9,656,266
Workers welfare fund		734,145	423,893	446,993	252,904
Other charges	31	158,672	215,815	80,661	113,482
Total non mark-up / interest expenses		24,263,268	18,885,928	12,642,306	10,022,652
Profit before provisions		37,947,183	19,368,726	22,211,614	11,610,101
Provisions and write offs - net	32	2,743,624	(749,192)	433,847	(496,749)
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		35,203,559	20,117,918	21,777,767	12,106,850
Taxation	33	17,760,527	13,231,311	11,923,552	10,048,117
PROFIT AFTER TAXATION		17,443,032	6,886,607	9,854,215	2,058,733
In Rupees					
Basic and Diluted earnings per share	34	15.23	6.01	8.61	1.80

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the half year ended June 30, 2023

	Half Year Ended		Quarter Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Rupees in '000			
Profit after taxation for the period	17,443,032	6,886,607	9,854,215	2,058,733
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	3,093,101	1,427,290	95,906	1,083,017
Movement in deficit on revaluation of investments - net of tax	(5,764,061)	(5,436,041)	4,328,560	(4,239,980)
	(2,670,960)	(4,008,751)	4,424,466	(3,156,963)
<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	42,981	34,462	42,981	34,462
Revaluation of fixed assets	(248,344)	(174,267)	(248,344)	(174,267)
Revaluation of non-banking assets	(2,700)	(1,721)	(2,700)	(1,721)
	(208,063)	(141,526)	(208,063)	(141,526)
Total comprehensive income	14,564,009	2,736,330	14,070,618	(1,239,756)

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

Muhammad Atif Mirza
Chief Financial Officer

Zafar Iqbal
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Mubashir A. Akhtar
Director

Unconsolidated Statement of Changes In Equity

(Un-audited) for the half year ended June 30, 2023

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	(Deficit) / Surplus on revaluation of Investments	Fixed assets	Non-banking assets	Un-appropriated profit	Total
Rupees in '000									
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,721,787	939,176	69,470,607	127,244,539
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	-	-	-	6,886,607	6,886,607
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(5,436,041)	-	-	-	(5,436,041)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on re-measurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	1,427,290	-	-	-	-	-	-	1,427,290
Transfer to statutory reserve	-	1,427,290	-	-	(5,436,041)	(174,267)	(1,721)	34,462	(4,150,277)
Transfer to statutory reserve	-	-	688,661	-	-	-	-	-	(688,661)
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	100,467	(100,467)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(62,086)	-	-	62,086
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(607)	-	607
Surplus realized on disposal of revalued fixed assets - net of tax	-	-	-	-	-	-	(25,775)	-	25,775
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ending December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at June 30, 2022	11,450,739	4,228,525	24,665,492	6,000	(9,557,877)	22,585,901	810,806	71,211,187	125,400,573
Profit after taxation for the half year period ended December 31, 2022	-	-	-	-	-	-	-	14,307,214	14,307,214
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(8,575,988)	-	-	-	(8,575,988)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	72,430	-	72,430
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	82,760	82,760
Effect of translation of net investment in foreign branches	-	1,104,715	-	-	-	-	-	-	1,104,715
Transfer to statutory reserve	-	1,104,715	-	-	(8,575,988)	-	72,430	82,760	(7,316,083)
Transfer to statutory reserve	-	-	1,430,721	-	-	-	-	-	(1,430,721)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(62,085)	-	-	62,085
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(588)	-	588
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Second interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Third interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,523,816	882,450	79,652,815	127,811,408
Profit after taxation for the half year ended June 30, 2023	-	-	-	-	-	-	-	17,443,032	17,443,032
Other Comprehensive Income net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(5,764,061)	-	-	-	(5,764,061)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(248,344)	-	-	(248,344)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	3,093,101	-	-	-	-	-	-	3,093,101
Transfer to statutory reserve	-	3,093,101	-	-	(5,764,061)	(248,344)	(2,700)	42,981	(2,879,023)
Transfer to statutory reserve	-	-	1,744,303	-	-	-	-	-	(1,744,303)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,876)	-	-	34,876
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(644)	-	644
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ending December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Balance as at June 30, 2023	11,450,739	8,426,341	27,840,516	6,000	(23,897,926)	22,240,596	879,106	89,704,675	136,650,047

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		35,203,559	20,117,918
Less: Dividend income		(1,633,632)	(1,325,194)
		33,569,927	18,792,724
Adjustments:			
Depreciation - Operating Fixed Assets		2,215,840	2,024,873
Depreciation - Non Banking Assets		5,016	3,234
Depreciation on right of use assets		876,352	851,191
Interest expense on lease liability		556,650	480,545
Amortization		285,588	252,084
Net provisions and write offs	32	2,746,572	(666,377)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		10,346	(913)
Provision for workers welfare fund		734,145	423,893
Charge for defined benefit plans		236,838	207,996
Gain on sale of fixed assets		(161)	(612)
Loss on sale of non-banking assets and other assets		-	3,063
		7,667,186	3,578,977
		41,237,113	22,371,701
Decrease / (Increase) in operating assets			
Lendings to financial institutions		6,700,424	(8,109,660)
Held-for-trading securities		(6,418,032)	(825,478)
Advances		26,824,340	7,236,727
Other assets (excluding advance taxation)		(29,830,737)	(18,844,624)
		(2,724,005)	(20,543,035)
(Decrease) / Increase in operating liabilities			
Bills payable		(6,177,075)	(730,530)
Borrowings		(59,339,712)	(47,382,048)
Deposits and other accounts		142,820,993	161,799,547
Other liabilities (excluding current taxation)		15,822,649	8,593,002
		93,126,855	122,279,971
		131,639,963	124,108,637
Income tax paid		(17,040,203)	(6,888,078)
Defined benefits paid		(342,914)	(288,050)
Net cash flow generated from operating activities		114,256,846	116,932,509
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in 'available-for-sale' securities		(24,794,117)	(94,605,422)
Net investments in 'held-to-maturity' securities		(188,862)	(2,713,747)
Dividend received		1,628,065	1,325,188
Investments in fixed assets and intangible assets		(6,878,081)	(4,211,455)
Proceeds from sale of fixed assets		14,505	29,602
Effect of translation of net investment in foreign branches		3,093,101	1,427,290
Net cash flow used in investing activities		(27,125,389)	(98,748,544)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,432,758)	(1,121,457)
Dividend paid		(5,706,496)	(4,578,533)
Net cash flow used in financing activities		(7,139,254)	(5,699,990)
Increase in cash and cash equivalents during the period		79,992,203	12,483,975
Cash and cash equivalents at beginning of the period		92,115,082	127,722,862
Effect of exchange rate changes on opening cash and cash equivalents		(1,197,459)	(2,604,673)
		90,917,623	125,118,189
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		170,909,826	137,602,164

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,462 (December 31, 2022: 1,451) branches in Pakistan including 118 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 1) in Bahrain.

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

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

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

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

2. BASIS OF PRESENTATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

- 2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (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, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in preparing the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2022.

3.1 New standards, interpretations and amendments adopted by the Bank

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

	Effective date (periods beginning on or after)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
- Amendments to IAS 12 Current Taxes - International Tax Reform: Pillar Two Model Rules - application of exception, disclosure of the fact and other disclosure requirements	January 01, 2023

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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

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

	Effective date (periods beginning on or after)
- Amendments to IFRS 17 and IAS 7 - Qualitative and quantitative information about supplier finance arrangements	January 01, 2024
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	January 01, 2024

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

- As per SBP's BPRD Circular No. 7 dated April 13, 2023, the effective date of IFRS 9 for banks in Pakistan has been extended from January 01, 2023 to January 01, 2024, and accordingly the Standard will be applied in the Bank's financial statements for accounting periods beginning on or after January 01, 2024. As disclosed in note 4.1 to the unconsolidated annual financial statements of the Bank for the year ended December 31, 2022, the Bank had carried out an impact assessment based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual unconsolidated financial statements for the year ended December 31, 2022.

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		30,362,175	28,208,976
Foreign currencies		3,508,095	974,226
		33,870,270	29,183,202
Remittances in transit			
		174,060	1,102,799
With State Bank of Pakistan (SBP) in			
Local currency current accounts		83,625,746	56,627,616
Foreign currency current account		164,121	77,448
Foreign currency deposit accounts (non-remunerative)		8,200,492	36,908
Foreign currency deposit accounts (remunerative)		16,630,759	59,118
		108,621,118	56,801,090
With National Bank of Pakistan in			
Local currency current accounts		16,338,908	561,719
Prize Bonds			
		383,065	264,616
		159,387,421	87,913,426
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	7,500
Outside Pakistan			
In current accounts		5,311,039	3,209,391
In deposit accounts		6,231,090	222,577
		11,542,129	3,431,968
		11,549,629	3,439,468
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - foreign currency		12,011,601	3,622,894
Repurchase agreement lendings (Reverse Repo)		9,510,170	21,599,301
Musharaka lendings		-	3,000,000
Certificates of investment		70,000	70,000
		21,591,771	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		21,521,771	28,222,195

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023		(Audited) December 31, 2022	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	June 30, 2023				(Audited) December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	6,557,499	-	(10,346)	6,547,153	139,467	-	(134)	139,333
	6,557,499	-	(10,346)	6,547,153	139,467	-	(134)	139,333
Available-for-sale securities								
Federal Government Securities*	1,077,058,741	(1,349,487)	(47,633,432)	1,028,075,822	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987
Shares	18,549,381	(1,678,876)	795,169	17,665,674	18,642,536	(1,670,628)	573,308	17,545,216
Non Government Debt Securities	26,145,301	(21,071)	(18,219)	26,106,011	26,593,534	(21,071)	(34,153)	26,538,310
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	25,000	-	(2,196)	22,804	25,000	-	(2,549)	22,451
	1,121,780,193	(3,049,434)	(46,858,678)	1,071,872,081	1,096,897,309	(2,000,777)	(31,813,798)	1,063,082,734
Held-to-maturity securities								
Federal Government Securities	59,589,789	-	-	59,589,789	59,395,021	-	-	59,395,021
Non Government Debt Securities	314,732	(314,732)	-	-	320,637	(320,637)	-	-
	59,904,521	(314,732)	-	59,589,789	59,715,658	(320,637)	-	59,395,021
Subsidiaries	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,188,742,213	(3,364,166)	(46,869,024)	1,138,509,023	1,157,252,434	(2,321,414)	(31,813,932)	1,123,117,088

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	(Audited)	
	June 30, 2023	December 31, 2022
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	13,797,420	9,897,190
Pakistan Investment Bonds	355,850,610	393,685,615
Total Investments given as collateral	369,648,030	403,582,805
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,321,414	2,093,298
Exchange adjustments	88,769	3,795
Charge / (reversals)		
Charge for the period / year	959,888	312,389
Reversals for the period / year	(5,905)	(23,622)
	953,983	288,767
Reversal on disposals	-	(64,446)
Closing Balance	3,364,166	2,321,414

	(Audited)			
	June 30, 2023		December 31, 2022	
	NPI*	Provision	NPI*	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	335,803	335,803	341,708	341,708
	335,803	335,803	341,708	341,708
Overseas				
Not past due but impaired**	19,151,484	1,349,487	14,772,409	309,078
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	19,487,287	1,685,290	15,114,117	650,786

* NPI stands for Non-performing Investments.

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

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at June 30, 2023 amounted to Rs. 49,508 million (December 31, 2022: Rs. 51,708.9 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

Note	Performing		Non Performing		Total		
	Audited		Audited		Audited		
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	
Rupees in '000							
11 ADVANCES							
Loans, cash credits, running finances, etc.	749,729,260	774,934,098	12,140,839	11,718,805	761,870,099	786,652,903	
Islamic financing and related assets	39.3	65,659,947	66,762,206	8,385	9,675	65,668,332	66,771,881
Bills discounted and purchased		1,765,962	2,688,351	1,372,761	1,375,202	3,138,123	4,063,553
Advances - gross	11.1	817,154,569	844,384,655	13,521,985	13,103,682	830,676,554	857,488,337
Provision against advances							
Specific	11.2 & 11.3	-	-	(13,001,870)	(11,738,558)	(13,001,870)	(11,738,558)
General	11.3	(319,648)	(109,603)	-	-	(319,648)	(109,603)
		(319,648)	(109,603)	(13,001,870)	(11,738,558)	(13,321,518)	(11,848,161)
Advances - net of provision		816,834,921	844,275,052	520,115	1,365,124	817,355,036	845,640,176

(Audited)
June 30, 2023 December 31, 2022

Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	767,706,916	825,652,654
In foreign currencies	62,969,638	31,835,683
	<u>830,676,554</u>	<u>857,488,337</u>

11.2 Advances include Rs. 13,521.985 million (December 31, 2022: Rs. 13,103.682 million) which have been placed under non-performing status as detailed below:

Category of Classification:	(Audited)			
	June 30, 2023		December 31, 2022	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Domestic				
Other Assets Especially Mentioned	44,925	509	307,993	237
Substandard	79,685	19,267	133,674	33,222
Doubtful	76,509	38,255	1,159,780	579,890
Loss	13,320,866	12,943,839	11,502,235	11,125,209
Total	13,521,985	13,001,870	13,103,682	11,738,558

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023				(Audited) December 31, 2022		
	Note	Specific	General	Total	Specific	General	Total
	Rupees in '000						
11.3 Particulars of provision against advances							
Opening balance		11,738,558	109,603	11,848,161	12,750,397	100,355	12,850,752
Exchange adjustments		-	12,557	12,557	-	13,589	13,589
Charge for the period / year		1,575,983	306,302	1,882,285	528,225	75,430	603,655
Reversals		(312,671)	(108,814)	(421,485)	(998,280)	(79,771)	(1,078,051)
		1,263,312	197,488	1,460,800	(470,055)	(4,341)	(474,396)
Amounts written off		-	-	-	(541,784)	-	(541,784)
Closing balance		13,001,870	319,648	13,321,518	11,738,558	109,603	11,848,161

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

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

	Note	(Audited)	
		June 30, 2023	December 31, 2022
		Rupees in '000	
12 FIXED ASSETS			
Capital work-in-progress	12.1	7,140,004	4,317,914
Property and equipment		70,764,359	69,337,253
Right-of-Use Assets		8,329,323	7,823,394
		86,233,686	81,478,561
12.1 Capital work-in-progress			
Civil works		5,311,870	3,304,808
Equipment		51,471	44,592
Advances to suppliers		1,776,663	968,514
		7,140,004	4,317,914

12.2 Additions to fixed assets

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

	June 30, 2023	June 30, 2022		
			Rupees in '000	
			June 30, 2023	June 30, 2022
Capital work-in-progress	3,956,829	1,502,283		
Property and equipment				
Freehold land	547,701	854,579		
Leasehold land	10	143,086		
Building on freehold land	210,288	1,273,219		
Building on leasehold land	30,926	160,171		
Furniture and fixture	134,608	127,269		
Electrical office and computer equipment	2,353,805	1,319,067		
Vehicles	127,573	18,615		
Others-building improvements	277,962	451,717		
	3,682,873	4,347,723		
Right-of-Use Assets	1,478,088	1,223,334		
Total	9,117,790	7,073,340		

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2023

12.3 Disposal of fixed assets

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

	June 30, 2023	June 30, 2022
	Rupees in '000	
Furniture and fixture	1,234	560
Electrical office and computer equipment	3,192	7,783
Vehicles	132	-
Building on freehold land	-	12,290
Building improvements	-	6
Total	4,558	20,639

	Note	June 30, 2023	(Audited) December 31, 2022
		Rupees in '000	
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	359,473	275,227
Computer Software		2,717,542	2,688,675
		3,077,015	2,963,902

13.1 Capital work-in-progress

	June 30, 2023	June 30, 2022
Software	356,599	272,353
Advances to suppliers	2,874	2,874
	359,473	275,227

13.2 Additions to intangible assets

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

	June 30, 2023	June 30, 2022
	Rupees in '000	
Capital work-in-progress	230,312	147,651
Software	84,141	275,153
Total	314,453	422,804

13.3 Disposals of intangible assets

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	(Audited)	
	June 30, 2023	December 31, 2022
	Rupees in '000	
14 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision against investments	19,093	19,093
Provision against other assets	38,959	38,959
Provision against off balance sheet obligations	14,824	14,824
Provision against advances	513,948	360,393
Deficit on revaluation of investments	22,960,752	13,679,933
Actuarial gains	351,010	308,029
Post retirement medical benefits	42,980	42,980
Workers welfare fund	2,158,567	1,578,570
	26,100,133	16,042,781
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	(1,994,635)	(1,779,800)
Surplus on revaluation of non-banking assets	(21,428)	(19,347)
Accelerated tax depreciation / amortization	(1,280,725)	(1,229,079)
Excess of investment in finance lease over written down value of leased assets	(13,206)	(13,206)
	(3,309,994)	(3,041,432)
	22,790,139	13,001,349

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
15	OTHER ASSETS		
		66,926,757	49,451,768
		2,988,628	1,368,623
		2,466,810	1,857,960
		599,791	603,545
		-	22,909
		-	88,177
		19,555	5,613
		5,960,647	4,249,363
		5,233,435	4,943,030
		509,976	508,935
		702,059	554,145
		212,014	213,136
		-	3,511
		11,849	29,684
		39,494	40,497
		7,667,421	1,041,549
		49	122
		109,990	68,137
		93,448,475	65,050,704
	15.1	(1,089,177)	(755,808)
		92,359,298	64,294,896
		900,534	901,797
		93,259,832	65,196,693

15.1 Provision held against other assets

		217,762	131,125
		509,976	508,935
		212,014	24,295
		39,435	39,600
		109,990	51,853
		1,089,177	755,808

15.1.1 Movement in provision held against other assets

		755,808	760,152
		387,717	111,279
		(55,928)	(101,280)
		331,789	9,999
		1,580	(14,343)
		1,089,177	755,808

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at June 30, 2023 and December 31, 2022.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
17	BILLS PAYABLE		
	In Pakistan	7,956,040	14,138,478
	Outside Pakistan	26,528	21,165
		7,982,568	14,159,643
18	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	355,000,000	400,000,000
	Under export refinance scheme	31,290,835	36,313,038
	Under payroll refinance scheme	-	58,349
	Under long term financing facility	37,083,322	38,403,037
	Under financing scheme for renewable energy	672,215	639,435
	Under temporary economic refinance scheme	13,212,874	13,273,360
	Under refinance scheme for modernization of SMEs	12,273	16,364
	Refinance and credit guarantee scheme for women entrepreneurs	11,463	11,018
	Under refinance scheme for wages and salaries	140,182	163,580
		437,423,164	488,878,181
	Repurchase agreement borrowings from Financial Institutions	23,861,512	12,499,527
		461,284,676	501,377,708
	Unsecured		
	Call borrowings	5,504,834	5,524,914
	Overdrawn nostro accounts	27,224	435,271
	Musharaka borrowing	3,850,000	23,050,000
	Other borrowings	-	26,600
		9,382,058	29,036,785
		470,666,734	530,414,493

	(Audited)					
	June 30, 2023			December 31, 2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						

19 DEPOSITS AND OTHER ACCOUNTS

Customers						
Current deposits	599,507,689	45,959,721	645,467,410	536,148,071	30,632,327	566,780,398
Savings deposits	566,510,833	20,278,026	586,788,859	543,310,268	16,749,608	560,059,876
Term deposits	209,133,364	101,541,130	310,674,494	233,500,164	87,679,953	321,180,117
Others	68,847,357	84,479	68,931,836	32,935,164	65,036	33,000,200
	1,443,999,243	167,863,356	1,611,862,599	1,345,893,667	135,126,924	1,481,020,591
Financial Institutions						
Current deposits	12,413,656	736,340	13,149,996	8,621,516	567,020	9,188,536
Savings deposits	39,726,179	-	39,726,179	31,906,055	-	31,906,055
Term deposits	315,350	64,348	379,698	131,350	50,947	182,297
Others	-	-	-	-	-	-
	52,455,185	800,688	53,255,873	40,658,921	617,967	41,276,888
	1,496,454,428	168,664,044	1,665,118,472	1,386,552,588	135,744,891	1,522,297,479

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,072,614 million for June 30, 2023 (December 31, 2022: Rs. 955,218 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		20,102,207	14,142,993
Mark-up / return / interest payable in foreign currencies		1,611,806	939,083
Present value of lease liability		10,304,495	9,787,444
Accrued expenses		3,713,552	2,642,962
Provision for taxation (provisions less payments)		3,955,168	2,518,808
Retention money payable		474,192	526,630
Deferred income		771,569	667,168
Unearned commission and income on bills discounted		651,181	360,705
Acceptances		5,960,647	4,249,363
Unclaimed dividends		423,007	406,721
Dividend payable		23,061	20,473
Branch adjustment account		1,536,949	-
Unrealized loss on forward foreign exchange contracts		1,288,281	-
Provision for:			
Gratuity		804,194	804,194
Employees' medical benefits		1,571,933	1,508,820
Employees' compensated absences		1,245,758	1,124,542
Payable to defined contribution plan		148,610	46,506
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		914,841	920,097
Charity fund balance		2,508	828
Home Remittance Cell overdraft		639,612	789,995
With-holding tax payable		6,450,579	5,234,909
Sundry deposits		3,583,722	3,491,981
Workers welfare fund payable		4,405,238	3,671,093
Others		2,383,717	2,135,616
		73,265,731	56,289,835

		June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
20.1 Provision against off-balance sheet obligations			
Opening balance		298,904	298,904
Charge for the period / year		-	-
Reversals for the period / year		-	-
		-	-
Closing balance		298,904	298,904

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
22	(DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
(Deficit) / surplus arising on revaluation of:			
Fixed assets		24,235,231	24,303,616
Non-banking assets acquired in satisfaction of claims		900,534	901,797
Available-for-sale securities	10.1	(46,858,678)	(31,813,798)
		(21,722,913)	(6,608,385)
Deferred tax on deficit / (surplus) on revaluation of:			
Fixed assets		(1,994,635)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(21,428)	(19,347)
Available-for-sale securities		22,960,752	13,679,933
		20,944,689	11,880,786
		(778,224)	5,272,401

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	58,070,148	49,109,776
Commitments	23.2	411,615,628	408,196,152
Other contingent liabilities	23.3	8,492,715	7,005,967
		478,178,491	464,311,895

23.1 Guarantees

Financial guarantees		5,420,989	5,225,364
Performance guarantees		11,670,858	11,296,136
Other guarantees		40,978,301	32,588,276
		58,070,148	49,109,776

23.2 Commitments

Documentary credits and short term trade related transactions:

letters of credit		134,553,377	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	243,792,518	238,516,233
forward government securities transactions	23.2.2	26,157,158	24,046,280
operating leases	23.2.3	234,541	231,174
Commitments for acquisition of:			
fixed assets		6,833,472	5,672,996
intangible assets		44,562	645,539
		411,615,628	408,196,152

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		143,060,521	160,636,134
Sale		100,731,997	77,880,099
		243,792,518	238,516,233

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	December 31, 2022
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	20,099,547	22,219,131
Sale	6,057,611	1,827,149
	<u>26,157,158</u>	<u>24,046,280</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	60,029	58,039
Later than one year and not later than five years	145,378	128,510
Later than five years	29,134	44,625
	<u>234,541</u>	<u>231,174</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	8,492,715	7,005,967

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,841 million (2022: 32,741 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.34,841 million (2022: 32,741 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and created an arbitrary demand of Rs. 2,029 million (2022: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2022: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2022: 1,144 million). The Bank's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2022: 1,144 million).

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2022.

	Note	Half Year Ended June 30, 2023	June 30, 2022	Quarter Ended June 30, 2023	June 30, 2022
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		66,972,562	29,153,428	38,977,595	16,175,325
Investments		99,685,539	57,176,350	54,468,549	31,755,982
Lendings to financial institutions		1,822,552	1,221,404	1,229,483	558,388
Balances with banks		650,095	15,907	414,884	15,017
		<u>169,130,748</u>	<u>87,567,089</u>	<u>95,090,511</u>	<u>48,504,712</u>
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		72,753,772	39,324,489	40,327,955	22,645,627
Borrowings		43,037,339	17,951,932	22,914,856	9,636,371
Cost of foreign currency swaps against foreign currency deposits		1,880,575	2,294,737	1,170,929	1,003,463
Interest expense on lease liability		556,650	480,545	287,410	245,538
		<u>118,228,336</u>	<u>60,051,703</u>	<u>64,701,150</u>	<u>33,530,999</u>
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		2,453,153	1,557,076	1,257,351	606,159
Branch banking customer fees		1,057,619	977,774	521,145	601,078
Commission on remittances including home remittances		382,208	374,930	136,507	150,082
Investment banking fees		549,997	469,087	306,337	173,999
Commission on trade		282,736	268,900	153,069	149,857
Commission on cash management		192,415	160,710	94,903	90,003
Commission on guarantees		96,153	68,573	50,620	37,403
Commission on bancassurance		5,758	33,691	1,028	15,675
Credit related fees		18,540	12,674	10,715	6,402
Consumer finance related fees		16,567	8,850	5,482	4,894
		<u>5,055,146</u>	<u>3,932,265</u>	<u>2,537,157</u>	<u>1,835,552</u>
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	207,510	1,130,074	23,755	873,079
Unrealised - held for trading	10.1	(10,346)	913	(3,934)	(19,562)
Unrealised - forward government securities		13,942	8,441	13,453	16,372
		<u>211,106</u>	<u>1,139,428</u>	<u>33,274</u>	<u>869,889</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	Half Year Ended		Quarter Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000					
28.1 Realised gain / (loss) on:					
Federal government securities		156,240	198,832	20,720	152,226
Shares		51,270	931,258	3,035	720,853
Non government debt securities		-	(16)	-	-
		207,510	1,130,074	23,755	873,079
29 OTHER INCOME					
Recovery of written off mark-up and charges		911	27,566	875	17,317
Gain on sale of fixed assets - net		161	612	(5,064)	(1,498)
(Loss) / gain on sale of non-banking assets - net		-	(3,063)	-	(3,063)
Other assets disposal		11,432	843	5,411	(6,114)
Rent on property		10,765	5,319	5,377	3,566
Fee for attending Board meetings		1,158	959	486	538
Income from data centre hosting service		8,858	8,858	4,429	4,429
Gain on sale of islamic financing and related assets		15,073	5,376	11,015	3,998
		48,358	46,470	22,529	19,173
30 OPERATING EXPENSES					
Total compensation expense		9,304,962	8,199,924	4,678,150	4,222,994
Property expense:					
Depreciation		2,422,493	2,317,956	1,227,616	1,173,175
Rent and taxes		191,162	166,661	103,846	102,855
Utilities cost		1,187,115	760,878	761,000	482,741
Security (including guards)		907,940	624,512	515,415	303,868
Repair and maintenance (including janitorial charges)		737,721	505,284	407,332	291,759
Insurance		52,165	48,603	27,193	24,983
		5,498,596	4,423,894	3,042,402	2,379,381
Information technology expenses:					
Depreciation		522,890	410,487	290,866	212,976
Amortization		285,588	252,084	146,054	130,193
Network charges		421,122	376,436	226,839	213,656
Software maintenance		1,234,092	556,850	688,852	324,753
Hardware maintenance		297,566	229,155	162,634	134,201
Others		1,786	1,917	1,182	1,218
		2,763,044	1,826,929	1,516,427	1,016,997
Other operating expenses:					
Insurance		876,793	778,164	440,909	387,854
Outsourced service costs		635,261	440,082	331,035	228,441
Stationery and printing		313,655	173,880	203,709	84,959
Cash in Transit service charge		264,376	177,372	130,030	94,206
Marketing, advertisement and publicity		757,743	461,392	243,720	285,095
Depreciation		146,809	147,621	74,365	73,882
Travelling and conveyance		169,290	139,770	81,768	86,129
Postage and courier charges		165,116	90,339	112,913	48,181
NIFT clearing charges		100,205	88,877	52,677	40,627
Communication		81,369	90,248	40,507	46,445
Legal and professional charges		89,502	143,347	40,382	82,099
Auditors Remuneration		9,681	4,511	4,489	(433)
Directors fees and allowances		33,307	24,383	16,363	11,448
Fees and allowances to Shariah Board		4,611	4,199	2,150	2,105
Training and development		63,963	53,051	28,294	27,263
Brokerage expenses		33,715	53,449	12,520	31,037
Card related expenses		1,225,251	506,926	583,457	304,910
Donations		17,340	64,415	11,673	6,704
Others		815,862	353,447	466,712	195,942
		5,803,849	3,795,473	2,877,673	2,036,894
		23,370,451	18,246,220	12,114,652	9,656,266

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2023

	Note	Half Year Ended		Quarter Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		3,656	189,025	3,153	124,941
Education cess		25,002	23,502	12,501	11,751
Depreciation - non-banking assets		5,016	3,234	2,508	1,784
Others		124,998	54	62,499	(24,994)
		158,672	215,815	80,661	113,482
32 PROVISIONS AND WRITE OFFS - NET					
Provision / (Reversal) for diminution in the value of investments	10.2.1	953,983	2,977	98,507	(7,380)
Provision / (Reversal) against loans & advances	11.3	1,460,800	(601,087)	20,745	(386,903)
Provision / (Reversal) against other assets	15.1.1	331,789	(68,267)	315,364	(83,382)
		2,746,572	(666,377)	434,616	(477,665)
Recovery of written off bad debts		(2,948)	(82,815)	(769)	(19,084)
		2,743,624	(749,192)	433,847	(496,749)
33 TAXATION					
Current - for the period	33.1	18,476,561	11,584,811	12,292,795	8,224,390
- for prior year		-	2,007,418	-	2,007,418
		18,476,561	13,592,229	12,292,795	10,231,808
Deferred - current		(716,034)	(360,918)	(369,243)	(183,691)
		17,760,527	13,231,311	11,923,552	10,048,117
33.1	This also includes proportionate super tax on high earning persons of Rs. 3,770.727 million (June 30, 2022: Rs. 2,119.464 million).				
		Half Year Ended		Quarter Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000					
34 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		17,443,032	6,886,607	9,854,215	2,058,733
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		15.23	6.01	8.61	1.80
There is no dilution effect on basic earnings per share.					

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2023

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,032,308,816		- 1,032,308,816		- 1,032,308,816
Shares	17,348,496	17,325,692	22,804		- 17,348,496
Non-Government Debt Securities	13,337,641		- 13,337,641		- 13,337,641
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai muajjal)					
	75,514,070				
Cash and balances with treasury banks	159,387,421				
Balances with other banks	11,549,629				
Lendings	21,521,771				
Advances	817,355,036				
Other assets	83,574,965				
Non - Financial Assets measured at fair value					
Operating fixed assets	59,424,194		- 59,424,194		- 59,424,194
Non-banking assets	1,500,325		- 1,500,325		- 1,500,325
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	143,060,521		- 143,060,521		- 143,060,521
Forward sale of foreign exchange	100,731,997		- 100,731,997		- 100,731,997
Forward purchase of government securities transactions	20,099,547		- 20,099,547		- 20,099,547
Forward sale of government securities transactions	6,057,611		- 6,057,611		- 6,057,611

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

June 30, 2023

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
36 SEGMENT INFORMATION						
36.1 Segment Details with respect to Business Activities						
Profit & Loss						
Net mark-up/return/profit	57,674,205	(66,753,700)	56,203,214	3,450,704	327,989	50,902,412
Inter segment revenue - net	(60,363,644)	128,092,489	(62,569,965)	-	(5,158,880)	-
Non mark-up / return / interest income	2,903,818	3,443,449	4,482,296	242,703	235,773	11,308,039
Total Income	214,379	64,782,238	(1,884,455)	3,693,407	(4,595,118)	62,210,451
Segment direct expenses	404,778	10,776,618	128,410	883,549	12,069,913	24,263,268
Total expenses	404,778	10,776,618	128,410	883,549	12,069,913	24,263,268
Provisions	(2,136,552)	(521,117)	(287,719)	(1,887)	203,651	(2,743,624)
Profit before tax	(2,326,951)	53,484,503	(2,300,584)	2,807,971	(16,461,380)	35,203,559
Balance Sheet						
Cash & Bank balances	46,772	48,277,181	115,183,748	6,872,306	557,043	170,937,050
Investments	42,000,656	-	1,066,796,787	29,211,580	500,000	1,138,509,023
Net inter segment lending	(673,194,076)	1,450,356,750	(854,473,573)	(3,061,246)	80,372,145	-
Lendings to financial institutions	3,431,886	-	23,252,014	-	(5,162,129)	21,521,771
Advances - performing	712,544,582	28,264,844	-	65,659,947	10,685,196	817,154,569
Advances - non-performing	197,213	533,697	-	8,385	12,782,690	13,521,985
Provision against advances	(426,670)	(483,991)	-	(5,773)	(12,405,084)	(13,321,518)
Advances - net	712,315,125	28,314,550	-	65,662,559	11,062,802	817,355,036
Operating fixed assets	156,867	54,824,479	11,245	1,045,623	33,272,487	89,310,701
Others	10,399,892	18,759,934	36,594,452	4,357,362	45,938,331	116,049,971
Total Assets	95,157,122	1,600,532,894	387,364,673	104,088,184	166,540,679	2,353,683,552
Borrowings	86,044,491	3,331,948	379,388,736	7,063,688	(5,162,129)	470,666,734
Deposits & other accounts	7,117,761	1,571,112,212	-	83,020,416	3,868,083	1,665,118,472
Net inter segment borrowing	-	-	-	-	-	-
Others	1,994,870	26,088,734	7,975,937	3,891,777	41,296,981	81,248,299
Total liabilities	95,157,122	1,600,532,894	387,364,673	93,975,881	40,002,935	2,217,033,505
Equity / Reserves	-	-	-	-	10,112,303	126,537,744
Total Equity and liabilities	95,157,122	1,600,532,894	387,364,673	104,088,184	166,540,679	2,353,683,552
Contingencies and commitments	169,378,849	20,563,936	269,949,676	2,627,743	15,658,287	478,178,491

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2022					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	24,103,970	(36,178,144)	37,863,686	1,409,809	316,065	27,515,386
Inter segment revenue - net	(26,164,015)	72,292,020	(41,881,283)	-	(4,246,722)	-
Non mark-up / return / interest income	3,342,739	2,519,869	4,497,071	168,599	210,990	10,739,268
Total Income	1,282,694	38,633,745	479,474	1,578,408	(3,719,667)	38,254,654
Segment direct expenses	349,697	9,411,936	125,250	762,520	8,236,525	18,885,928
Total expenses	349,697	9,411,936	125,250	762,520	8,236,525	18,885,928
Provisions	(25,844)	(84,642)	-	31	859,647	749,192
Profit before tax	907,153	29,137,167	354,224	815,919	(1,096,545)	20,117,918

	(Audited)					
	December 31, 2022					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	118,949	23,235,294	52,356,522	9,172,647	6,469,482	91,352,894
Investments	41,851,146	-	1,052,517,808	28,248,134	500,000	1,123,117,088
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	10,554,643	844,384,655
Advances - non-performing	632,538	506,437	-	9,675	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	(1,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	11,190,417	845,640,176
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	31,115,736	84,442,463
Others	6,314,510	14,881,391	28,651,784	3,434,983	24,915,374	78,198,042
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	3,134,965	1,522,297,479
Others	2,250,883	28,225,961	1,072,206	3,445,447	35,454,981	70,449,478
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	35,049,643	2,123,161,450
Equity / Reserves	-	-	-	7,312,344	120,499,064	127,811,408
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	13,608,676	464,311,895

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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.

	June 30, 2023		(Audited)								
	Parent	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	66,575	358,217	1,672,000	961,476	2,535	63,811	301,793	-	-	1,242
Addition during the period/year	-	78,009	127,162	34,194,000	27,561,976	12,594	66,521	163,059	1,672,000	18,724,508	20,000
Repaid during the period/year	-	(28,238)	(147,834)	(32,869,000)	(27,683,316)	(13,731)	(83,457)	(106,635)	-	(17,763,032)	(18,307)
Closing balance	-	116,346	337,545	2,997,000	830,136	1,298	66,875	358,217	1,672,000	961,476	2,935

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

37.1 RELATED PARTY TRANSACTIONS

	June 30, 2023				June 30, 2022							
	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	-	4,914	8,204	234,143	19,975	43	-	2,101	8,214	-	-	8
Fee and commission income	4	46	103	2,317	2,584	386	2	20	158	4,854	2	411
Net gain on sale of securities	-	-	3	-	-	230	-	-	-	-	-	12,818
Rental Income	-	-	-	10,764	-	-	-	-	-	5,319	-	-
Other Income	-	-	8,660	8,858	-	-	-	-	-	8,858	-	-
Expense												
Mark-up/return/interest expensed	-	4,597	2,113	4,233	667	417,541	-	8,229	372	2,370	151	1,086,986
Directors meeting fee	-	38,000	-	-	-	-	-	24,000	-	-	-	-
Remuneration	-	64,025	329,747	-	-	-	-	39,113	279,378	-	-	-
Charge for defined benefit plans	-	1,339	11,903	-	-	-	-	646	10,293	-	-	-
Contribution to defined contribution plan	-	1,250	5,048	-	-	-	-	608	4,897	-	-	-
Other expenses	-	-	-	-	6,550	-	-	-	-	-	31,148	-
Rent expense**	-	-	-	-	11,832	-	-	-	-	-	8,650	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	153,315	-	-	-	-	-	157,321
Insurance premium paid	-	107	323	-	-	-	-	75	315	-	-	-

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

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

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

During the period ended June 30, 2023, certain moveable assets having cumulative net book value of Rs. 233,000 to the Key Management Personnel of the Bank, 0 were disposed off for Rs. 233,000 to the Key Management Personnel of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	107,809,977	106,760,942
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	107,809,977	106,760,942
Eligible Tier 2 Capital	6,030,019	7,092,854
Total Eligible Capital (Tier 1 + Tier 2)	113,839,996	113,853,796
Risk Weighted Assets (RWAs):		
Credit Risk	421,668,688	419,653,095
Market Risk	28,634,150	31,359,204
Operational Risk	125,820,001	125,820,001
Total	576,122,839	576,832,300
Common Equity Tier 1 Capital Adequacy ratio	18.71%	18.51%
Tier 1 Capital Adequacy Ratio	18.71%	18.51%
Total Capital Adequacy Ratio	19.76%	19.74%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	107,809,977	106,760,942
Total Exposures	2,535,727,864	2,387,468,058
Leverage Ratio	4.25%	4.47%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	590,634,932	670,660,455
Total Net Cash Outflow	337,795,840	400,489,567
Liquidity Coverage Ratio	174.85%	167.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,590,685,381	1,444,409,109
Total Required Stable Funding	1,018,353,787	967,845,390
Net Stable Funding Ratio	156.20%	149.24%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

39. ISLAMIC BANKING BUSINESS

The Bank is operating 118 (December 31, 2022: 117 and June 30, 2022: 117) Islamic Banking Branches and 160 (December 31, 2022: 135 and June 30, 2022: 135) Islamic Banking Windows at the end of the period.

		June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		6,757,977	6,801,281
Balances with other banks		114,329	2,371,366
Due from financial institutions	39.1	-	3,000,000
Investments	39.2	29,211,580	28,248,134
Islamic financing and related assets - net	39.3	65,662,559	66,767,995
Fixed assets		1,044,181	1,220,562
Intangible assets		1,442	1,507
Due from Head Office		-	-
Other assets		4,357,362	3,434,983
		107,149,430	111,845,828
LIABILITIES			
Bills payable		446,454	233,943
Due to financial institutions		7,063,688	27,105,292
Deposits and other accounts	39.4	83,020,416	71,870,126
Due to Head Office		3,061,246	2,112,619
Subordinated debt		-	-
Other liabilities		3,445,323	3,211,504
		97,037,127	104,533,484
NET ASSETS		10,112,303	7,312,344
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		5,177	13,189
Unappropriated profit	39.5	6,007,126	3,199,155
		10,112,303	7,312,344
CONTINGENCIES AND COMMITMENTS	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	June 30, 2022
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended June 30, 2023 is as follows:		
Profit / return earned	39.7	8,767,984
Profit / return expensed	39.8	5,317,280
Net Profit / return	3,450,704	1,409,809
OTHER INCOME		
Fee and commission income	166,699	147,692
Dividend income	-	-
Foreign exchange income	61,566	15,442
Loss on securities	15	(16)
Other income	14,423	5,481
Total other income	242,703	168,599
Total income	3,693,407	1,578,408
OTHER EXPENSES		
Operating expenses	883,280	762,520
Workers Welfare Fund	-	-
Other charges	269	-
Total other expenses	883,549	762,520
Profit before provisions	2,809,858	815,888
Provisions and write offs - net	1,887	(31)
PROFIT BEFORE TAXATION	2,807,971	815,919
Taxation	-	-
PROFIT AFTER TAXATION	2,807,971	815,919

	(Audited)					
	June 30, 2023			December 31, 2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
39.1 Due from financial institutions						
Musharaka Lending	-	-	-	3,000,000	-	3,000,000
	-	-	-	3,000,000	-	3,000,000

	(Audited)							
	June 30, 2023				December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
39.2 Investments by Segments								
Federal Government Securities:								
-Ijarah Sukuks	14,076,686	-	(74,595)	14,002,248	13,075,605	-	(67,540)	13,008,065
-Islamic Naya Pakistan Certificate	2,314,160	-	-	2,314,160	2,021,081	-	-	2,021,081
	16,390,846	-	(74,595)	16,316,408	15,096,686	-	(67,540)	15,029,146
Non Government Debt Securities								
-Listed	9,353,750	-	10,429	9,364,022	9,445,000	-	11,386	9,456,386
-Unlisted	3,531,150	-	-	3,531,150	3,762,602	-	-	3,762,602
	12,884,900	-	10,429	12,895,172	13,207,602	-	11,386	13,218,988
Total Investments	29,275,746	-	(64,166)	29,211,580	28,304,288	-	(56,154)	28,248,134

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah Financing	329,616	416,075
Ijarah Inventory	120,928	168,244
Advance Against Ijarah	-	-
Murabaha Financing	100,749	643,374
Advance Against Murabaha	5,793	128,347
Diminishing Musharakah	12,697,092	13,393,139
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	528,454	525,291
Advance Against Diminishing Musharakah	60,520	152,644
Advance Against Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	-	2,000
Business Musharakah Financing	47,101,684	47,183,573
Business Musharakah - Islamic Export Re-Finance	1,230,000	1,230,000
Istisna Inventory	-	1,000,000
Advance Against Istisna	369,999	69,997
Advance Against Istisna - Financing Under Islamic Export Re-Finance	1,455,000	555,000
Musawamah Financing	9,863	42,534
Advance Against Musawamah	14,978	-
Salam Financing	2,770	-
Advance Against Salam	489,733	109,932
Ijarah Financing - Staff	662,351	615,692
Diminishing Musharakah Financing - Staff	369,493	346,327
Advance Against Ijarah - Staff	27,585	107,857
Advance Against Diminishing Musharakah - Staff	91,724	81,855
Gross Islamic financing and related assets	65,668,332	66,771,881
Less: Provision against Islamic financings		
- Specific	4,192	2,419
- General	1,581	1,467
	5,773	3,886
Islamic financing and related assets - net of provision	65,662,559	66,767,995
39.4 Deposits		
Customers		
Current deposits	18,740,971	15,998,485
Savings deposits	22,217,739	20,591,430
Term deposits	3,807,495	3,198,250
Other deposits	4,495,307	4,025,263
	49,261,512	43,813,428
Financial Institutions		
Current deposits	451,796	262,459
Savings deposits	33,123,108	27,794,239
Term deposits	184,000	-
Other deposits	-	-
	33,758,904	28,056,698
	83,020,416	71,870,126

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	3,199,155	729,561
Add: Islamic Banking profit for the period	2,807,971	2,469,594
Closing Balance	<u>6,007,126</u>	<u>3,199,155</u>
39.6 Contingencies and commitments		
-Guarantees	1,731,290	1,249,848
-Commitments	830,487	930,995
-Other contingencies	65,966	846,808
	<u>2,627,743</u>	<u>3,027,651</u>
	June 30, 2023	June 30, 2022
	Rupees in '000	
39.7 Profit/return earned of financing, investments and placement		
Profit earned on:		
Financing	6,303,056	3,153,409
Investments	2,460,654	1,448,144
Placements	4,274	39,209
	<u>8,767,984</u>	<u>4,640,762</u>
39.8 Profit on deposits and other dues expensed		
Deposits and other accounts	3,755,290	1,836,330
Due to Financial Institutions	171,074	54,025
Profit paid on Musharaka borrowings	1,259,043	1,277,341
Profit paid on Mudaraba borrowings	64,892	-
Other expenses (IFRS-16)	66,981	63,257
	<u>5,317,280</u>	<u>3,230,953</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 The Board of Directors of the Bank in its meeting held on August 17, 2023 has proposed an interim cash dividend for the quarter ended June 30, 2023 of Rs. 2.50 per share (June 30, 2022: cash dividend of Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the half year ended June 30, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 17, 2023 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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED **FINANCIAL STATEMENTS**

for the half year ended June 30, 2023

Consolidated Statement of Financial Position

(Un-audited) as at June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	159,367,827	87,904,863
Balances with other banks	8	11,549,629	3,439,468
Lendings to financial institutions - net	9	21,521,771	28,222,195
Investments - net	10	1,143,685,037	1,126,716,510
Advances - net	11	814,590,849	844,218,560
Fixed assets	12	86,569,640	81,823,836
Intangible assets	13	3,092,346	2,973,145
Deferred tax assets	14	22,792,771	13,037,316
Other assets - net	15	93,554,615	65,536,679
		2,356,724,485	2,253,872,572
LIABILITIES			
Bills payable	17	7,982,568	14,159,643
Borrowings	18	470,666,734	530,414,493
Deposits and other accounts	19	1,665,085,632	1,522,275,850
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	73,693,215	56,758,278
		2,217,428,149	2,123,608,264
NET ASSETS			
		139,296,336	130,264,308
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		36,272,857	31,435,453
(Deficit) / surplus on revaluation of assets - net of tax	22	(731,488)	5,319,137
Unappropriated profit		92,304,228	82,058,979
		139,296,336	130,264,308

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the half year ended June 30, 2023

	Note	Half Year Ended		Quarter Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000					
Mark-up / return / interest earned	25	168,902,389	87,572,297	94,931,165	48,507,459
Mark-up / return / interest expensed	26	118,254,420	60,063,479	64,720,810	33,539,865
Net mark-up / interest income		50,647,969	27,508,818	30,210,355	14,967,594
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	5,539,403	4,264,204	2,783,859	2,002,353
Dividend income		1,716,376	1,384,070	803,956	431,079
Foreign exchange income		4,359,797	4,295,911	1,117,197	3,543,849
Income from derivatives		-	-	-	-
Gain on securities - net	28	540,926	1,012,605	254,140	753,904
Other income	29	28,735	32,293	10,931	11,178
Total non mark-up / interest income		12,185,237	10,989,083	4,970,083	6,742,363
Total income		62,833,206	38,497,901	35,180,438	21,709,957
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	23,676,947	18,512,930	12,280,581	9,788,246
Workers welfare fund		740,470	425,448	450,205	253,833
Other charges	31	158,672	215,815	80,661	113,482
Total non mark-up / interest expenses		24,576,089	19,154,193	12,811,447	10,155,561
Profit before provisions		38,257,117	19,343,708	22,368,991	11,554,396
Provisions and write offs - net	32	2,743,624	(749,192)	433,847	(496,749)
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		35,513,493	20,092,900	21,935,144	12,051,145
Taxation	33	17,877,072	13,267,028	11,982,950	10,074,935
PROFIT AFTER TAXATION		17,636,421	6,825,872	9,952,194	1,976,210
In Rupees					
Basic and Diluted earnings per share	34	15.40	5.96	8.69	1.73

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the half year ended June 30, 2023

	Half Year Ended		Quarter Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	Rupees in '000			
Profit after taxation for the period	17,636,421	6,825,872	9,952,194	1,976,210
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	3,093,101	1,427,290	95,906	1,083,017
Movement in deficit on revaluation of investments - net of tax	(5,764,061)	(5,436,041)	4,328,560	(4,239,980)
	(2,670,960)	(4,008,751)	4,424,466	(3,156,963)
<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	42,981	34,462	42,981	34,462
Revaluation of fixed assets	(248,344)	(174,267)	(248,344)	(174,267)
Revaluation of non-banking assets	(2,700)	(1,721)	(2,700)	(1,721)
	(208,063)	(141,526)	(208,063)	(141,526)
Total comprehensive income	14,757,398	2,675,595	14,168,597	(1,322,279)

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

Muhammad Atif Mirza
Chief Financial Officer

Zafar Iqbal
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Mubashir A. Akhtar
Director

Consolidated Statement of Changes In Equity

(Un-audited) for the half year ended June 30, 2023

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve			Surplus/(deficit) on revaluation of Fixed assets	Non-banking assets	Un-appropriated profit	Total
				General reserve	Investments					
Rupees in '000										
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)		22,768,523	939,176	71,822,518	129,643,186
Profit after taxation for half year ended June 30, 2022	-	-	-	-	-	-	-	-	6,825,872	6,825,872
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	-	(5,436,041)	-	-	-	(5,436,041)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on re-measurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	1,427,290	-	-	-	-	-	-	-	1,427,290
Transfer to statutory reserve	-	1,427,290	-	-	-	(5,436,041)	(174,267)	(1,721)	34,462	(4,150,277)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	688,661	-	-	-	-	-	-	(688,661)
Transferred from surplus on change in use - net of tax	-	-	-	-	-	-	100,467	(100,467)	-	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	-	-	62,086	62,086
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	-	(607)	607	-
Surplus realized on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	-	-	(25,775)	25,775
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended	-	-	-	-	-	-	-	-	-	-
December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ending	-	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	-	(4,580,296)	(4,580,296)
Balance as at June 30, 2022	11,450,739	4,228,525	24,665,492	6,000	(9,557,877)		22,632,637	810,606	73,502,363	127,738,485
Profit after taxation for half year ended	-	-	-	-	-	-	-	-	-	-
December 31, 2022	-	-	-	-	-	-	-	-	14,421,613	14,421,613
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	-	(8,575,988)	-	-	-	(8,575,988)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	72,430	-	72,430
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	-	83,349	83,349
Effect of translation of net investment in foreign branches	-	1,104,715	-	-	-	-	-	-	-	1,104,715
	-	1,104,715	-	-	-	(8,575,988)	-	72,430	83,349	(7,315,494)
Transfer to statutory reserve	-	-	1,430,721	-	-	-	-	-	-	(1,430,721)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(62,085)	-	62,085	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	-	(586)	586	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Second interim cash dividend for the year ended	-	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Third interim cash dividend for the year ended	-	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	-	(4,580,296)	(4,580,296)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)		22,570,552	882,450	82,058,979	130,264,306
Profit after taxation for the half year ended June 30, 2023	-	-	-	-	-	-	-	-	17,636,421	17,636,421
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	-	(5,764,061)	-	-	-	(5,764,061)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	-	(248,344)	-	-	(248,344)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	3,093,101	-	-	-	-	-	-	-	3,093,101
	-	3,093,101	-	-	-	(5,764,061)	(248,344)	(2,700)	42,981	(2,879,023)
Transfer to statutory reserve	-	-	1,744,303	-	-	-	-	-	-	(1,744,303)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(34,876)	-	34,876	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	-	(644)	644	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended	-	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ending	-	-	-	-	-	-	-	-	-	-
December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	-	(5,725,370)	(5,725,370)
Balance as at June 30, 2023	11,450,739	8,426,341	27,840,516	6,000	(23,897,926)		22,287,332	879,106	92,304,228	130,296,336

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

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Cash Flow Statement

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		35,513,493	20,092,900
Less: Dividend income		(1,716,376)	(1,384,070)
		33,797,117	18,708,830
Adjustments:			
Depreciation - Operating Fixed Assets		2,233,098	2,041,501
Depreciation - Non Banking Assets		5,016	3,234
Depreciation on right of use assets		876,352	851,191
Interest expense on lease liability		559,981	494,690
Amortization		286,619	252,084
Net provisions and write offs	32	2,746,572	(666,377)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		(26,724)	129,552
Provision for workers welfare fund		740,470	425,448
Charge for defined benefit plans		236,838	207,996
Gain on sale of fixed assets		(161)	(612)
Loss on sale of non-banking assets and other assets		-	3,063
		7,658,061	3,741,770
		41,455,178	22,450,600
Decrease / (Increase) in operating assets			
Lendings to financial institutions		6,700,424	(8,109,660)
Held-for-trading securities		(7,817,801)	(3,217,068)
Advances		28,166,911	7,204,076
Other assets (excluding advance taxation)		(29,814,931)	(17,826,849)
		(2,765,397)	(21,949,501)
(Decrease) / Increase in operating liabilities			
Bills payable		(6,177,075)	(730,530)
Borrowings		(59,339,712)	(47,382,048)
Deposits and other accounts		142,809,782	161,794,398
Other liabilities (excluding current taxation)		15,694,874	10,094,084
		92,987,869	123,775,904
		131,677,650	124,277,003
Income tax paid		(17,177,063)	(6,912,336)
Defined benefits paid		(319,129)	(285,326)
Net cash flow generated from operating activities		114,181,458	117,079,341
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in 'available-for-sale' securities		(24,794,117)	(94,261,162)
Net investments in 'held-to-maturity' securities		(188,862)	(2,713,747)
Dividend received		1,710,809	1,384,064
Investments in fixed assets and intangible assets		(6,900,895)	(4,223,796)
Proceeds from sale of fixed assets		14,505	29,602
Effect of translation of net investment in foreign branches		3,093,101	1,427,290
Net cash flow (used in) investing activities		(27,065,459)	(98,357,749)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,428,331)	(1,652,122)
Dividend paid		(5,706,496)	(4,578,533)
Net cash flow used in financing activities		(7,134,827)	(6,230,655)
Increase in cash and cash equivalents during the period		79,981,172	12,490,937
Cash and cash equivalents at beginning of the period		92,106,519	127,716,970
Effect of exchange rate changes on opening cash and cash equivalents		(1,197,459)	(2,604,673)
		90,909,060	125,112,297
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		170,890,232	137,603,234

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

1 STATUS AND NATURE OF BUSINESS

The "Group" consist of:

Holding Company

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,462 (December 31, 2022: 1,451) branches in Pakistan including 118 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 1) in Bahrain.

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

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

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

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

Subsidiary Company

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

The Company has been assigned an Asset Manager rating of 'AMI' by Pakistan Credit Rating Agency Limited (denoting a very High Management Quality with Stable Outlook) dated October 28, 2022

ABL Asset Management Company is managing the following funds:

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

2 BASIS OF PRESENTATION

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

2.1 Statement of compliance

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

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

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

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

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

2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (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, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparing the audited annual consolidated financial statements of the Group for the year ended December 31, 2022.

3.1 New standards, interpretations and amendments adopted by the bank

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

	Effective date (periods beginning on or after)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
- Amendment to IAS 12 Current taxes - International Tax Reform: Pillar Two Model Rules - application of exception, disclosure of the fact and other disclosure requirements	January 01, 2023

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)
- Amendment to IFRS 7 and IAS 7 - Qualitative and quantitative information about supplier finance arrangements	January 01, 2024
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	January 01, 2024

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

- As per SBP's BPRD Circular No. 7 dated April 13, 2023, the effective date of IFRS 9 for banks in Pakistan has been extended from January 01, 2023 to January 01, 2024, and accordingly the Standard will be applied in the Bank's financial statements for accounting periods beginning on or after January 01, 2024. As disclosed in note 4.1 to the unconsolidated annual financial statements of the Bank for the year ended December 31, 2022, the Bank had carried out an impact assessment based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2022.

5 BASIS OF MEASUREMENT

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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

6 FINANCIAL RISK MANAGEMENT

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

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		30,363,175	28,210,054
Foreign currencies		3,508,095	974,226
		33,871,270	29,184,280
Remittances in transit		153,466	1,093,158
With State Bank of Pakistan (SBP) in			
Local currency current accounts		83,625,746	56,627,616
Foreign currency current account		164,121	77,448
Foreign currency deposit accounts (non-remunerative)		8,200,492	36,908
Foreign currency deposit accounts (remunerative)		16,630,759	59,118
		108,621,118	56,801,090
With National Bank of Pakistan in			
Local currency current accounts		16,338,908	561,719
Prize Bonds		383,065	264,616
		159,367,827	87,904,863
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	7,500
Outside Pakistan			
In current accounts		5,311,039	3,209,391
In deposit accounts		6,231,090	222,577
		11,542,129	3,431,968
		11,549,629	3,439,468
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - foreign currency		12,011,601	3,622,894
Repurchase agreement lendings (Reverse Repo)		9,510,170	21,599,301
Musharaka lendings		-	3,000,000
Certificates of investment		70,000	70,000
		21,591,771	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		21,521,771	28,222,195

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023		(Audited) December 31, 2022	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	June 30, 2023				(Audited) December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	6,557,499	-	(10,346)	6,547,153	139,467	-	(134)	139,333
Open ended Mutual Funds/ Pension Funds	5,638,944	-	37,070	5,676,014	4,239,175	(1,100)	(138,653)	4,099,422
	12,196,443	-	26,724	12,223,167	4,378,642	(1,100)	(138,787)	4,238,755
Available-for-sale securities								
Federal Government Securities*	1,077,058,741	(1,349,487)	(47,633,432)	1,028,075,822	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987
Shares	18,549,381	(1,678,876)	795,169	17,665,674	18,642,536	(1,670,628)	573,308	17,545,216
Non Government Debt Securities	26,145,301	(21,071)	(18,219)	26,106,011	26,593,534	(21,071)	(34,153)	26,538,310
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	25,000	-	(2,196)	22,804	25,000	-	(2,549)	22,451
	1,121,780,193	(3,049,434)	(46,858,678)	1,071,872,081	1,096,897,309	(2,000,777)	(31,813,798)	1,063,082,734
Held-to-maturity securities								
Federal Government Securities	59,589,789	-	-	59,589,789	59,395,021	-	-	59,395,021
Non Government Debt Securities	314,732	(314,732)	-	-	320,637	(320,637)	-	-
	59,904,521	(314,732)	-	59,589,789	59,715,658	(320,637)	-	59,395,021
Total Investments	1,193,881,157	(3,364,166)	(46,831,954)	1,143,685,037	1,160,991,609	(2,322,514)	(31,952,585)	1,126,716,510

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
10.1.1 Investments given as collateral		
Market Treasury Bills	13,797,420	9,897,190
Pakistan Investment Bonds	355,850,610	393,685,615
Total Investments given as collateral	369,648,030	403,582,805
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,322,514	2,093,298
Exchange adjustments	88,769	3,795
Charge / (reversals)		
Charge for the period / year	959,888	313,489
Reversals for the period / year	(5,905)	(23,622)
	953,983	289,867
Reversal on disposals	(1,100)	(64,446)
Closing Balance	3,364,166	2,322,514

	(Audited)			
	June 30, 2023		December 31, 2022	
	NPI*	Provision	NPI*	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	335,803	335,803	341,708	341,708
	335,803	335,803	341,708	341,708
Overseas				
Not past due but impaired**	19,151,484	1,349,488	14,772,409	309,078
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
Total	19,487,287	1,685,291	15,114,117	650,786

* NPI stands for Non-performing Investments.

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

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at June 30, 2023 amounted to Rs. 49,508 million (December 31, 2022: Rs. 51,708.9 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Performing		Non Performing		Total		
	Audited		Audited		Audited		
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	
Rupees in '000							
11 ADVANCES							
Loans, cash credits, running finances, etc.	746,965,073	773,528,741	12,140,839	11,718,805	759,105,912	785,247,546	
Islamic financing and related assets	39.3 65,659,947	66,745,947	8,385	9,675	65,668,332	66,755,622	
Bills discounted and purchased	1,785,362	2,688,351	1,372,761	1,375,202	3,138,123	4,063,553	
Advances - gross	11.1 814,390,382	842,963,039	13,521,985	13,103,682	827,912,367	856,066,721	
Provision against advances							
Specific	11.2 & 11.3	-	-	(13,001,870)	(11,738,558)	(13,001,870)	(11,738,558)
General	11.3	(319,648)	(109,603)	-	-	(319,648)	(109,603)
		(319,648)	(109,603)	(13,001,870)	(11,738,558)	(13,321,518)	(11,848,161)
Advances - net of provision		814,070,734	842,853,436	520,115	1,365,124	814,590,849	844,218,560

(Audited)
June 30, 2023 December 31, 2022

		Rupees in '000	
11.1	Particulars of advances (gross)		
	In local currency	764,942,729	824,231,038
	In foreign currencies	62,969,638	31,835,683
		827,912,367	856,066,721

11.2 Advances include Rs. 13,521.985 million (December 31, 2022: Rs. 13,103.682 million) which have been placed under non-performing status as detailed below:

	(Audited)			
	June 30, 2023		December 31, 2022	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	44,925	509	307,993	237
Substandard	79,685	19,267	133,674	33,222
Doubtful	76,509	38,255	1,159,780	579,890
Loss	13,320,866	12,943,839	11,502,235	11,125,209
Total	13,521,985	13,001,870	13,103,682	11,738,558

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023			(Audited) December 31, 2022		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
11.3 Particulars of provision against advances						
Opening balance	11,738,558	109,603	11,848,161	12,750,397	100,355	12,850,752
Exchange adjustments	-	12,557	12,557	-	13,589	13,589
Charge for the period / year	1,575,983	306,302	1,882,285	528,225	75,430	603,655
Reversals for the period / year	(312,671)	(108,814)	(421,485)	(998,280)	(79,771)	(1,078,051)
	1,263,312	197,488	1,460,800	(470,055)	(4,341)	(474,396)
Amounts written off	-	-	-	(541,784)	-	(541,784)
Closing balance	13,001,870	319,648	13,321,518	11,738,558	109,603	11,848,161

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

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

	Note	(Audited)	
		June 30, 2023	December 31, 2022
Rupees in '000			
12 FIXED ASSETS			
Capital work-in-progress	12.1	7,140,004	4,317,914
Property and equipment		71,049,484	69,623,941
Right-of-Use Assets		8,380,152	7,881,981
		86,569,640	81,823,836

12.1 Capital work-in-progress

Civil works	5,311,870	3,304,808
Equipment	51,471	44,592
Advances to suppliers	1,776,663	968,514
	7,140,004	4,317,914

12.2 Additions to fixed assets

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

	June 30, 2023	June 30, 2022
Rupees in '000		
Capital work-in-progress	3,956,829	1,241,066
Property and equipment		
Freehold land	547,701	854,579
Leasehold land	10	143,086
Building on freehold land	210,288	1,240,219
Building on leasehold land	30,926	160,171
Furniture and fixture	134,608	127,269
Electrical office and computer equipment	2,361,896	1,323,942
Vehicles	127,573	18,615
Others-building improvements	277,962	451,717
	3,690,964	4,319,598
Right-of-Use Assets	1,478,088	1,223,334
Total	9,125,881	6,783,998

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

12.3 Disposal of fixed assets

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

	Note	June 30, 2023	June 30, 2022
Rupees in '000			
Furniture and fixture		1,234	560
Electrical office and computer equipment		3,346	7,783
Vehicles		132	-
Building on freehold land		-	12,290
Building improvements		-	6
Total		4,712	20,639

		June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	366,513	275,227
Computer Software		2,725,833	2,697,918
		3,092,346	2,973,145

13.1 Capital work-in-progress

Software		356,599	272,353
Advances to suppliers		9,914	2,874
		366,513	275,227

13.2 Additions to intangible assets

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

	June 30, 2023	June 30, 2022
Rupees in '000		
Capital work-in-progress	230,312	147,651
Software	84,141	275,153
Total	314,453	422,804

13.3 Disposals of intangible assets

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
14 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision against investments	19,093	19,093
Provision against other assets	38,959	38,959
Provision against off-balance sheet obligations	14,824	14,824
Provision against advances	513,948	360,393
Deficit on revaluation of investments	22,960,752	13,679,933
Actuarial losses	351,010	308,030
Investment in finance lease liabilities	2,632	24,512
Post retirement medical benefits	42,980	49,639
Workers welfare fund	2,158,567	1,578,570
	26,102,765	16,073,953
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	(1,994,635)	(1,779,801)
Surplus on revaluation of non-banking assets	(21,428)	(15,071)
Accelerated tax depreciation / amortization	(1,280,725)	(1,228,559)
Excess of investment in finance lease over written down value of leased assets	(13,206)	(13,206)
	(3,309,994)	(3,036,637)
	22,792,771	13,037,316

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
15	OTHER ASSETS		
	Income / Mark-up accrued in local currency	66,865,002	49,449,867
	Income / Mark-up accrued in foreign currency	2,988,628	1,368,623
	Advances, deposits, advance rent and other prepayments	2,823,348	2,199,847
	Non-banking assets acquired in satisfaction of claims	599,791	603,545
	Branches adjustment account	-	22,909
	Mark to market gain on forward foreign exchange contracts	-	88,177
	Mark to market gain on forward government securities transactions	19,555	5,613
	Acceptances	5,960,647	4,249,363
	Due from the employees' retirement benefit schemes		
	Pension fund	5,233,435	4,943,030
	Fraud and forgeries	509,976	508,935
	Stationery and stamps in hand	702,059	554,145
	Overdue Foreign Bills Negotiated or Discounted	212,014	213,136
	Home Remittance Cell agent receivable	-	3,511
	Receivable from State Bank of Pakistan	11,849	29,684
	Charges receivable	39,494	40,497
	ATM / Point of Sale settlement account	7,667,421	1,041,549
	Suspense Account	49	122
	Others	109,990	68,137
		93,743,258	65,390,690
	Less: Provision held against other assets	15.1	(1,089,177)
	Other assets (net of provision)	92,654,081	64,634,882
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	900,534	901,797
	Other Assets - total	93,554,615	65,536,679
15.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	217,762	131,125
	Provision against fraud and forgeries	509,976	508,935
	Overdue Foreign Bills Negotiated / Discounted	212,014	24,295
	Charges receivable	39,435	39,600
	Others	109,990	51,853
		1,089,177	755,808
15.1.1	Movement in provision held against other assets		
	Opening balance	755,808	760,152
	Charge for the period / year	387,717	111,279
	Reversals	(55,928)	(101,280)
	Net charge	331,789	9,999
	Adjusted / (written off)	1,580	(14,343)
	Closing balance	1,089,177	755,808

16 CONTINGENT ASSETS

There were no contingent assets of the Group as at June 30, 2023 and December 31, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
17	BILLS PAYABLE		
	In Pakistan	7,956,040	14,138,478
	Outside Pakistan	26,528	21,165
		<u>7,982,568</u>	<u>14,159,643</u>
18	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	355,000,000	400,000,000
	Under export refinance scheme	31,290,835	36,313,038
	Under payroll refinance scheme	-	58,349
	Under long term financing facility	37,083,322	38,403,037
	Under financing scheme for renewable energy	672,215	639,435
	Under temporary economic refinance scheme	13,212,874	13,273,360
	Under refinance scheme for modernization of SMEs	12,273	16,364
	Refinance and credit guarantee scheme for women entrepreneurs	11,463	11,018
	Under refinance scheme for wages and salaries	140,182	163,580
		<u>437,423,164</u>	<u>488,878,181</u>
	Repurchase agreement borrowings from Financial Institutions	23,861,512	12,499,527
		<u>461,284,676</u>	<u>501,377,708</u>
	Unsecured		
	Call borrowings	5,504,834	5,524,914
	Overdrawn nostro accounts	27,224	435,271
	Musharaka borrowing	3,850,000	23,050,000
	Other borrowings	-	26,600
		<u>9,382,058</u>	<u>29,036,785</u>
		<u>470,666,734</u>	<u>530,414,493</u>

	(Audited)						
	June 30, 2023			December 31, 2022			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
19	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	599,507,689	45,959,721	645,467,410	536,126,442	30,632,327	566,758,769
	Savings deposits	566,477,993	20,278,026	586,756,019	543,310,268	16,749,608	560,059,876
	Term deposits	209,133,364	101,541,130	310,674,494	233,500,164	87,679,953	321,180,117
	Others	68,847,357	84,479	68,931,836	32,935,164	65,036	33,000,200
		<u>1,443,966,403</u>	<u>167,863,356</u>	<u>1,611,829,759</u>	<u>1,345,872,038</u>	<u>135,126,924</u>	<u>1,480,998,962</u>
	Financial Institutions						
	Current deposits	12,413,656	736,340	13,149,996	8,621,516	567,020	9,188,536
	Savings deposits	39,726,179	-	39,726,179	31,906,055	-	31,906,055
	Term deposits	315,350	64,348	379,698	131,350	50,947	182,297
	Others	-	-	-	-	-	-
		<u>52,455,185</u>	<u>800,688</u>	<u>53,255,873</u>	<u>40,658,921</u>	<u>617,967</u>	<u>41,276,888</u>
		<u>1,496,421,588</u>	<u>168,664,044</u>	<u>1,665,085,632</u>	<u>1,386,530,959</u>	<u>135,744,891</u>	<u>1,522,275,850</u>

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,072,614 million for June 30, 2023 (December 31, 2022: Rs. 955,218 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		20,102,207	14,142,993
Mark-up / return / interest payable in foreign currencies		1,611,806	939,083
Present value of lease liability		10,365,301	9,856,040
Accrued expenses		3,852,626	2,809,173
Provision for taxation (provisions less payments)		3,944,952	2,524,609
Retention money payable		474,192	526,630
Deferred income		771,569	667,168
Unearned commission and income on bills discounted		651,181	360,705
Acceptances		5,960,647	4,249,363
Unclaimed dividends		423,007	406,721
Dividend payable		23,061	20,473
Branch adjustment account		1,536,949	-
Unrealized loss on forward foreign exchange contracts		1,288,281	-
Provision for:			
Gratuity		804,194	804,194
Employees' medical benefits		1,595,718	1,532,798
Employees' compensated absences		1,245,758	1,124,542
Payable to defined contribution plan		148,610	46,506
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		914,841	920,097
ATM / Point of Sale settlement account		-	-
Charity fund balance		2,508	828
Home Remittance Cell overdraft		639,612	789,995
With-holding tax payable		6,457,136	5,238,560
Sundry deposits		3,583,722	3,491,981
Workers welfare fund payable		4,450,273	3,717,187
Others		2,546,160	2,289,728
		73,693,215	56,758,278

		June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
20.1 Provision against off-balance sheet obligations			
Opening balance		298,904	298,904
Charge for the period / year		-	-
Reversals for the period / year		-	-
		-	-
Closing balance		298,904	298,904

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Note	June 30, 2023	(Audited) December 31, 2022
Rupees in '000			
22	(DEFICIT) / SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
(Deficit) / surplus arising on revaluation of:			
Fixed assets		24,281,967	24,350,352
Non-banking assets acquired in satisfaction of claims		900,534	901,797
Available-for-sale securities	10.1	(46,858,678)	(31,813,798)
		(21,676,177)	(6,561,649)
Deferred tax on deficit / (surplus) on revaluation of:			
Fixed assets		(1,994,635)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(21,428)	(19,347)
Available-for-sale securities		22,960,752	13,679,933
		20,944,689	11,880,786
		(731,488)	5,319,137

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	58,070,148	49,109,776
Commitments	23.2	411,618,708	408,199,232
Other contingent liabilities	23.3	8,492,715	7,005,967
		478,181,571	464,314,975

23.1 Guarantees

Financial guarantees	5,420,989	5,225,364
Performance guarantees	11,670,858	11,296,136
Other guarantees	40,978,301	32,588,276
	58,070,148	49,109,776

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		134,553,377	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	243,792,518	238,516,233
forward government securities transactions	23.2.2	26,157,158	24,046,280
operating leases	23.2.3	234,541	231,174
Commitments for acquisition of:			
fixed assets		6,836,552	5,676,076
intangible assets		44,562	645,539
		411,618,708	408,199,232

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	143,060,521	160,636,134
Sale	100,731,997	77,880,099
	243,792,518	238,516,233

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	(Audited)	
	June 30, 2023	December 31, 2022
	Rupees in '000	
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	20,099,547	22,219,131
Sale	6,057,611	1,827,149
	26,157,158	24,046,280
23.2.3 Commitments in respect of operating leases		
Not later than one year	60,029	58,039
Later than one year and not later than five years	145,378	128,510
Later than five years	29,134	44,625
	234,541	231,174
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	8,492,715	7,005,967

23.3.2 The income tax assessments of the Group have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,866 million (2022: 32,766 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.34,866 million (2022: 32,766 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. 2,049 million (2022: 1,720 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Group; therefore, no provision has been made against the said demand of Rs. 2,049 million (2022: 1,720 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2022: 1,144 million). The Group's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2022: 1,144 million).

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

24 DERIVATIVE INSTRUMENTS

The Group at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such 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 consolidated financial statements as at December 31, 2022.

	Note	Half Year Ended June 30, 2023	June 30, 2022	Quarter Ended June 30, 2023	June 30, 2022
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		66,744,203	29,158,363	38,818,248	16,177,790
Investments		99,685,539	57,176,350	54,468,549	31,755,983
Lendings to financial institutions		1,822,552	1,221,404	1,229,483	558,388
Balances with banks		650,095	16,180	414,885	15,298
		168,902,389	87,572,297	94,931,165	48,507,459
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		72,749,539	39,322,119	40,325,504	22,644,111
Borrowings		43,064,325	17,951,933	22,934,968	9,636,372
Cost of foreign currency swaps against foreign currency deposits		1,880,575	2,294,737	1,170,929	1,003,463
Interest expense on lease liability		559,981	494,690	289,409	255,919
		118,254,420	60,063,479	64,720,810	33,539,865
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		2,453,153	1,557,076	1,257,351	606,159
Branch banking customer fees		1,541,876	1,314,567	767,847	770,925
Commission on remittances including home remittances		382,208	374,930	136,507	150,082
Investment banking fees		549,997	469,087	306,337	173,999
Commission on trade		282,736	268,900	153,069	149,857
Commission on cash management		192,415	155,856	94,903	86,957
Commission on guarantees		96,153	68,573	50,620	37,403
Commission on bancassurance		5,758	33,691	1,028	15,675
Credit related fees		18,540	12,674	10,715	6,402
Consumer finance related fees		16,567	8,850	5,482	4,894
		5,539,403	4,264,204	2,783,859	2,002,353
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	500,260	1,133,715	303,526	873,603
Unrealised - held for trading	10.1	26,724	(129,551)	(62,839)	(136,071)
Unrealised - forward government securities		13,942	8,441	13,453	16,372
		540,926	1,012,605	254,140	753,904

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	Half Year Ended		Quarter Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000				
28.1 Realised gain / (loss) on:				
Federal government securities	156,240	198,832	20,720	152,226
Shares	51,270	931,258	3,035	720,853
Non government debt securities	-	(16)	-	-
Open Ended Mutual Funds	292,750	3,641	279,771	524
	500,260	1,133,715	303,526	873,603
29 OTHER INCOME				
Recovery of written off mark-up and charges	911	27,566	875	17,317
Gain on sale of fixed assets - net	161	612	(5,064)	(1,498)
(Loss) / gain on sale of non-banking assets - net	-	(3,063)	-	(3,063)
Other assets disposal	11,432	843	5,411	(6,114)
Rent on property	-	-	(1,792)	-
Fee for attending Board meetings	1,158	959	486	538
Gain on sale of islamic financing and related assets	15,073	5,376	11,015	3,998
	28,735	32,293	10,931	11,178
30 OPERATING EXPENSES				
Total compensation expense	9,541,084	8,404,287	4,800,225	4,327,174
Property expense:				
Depreciation	2,433,710	2,327,434	1,233,485	1,178,729
Rent and taxes	180,511	162,193	96,677	99,274
Utilities cost	1,191,878	763,379	763,737	482,758
Security (including guards)	907,940	624,512	515,415	303,868
Repair and maintenance	-	-	-	-
(including janitorial charges)	752,336	519,685	416,037	299,378
Insurance	55,241	51,148	29,144	26,327
	5,521,616	4,448,351	3,054,495	2,390,334
Information technology expenses:				
Depreciation	522,890	410,487	290,866	212,976
Amortization	286,619	252,084	146,945	130,193
Network charges	421,122	376,436	226,839	213,656
Software maintenance	1,234,092	556,850	688,852	324,753
Hardware maintenance	297,566	229,155	162,634	134,201
Others	1,786	1,917	1,182	1,218
	2,764,075	1,826,929	1,517,318	1,016,997
Other operating expenses:				
Insurance	876,794	778,164	440,910	387,854
Outsourced service costs	635,261	440,082	331,035	228,441
Stationery and printing	314,903	174,868	204,564	85,401
Cash in Transit service charge	264,376	177,372	130,030	94,206
Marketing, advertisement and publicity	762,506	489,660	246,672	298,873
Depreciation	152,849	154,773	77,525	78,074
Travelling and conveyance	171,459	140,530	82,318	86,305
Postage and courier charges	165,116	90,339	112,913	48,181
NIFT clearing charges	100,205	88,877	52,677	40,627
Communication	85,121	93,345	42,482	47,879
Legal and professional charges	90,602	145,005	40,876	82,932
Auditors Remuneration	10,229	4,996	4,793	(192)
Directors fees and allowances	34,507	26,383	16,663	12,048
Fees and allowances to Shariah Board	4,611	4,199	2,150	2,105
Training and development	63,963	53,051	28,294	27,263
Brokerage expenses	33,715	53,449	12,520	31,037
Card related expenses	1,225,251	506,926	583,457	304,910
Donations	17,340	64,415	11,673	6,704
Others	841,364	346,929	486,991	191,093
	5,850,172	3,833,363	2,908,543	2,053,741
	23,676,947	18,512,930	12,280,581	9,788,246

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

Note	Half Year Ended		Quarter Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000				
31 OTHER CHARGES				
Penalties imposed by				
State Bank of Pakistan	3,656	139,031	3,153	74,947
Education cess	25,002	23,502	12,501	11,751
Depreciation - non-banking assets	5,016	3,234	2,508	1,784
Others	124,998	50,048	62,499	25,000
	158,672	215,815	80,661	113,482

32 PROVISIONS AND WRITE OFFS - NET

Provision / (Reversal) for diminution				
in value of investments	10.2.1	953,983	2,977	98,507
Provision / (Reversal) against loans & advances	11.3	1,460,800	(601,087)	20,745
Provision / (Reversal) against other assets	15.1.1	331,789	(68,267)	315,364
		2,746,572	(666,377)	434,616
Recovery of written off bad debts		(2,948)	(82,815)	(769)
		2,743,624	(749,192)	433,847
				(496,749)

Note	Half Year Ended		Quarter Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Rupees in '000				

33 TAXATION

Current - for the period	33.1	18,593,106	11,620,528	12,352,193	8,251,208
- for prior year		-	2,007,418	-	2,007,418
		18,593,106	13,627,946	12,352,193	10,258,626
Deferred - current		(716,034)	(360,918)	(369,243)	(183,691)
		17,877,072	13,267,028	11,982,950	10,074,935

33.1 This also includes proportionate super tax on high earning persons of Rs. 3,770.727 million (June 30, 2022: Rs. 2,119.464 million).

34 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation	17,636,421	6,825,872	9,952,194	1,976,210
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	15.40	5.96	8.69	1.73

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,032,308,816	-	1,032,308,816	-	1,032,308,816
Shares	23,024,510	17,325,692	5,698,818	-	23,024,510
Non-Government Debt Securities	13,337,641	-	13,337,641	-	13,337,641
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuk, subsidiaries, Bai mujjal)					
	75,014,070	-	-	-	-
Cash and balances with treasury banks	159,367,827	-	-	-	-
Balances with other banks	11,549,629	-	-	-	-
Lendings	21,521,771	-	-	-	-
Advances	814,590,849	-	-	-	-
Other assets	83,513,210	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,424,194	-	59,424,194	-	59,424,194
Non-banking assets	1,500,325	-	1,500,325	-	1,500,325
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	143,060,521	-	143,060,521	-	143,060,521
Forward sale of foreign exchange	100,731,997	-	100,731,997	-	100,731,997
Forward purchase of government securities transactions	20,099,547	-	20,099,547	-	20,099,547
Forward sale of government securities transactions	6,057,611	-	6,057,611	-	6,057,611

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

	June 30, 2023						
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
Profit & Loss							
Net mark-up/return/profit	57,674,205	(66,753,700)	56,203,214	3,450,704	(254,443)	327,989	50,647,969
Inter segment revenue - net	(60,370,878)	128,099,723	(62,569,965)	-	-	(5,158,880)	-
Non mark-up / return / interest income	2,903,818	3,443,449	4,482,296	242,703	899,138	213,833	12,185,237
Total Income	207,145	64,789,472	(1,884,455)	3,693,407	644,695	(4,617,058)	62,833,206
	-						
Segment direct expenses	404,778	10,776,618	128,410	883,549	334,761	12,047,973	24,576,089
Total expenses	404,778	10,776,618	128,410	883,549	334,761	12,047,973	24,576,089
Provisions	(2,136,552)	(521,117)	(287,719)	(1,887)	-	203,651	(2,743,624)
Profit before tax	(2,334,185)	53,491,737	(2,300,584)	2,807,971	309,934	(16,461,380)	35,513,493
	-						
Balance Sheet							
Cash & Bank balances	46,772	48,277,181	115,183,748	6,872,306	13,246	524,203	170,917,456
Investments	42,000,656	-	1,066,796,787	29,211,580	5,676,014	-	1,143,685,037
Net inter segment lending	(673,194,076)	1,450,356,750	(854,473,573)	(3,061,246)	-	80,372,145	-
Lendings to financial institutions	3,431,886	-	23,252,014	-	-	(5,162,129)	21,521,771
Advances - performing	712,544,582	28,264,844	-	65,659,947	232,813	7,688,196	814,390,382
Advances - non-performing	197,213	533,697	-	8,385	-	12,782,690	13,521,985
Provision against advances	(426,670)	(483,991)	-	(5,773)	-	(12,405,084)	(13,321,518)
Advances - net	712,315,125	28,314,550	-	65,662,559	232,813	8,065,802	814,590,849
Operating fixed assets	156,867	54,824,479	11,245	1,045,623	426,422	33,197,350	89,661,986
Others	10,399,892	18,759,934	36,594,452	4,357,362	424,335	45,811,411	116,347,386
Total Assets	95,157,122	1,600,532,894	387,364,673	104,088,184	6,772,830	162,808,782	2,356,724,485
	-						
Borrowings	86,044,491	3,331,948	379,388,736	7,063,688	-	(5,162,129)	470,666,734
Deposits & other accounts	7,117,761	1,571,112,212	-	83,020,416	-	3,835,243	1,665,085,632
Net inter segment borrowing	-	-	-	-	-	-	-
Others	1,994,870	26,088,734	7,975,937	3,891,777	3,551,404	38,173,061	81,675,783
Total liabilities	95,157,122	1,600,532,894	387,364,673	93,975,881	3,551,404	36,846,175	2,217,428,149
Equity / Reserves	-	-	-	10,112,303	3,221,426	125,962,607	139,296,336
Total Equity and liabilities	95,157,122	1,600,532,894	387,364,673	104,088,184	6,772,830	162,808,782	2,356,724,485
	-						
Contingencies and commitments	169,378,849	20,563,936	269,949,676	2,627,743	3,080	15,658,287	478,181,571

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2022						
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
Profit & Loss							
Net mark-up/return/profit	24,103,970	(36,178,144)	37,863,686	1,409,809	(6,568)	316,065	27,508,818
Inter segment revenue - net	(26,164,015)	72,292,020	(41,881,283)	-	-	(4,246,722)	-
Non mark-up / return / interest income	3,342,739	2,519,869	4,497,071	168,599	268,846	191,959	10,989,083
Total Income	1,282,694	38,633,745	479,474	1,578,408	262,278	(3,738,698)	38,497,901
Segment direct expenses	349,697	9,411,936	125,250	762,520	287,296	8,217,494	19,154,193
Total expenses	349,697	9,411,936	125,250	762,520	287,296	8,217,494	19,154,193
Provisions	(25,844)	(84,642)	-	31	-	859,647	749,192
Profit before tax	907,153	29,137,167	354,224	815,919	(25,018)	(11,096,545)	20,092,900

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

37 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its parent, subsidiary, companies with common directorship over which it has significant influence, 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.

	June 30, 2023			December 31, 2022 (Audited)						
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
Balances with other banks	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	-	4,099,423	-	-	-	-	2,420,097
Investment made during the period/year	-	-	-	-	27,540,784	-	-	-	-	3,674,104
Investment redeemed/disposed off during the period/year	-	-	-	-	(26,001,261)	-	-	-	-	(1,855,025)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(139,753)
Closing balance	-	-	-	-	5,676,016	-	-	-	-	4,099,423
Advances	-	-	-	-	-	-	-	-	-	-
Opening balance	-	66,875	416,615	961,476	2,935	-	63,811	360,191	-	1,242
Added during the period/year	-	78,009	127,162	34,194,000	12,694	-	66,521	163,059	18,724,508	20,000
Repaid during the period/year	-	(28,238)	(147,834)	(32,869,000)	(13,731)	-	(63,457)	(106,635)	(17,763,032)	(18,307)
Closing balance	-	116,646	395,943	2,266,476	1,798	-	66,875	416,615	961,476	2,935

Rupees in '000

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	(Audited)									
	June 30, 2023			December 31, 2022 (Audited)						
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Other Assets										
Interest / mark-up accrued	-	9,245	93,136	4,992	-	-	5,128	93,943	11,489	-
Receivable from staff retirement fund	-	-	-	-	4,185,789	-	-	-	-	4,228,764
Other receivable	-	-	-	-	-	-	64,669	-	-	212,908
Borrowings										
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	1,716	53,731	51,333	111,965	2,129,234	100,304	391,278	46,188	60,450	39,313,174
Received during the period/year	7,297,538	310,944	485,653	894,222	141,702,925	14,706,290	376,987	801,274	245,176	425,704,709
Withdrawn during the period/year	(7,299,238)	(304,665)	(470,879)	(1,001,831)	(141,459,114)	(14,804,878)	(714,534)	(796,129)	(193,661)	(467,889,649)
Closing balance	16	60,010	46,107	4,356	2,972,045	1,716	53,731	51,333	111,965	2,129,234
Other Liabilities										
Interest / mark-up payable	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	15,161	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	3,419,126	-	-	-	-	-	50,931

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

37.1 RELATED PARTY TRANSACTIONS

	June 30, 2023				June 30, 2022			
	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	-	4,914	8,204	19,975	43	2,101	8,214	8
Sales Commission				21,353		20	158	2
Fee and commission income	4	46	103	2,584	251,913	2	-	203,816
Dividend income	-	-	-	82,744	-	-	-	-
Net gain / (loss) on sale of securities	-	-	3	-	230	-	-	12,818
Rental Income	-	-	-	-	-	-	-	-
Other Income	-	-	8,660	-	-	-	-	-
Expense								
Mark-up/return/interest paid	-	4,597	2,113	667	417,541	8,229	372	151
Directors meeting fee	-	33,000	-	-	-	26,000	-	-
Remuneration	-	65,225	335,792	-	-	39,113	299,938	-
Charge for defined benefit plans	-	1,339	11,903	-	-	646	10,537	-
Contribution to defined contribution plan	-	1,250	5,048	-	-	608	5,173	-
Other expenses	-	-	-	6,590	-	-	-	31,148
Rent expense**	-	-	-	11,832	-	-	-	8,630
Charge in respect of staff retirement benefit funds	-	-	-	153,315	-	-	-	-
Insurance premium paid	-	107	323	-	-	75	315	-

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

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

**Rent expense of ABL Branch with associated company (Ibrahim Fibres Limited) was carried out on terms other than that of arms length with prior permission of State Bank of Pakistan. During the period ended June 30, 2023; certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 233,000 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

	June 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	108,292,004	107,746,226
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	108,292,004	107,746,226
Eligible Tier 2 Capital	5,045,221	6,381,466
Total Eligible Capital (Tier 1 + Tier 2)	113,337,225	114,127,692
Risk Weighted Assets (RWAs):		
Credit Risk	419,724,869	418,485,475
Market Risk	28,628,119	32,571,828
Operational Risk	127,315,019	127,315,019
Total	575,668,007	578,372,322
Common Equity Tier 1 Capital Adequacy ratio	18.81%	18.63%
Tier 1 Capital Adequacy Ratio	18.81%	18.63%
Total Capital Adequacy Ratio	19.69%	19.73%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	108,292,004	107,746,226
Total Exposures	2,538,691,672	2,381,055,186
Leverage Ratio	4.27%	4.53%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	590,634,932	670,660,455
Total Net Cash Outflow	337,795,840	400,489,567
Liquidity Coverage Ratio	174.85%	167.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,590,685,381	1,444,409,109
Total Required Stable Funding	1,018,353,787	967,845,390
Net Stable Funding Ratio	156.20%	149.24%

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2023

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on August 17, 2023 has proposed an interim cash dividend for the quarter ended June 30, 2023 of Rs. 2.50 per share (June 30, 2022: cash dividend Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the half year ended June 30, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the 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 August 17, 2023 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman



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