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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
 Muhammad Akram Sheikh
 Zafar Iqbal
 Nazrat Bashir
 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)
 Muhammad Waseem Mukhtar
 Muhammad Akram Sheikh

Board Risk Management Committee

Sheikh Mukhtar Ahmad (Chairman)
 Abdul Aziz Khan
 Muhammad Akram Sheikh
 Aizid Razzaq Gill

e-Vision Committee

Mohammad Naeem Mukhtar (Chairman)
 Zafar Iqbal
 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

Abdul Aziz Khan (Chairman)
 Muhammad Waseem Mukhtar
 Muhammad Akram Sheikh
 Aizid Razzaq Gill (Permanent Invitee)

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Muhammad Raffat

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

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Pakistan

Contact Detail



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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the quarter ended March 31, 2021. The operating results and appropriations as recommended by the Board are included in the appended table:

	Quarter ended March 31,		Growth
	2021	2020	
	(Rupees in million)		%
Profit after tax for the period	4,029	4,018	0.3
Accumulated profits brought forward	66,995	55,821	20
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	0.2	-	100
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	23	25	(8)
Re-measurement gain on defined benefit obligation – net of tax	42	-	100
Profit available for appropriation	71,089	59,864	19
Final cash dividend for the year ended December 31, 2020: Rs. 6.00 per share (2020: Year ended December 31, 2019: Rs. 2.00 per share)	(6,870)	(2,290)	200
Transfer to Statutory Reserves	(403)	(402)	0.2
Accumulated profits carried forward	63,815	57,172	12
Earnings Per Share (EPS) (Rs.)	3.52	3.51	0.3

The Board is pleased to announce an interim cash dividend of Rs. 2.00 per share for the first quarter ended March 31, 2021 (March 31, 2020: Rs. 2.00 per share)

Economic Review

In year 2021, the third wave of Covid-19 pandemic is continuing to cast downside risk to the already fragile overall economic outlook triggered by the pandemic in the previous year and global prospects still remain highly uncertain. Rising health crisis, downturn in economic activity, and disrupted global financial markets aggregate the global recession with increased debt accumulation in emerging markets and developing economies. Despite the increasing uncertainty due to new & mutated Covid variants, International Monetary Fund (IMF) projects stronger growth of 6% in 2021 as compared to previous projection of 5.5%. Optimistic growth prospects are linked to the pace of vaccine rollout, the extent of economic policy support, and structural factors as well as reliance on tourism.

Prior to the third wave of Covid-19 pandemic, Pakistan's economy exhibited improved business sentiment with strong recovery in manufacturing sector resulting in picking up growth and employment. The economy showed better than estimated signs of recovery - resultantly IMF upgraded Pakistan's projected real GDP for 2021 from 1% estimated earlier in October 2020 to 1.5% in April 2021 as compared to a contraction of 0.4% in 2020.

Large Scale Manufacturing (LSM) has grown by 7.5% during the first eight months of FY 2020-21 compared to a contraction of 2.9% during the corresponding period last year. In agriculture, all major Kharif crops except cotton have surpassed production levels in FY 2020-21. Indicators of input conditions such as tractor sales, urea usage and water supply increased by 52.6%, 17.4% and 1.1% respectively, anticipating high wheat crop production as compared to last year.

Notable reduction in income deficit together with higher current transfers supported the sequential improvement in current account deficit. Despite the third consecutive monthly deficit, current account maintained a surplus of US\$ 881 million during Jul-Feb 2020-21 as compared to a deficit of US\$ 2,741 million during the corresponding period last year.

During the current fiscal year, remittances continued to stay above the US\$ 2 billion per month mark for the eighth consecutive month despite the opening up of international travel routes. Policy measures by the State Bank of Pakistan (SBP) including Roshan Digital Account (RDA) to encourage inflows via formal banking channels, the pandemic effect and orderly exchange market have lent a good hand in elevating remittance by 26% to reach at US\$ 21,468 million during Jul-Mar 2020-21.

Pursuant to receipt of 2nd tranche from IMF amounting to US\$ 500 million, total foreign exchange reserves stood at US\$ 20,836 million as on March 2021. Net reserves with SBP stood at US\$ 13,673 million as on March 2021. Moreover, US\$ 2.5 billion raised in the international bond market by Pakistan will further boost the foreign exchange reserves beyond their pre-Covid level.

Trade deficit is elevated by 12.6% to reach at US\$ 17,421 million during Jul-Feb 2020-21 as compared to US\$ 15,466 million during corresponding period last year owing to surge in imports and reduction in exports.

Imports of goods and services were recorded at US\$ 37,296 million, ascending by 4.4% during Jul-Feb 2020-21 due to higher sugar, palm oil and wheat imports which contributed to 41.1% of the overall growth.

Exports of goods and services amounting to US\$ 19,875 million, decreased by 1.9% during the period Jul-Feb 2020-21. However, attributable to the modest pickup in exports of value-added textiles, sports goods, chemical and pharmaceutical products; exports of goods elevated by 8.6% on YoY basis in February 2021 and was recorded at US\$ 2,165 million as compared to US\$ 1,993 million in February 2020.

Considerable increase in net federal revenue receipts and effective expenditure management, aided in restricting the fiscal deficit at 2.9% of GDP during Jul-Jan FY2020-21 as compared to 3.2% during the corresponding period last year. The primary balance also continued to remain in surplus

to reach at Rs. 416 billion in Jul-Jan FY2020-21; increasing by 0.9% of GDP. During Jul-Feb FY2020-21, provisional tax collection was recorded at Rs. 2,915 billion with 6% growth over Rs. 2,750 billion during corresponding period last year; surpassing the target by Rs. 17 billion.

PKR-US\$ parity, unlike the other emerging economies, appreciated by 4.4% since December 2020 to reach at Rs. 152.76 as on March 31, 2021. The recent appreciation is on the back of strong remittances including Roshan Digital Account (RDA).

After witnessing the benefit of high base effect, headline inflation rebounded to 9.1% in March 2021 arresting the downward trend observed since September 2020, mainly contributed by price hike in Food and Housing segments. Food prices are expected to further pick up the momentum in the month of Ramadan. The quarterly house rent index adjustment is expected next month while massive power tariff hikes are set to be implemented in the coming months.

Despite the recent slight uptick in market yields, continued slack in the economy and on-going fiscal consolidation, financial conditions remained appropriately accommodative. Moreover, private sector credit has exceeded previous year's corresponding levels as a consequence of substantial expansion in fixed investment loans and consumer financing led by lower interest rate scenario. Keeping in mind the evolving international and local dynamics regarding commodity prices and the third wave of Covid-19 pandemic, SBP decided to maintain the policy rate at 7% during the period under review.

Financial Review

Pakistan's Banking industry is navigating through transformative economic scenario encompassing multifold challenges emanating from disruptive technological advancements, implementation of safe work practices, declining credit growth and quality owing to Covid-19 pandemic.

During the 3 months ended March 2021, Currency in Circulation and Broad Money posted a growth of 6% and 1% respectively.

Your Bank, remaining fully cognizant of the continued paradigm shift in economic and banking sector dynamics has dominated the aforementioned challenges by focusing on technological driven automation, growth optimization by mobilizing low-cost deposits and prudent investment practices. Your Bank continues to augment its e-banking services in order to cater the needs of the diverse customer base.

State Bank of Pakistan's accommodative policy measures led to a cumulative decrease of 625bps in monetary policy rate from March 2020 which aided in uplifting the economic activity and diminishing the adverse impacts of Covid-19 pandemic. As a consequence, the average benchmark rate for the quarter ended March 31, 2021 reduced by 602bps to reach at 7% as compared to 13.02% in the corresponding period last year. Resultantly, interest earned and expensed decreased by 26% and 36% respectively during the quarter ended March 31, 2021.

However, Your Bank's effective investment portfolio duration management has restricted the deterioration impact of decline in the decreasing interest rate scenario. Accordingly, Net Interest Income (NII) was recorded at Rs. 10,794 million during the quarter ended March 31, 2021.

Fee and commission income manifested an increase of 5% to reach at Rs. 1,623 million during the quarter ended March 31, 2021 as compared to 1,544 million during the corresponding period last year; mainly attributable to higher card related customer fees and higher commission on remittances.

Dividend income increased by 33% mainly due to higher dividends announced by Banking Institutions in the quarter ended March 31, 2021 after earlier suspension of dividend for two quarters under the instructions of SBP to maintain capital buffer, amidst the pandemic. Similarly, prudent disposal of equity investments and fixed income portfolio has enabled Your Bank to realize Rs. 1,446 million on account of Capital gains; witnessing an appreciable increase of 31%.

Attributable to favorable swap curves, foreign exchange (FX) income elevated to reach at Rs. 246 million during quarter ended March 31, 2021 as compared to a loss of 188 million during quarter ended March 31, 2020.

Resultantly, non-markup income reached at Rs. 3,830 million during quarter ended March 31, 2021; registering a strong growth of 34% as compared to an increase of 12% in the corresponding period last year.

Your Bank continued to spend towards technological transformation to cater the evolving needs of "Digital Age" as well as coping with the necessity of digitization and increased CSR amid Covid-19 scenario. Despite the aforementioned factors together with hiked inflationary pressures and rising regulatory costs, Your Bank restricted its administrative expenses growth to 11% at Rs. 7,881 million as compared to an increase of 19% during the corresponding period last year.

Your Bank posted profit before tax of Rs. 6,699 million during the quarter ended March 31, 2021 as compared to Rs. 6,581 million during the corresponding period last year; registering a growth of 2%. Profit after tax for the quarter ended March 31, 2021 recorded at 4,029 million. Consequently, EPS of Your Bank stood at Rs. 3.52 during the quarter ended March 31, 2021.

Your Bank thrives towards a hybrid expansion strategy involving combination of digital and "brick and mortar" banking operations, together with resorting more focus towards e-banking. Your Bank exhibits a strong ATM network of 1,556 machines comprising of 1,234 on-site, 319 off-site and 3 Mobile Banking Units (MBU). Branch outreach closed at 1,402 including 1,279 conventional branches, 117 Islamic banking branches and 6 digital branches.

Persistent effective monitoring enabled Your Bank to further reduce gross non-performing advances portfolio by Rs. 156 million to reach at Rs. 14,004 million as on March 31, 2021. Gross advances and net advances reached at Rs. 442,691 million and 429,108 million respectively. Your Bank continued to pave the way for its low infection ratio and strong coverage ratio which stood at 3.2% and 97.0% respectively whereas the industry infection and coverage ratio stood at 8.6% and 91.6% respectively. No FSV benefit was availed while determining the provision against Non-performing loans, allowed under guidelines of SBP.

Lending to financial intuitions increased to Rs. 54,024 million as on March 31, 2021 as compared to Rs. 17,996 million as on December 31, 2020 mainly attributable to the higher volumes in repo lending.

Your Bank proactively reviewed the economic scenario through prudent management of investment portfolio to effectively mitigate the interest rate movements. Consequently, Your Bank's investments crossed the 1 trillion mark to reach at Rs. 1,033,535 million as on March 31, 2021 as compared to Rs. 829,621 million as at December 31, 2020; i.e. growth of 25%. The escalation is mainly on the back of liquidity placement primarily in Government Securities with Rs. 565,801 deployed in T-Bills and 412,989 million deployed in Pakistan Investment Bonds (PIBs) thereby increasing the mix of Government Securities to Total Investments to 95% as on March 31, 2021 as compared to 93% as on December 31, 2020.

Remaining cognizant of the evolving business dynamics, total borrowings increased by 63% to reach at Rs. 315,559 million as at March 31, 2021.

Your Bank's deposit base reached at Rs. 1,232,482 million as on March 31, 2021 as compared to Rs. 1,216,678 million as at December 31, 2020; registering a growth of 1%, better than 0.2% growth witnessed in industry deposits. Your Bank maintained its Current deposit to Total deposit mix at 40% as on March 31, 2021. Likewise, Current and Saving Account (CASA) deposit mix was also sustained at 87% as on March 31, 2021.

Total Assets of Your Bank augmented by 8% to reach at Rs. 1,723,775 million as on March 31, 2021 as compared to Rs. 1,590,458 million as on December 31, 2020. Return on Assets, Return on Equity and Capital Adequacy Ratio of Your Bank stood at 1.0%, 16.2% and 26.3% respectively.

Director's Review

Future Outlook

Going forward continued uncertainty about the length of the health crisis affects all aspects of the recovery path. The progress with vaccinations can boost the economic outlook, on the contrary new virus variants with potential to elude vaccines can lead to a sharp downgrade posing concerns to the current forecast. Consequently, IMF projects the Global economic growth of 4.4% in 2022 and 3.3% in 2026.

The expectations of domestic economic recovery are strengthening on the basis of improvement in business confidence evident from industrial growth. Accordingly, IMF projected Real GDP growth of 4% in 2022 and 5% in 2026 for Pakistan.

Ongoing economic recovery, has widened trade deficit due to higher import of capital goods, industrial inputs and food items together with rising commodity prices. In line with IMF's current account projection of -1.5% and -1.8% of GDP in 2021 and 2022 respectively, SBP anticipated current account deficit to remain below 1% of GDP. However, resumption of the IMF program is expected to further stimulate growth prospects and ensuring that external financing needs are easily met. Implementation of national tariff policy will assist in reducing input costs to promote competition, exports and domestic production. Resultantly, IMF anticipates export growth and volume of 5% and 6.7% respectively to reach US\$ 23.635 billion during FY2020-21.

Going forward, movement in international oil prices, developments on the IMF program together with possible demand-driven push to inflation would keep the average inflation in FY2020-21 close to the upper end of the previously announced range of 7%-9% in the short term and fall to the 5%-7% target range over the medium-term as per SBP. Whereas IMF projects inflation to rise to 10% in 2021 and 7.9% in 2022.

Your Bank's commitment towards socially responsible citizenship was acknowledged by the Asia Money which awarded the Bank with "Best Bank for CSR Pakistan 2021".

Strengthening the Bank's digital presence and offering its customers with universal banking services fit for today's connected consumer expectations, Your Bank launched myABL WhatsApp banking service. Customers need to simply add myABL WhatsApp number 0300 1225225 in their contact list and immediately avail services offered under the ambit of myABL WhatsApp banking.

myABL, being flagship Digital Banking platform serving more than 700K customers, has been redesigned with improved interface contributing towards an enhanced user experience. Simple and user-friendly navigation will not only help in engaging existing customers but will also help in bringing new customers onboard through exciting features.

Your Bank pioneered the launch of Pakistan's first Online Account Opening Facility "myPakistan Digital Account" where customers can easily open their Bank account by visiting ABL's corporate website or via myABL Digital Banking. Your Bank has also initiated the launch of Roshan Digital Account whereby expats can open their accounts from their respective countries in PKR or Foreign Currency with the option of full repatriation.

Your Bank has partnered with The National Incubation Centre (NIC) to work together and explore opportunities in the fintech space by holding mentoring sessions, conducting hackathons, and even partnering or funding relevant start-ups for mutual value sharing. NIC is the first of its kind and the largest Incubation centre in Pakistan, providing state-of-the-art facilities and coaching for start-ups and acting as a bridge between entrepreneurs, innovators and investors.

In order to facilitate the implementation of Oracle's Customer Relationship Management (CRM) application to strengthen customer engagement capabilities across all service mediums of the Bank. Your Bank signed an agreement with Speridian Technologies, a Dubai based implementation partner. CRM will enable the Bank to implement customer-centric strategies for achieving servicing, sales and marketing goals and exceeding customer expectation coupled with synchronizing the internal departments, having access to consistent and cohesive information.

Entity Rating

Pakistan Credit Rating Agency (PACRA) maintained Bank's long-term and short-term credit rating at the highest level of "AAA" (Triple A) and "A1+" (A One Plus) respectively. These ratings indicate highest credit quality and an exceptionally strong capacity for payment of financial commitments.

Corporate Governance Rating

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

Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report. Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board and/or its committees' meetings. This remuneration is not at a level that could be perceived to compromise independence and is within 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 Allied Bank Limited, we would like to extend our acknowledgment to the valued customers for placing their trust in the Bank. We would also like to express our sincerest gratitude to the worthy shareholders of the Bank for their support, employees for all the hard work, dedication and deliverance of services in these testing times, State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies for their guidance and motivation.

For and on behalf of the Board of Directors.

Azid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

ڈائریکٹرز کا تجزیہ

معزز حصص مالکان:

یورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2021 کو اختتام پزیر پہلی سرمایہ کی مدت کے مالیاتی نتائج پیش کرتے ہوئے حمایت مرت محسوس کرتے ہیں۔

سرمایہ مختصر 31 مارچ			
2021	2020	تبدیلی %	
ملین روپے			%
4,029	4,018	0.3	بعد از گیس منافع
66,995	55,821	20	گزشتہ ربع شدہ منافع
0.2	-	100	غیر بینکاری ۱۱٪ ہجارت کی قدر بیکائش سے غیر صرف شدہ منافع میں منتقل۔ خالص ازگن
23	25	8	معین ۱۱٪ ہجارت کی قدر بیکائش سے غیر صرف شدہ منافع میں منتقل۔ خالص ازگن
42	-	100	متعین فوائمی ذمہ داری کی دوبارہ بیکائش سے حاصل شدہ آمدنی۔ خالص ازگن
71,089	59,864	19	صرف کے لیے دستیاب منافع
(6,870)	(2,290)	200	حتمی کیش ڈیویڈنڈ ہر سال مختصر 31 دسمبر 2019 - 6 روپے فی حصص (2020: سال مختصر 31 دسمبر 2019 - 2 روپے فی حصص)
(403)	(402)	0.2	نمو اعلیٰ پر درآمد منتقل
63,815	57,172	12	آگے منتقل کیا گیا منافع شدہ منافع
3.52	3.51	0.3	فی حصص آمدنی (EPS) روپے

یورڈ اپنا تہائی مرت کے ساتھ 31 مارچ 2021 کو اختتام پزیر پہلی سرمایہ کے لیے 2 روپے فی حصص کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے۔ (31 مارچ 2020ء - 2.00 روپے فی حصص)

معاشی جائزہ:

2021 سال میں کوڈ - 19 کی عالمگیر وبا کی تیسری لہر نے پہلے سے باتوں اور ذریعوں مالی کا شکار معاشی چیلن ہیں، جس میں گزشتہ سال کے دوران عالمگیر وباء سے متعلقہ اضافہ ہوا اور عالمی ترقیوں پر فریفتگی کے سامنے دروازہ رہے، میں کمی کے خدشات کے مسلسل ہڈا کو برقرار رکھا۔ صحت عامہ کے بڑھتے بحران، سرگرمیوں میں تھلیر اور عالمی مالیاتی مارکیٹوں میں تھل سے عالمی کساد بازاری میں جامعیت پیدا ہوئی اور اس کے ساتھ الجھتی منڈیوں اور ترقی پزیر معیشتوں میں ترقی کے دباؤ میں اضافہ ہوا۔ اس پرستی ہوئی فریفتگی کی صورتحال اور اس سے جزیی دامن، اکی ہی شکوں اور ویکٹین کے مابین مسابقت کے باوجود، عالمی مالیاتی فنڈ (آئی ایم ایف) نے 5.5 فیصد کے اپنے ساتھ تخمینے کے مقابلے میں سال 2021ء کے لیے 6 فیصدی مشروط نمو کی توقع کا اظہار کیا ہے۔ ان پر امید اماندوں کا انحصار ویکٹین کی فراہمی کی رفتار، معاشی پالیسی سہولت کی حد اور قہرانی شعبہ اور اس کے ساتھ ساتھ مسابقت پر ہوگا۔

کوڈ - 19 کی عالمگیر وبا کی تیسری لہر سے پیشتر پاکستان کی معیشت صنعتی شعبہ کی مشروط نمو اور اکی بدلت روزگار اور نمو میں اضافہ کے ساتھ بہتر کاروباری اعتماد اور جذبات کا مظاہرہ کر رہی تھی۔ معیشت نے ہمالی کے متوقع اشاریوں سے زیادہ بہتری ظاہر کی جس کے باعث آئی ایم ایف نے سال 2021ء کے لیے پاکستان کے حتمی جی ڈی پی کی نمو کو سال 2020ء کے 0.4 فیصد کے سکرآؤ کے مقابلے میں اکتوبر 2020ء میں تخمینہ کی گئی 1 فیصدی شرح سے اپریل 2021ء تک 1.5 فیصدی شرح تک اسپرکریا کیا ہے۔

بڑے پیمانے کی صنعت نے گزشتہ سال کے تقابلی عرصہ کے دوران 2.9 فیصد کے سکرآؤ کی نسبت مالی سال 2021 - 2020ء کے پہلے آٹھ ماہ کے عرصہ کے دوران 7.5 فیصدی نمو حاصل کی۔ زراعت میں ترقی کی تمام فصلوں نے، سوائے کپاس کے، تمام پیداواری اہداف کو پورا کر لیا۔ اخراجات کی صورتحال کے اشاریے جن میں ٹریڈوں کی فروخت، کھاد کے استعمال اور پانی کی فراہمی میں بہتری 52.6 فیصد، 17.4 فیصد اور 1.1 فیصد کا اضافہ کیا گیا جس کے باعث گزشتہ سال کے مقابلے میں گندم کی پیداوار میں بڑھوتی کی توقع ہے۔

آمدنی کے خسارے میں قابل ذکر کمی اور اس کے ساتھ کرنٹ ٹرانسفروں (منتقلی) میں اضافہ کے باعث کرنٹ اکاؤنٹ خسارے میں بتدریج بہتری نظر آئی۔ مسلسل تیسرے سہینے کے خسارے کے باوجود کرنٹ اکاؤنٹ میں گزشتہ سال کے تقابلی عرصہ کے 2,741 ملین امریکی ڈالرز کے خسارے کی نسبت سال 2021 - 2020ء کو جولائی تا فروری کے عرصہ میں 881 ملین امریکی ڈالرز کے سر ہٹس کے حجم کو برقرار رکھا۔

روان مالی سال کے دوران، تریڈز، بین الاقوامی عسری روٹس کے کھلنے کے باوجود مسلسل آٹھویں سہینے تک 2 ملین امریکی ڈالرز کی سطح سے بلند رہیں۔ اسٹیٹ بینک آف پاکستان کی جانب سے اٹھانے کے پالیسی اقدامات، جن میں مروجہ بینکاری کے چیلنجز کے ذریعے رقم کی ترسیل کی حوصلہ افزائی کے لیے اجراء کے گئے روشن ڈیجیٹل اکاؤنٹ، عالمگیر وباء کے اثرات اور زرمبادلہ کی منڈی کے موثر انتظام نے تریڈز کی مدد 26 فیصد کا شمار اضافہ درج کیا۔ جو کربلائی تا مارچ 2021 - 2020 کے دوران 21,468 ملین ڈالرز پر جا پہنچیں۔

آئی ایم ایف سے 500 ملین امریکی ڈالرز کی دوسری قسط کی وصولی کے بعد مارچ 2021ء تک ٹریڈ کی زرمبادلہ کے کل ذخائر کی حجم 20,836 ملین امریکی ڈالرز پر درج کیا گیا۔ اسٹیٹ بینک آف

پاکستان کے خاص ذخائر مارچ 2021ء تک 13,673 ملین امریکی ڈالرز پر جا پہنچے۔ مزید برآں، پاکستان کی جانب سے بین الاقوامی باڈی مارکٹ میں 2.5 بلین امریکی ڈالرز کی اضافی شمولیت، غیر ملکی زرمبادلہ کے ذخائر کو کووڈ سے پہلے کے دور کی سطح سے بھی اوپر لے جائے گی۔

تجارتی خسارے میں برآمدات میں کمی اور درآمدات میں اضافے کے باعث گزشتہ سال کے تقابلی عرصہ کے 15,466 ملین امریکی ڈالرز کی نسبت جولائی تا فروری 2020 - 2021 کے دوران 12.6 فیصد کے اضافے کے باعث اس کا تخم 17,421 ملین امریکی ڈالرز پر جا پہنچا۔

چینی، پامل اور گندم کی درآمد جو کہ مجموعی نمو کا 41.1 فیصد کی شمولیت ظاہر کرتا ہے، کے باعث سال 2020 - 2021 کے جولائی تا فروری کے عرصہ میں ایشیاء اور خدمات کی درآمدات 4.4 فیصد کے اضافے کے ساتھ 37,296 ملین امریکی ڈالرز پر ریکارڈ کی گئیں۔

ایشیاء اور خدمات کی برآمدات سال 2020 - 2021 کے جولائی تا فروری کے عرصہ کے دوران 1.9 فیصد کی کمی کے ساتھ 19,875 ملین امریکی ڈالرز پر ریکارڈ ہوئیں۔ تاہم، ٹیکنالوجی، کھیلوں کی مصنوعات، ٹیکسٹائل اور فارماسیٹیکل ایشیاء کی برآمدات میں ہونے والے تدریج اضافے کی مرہون منت مصنوعات کی برآمدات فروری 2021ء میں، سال بھر کی بنیاد پر، 8.6 فیصد کا اضافہ درج کرتے ہوئے 2,165 ملین امریکی ڈالرز پر ریکارڈ ہوئیں۔ جبکہ فروری 2020ء میں اگست 1,993 ملین امریکی ڈالرز تھا۔

خاص وفاقی آمدنی میں قابل ذکر اضافے اور اخراجات کے موزوں انتظام نے مالیاتی خسارے کے گزشتہ سال کے تقابلی عرصہ کی 3.2 فیصد کی شرح کے مقابلے میں مالی سال 2020 - 2021 کے جولائی تا جنوری کی مدت کے دوران، اس خسارے کو کمی ڈی پی ٹی کے 2.9 فیصد کی شرح تک محدود رکھے ہیں۔ مدد فراہم کی۔ بنیادی توازن مالی سال 2021 - 2020 کے جولائی تا جنوری کے دوران ڈی پی ٹی کے 0.9 فیصد کی شرح کے اضافے کے ساتھ 416 بلین امریکی ڈالرز کے سرٹیس پر برقرار رہا۔ مالی سال 2020 - 2021 کے جولائی تا فروری کے عرصہ کے دوران، محصولات کی مجموعی وصولی گزشتہ سال کی تقابلی مدت کی 2,750 بلین روپے کی سطح سے 6 فیصد کمی اور اپنے ہدف سے 17 بلین روپے کے اضافے کے ساتھ 2,915 بلین روپے پر ریکارڈ کی گئی۔

پاکستانی روپے اور امریکی ڈالر کی شرح تبادلہ، دیگر اہم تجارتی معیشتوں سے قطعاً، نظر، دسمبر 2020ء سے 4.4 فیصد کے اضافے کے ساتھ 31 مارچ 2021ء تک 152.76 روپے فی ڈالر پر پہنچ گئی۔ حالیہ افروڈنگ کی بنیاد پر مشروط تریلزٹ زربھول روٹن ڈیٹیکٹل کاؤنٹ ہیں۔

ہائی بیس ایفیکٹ (High Base Effect) کے فوائد سے مستفید ہونے کے بعد افروڈنگ شرح، ایشیاء خورد و نوش اور مکنات کے شعبوں کی قیمتوں میں ہونے والے اضافے کے بنیادی عوامل کی بدولت اور ستمبر 2020ء سے اس حوالے سے جاری کمی کے رجحان کو ختم کرتے ہوئے، مارچ 2021ء کے دوران 9.1 فیصد تک بڑھ گئی۔ مارچ 2021ء میں ایشیاء خورد و نوش کی قیمتوں میں مزید اضافے کی توقع ہے مکنات کے رجحان کے سبب ای اٹیکس میں مطابقت اگلے ماہ متوقع ہے جبکہ توانائی کے محصولات میں ایک بڑا اضافہ آئندہ اٹیکس میں ہونے کا امکان ہے۔

مارکیٹ کی آمدنی میں قدرے بہتری کے حالیہ رجحان کے باوجود معیشت میں جاری سست روی اور مالی جامعیت کی وجہ سے مالی صورتحال میں مناسب گنجائش برقرار ہے۔ مزید برآں، نجی شعبے کے قرضہ جات گزشتہ سال کی تقابلی سطح سے بڑھ گئے ہیں جس کے نتیجے میں بین الاقوامی سرمایہ کاری کے قرضہ جات اور گنیزیم ٹرانسکٹ میں، گرتے ہوئے انٹرسٹ ریٹ کے احوال میں قابل قدر اضافہ دیکھا گیا۔ ایشیاء کی قیمتوں اور کووڈ - 19 کے عالمگیر وباہ کی تیسری لہر کے نتیجے میں بدلتے بین الاقوامی اور داخلی عوامل کے منظر المناہٹ بینک آف پاکستان نے اس زمرہ جاریہ مدت کے دوران پالیسی ریٹ کو 7 فیصد کی شرح پر برقرار رکھا ہے۔

مالیاتی جائزہ:

پاکستان کی بینکنگ کی صنعت ایک مہم معاشی صورتحال سے دوچار ہے جس میں جینالوجی کی ترقی میں درپیش رکاوٹوں، کام کرنے کی جگہوں کو محفوظ رکھنے کی پالیسیوں، اور کووڈ - 19 عالمگیر وباہ کی بدولت قرضہ کی ترقی اور معیار سازی جیسے عوامل سے سامنے آنے والے کثیرا کثیرا نجات خطرات سے مسلسل تیز آزا ہے۔

مارچ 2021ء کو اختتام پزیر سرمایہ مدت کے دوران کرنی کی سرکھن اور براڈ منی ہاؤسنگ 6 فیصد 2 فیصد کی نمو کے انداز میں۔

آپکے بینک نے معیشت اور بینکنگ کے شعبہ میں جاری اہلکاروں کی تبدیلیوں کے عمل اور ایک کے ساتھ اپنی توجہ جینالوجی سے مزین خودکاریت، کم اگت کے ڈیپازٹس کے فروغ سے مثبت ترقی اور سرمایہ کاری کی دانشمندانہ توجہ پر مرکوز رکھتے ہوئے مندرجہ بالا پالیسیوں پر قابو پایا ہے۔ آپکے بینک اپنے صارفین کی متنوع ضروریات کو پورا کرنے کے لیے اپنی ای۔ بینکنگ کو مسلسل مضبوط بنانے کے لیے پوزیشن ہے۔

اسٹیٹ بینک آف پاکستان کے مذاہنتی پالیسی اقدامات کے باعث مارچ 2020ء سے اب تک ماہی پالیسی ریٹ میں 625 بی پی ایس کی مجموعی کمی ہوئی ہے۔ جس سے معاشی سرگرمیوں میں اضافہ اور کووڈ - 19 عالمگیر وباہ کے سفر اثرات کو کم کرنے میں مدد حاصل ہوئی ہے۔ جس کی بدولت 31 مارچ 2021ء کو اختتام پزیر سرمایہ مدت کے دوران اوسطاً مارک ریٹ گزشتہ سال کی تقابلی مدت کی 13.02 فیصد کی سطح سے 602 بی پی ایس کی کمی کے ساتھ 7 فیصد کی شرح پر پہنچ گیا۔ چنانچہ کماؤ اور شرح کیے گئے انٹرسٹ میں 31 مارچ 2021ء کی پہلی سرمایہ مدت کے دوران ہاؤسنگ 26 فیصد اور 36 فیصد کی شرح کی گئی۔

تاہم، آپکے بینک کے اپنی سرمایہ کی مدت کے موزوں انتظام نے، اس گرتے ہوئے انٹرسٹ ریٹ کے رجحان میں، تیزی کے اثرات کو محدود رکھا۔ لہذا، خاص انٹرسٹ آمدنی 31 مارچ 2021ء کو اختتام پزیر سرمایہ مدت کے دوران 10,794 ملین روپے پر درج کی گئی۔

فیس اور کمیشن کی آمدنی میں کارڈ سے متعلقہ کسٹمر فیس میں اضافے اور تریلزٹ زربھول میں ہونے والے کمیشن کی بنیادی شمولیت کے باعث 5 فیصد کا اضافہ ہوا جو کہ گزشتہ سال کے تقابلی عرصہ کے 1,544 ملین روپے کے حجم کی نسبت 31 مارچ 2021ء کو اختتام پزیر سرمایہ مدت کے دوران 1,623 ملین روپے پر درج کی گئی۔

اسٹیٹ بینک آف پاکستان کی جانب سے عالمگیر وباہ کے تناظر میں سرمایہ کو مضبوط رکھنے کی فرض سے دوسرا ہونے کے لیے ڈیپوٹیز کی سہولت مطلق کے بعد 31 مارچ 2021ء کو اختتام پزیر سرمایہ مدت کے لیے بینکنگ کے اداروں کی جانب سے اعلان شدہ زیادہ ڈیپوٹیز کی وجہ سے ڈیپوٹیز کی آمدنی میں اضافہ دیکھا گیا۔ ای سی ماہیت میں اکٹوٹی، سرمایہ کاری اور بین الاقوامی آمدنی کے پورٹ فولیو کی دانشمندانہ فروخت نے آپکے بینک کو 1,446 ملین روپے کا کنٹریولنگ حاصل کرنے کا اہل کیا جو کہ 31 فیصد کے نہایت قابل رنگ اضافے کا مظہر ہے۔

مفید سوپ (SWAP) خطوط کی بدلتی غیر ملکی جلد کی آمدنی 30 مارچ 2020ء کو اختتام پذیر سرمایہ کے دوران حاصل شدہ 188 ملین روپے کے نقصان کے کتاب میں 31 مارچ 2021ء کو اختتام پذیر سرمایہ کے دوران برتنے ہوئے 246 ملین روپے تک جا چکے۔

جس کے نتیجے میں نان مارک اپ آمدنی 31 مارچ 2021ء کو اختتام پذیر سرمایہ کے دوران گزشتہ سال کی تقابلی مدت کی 12 فیصد کے اضافے کی شرح کی نسبت 34 فیصدی مثبتوں یا وصولی کا اندازہ کرتے ہوئے 3,830 ملین روپے پر ریکارڈ کی گئی۔

آپ کے بینک کو ڈیجیٹل دور کی ارتقائی ضروریات کو پورا کرنے کے لئے اور اسکے ساتھ کووڈ-19 کی صورتحال میں گھری ناگزیر ڈیجیٹل پوزیشن اور بڑھتی ہوئی سائبر آر (CSR) سے بچنے کے لیے ٹیکنالوجی کے فروغ کے لیے مسلسل اخراجات جاری ہیں۔ مندرجہ بالا حوالے کے باوجود اور اس کے ساتھ ساتھ ہوتے ہوئے الزامزور کے دباؤ اور اضافی شواہد آلاتوں کے باوجود آپ کے بینک نے اپنے ارتقائی اخراجات کو گزشتہ سال کے تقابلی مرمی 19 فیصدی وصولی کی نسبت 11 فیصدی شرح کے ساتھ 7,881 ملین روپے تک محدود رکھا ہے۔

آپ کے بینک نے 31 مارچ 2021ء کو اختتام پذیر سرمایہ کے دوران 6,699 ملین روپے کا منافع قبل ازنگین حاصل کیا جو کہ گزشتہ سال کی اسی تقابلی مدت کی 6,581 ملین روپے کی سطح سے 2 فیصدی نمو کا مظہر ہے۔ 31 مارچ 2021ء کو اختتام پذیر سرمایہ کے لیے منافع براہ راست 4,029 ملین روپے پر ریکارڈ ہوا۔ چنانچہ آپ کے بینک کی فی صحت آمدنی 31 مارچ 2021ء کو اختتام پذیر سرمایہ کے دوران 3.52 روپے فی حصص پر درج کی گئی۔

آپ کے بینک وسعت کی خطوط سمیت عملی کے لیے کوشاں ہے جو کہ آئی۔ بینکنگ خصوصاً قرضہ کے ساتھ ساتھ بینکنگ کے کاروبار کے لیے ڈیجیٹل اور انفرادی کوششوں کے اجراء کی عکاس ہو۔ آپ کے بینک نے اے این ایاز کے ایک مضبوط نیٹ ورک کی ترویج کی ہے جس میں، 1,556 مضامین شامل ہیں جو 1,234 آن سائٹ اور 3 موبائل بینکنگ کے پائینس (این پی) پر مشتمل ہیں۔ برانچوں کا پھیلاؤ 1,402 پر بندوبستوں میں 1,279 روایتی برانچوں 117 اساسی برانچوں اور 6 ڈیجیٹل برانچوں شامل ہیں۔

مسئلہ اور موزوں گھرائی کے باعث آپ کے بینک اپنے غیر فعال قرضوں میں 156 ملین روپے کی مزید کمی کی کامیاب رہا ہے جس کا حجم 31 مارچ 2021ء تک 14,004 ملین روپے پر جا چکا۔ کل قرضہ جات اور خاص قرضہ صحت کا حجم بالترتیب 442,691 ملین روپے اور 429,108 ملین روپے پر درج ہوا۔ آپ کے بینک نے اپنی کم زائگیوں کی شرح اور مضبوط کوریج کی شرح کی سطح کو برقرار رکھا جو کہ 3.2 فیصد اور 97.0 فیصد پر رپورٹ ہوئیں۔ جبکہ صنعت کی نکلنے اور کوریج کی شرحیں بالترتیب 8.6 فیصد اور 91.6 فیصد ہیں۔ اسٹیٹ بینک کی جانب سے جاری کردہ گائیڈ لائنز میں اجازت کے باوجود، غیر فعال قرضوں کے اخراجات کا قیام کرتے وقت جری فروخت کے فوائد کا ٹائزنگ کیا گیا۔

ای این اے ایلوں کو فراہم کیے گئے قرضہ جات، رپو (REPO) لینڈنگ کے مقامی اضافے کی باہ، 31 دسمبر 2020ء کو 17,996 ملین روپے کے حجم کی نسبت 2021ء تک 54,024 ملین روپے پر درج ہوئے۔

انٹرنٹ رینٹ کے تعمیرات سے موزوں طور پر مستفید ہونے کے لیے، آپ کے بینک نے اپنی سرمایہ کاری کے پورٹ فولیو کے دستاویزات انتظام کے ذریعے معاشی صورتحال کا پیش قدمی سے جائزہ لیا۔ آپ کے بینک کی سرمایہ کاری 1 فروری 2021ء میں 829,621 ملین روپے کی سطح کے مقابلے میں 31 مارچ 2021ء تک 1,033,535 ملین روپے پر ریکارڈ ہوئی۔ اس الزام کی بنیاد پر حکومتی شکست کی سرمایہ کاری بھی جس میں 565,801 ملین روپے کی بلز اور 412,989 ملین روپے پاکستان انویسٹمنٹ بانڈز (این آئی بی) میں لگائے گئے اور اس طرح کی سرمایہ کاری میں حکومتی شکست کی ترکیب 31 دسمبر 2020ء کی 93 فیصدی شرح کے مقابلے میں 31 مارچ 2021ء تک برتنے ہوئے 95 فیصدی شرح پر رپورٹ ہوئی۔

کاروباری حوالے میں ارتقاء کا مکمل ادراک رکھتے ہوئے حاصل کیے گئے قرضہ جات 31 مارچ 2021ء تک 63 فیصد کے اضافے کے ساتھ 315,559 ملین روپے پر جا چکے۔

آپ کے بینک کی ڈیپازٹس کی اساس 31 دسمبر 2020ء کے 1,216,678 ملین روپے کے حجم سے 1 فیصد کا اضافہ ظاہر کرتے ہوئے 1,232,482 ملین روپے پر درج ہوئی جو کہ صنعت کے ڈیپازٹس کی 0.2 فیصد کی شرح سے خاص بہتر ہے۔ آپ کے بینک نے 31 مارچ 2021ء تک کرنٹ ڈیپازٹس کی کل ڈیپازٹس کی ترکیب میں 40 فیصدی شرح کو برقرار رکھا۔ آئی ایم اے میں کرنٹ اور سیونگ ڈیپازٹس کا (CASA) کی ترکیب میں 31 مارچ 2021ء تک 87 فیصدی ڈیپازٹس شرح پر رپورٹ ہوئی۔

آپ کے بینک کے کلائنٹس 31 دسمبر 2020ء کی 1,590,458 ملین روپے کی سطح سے 8 فیصد کے توانا اضافے کو ظاہر کرتے ہوئے 31 مارچ 2021ء تک 1,723,775 ملین روپے پر پہنچ گئے۔ آپ کے بینک کے اے سی اے کی آمدنی، ایکٹیو کی آمدنی اور سرمایہ کی معقولیت کی شرحیں بالترتیب 1.0 فیصد، 16.2 فیصد اور 26.3 فیصد پر درج کی گئیں۔

مستقبل کی پیش بینی:

مستقبل میں، صنعت کے بحران کی طوالت بارے غیر یقینی صورتحال نے بحالی کے سفر کو ابھارنے سے متاثر کیا ہے۔ ڈیکلین کے عمل میں تیزی سے معاشی پیش بینی کو تقویت ملتی ہے اور اسکے بر خلاف ایس کی نئی تقویوں، جن پر متوقع طور پر دیکھیں سے تاہم پھیلاؤ کے باعث موجودہ تخمینوں میں تیزی سے کمی کے خطرات پیدا ہو سکتے ہیں۔ چنانچہ، آئی ایم ایف نے سال 2022ء کے لیے عالمی معاشی نمو کی شرح 4.4 فیصد اور سال 2026ء کے لیے 3.3 فیصد کا اندازہ متحر کیا ہے۔

کاروباری اعتماد میں بہتری کی بنیاد پر، جو کہ صنعتی نمونے ظاہر ہے، معاشی بحالی کی توقعات میں مثبتی پیدا ہو رہی ہے۔ چنانچہ، آئی ایم ایف نے جی ڈی پی کی حقیقی نمو کا تخمینہ سال 2022ء کے لیے 4 فیصد اور سال 2026ء کے لیے 5 فیصد پر متحر کیا ہے۔

آئی ایم ایف کے سال 2021ء اور 2022ء کے لیے کرنٹ اکاؤنٹ کی جی ڈی پی سے بالترتیب 1.5- فیصد اور 1.8- فیصد کے تخمینے کی مطابقت میں، اسٹیٹ بینک آف پاکستان نے کرنٹ اکاؤنٹ کے خسارے کو جی ڈی پی کے 1 فیصد سے کم رکھنے کی توقع کا اظہار کیا ہے، تاہم، آئی ایم ایف کے پروگرام کی بحالی کے نمو کی توقعات میں مزید بہتری متوقع ہے جس سے بیرونی قرضہ جات کی ضرورت کو پسمانی پیدا کیا جا سکے گا۔ قومی محصولات کی پالیسی کے نفاذ سے سائنس، برآمدات اور داخلی پیداوار کے فروغ کے لیے الاگت میں کمی میں مدد حاصل ہوگی۔ جس کی بدولت آئی ایم ایف نے مالی سال 2021-2020 کے دوران برآمدات کی نمو اور مقدار میں بالترتیب 5 فیصد اور 6.7 فیصدی شرحوں کے ساتھ اس کا حجم 23.635 ملین امریکی ڈالرز تک پہنچ جانے کی پیش بینی کی ہے۔

اسٹیٹ بینک آف پاکستان کے مطابق مستقبل میں تیل کی بین الاقوامی قیمتوں میں رد و بدل، آئی ایم ایف کے پروگرام میں ارتقاء اور اس کے ساتھ مندرجہ طلب پر منحصر افرادز مالی سال 2021-2020 میں اوسط افرادز کو قلیل مدت میں پہلے سے اعلان شدہ 7 تا 9 فیصدی حدود میں سبب بلند شرح کے قریب رکھیں گے اور درمیانی مدت میں یہ کم ہوتے ہوئے 5 تا 7 فیصدی حد میں رہنے کی توقع ہے۔ جبکہ

UNCONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2021

Unconsolidated Statement of Financial Position

(Un-audited) as at March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	100,362,549	128,391,896
Balances with other banks	8	3,140,176	7,236,502
Lendings to financial institutions - net	9	54,023,787	17,996,123
Investments - net	10	1,033,535,082	829,621,110
Advances - net	11	429,108,495	496,431,756
Fixed assets	12	73,790,560	73,529,440
Intangible assets	13	2,887,048	2,716,789
Deferred tax assets		-	-
Other assets - net	14	26,927,405	34,534,399
		1,723,775,102	1,590,458,015
LIABILITIES			
Bills payable	16	9,804,269	9,622,020
Borrowings	17	315,559,226	193,928,086
Deposits and other accounts	18	1,232,481,565	1,216,678,254
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	2,778,886	3,991,750
Other liabilities	20	37,630,083	34,677,798
		1,598,254,029	1,458,897,908
NET ASSETS		125,521,073	131,560,107
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		24,347,808	24,277,184
Surplus on revaluation of assets - net of tax	22	25,907,528	28,837,661
Unappropriated profit		63,814,998	66,994,523
		125,521,073	131,560,107

CONTINGENCIES AND COMMITMENTS

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
Mark-up / return / interest earned	25	23,773,561	32,070,713
Mark-up / return / interest expensed	26	12,979,924	20,375,716
Net mark-up / interest income		10,793,637	11,694,997
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	1,623,124	1,544,478
Dividend income		503,562	377,709
Foreign exchange income / (loss)		245,859	(188,408)
Income from derivatives		-	-
Gain on securities - net	28	1,446,130	1,101,310
Other income	29	11,706	14,577
Total non mark-up / interest income		3,830,381	2,849,666
Total income		14,624,018	14,544,663
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	7,881,029	7,093,094
Workers welfare fund		143,044	144,313
Other charges	31	39,574	45,394
Total non mark-up / interest expenses		8,063,647	7,282,801
Profit before provisions		6,560,371	7,261,862
(Reversals) / provisions and write offs - net	32	(139,001)	680,931
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		6,699,372	6,580,931
Taxation	33	2,670,395	2,563,240
PROFIT AFTER TAXATION		4,028,977	4,017,691
In Rupees			
Basic and Diluted earnings per share	34	3.52	3.51

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
Rupees in '000		
Profit after taxation for the period	4,028,977	4,017,691
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	(332,274)	(542,750)
Movement in deficit on revaluation of investments - net of tax	(2,706,653)	(3,214,671)
	(3,038,927)	(3,757,421)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
Remeasurement gain on defined benefit obligations - net of tax	41,632	-
Movement in deficit on revaluation of fixed assets - net of tax	(199,010)	-
Movement in deficit on revaluation of non-banking assets - net of tax	(1,263)	(23,075)
	(158,641)	(23,075)
Total comprehensive income	831,409	237,195

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		6,699,372	6,580,931
Less: Dividend income		(503,562)	(377,709)
		6,195,810	6,203,222
Adjustments:			
Depreciation - Operating Fixed Assets		892,544	891,133
Depreciation - Non Banking Assets		1,798	8,366
Depreciation on right of use assets		427,460	434,554
Interest expense on lease liability		239,490	276,792
Amortization		94,759	62,527
Net (reversals) / provision and write offs	32	(138,774)	681,014
Unrealized loss on revaluation of 'held-for-trading' securities		(12,385)	(178,781)
Provision for workers welfare fund		143,044	144,313
Gain on sale of fixed assets		(1,883)	(4,341)
		1,646,053	2,315,577
		7,841,863	8,518,799
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(36,027,664)	(19,918,444)
Held-for-trading securities		(20,025,247)	1,941,739
Advances		67,478,758	23,371,792
Other assets (excluding advance taxation)		7,382,124	(1,440,709)
		18,807,971	3,954,378
Increase / (Decrease) in operating liabilities			
Bills payable		182,249	(508,025)
Borrowings		121,558,390	(109,037,255)
Deposits and other accounts		15,803,311	(7,162,486)
Other liabilities (excluding current taxation)		2,628,852	2,398,814
		140,172,802	(114,308,952)
		166,822,636	(101,835,775)
Income tax paid		(2,473,038)	(2,156,826)
Net cash flow used in operating activities		164,349,598	(103,992,601)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in 'available-for-sale' securities		(173,301,762)	76,591,747
Net investments in 'held-to-maturity' securities		(14,515,334)	(59,093)
Dividend received		337,298	149,826
Investments in fixed assets and intangible assets		(1,525,113)	(2,397,737)
Proceeds from sale of fixed assets		27,674	9,699
Effect of translation of net investment in foreign branches		(332,274)	(542,750)
Net cash flow (used in) / generated from investing activities		(189,309,511)	73,751,692
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(494,332)	(688,626)
Dividend paid		(6,744,178)	(2,279,209)
Net cash flow used in financing activities		(7,238,510)	(2,967,835)
Effect of exchange rate changes on opening cash and cash equivalents		750,403	(1,591,583)
Decrease in cash and cash equivalents during the period		(31,448,020)	(34,800,327)
Cash and cash equivalents at beginning of the period		134,834,198	122,073,785
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		103,386,178	87,273,458

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the three months period ended March 31, 2021

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Surplus on revaluation of			Un-appropriated profit	Total
					Investments	Fixed assets	Non-banking assets		
Rupees in '000									
Balance as at January 01, 2020 (Audited)	11,450,739	1,821,720	20,442,505	6,000	7,428,981	15,638,996	2,740,681	55,821,211	115,350,833
Profit after taxation for the three months ended March 31, 2020	-	-	-	-	-	-	-	4,017,691	4,017,691
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,214,671)	-	-	-	(3,214,671)
Change in revaluation surplus of non-banking assets	-	-	-	-	-	-	(23,075)	-	(23,075)
Effect of translation of net investment in foreign branches	-	(542,750)	-	-	-	-	-	-	(542,750)
	-	(542,750)	-	-	(3,214,671)	-	(23,075)	-	(3,780,496)
Transfer to statutory reserve	-	-	401,769	-	-	-	-	(401,769)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(25,338)	-	25,338	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at March 31, 2020	11,450,739	1,278,970	20,844,274	6,000	4,214,310	15,613,658	2,717,606	57,172,323	113,297,880
Profit after taxation for the nine months period ended December 31, 2020	-	-	-	-	-	-	-	14,011,766	14,011,766
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of investments - net of tax	-	-	-	-	661,640	-	-	-	661,640
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	5,749,574	-	-	5,749,574
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	185,452	-	185,452
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(802,820)	(802,820)
Effect of translation of net investment in foreign branches	-	746,763	-	-	-	-	-	-	746,763
	-	746,763	-	-	661,640	5,749,574	185,452	(802,820)	6,540,609
Transfer to statutory reserve	-	-	1,401,177	-	-	-	-	(1,401,177)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	2,257,200	(2,257,200)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(84,678)	-	84,678	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(213,015)	-	213,015	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,080)	1,080	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(5,806)	5,806	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
First interim cash dividend for the year ended December 31, 2020 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2020 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	66,994,523	131,560,107
Profit after taxation for the three months period ended March 31, 2021	-	-	-	-	-	-	-	4,028,977	4,028,977
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(2,706,653)	-	-	-	(2,706,653)
Deficit on revaluation of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632
Effect of translation of net investment in foreign branches	-	(332,274)	-	-	-	-	-	-	(332,274)
	-	(332,274)	-	-	(2,706,653)	(199,010)	(1,263)	41,632	(3,197,568)
Transfer to statutory reserve	-	-	402,898	-	-	-	-	(402,898)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(22,966)	-	22,966	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(241)	241	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)
	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)
Balance as at March 31, 2021	11,450,739	1,693,459	22,648,349	6,000	2,169,297	23,100,763	637,468	63,814,998	125,521,073

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,400 (December 31, 2020: 1,400) branches in Pakistan including 117 (December 31, 2020: 117) Islamic banking branches, 1 branch (December 31, 2020: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2020: 1) in Bahrain.

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

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

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

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

2. BASIS OF PRESENTATION

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:

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

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 (IIFS). The standard will result in certain new disclosures in the financial statements of the Bank.
- 2.1.5 Effective date of IFRS 9 'Financial Instruments' was extended by SBP to annual periods beginning on or after January 01, 2021 vide SBP BPRD circular no. 4 dated October 23, 2019. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. SBP shared draft "IFRS 9 Financial Instruments Application Instructions" for industry feedback however the final guidelines based on feedback are still awaited.

In absence of these guidelines from SBP and revision in prudential regulations, application of IFRS 9 across the banking industry is not possible, therefore these unconsolidated condensed interim financial statements have been prepared in accordance with the existing prudential regulation regime.

- 2.1.6 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 New Standards, Interpretations and amendments adopted by the Bank

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual unconsolidated financial statements for the year ended December 31, 2020.

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		17,901,247	21,697,705
Foreign currencies		816,382	868,206
		18,717,629	22,565,911
Remittances in transit		1,280,976	475,807
With State Bank of Pakistan (SBP) in			
Local currency current accounts		48,626,044	62,965,250
Foreign currency current account		3,875	22,221
Foreign currency deposit accounts (non-remunerative)		4,366,452	4,693,248
Foreign currency deposit accounts (remunerative)		8,709,990	9,525,239
		61,706,361	77,205,958
With National Bank of Pakistan in			
Local currency current accounts		18,203,228	25,953,691
Prize Bonds		454,355	2,190,529
		100,362,549	128,391,896
8 BALANCES WITH OTHER BANKS			
Outside Pakistan			
In current accounts		2,375,807	1,885,460
In deposit accounts		764,369	5,351,042
		3,140,176	7,236,502
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		6,000,000	6,000,000
Call money lendings - foreign currency		-	3,196,688
Repurchase agreement lendings (Reverse Repo)		43,774,135	7,345,000
Musharaka lendings		800,000	500,000
Bai muajjal receivable			
with State Bank of Pakistan		-	954,435
with other financial institutions		3,449,652	-
Certificates of investment		70,000	70,000
		54,093,787	18,066,123
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		54,023,787	17,996,123

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

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

	March 31, 2021				(Audited) December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	20,025,247	-	12,385	20,037,632	-	-	-	-
Available-for-sale securities								
Federal Government Securities*	933,743,777	(7,279)	(1,154,358)	932,582,140	758,053,707	(12,306)	1,795,459	759,836,860
Shares	18,690,110	(2,024,812)	4,599,711	21,265,009	19,566,119	(2,055,595)	5,787,108	23,297,632
Non Government Debt Securities	19,890,335	(21,071)	109,528	19,978,792	21,433,961	(21,071)	(81,907)	21,330,983
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	1,343	26,343	25,000	-	802	25,802
	973,386,914	(2,053,162)	3,556,224	974,889,976	800,116,479	(2,088,972)	7,501,462	805,528,969
Held-to-maturity securities								
Federal Government Securities	38,107,474	-	-	38,107,474	23,592,141	-	-	23,592,141
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	38,451,734	(344,260)	-	38,107,474	23,936,401	(344,260)	-	23,592,141
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,032,363,895	(2,397,422)	3,568,609	1,033,535,082	824,552,880	(2,433,232)	7,501,462	829,621,110

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

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
10.1.1 Investments given as collateral		
Market Treasury Bills	98,755,200	28,776,013
Pakistan Investment Bonds	132,425,316	81,963,094
GOP Foreign Currency Sukuks (US\$)	-	-
GOP Foreign Currency Bonds (US\$)	-	-
Total Investments given as collateral	231,180,516	110,739,107
10.2 Provision for diminution in value of investments		
10.2.1		
Opening balance	2,433,232	3,584,114
Exchange adjustments	(545)	209
Charge / (reversals)		
Charge for the period / year	-	600,351
Reversals for the period / year	(4,482)	(22,851)
	(4,482)	577,500
Reversal on disposals	(30,783)	(1,728,591)
Closing Balance	2,397,422	2,433,232

	(Audited)			
	March 31, 2021		December 31, 2020	
	NPL	Provision	NPL	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due but impaired*	3,818,415	7,279	3,995,021	12,306
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
Total	4,183,746	372,610	4,360,352	377,637

* Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at March 31, 2021 amounted to Rs. 35,951.5 million (December 31, 2020: Rs. 21,971.9 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	Performing		Non Performing		Total	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Rupees in '000							
11	ADVANCES						
	Loans, cash credits, running finances, etc.	408,909,081	459,187,682	12,584,724	12,740,989	421,493,805	471,928,671
	Islamic financing and related assets	39.3 17,571,458	32,642,319	-	-	17,571,458	32,642,319
	Bills discounted and purchased	2,205,963	4,183,084	1,419,670	1,419,670	3,625,633	5,602,754
	Advances - gross	11.1 428,686,502	496,013,085	14,004,394	14,160,659	442,690,896	510,173,744
	Provision against advances						
	Specific	11.2 & 11.3 -	-	(13,509,203)	(13,632,529)	(13,509,203)	(13,632,529)
	General	11.3 (73,198)	(109,459)	-	-	(73,198)	(109,459)
		(73,198)	(109,459)	(13,509,203)	(13,632,529)	(13,582,401)	(13,741,988)
	Advances - net of provision	428,613,304	495,903,626	495,191	528,130	429,108,495	496,431,756

(Audited)
March 31, 2021 December 31, 2020

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	430,979,476	495,717,569
	In foreign currencies	11,711,420	14,456,175
		442,690,896	510,173,744

11.2 'Advances include Rs. 14,004.394 million (December 31, 2020: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

	(Audited)			
	March 31, 2021		December 31, 2020	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	54,082	2,438	31,881	121
Substandard	191,186	46,537	253,289	62,451
Doubtful	597,797	298,899	611,064	305,532
Loss	13,161,329	13,161,329	13,264,425	13,264,425
Total	14,004,394	13,509,203	14,160,659	13,632,529

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021			(Audited) December 31, 2020		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
11.3 Particulars of provision against advances						
Opening balance	13,632,529	109,459	13,741,988	15,112,624	39,795	15,152,419
Exchange adjustments	-	(4,090)	(4,090)	-	1,478	1,478
Charge for the period / year	81,545	-	81,545	911,464	1,404,515	2,315,979
Reversals	(204,871)	(32,171)	(237,042)	(630,472)	(1,336,329)	(1,966,801)
	(123,326)	(32,171)	(155,497)	280,992	68,186	349,178
Amounts written off	-	-	-	(1,761,087)	-	(1,761,087)
Closing balance	13,509,203	73,198	13,582,401	13,632,529	109,459	13,741,988

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

	Note	(Audited)	
		March 31, 2021	December 31, 2020
Rupees in '000			
12 FIXED ASSETS			
Capital work-in-progress	12.1	3,291,470	2,891,147
Property and equipment		63,418,067	63,434,780
Right-of-Use Assets		7,081,023	7,203,513
		73,790,560	73,529,440

12.1 Capital work-in-progress

Civil works	2,390,283	1,958,105
Equipment	331,745	331,677
Advances to suppliers	569,442	601,365
	3,291,470	2,891,147

12.2 Additions to fixed assets

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

	March 31, 2021	March 31, 2020
Rupees in '000		
Capital work-in-progress	432,247	619,664
Property and equipment		
Freehold land	36,742	510,733
Leasehold land	165,922	-
Building on freehold land	58,760	15,854
Building on leasehold land	5,995	4,311
Furniture and fixture	62,418	91,848
Electrical office and computer equipment	425,180	329,720
Vehicles	84,977	40,759
Others-building improvements	61,659	30,633
	901,653	1,023,858
Right-of-Use Assets	226,287	383,722
Total	1,560,187	2,027,244

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2021

12.3 Disposal of fixed assets

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

	March 31, 2021	March 31, 2020
	Rupees in '000	
Furniture and fixture	136	200
Electrical office and computer equipment	1,081	1,062
Vehicles	22,149	4,096
Building	2,406	-
Total	25,772	5,358

	Note	March 31, 2021	(Audited) December 31, 2019
		Rupees in '000	
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	578,716	499,577
Computer Software		2,308,332	2,217,212
		2,887,048	2,716,789

13.1 Capital work-in-progress

	March 31, 2021	March 31, 2020
Software	575,841	496,703
Advances to suppliers	2,875	2,874
	578,716	499,577

13.2 Additions to intangible assets

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

	March 31, 2021	March 31, 2020
	Rupees in '000	
Directly purchased	185,898	293,658
Capital work-in-progress	79,138	250,452
Software	-	-
Total	265,036	544,110

13.3 Disposals of intangible assets

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

	March 31, 2021	March 31, 2020
	Rupees in '000	
Software	19	-

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency	13,263,921	19,310,016
	Income / Mark-up accrued in foreign currency	363,308	204,777
	Advances, deposits, advance rent and other prepayments	2,075,926	952,041
	Advance taxation (payments less provisions)	1,986,071	2,358,198
	Non-banking assets acquired in satisfaction of claims	790,814	792,216
	Acceptances	3,421,515	5,329,898
	Due from the employees' retirement benefit schemes		
	Pension fund	3,878,734	3,786,440
	Fraud and forgeries	547,261	539,178
	Stationery and stamps in hand	470,790	304,116
	Overdue Foreign Bills Negotiated or Discounted	93,261	107,472
	Home Remittance Cell agent receivable	83,852	83,999
	Receivable from SBP - customers encashments	11,906	-
	Charges receivable	27,842	27,711
	Automated Teller Machine or Point of Sale settlement account	-	830,819
	Suspense Account	1,606	1,865
	Others	13,315	12,182
		27,030,122	34,640,928
	Less: Provision held against other assets	14.1 (752,351)	(756,559)
	Other assets (net of provision)	26,277,771	33,884,369
	Surplus on revaluation of non-banking assets		
	acquired in satisfaction of claims	649,634	650,030
	Other Assets - Total	26,927,405	34,534,399

14.1 Provision held against other assets

	Advances, deposits, advance rent and other prepayments	146,472	147,067
	Provision against fraud and forgeries	547,261	539,178
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,748	27,711
	Others	6,575	18,308
		752,351	756,559

14.1.1 Movement in provision held against other assets

	Opening balance	756,559	862,460
	Charge for the period / year	17,500	65,537
	Reversals	-	(110,723)
	Net charge	17,500	(45,186)
	Written off / adjusted	(21,708)	(60,715)
	Closing balance	752,351	756,559

15 CONTINGENT ASSETS

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	(Audited)	
		March 31, 2021	December 31, 2020
Rupees in '000			
16	BILLS PAYABLE		
	In Pakistan	9,804,269	9,622,020
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	203,854,100	69,899,415
	Under export refinance scheme	27,103,902	28,781,058
	Under payroll refinance scheme	14,207,746	17,579,785
	Under long term financing facility	29,400,317	27,462,140
	Under financing scheme for renewable energy	54,820	34,461
	Under temporary economic refinance scheme	1,537,754	388,385
	Other borrowings	8,506	8,432
	Under refinance scheme for wages and salaries	106,112	121,270
		276,273,257	144,274,946
	Repurchase agreement borrowings from Financial Institutions	26,682,157	40,293,084
	Total Secured	302,955,414	184,568,030
	Unsecured		
	Call borrowings	7,026,075	9,263,438
	Trading liability	5,450,390	-
	Overdrawn nostro accounts	116,547	43,797
	Other borrowings	10,800	52,821
	Total unsecured	12,603,812	9,360,056
		315,559,226	193,928,086

	(Audited)						
	March 31, 2021			December 31, 2020			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
18	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	400,485,417	22,164,164	422,649,581	391,581,042	23,736,666	415,317,708
	Savings deposits	456,005,094	30,332,956	486,338,050	461,231,842	33,740,375	494,972,217
	Term deposits	113,553,011	34,792,146	148,345,157	107,223,558	35,015,861	142,239,419
	Others	21,987,097	39,137	22,026,234	23,540,199	58,247	23,598,446
		992,030,619	87,328,403	1,079,359,022	983,576,641	92,551,149	1,076,127,790
	Financial Institutions						
	Current deposits	51,350,081	12,049	51,362,130	52,236,902	11,655	52,248,557
	Savings deposits	92,254,339	-	92,254,339	75,358,579	-	75,358,579
	Term deposits	9,466,350	39,718	9,506,068	12,896,350	41,557	12,937,907
	Others	6	-	6	5,421	-	5,421
		153,070,776	51,767	153,122,543	140,497,252	53,212	140,550,464
		1,145,101,395	87,380,170	1,232,481,565	1,124,073,893	92,604,361	1,216,678,254

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 746,521 million for December 31, 2020 (December 31, 2019: 628,087 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
19 DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on			
Provision against investments		(19,093)	(19,093)
Provision against other assets		(38,959)	(38,959)
Provision against off balance sheet obligations		(14,824)	(14,824)
Provision against advances		(238,042)	(222,951)
Actuarial gains		(405,919)	(364,286)
Post retirement medical benefits		(42,980)	(42,980)
Workers welfare fund		(876,941)	(736,933)
		(1,636,758)	(1,440,026)
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		1,782,843	1,598,517
Surplus on revaluation of investments		1,386,927	2,625,512
Surplus on revaluation on non-banking assets		12,166	11,057
Accelerated tax depreciation / amortization		1,220,502	1,183,484
Excess of investment in finance lease over written down value of leased assets		13,206	13,206
		4,415,644	5,431,776
		2,778,886	3,991,750
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		6,518,108	3,024,818
Mark-up / return / interest payable in foreign currencies		70,299	257,307
Accrued expenses		1,492,189	1,626,257
Retention money payable		436,794	417,668
Unearned commission and income on bills discounted		219,257	247,103
Acceptances		3,421,515	5,329,898
Unclaimed dividends		357,332	363,404
Dividend payable		132,337	-
Branch adjustment account		758,223	268,872
Unrealized loss on forward foreign exchange contracts		2,555,743	2,006,994
Provision for:			
Gratuity		609,275	609,275
Employees' medical benefits		1,537,654	1,514,300
Employees' compensated absences		816,472	774,381
Payable to defined contribution plan		76,556	29,657
Provision against off-balance sheet obligations	20.1	304,798	301,093
Security deposits against lease		786,708	757,009
ATM / Point of Sale settlement account		1,291,870	-
Charity fund balance		30	14
Home Remittance Cell overdraft		643,573	1,177,680
With-holding tax payable		375,455	1,835,535
Sundry deposits		2,545,899	2,652,177
Workers welfare fund payable		2,248,566	2,105,522
Present value of lease liability		8,364,069	8,316,966
Others		2,067,361	1,061,868
		37,630,083	34,677,798

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

			(Audited)	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	Rupees in '000			
20.1	Provision against off-balance sheet obligations			
Opening balance	301,093	313,043		
Charge for the period / year	3,705	-		
Reversals	-	(11,950)		
	3,705	(11,950)		
Closing balance	304,798	301,093		
			(Audited)	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	Rupees in '000		Rupees in '000	
21	SHARE CAPITAL			
21.1	Authorized capital			
	1,500,000,000	1,500,000,000	15,000,000	15,000,000
			Ordinary shares of Rs.10/- each	
21.2	Issued, subscribed and paid-up capital			
	Fully paid-up Ordinary shares of Rs. 10/- each			
	406,780,094	406,780,094	4,067,801	4,067,801
	720,745,186	720,745,186	7,207,452	7,207,452
	1,127,525,280	1,127,525,280	11,275,253	11,275,253
	9,148,550	9,148,550	91,486	91,486
			18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	
	8,400,000	8,400,000	84,000	84,000
	1,145,073,830	1,145,073,830	11,450,739	11,450,739
			8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2020: 972,510,410 (84.93%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,883,606	24,921,256
Non-banking assets acquired in satisfaction of claims		649,634	650,030
Available-for-sale securities		3,556,224	7,501,462
		29,089,464	33,072,748
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,782,843)	(1,598,517)
Non-banking assets acquired in satisfaction of claims		(12,166)	(11,058)
Available-for-sale securities		(1,386,927)	(2,625,512)
		(3,181,936)	(4,235,087)
Surplus on revaluation of assets - net of tax		25,907,528	28,837,661

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	36,640,151	36,224,791
Commitments	23.2	271,263,841	304,718,422
Other contingent liabilities	23.3	6,036,418	8,594,509
		313,940,410	349,537,722

23.1 Guarantees

Financial guarantees		8,404,003	8,401,931
Performance guarantees		7,161,994	6,014,712
Other guarantees		21,074,154	21,808,148
		36,640,151	36,224,791

23.2 Commitments

Documentary credits and short term trade related transactions:

letters of credit		72,700,317	84,039,527
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	190,495,809	216,047,094
forward government securities transactions	23.2.2	4,057,691	-
operating leases	23.2.3	288,036	349,303
Commitments for acquisition of:			
fixed assets		3,386,944	3,683,381
intangible assets		335,044	599,117
		271,263,841	304,718,422

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		125,317,253	136,626,044
Sale		65,178,556	79,421,050
		190,495,809	216,047,094

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	(Audited)	
	March 31, 2021	December 31, 2020
Rupees in '000		
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	3,214,147	-
Sale	843,544	-
	<u>4,057,691</u>	<u>-</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	141,827	146,859
Later than one year and not later than five years	117,986	179,634
Later than five years	28,223	22,810
	<u>288,036</u>	<u>349,303</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	6,036,418	8,594,509

23.3.2 The income tax assessments of the Bank are finalized upto and including tax year 2020 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2020, income tax authorities made certain add backs with aggregate tax impact of Rs.29,468 million (December 31, 2020: 27,815 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals and references before higher forums against unfavorable decisions. Pending finalization of appeals and references no provision is made by the Bank on aggregate sum of Rs. 29,468 million (December 31, 2020: 27,815 million). The management is confident that the outcome of these appeals and references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,700 million (December 31, 2020: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision is made against the said demand of Rs. 1,700 million (December 31, 2020: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (December 31, 2020: 963 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 963 million (December 31, 2020: 963 million).

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

24 DERIVATIVE INSTRUMENTS

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

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

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

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
25 MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		7,827,978	14,058,848
Investments		15,682,809	17,206,404
Lendings to financial institutions		259,026	759,098
Balances with banks		3,748	46,363
		<u>23,773,561</u>	<u>32,070,713</u>
26 MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		9,704,950	16,927,261
Borrowings		2,026,156	1,476,115
Cost of foreign currency swaps against foreign currency deposits		1,009,328	1,695,548
Interest expense on lease liability		239,490	276,792
		<u>12,979,924</u>	<u>20,375,716</u>
27 FEE AND COMMISSION INCOME			
Card related fees (debit and credit cards)		577,651	521,215
Branch banking customer fees		361,061	342,082
Commission on remittances including home remittances		235,859	196,644
Investment banking fees		206,759	265,392
Commission on trade		104,660	84,921
Commission on cash management		47,067	44,522
Commission on guarantees		60,756	41,335
Commission on bancassurance		22,419	35,843
Credit related fees		5,554	11,480
Consumer finance related fees		1,338	1,044
		<u>1,623,124</u>	<u>1,544,478</u>
28 GAIN / (LOSS) ON SECURITIES			
Realised - net	28.1	1,436,639	922,529
Unrealised - held for trading	10.1	12,385	178,781
Unrealised - forward government securities		(2,894)	-
		<u>1,446,130</u>	<u>1,101,310</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
	Rupees in '000	
28.1 Realised gain / (loss) on:		
Federal government securities	483,238	480,201
Shares	954,180	353,675
Non Government debt securities	(779)	(137)
Open ended mutual funds	-	88,790
	1,436,639	922,529
29 OTHER INCOME		
Recovery of written off mark-up and charges	85	226
Gain on sale of fixed assets - net	1,883	4,341
Other assets disposal	608	871
Rent on property	2,573	1,787
Fee for attending Board meetings	779	412
Income from data centre hosting service	4,429	4,429
Gain on sale of islamic financing and related assets	1,349	2,511
	11,706	14,577
30 OPERATING EXPENSES		
Total compensation expense	3,630,830	3,316,330
Property expense:		
Depreciation	1,090,150	1,035,032
Rent and taxes	83,821	51,734
Utilities cost	258,877	241,208
Security (including guards)	256,105	242,689
Repair and maintenance (including janitorial charges)	208,077	197,952
Insurance	22,366	18,433
	1,919,396	1,787,048
Information technology expenses:		
Depreciation	175,192	191,988
Amortization	94,759	62,527
Network charges	173,079	161,826
Software maintenance	193,127	87,585
Hardware maintenance	123,016	58,954
Others	1,729	1,562
	760,902	564,442
Other operating expenses:		
Insurance	350,958	293,255
Outsourced service costs	190,780	192,752
Stationery and printing	114,198	103,117
Cash in Transit service charge	142,642	114,408
Marketing, advertisement and publicity	211,569	275,575
Depreciation	54,662	58,136
Travelling and conveyance	47,273	57,794
Postage and courier charges	46,523	37,159
NIFT clearing charges	36,138	31,650
Communication	45,148	21,752
Legal and professional charges	46,107	27,764
Auditors Remuneration	7,414	5,331
Directors fees and allowances	12,104	6,991
Fees and allowances to Shariah Board	1,665	1,515
Training and development	12,672	16,380
Brokerage expenses	31,041	35,842
Card related expenses	98,935	42,931
Donations	1,689	8,631
Others	118,383	94,291
	1,569,901	1,425,274
	7,881,029	7,093,094

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		1,020	277
Education cess		11,751	11,751
Depreciation - non-banking assets		1,798	8,366
Others		25,000	25,000
Other assets written off		5	-
		<u>39,574</u>	<u>45,394</u>
32 PROVISIONS AND WRITE OFFS - NET			
(Reversal) / Provision for diminution in the value of investments	10.2.1	(4,482)	578,983
(Reversal) / Provision against loans and advances	11.3	(155,497)	80,832
Provision against other assets	14.1.1	17,500	14,498
Provision against off-balance sheet obligations	20.1	3,705	6,701
Bad debts written off directly		-	-
		(138,774)	681,014
Recovery of written off bad debts		(227)	(83)
		<u>(139,001)</u>	<u>680,931</u>

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
33 TAXATION			
Current - for the period	33.1	2,803,315	2,778,431
- for prior year		-	-
		2,803,315	2,778,431
Deferred - current		(132,920)	(215,191)
		<u>2,670,395</u>	<u>2,563,240</u>

33.1 This also includes proportionate super tax charge of Rs. 284.913 million, levied on taxable income of the Bank for the tax year 2021 vide Finance Supplementary (Second Amendment) Act, 2019.

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
34 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation		4,028,977	4,017,691
Number of Shares			
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830
Rupees			
Earnings per share - basic and diluted		3.52	3.51
There is no dilution effect on basic earnings per share.			

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

		(Audited)		December 31, 2020						
		Carrying Value		Fair Value						
		Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees in '000								
On-Balance sheet Financial Instruments										
Financial assets-measured at fair value										
	Investments									
	Shares / Open Ended Mutual Funds	22,002,506				22,002,506	21,976,704	25,802		22,002,506
	Federal Government Securities	759,836,860				759,836,860		759,836,860		759,836,860
	Non-Government Debt Securities	14,260,108				14,260,108		14,260,108		14,260,108
Financial assets - not measured at fair value										
	Cash and balances with treasury banks			128,391,896		128,391,896				
	Balances with other banks			7,236,502		7,236,502				
	Lending to Financial institutions		17,996,123			17,996,123				
	Advances		496,431,756			496,431,756				
	Other assets			26,447,917		26,447,917				
	Investments (Federal Government Securities, unlisted ordinary shares, term finance certificates, sukuk, subsidiaries, Bai Muajjal)	23,992,141	9,929,497			33,921,638				
		23,992,141	514,427,879	162,076,315		1,506,125,306	21,976,704	774,122,770		796,099,474
Financial liabilities measured at fair value										
	Trading Liability									
Financial liabilities - not measured at fair value										
	Bills payable				9,622,020	9,622,020				
	Borrowings				193,928,086	193,928,086				
	Deposits and other accounts				1,216,678,254	1,216,678,254				
	Other liabilities				26,804,010	26,804,010				
					1,447,032,370	1,447,032,370				
Off-balance sheet financial instruments-measured at fair value										
	Forward foreign exchange contracts									
	- Purchase			136,626,044		136,626,044		136,626,044		136,626,044
	- Sale			79,431,050		79,431,050		79,431,050		79,431,050
				216,057,094		216,057,094		216,057,094		216,057,094

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021			(Audited) December 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees in '000					
35.1 Fair value of non-financial assets						
Fixed assets	-	54,491,157	-	54,415,469	-	54,415,469
Non-banking assets	-	1,440,448	-	1,442,246	-	1,442,246

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

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

	March 31, 2021					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
	Rupees in '000					

36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

Profit & Loss						
Net mark-up/return/profit	6,744,536	(8,921,734)	12,558,075	527,175	(114,415)	10,793,637
Inter segment revenue - net	(6,298,070)	18,004,382	(10,960,502)	-	(745,810)	-
Non mark-up / return / interest income	2,009,843	1,001,843	726,240	78,417	14,038	3,830,381
Total Income	2,456,309	10,084,491	2,323,813	605,592	(846,187)	14,624,018
Segment direct expenses	159,997	4,145,127	61,103	341,877	3,355,543	8,063,647
Total expenses	159,997	4,145,127	61,103	341,877	3,355,543	8,063,647
Provisions	33,497	(74,513)	-	34	179,983	139,001
Profit before tax	2,329,809	5,864,851	2,262,710	263,749	(4,021,747)	6,699,372

Balance Sheet

Cash & Bank balances	70,544	42,357,358	49,389,713	6,066,654	5,618,456	103,502,725
Investments	36,119,082	-	977,024,454	19,891,546	500,000	1,033,535,082
Net inter segment lending	(326,511,996)	1,138,605,171	(847,818,369)	(1,596,043)	37,321,237	-
Lendings to financial institutions	-	-	54,741,081	4,249,652	(4,966,946)	54,023,787
Advances - performing	375,841,558	26,463,964	-	17,571,458	8,809,522	428,686,502
Advances - non-performing	686,531	240,633	-	-	13,077,230	14,004,394
Provision against advances	(360,874)	(150,310)	-	(115)	(13,071,102)	(13,582,401)
Advances - net	376,167,215	26,554,287	-	17,571,343	8,815,650	429,108,495
Others	3,597,364	8,325,879	5,136,892	2,387,995	84,156,883	103,605,013
Total Assets	89,442,209	1,215,842,695	238,473,771	48,571,147	131,445,280	1,723,775,102
Borrowings	77,485,804	5,263,297	236,213,994	1,563,077	(4,966,946)	315,559,226
Deposits & other accounts	-	1,189,429,918	-	39,632,193	3,419,454	1,232,481,565
Net inter segment borrowing	-	-	-	-	-	-
Others	1,927,628	16,122,661	1,762,026	2,930,746	27,470,177	50,213,238
Total liabilities	79,413,432	1,210,815,876	237,976,020	44,126,016	25,922,685	1,598,254,029
Equity / Reserves	10,028,777	5,026,819	497,751	4,445,131	105,522,595	125,521,073
Total Equity and liabilities	89,442,209	1,215,842,695	238,473,771	48,571,147	131,445,280	1,723,775,102
Contingencies and commitments	90,828,594	13,342,924	194,553,500	5,088,229	10,127,163	313,940,410

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	12,749,127	(15,776,702)	14,372,776	488,083	(138,287)	11,694,997
Inter segment revenue - net	(12,676,508)	26,791,823	(13,579,493)	-	(535,822)	-
Non mark-up / return / interest income	1,370,182	938,152	471,234	47,449	22,649	2,849,666
Total Income	1,442,801	11,953,273	1,264,517	535,532	(651,460)	14,544,663
Segment direct expenses	140,922	3,920,490	49,017	318,556	2,853,816	7,282,801
Total expenses	140,922	3,920,490	49,017	318,556	2,853,816	7,282,801
Provisions	(781,003)	(44,637)	-	(9)	144,718	(680,931)
Profit before tax	520,876	7,988,146	1,215,500	216,967	(3,360,558)	6,580,931
December 31, 2020 (Audited)						
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	63,515	56,549,630	70,345,528	3,372,243	5,297,482	135,628,398
Investments	40,137,617	-	769,333,252	19,650,241	500,000	829,621,110
Net inter segment lending	(367,667,313)	1,115,262,750	(753,028,599)	(1,696,240)	7,129,402	-
Lendings to financial institutions	-	-	30,817,586	1,454,435	(14,275,898)	17,996,123
Advances - performing	424,399,594	30,103,282	-	32,642,319	8,867,890	496,013,085
Advances - non-performing	690,533	261,900	-	-	13,208,226	14,160,659
Provision against advances	(397,684)	(152,904)	-	(149)	(13,191,251)	(13,741,988)
Advances - net	424,692,443	30,212,278	-	32,642,170	8,884,865	496,431,756
Others	3,731,162	8,967,967	11,335,908	2,512,076	84,233,515	110,780,628
Total Assets	100,957,424	1,210,992,625	128,803,675	57,934,925	91,769,366	1,590,458,015
Borrowings	81,851,296	5,433,733	111,289,117	9,553,220	(14,199,280)	193,928,086
Deposits & other accounts	-	1,169,568,083	-	41,839,270	5,270,901	1,216,678,254
Others	3,163,510	14,806,920	903,740	2,547,538	26,869,860	48,291,568
Total liabilities	85,014,806	1,189,808,736	112,192,857	53,940,028	17,941,481	1,458,897,908
Equity / Reserves	15,942,618	21,183,889	16,610,818	3,994,897	73,827,885	131,560,107
Total Equity and liabilities	100,957,424	1,210,992,625	128,803,675	57,934,925	91,769,366	1,590,458,015
Contingencies and commitments	93,691,022	20,979,810	216,047,094	5,540,979	13,278,817	349,537,722

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

37 RELATED PARTY TRANSACTIONS

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

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

	(Audited)											
	March 31, 2021					December 31, 2020						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	-	-	-	-	500,000	-	25,000	25,000
Investment made during the period	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed and disposed off during the period	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	-	-	-	-	500,000	-	25,000	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	2,969	156,424	-	-	496	-	4,764	196,884	-	-	575
Addition during the period/year	-	26,929	41,349	-	-	2,281	-	17,055	62,385	-	-	4,287
Repaid during the period/year	-	(11,725)	(40,545)	-	-	(2,558)	-	(18,850)	(102,845)	-	-	(4,366)
Closing balance	-	18,173	157,228	-	-	219	-	2,969	156,424	-	-	496

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021					December 31, 2020						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupiah in '000											
Other Assets												
Interest / mark-up accrued	-	5,332	73,306	-	-	3,164,160	-	-	74,205	-	-	3,138,502
Receivable from staff retirement fund	-	-	-	32,222	-	-	-	-	-	26,644	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	803	144,243	40,672	10,007	46,745	26,961,726	2,849	357,194	34,882	24,228	123,315	16,917,639
Received during the period/year	6,229,194	615,456	223,405	453,524	941,021	114,572,481	10,401,559	1,684,041	515,345	1,550,051	12,786,639	330,938,208
Withdrawn during the period/year	(6,229,068)	(630,171)	(195,121)	(441,988)	(892,569)	(112,394,501)	(10,403,605)	(1,896,992)	(509,555)	(1,564,272)	(12,863,209)	(320,894,021)
Closing balance	929	229,522	68,956	21,543	95,197	29,139,706	803	144,243	40,672	10,007	46,745	26,961,726
Other Liabilities												
Interest / mark-up payable	-	2,598	114	12	-	96,984	-	-	3	-	130	67,270

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	(Audited)	
	March 31, 2021	December 31, 2020
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	90,715,600	93,659,434
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	90,715,600	93,659,434
Eligible Tier 2 Capital	27,036,717	27,703,024
Total Eligible Capital (Tier 1 + Tier 2)	117,752,317	121,362,458
Risk Weighted Assets (RWAs):		
Credit Risk	318,337,704	345,701,270
Market Risk	35,684,529	41,310,018
Operational Risk	94,653,446	94,653,446
Total	448,675,679	481,664,734
Common Equity Tier 1 Capital Adequacy ratio	20.22%	19.44%
Tier 1 Capital Adequacy Ratio	20.22%	19.44%
Total Capital Adequacy Ratio	26.24%	25.20%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	90,715,600	93,659,434
Total Exposures	2,086,196,818	1,847,990,820
Leverage Ratio	4.35%	5.07%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	628,241,732	526,731,728
Total Net Cash Outflow	300,238,845	293,826,179
Liquidity Coverage Ratio	209.25%	179.27%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,155,968,455	1,167,425,806
Total Required Stable Funding	785,537,688	751,874,375
Net Stable Funding Ratio	147.16%	155.27%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2020: 117 and March 31, 2020: 117) Islamic Banking Branches and 85 (December 31, 2020: 85 and March 31, 2020: 60) Islamic Banking Windows at the end of the period.

		(Audited)
		March 31, December 31,
		2021 2020
Rupees in '000		
ASSETS		
Cash and balances with treasury banks		3,267,478
Balances with other banks		104,765
Due from financial institutions	39.1	1,454,435
Investments	39.2	19,650,241
Islamic financing and related assets - net	39.3	32,642,170
Fixed assets		1,661,209
Intangible assets		635
Due from Head Office		-
Other assets		850,232
		50,167,190
		59,631,165
LIABILITIES		
Bills payable		481,518
Due to financial institutions		9,553,220
Deposits and other accounts	39.4	41,839,270
Due to Head Office		1,696,240
Subordinated debt		-
Other liabilities		2,066,020
		45,722,059
		55,636,268
NET ASSETS		4,445,131
		3,994,897
REPRESENTED BY		
Islamic Banking Fund		4,100,000
Reserves		(305)
Surplus on revaluation of assets		(24,583)
Unappropriated profit / (Accumulated losses)	39.5	(80,215)
		4,445,131
		3,994,897
CONTINGENCIES AND COMMITMENTS	39.6	

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended March 31, 2021 is as follows:		
Profit / return earned	39.7	882,696
Profit / return expensed	39.8	355,521
Net Profit / return	627,175	488,083
OTHER INCOME		
Fee and commission income	65,499	45,735
Dividend income	-	-
Foreign exchange income	12,348	1,000
Loss on securities	(779)	(1,797)
Other income	1,349	2,511
Total other income	78,417	47,449
Total income	605,592	535,532
OTHER EXPENSES		
Operating expenses	341,810	318,556
Workers Welfare Fund	-	-
Other charges	67	-
Total other expenses	341,877	318,556
Profit / (loss) before provisions	263,715	216,976
(Reversals) / Provisions and write offs - net	(34)	9
PROFIT BEFORE TAXATION	263,749	216,967
Taxation	-	-
PROFIT AFTER TAXATION	263,749	216,967

	(Audited)					
	March 31, 2021			December 31, 2020		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
39.1 Due from Financial Institutions						
Bai Muajjal Receivable from other Financial Institutions	3,449,652	-	3,449,652	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	954,435	-	954,435
Musharaka Lending	800,000	-	800,000	500,000	-	500,000
	4,249,652	-	4,249,652	1,454,435	-	1,454,435

	(Audited)							
	March 31, 2021				December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
39.2 Investments by Segments								
Federal Government Securities:								
-Ijarah Sukuks	500,000	-	(18,100)	481,900	500,000	-	(21,450)	478,550
-Other Federal Securities	2,640,538	-	-	2,640,538	2,573,429	-	-	2,573,429
	3,140,538	-	(18,100)	3,122,438	3,073,429	-	(21,450)	3,051,979
Non Government Debt Securities								
-Listed	10,761,005	-	110,659	10,871,664	11,273,295	-	(72,477)	11,200,818
-Unlisted	5,897,444	-	-	5,897,444	5,397,444	-	-	5,397,444
	16,658,449	-	110,659	16,769,108	16,670,739	-	(72,477)	16,598,262
Total Investments	19,798,987	-	92,559	19,891,546	19,744,168	-	(93,927)	19,650,241

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah	372,731	381,940
Istisna	549,362	529,049
Financing under Islamic Export Re-finance - Istisna	505,033	500,000
Murabaha	41,355	104,532
Musawamah	3,664	314
Islamic Export Re-finance - Business Musharaka	1,000,000	1,000,000
Islamic Re-finance Against Wages and Salaries - Business Musharaka	22,937	40,286
Diminishing Musharaka	11,457,546	11,369,086
Islamic Re-finance Against Renewable Energy Diminishing Musharaka	57,052	40,286
Salam	10,226	233,002
Business Musharaka - Financings	3,004,157	17,935,445
Staff Ijarah	397,225	374,813
Staff Diminishing Musharaka	150,170	133,566
Gross Islamic financing and related assets	17,571,458	32,642,319
Less: provision against Islamic financings		
- Specific	-	-
- General	115	149
	115	149
Islamic financing and related assets - net of provision	17,571,343	32,642,170
39.4 Deposits		
Current deposits	8,755,100	8,583,056
Savings deposits	15,343,544	18,482,574
Term deposits	2,081,916	427,416
Other deposits	838,765	1,922,870
	27,019,325	29,415,916
Financial Institutions		
Current deposits	30,641	13,470
Savings deposits	12,582,227	12,409,884
Term deposits	-	-
Other deposits	-	-
	12,612,868	12,423,354
	39,632,193	41,839,270
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	(80,215)	(829,586)
Add: Islamic Banking profit for the period	263,749	749,371
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	183,534	(80,215)
39.6 Contingencies and Commitments		
-Guarantees	4,399,790	4,409,985
-Commitments	673,830	1,084,549
-Other contingencies	14,609	46,445
	5,088,229	5,540,979

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
	Rupees in '000	
39.7 Profit/Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing	435,576	473,994
Investments	350,196	565,871
Placements	96,924	13,287
	<u>882,696</u>	<u>1,053,152</u>
39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	279,200	420,739
Due to Financial Institutions	9,393	13,463
Profit paid on Musharaka borrowings	28,791	93,292
Profit paid on Mudaraba borrowings	3,700	652
Other expenses (IFRS-16)	34,437	36,923
	<u>355,521</u>	<u>565,069</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 40.1 The Board of Directors of the Bank in its meeting held on April 22, 2021 has proposed an interim cash dividend for the quarter ended March 31, 2021 of Rs. 2.00 per share (March 31, 2020: cash dividend of Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2021 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 22, 2021 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the three months period ended March 31, 2021

Consolidated Statement of Financial Position

(Un-audited) as at March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	100,355,438	128,388,720
Balances with other banks	8	3,140,176	7,236,502
Lendings to financial institutions - net	9	54,023,787	17,996,123
Investments - net	10	1,035,610,094	831,704,497
Advances - net	11	429,175,625	496,501,833
Fixed assets	12	73,913,948	73,652,142
Intangible assets	13	2,893,087	2,722,951
Deferred tax assets		-	-
Other assets - net	14	27,332,976	34,887,487
		1,726,445,131	1,593,090,255
LIABILITIES			
Bills payable	16	9,804,269	9,622,020
Borrowings	17	315,559,226	193,928,086
Deposits and other accounts	18	1,232,460,022	1,216,668,247
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	2,770,018	3,978,448
Other liabilities	20	38,038,442	35,124,168
		1,598,631,977	1,459,320,969
NET ASSETS		127,813,154	133,769,286
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		24,347,808	24,277,184
Surplus on revaluation of assets - net of tax	22	25,907,528	28,837,661
Unappropriated profit		66,107,079	69,203,702
		127,813,154	133,769,286

CONTINGENCIES AND COMMITMENTS

23

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
Mark-up / return / interest earned	25	23,774,192	32,071,244
Mark-up / return / interest expensed	26	12,981,181	20,376,453
Net mark-up / interest income		10,793,011	11,694,791
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	1,815,152	1,718,614
Dividend income		514,386	387,673
Foreign exchange income		245,859	(188,408)
Income from derivatives		-	-
Gain on securities - net	28	1,487,764	869,469
Other income	29	4,704	14,076
Total non-markup / interest income		4,067,865	2,801,424
Total Income		14,860,876	14,496,215
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	8,000,219	7,197,325
Workers welfare fund		145,463	144,313
Other charges	31	39,574	45,394
Total non-markup / interest expenses		8,185,256	7,387,032
Profit before provisions		6,675,620	7,109,183
(Reversals) / provisions and write offs - net	32	(139,001)	680,931
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		6,814,621	6,428,252
Taxation	33	2,702,742	2,538,031
PROFIT AFTER TAXATION		4,111,879	3,890,221
In Rupees			
Basic and Diluted earnings per share	34	3.59	3.40

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	March 31, 2020
	Rupees in '000	
Profit after taxation for the period	4,111,879	3,890,221
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	(332,274)	(542,750)
Movement in deficit on revaluation of investments - net of tax	(2,706,653)	(3,214,671)
	(3,038,927)	(3,757,421)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain / (loss) on defined benefit obligations - net of tax	41,633	-
Movement in deficit on revaluation of fixed assets - net of tax	(199,010)	-
Movement in deficit on revaluation of non-banking assets - net of tax	(1,263)	(23,075)
	(158,640)	(23,075)
Total Comprehensive Income	914,312	109,725

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

Muhammad Atif Mirza
Chief Financial Officer

Dr. Muhammad Akram Sheikh
Director

Aizid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Nazrat Bashir
Director

Consolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		6,814,621	6,428,252
Less: Dividend income		(514,386)	(387,673)
		6,300,235	6,040,579
Adjustments:			
Depreciation - Operating Fixed Assets		897,936	857,448
Depreciation - Non Banking Assets		1,798	8,366
Depreciation on right of use assets		435,821	434,554
Interest expense on lease liability		241,318	280,476
Amortization		94,883	64,094
Net provision / (reversals) and write offs	32	(138,774)	681,014
Unrealized loss on revaluation of 'held-for-trading' securities		(40,348)	293,130
Provision for workers welfare fund		145,463	144,313
Gain on sale of fixed assets		(1,883)	(3,235)
		1,636,214	2,760,160
		7,936,449	8,800,739
(Increase) / decrease in operating assets			
Lendings to financial institutions		(36,027,664)	(19,918,444)
Held-for-trading securities		(19,998,106)	1,998,044
Advances		67,481,705	23,335,575
Other assets (excluding advance taxation)		7,334,378	(1,114,767)
		18,790,313	4,300,408
Increase / (decrease) in operating liabilities			
Bills payable		182,249	(508,025)
Borrowings		121,558,390	(109,037,255)
Deposits and other accounts		15,791,775	(7,183,988)
Other liabilities (excluding current taxation)		2,638,550	3,585,012
		140,170,964	(113,144,256)
		166,897,726	(100,043,109)
Income tax paid		(2,510,122)	(2,181,267)
Net cash flow generated from / (used in) operating activities		164,387,604	(102,224,376)
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		(173,301,762)	76,535,441
Net (investments) from 'held-to-maturity' securities		(14,515,334)	(59,093)
Dividend received		348,122	169,753
Investments in fixed assets and intangible assets		(1,578,440)	(2,532,777)
Proceeds from sale of fixed assets		27,674	9,699
Effect of translation of net investment in foreign branches		(332,274)	(542,750)
Net cash flow (used in) / generated from investing activities		(189,352,014)	73,580,273
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(493,771)	(694,030)
Dividend paid		(6,744,178)	(2,279,209)
Net cash flow used in financing activities		(7,237,949)	(2,973,239)
Effect of exchange rate changes on opening cash and cash equivalents		(1,106,341)	(1,591,583)
Decrease in cash and cash equivalents during the period		(33,308,700)	(33,208,925)
Cash and cash equivalents at beginning of the period		136,687,767	120,473,501
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		103,379,067	87,264,576

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes in Equity

(Un-audited) for the three months period ended March 31, 2021

	Share capital	Capital reserve		Revenue reserve		Surplus on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve	Statutory reserve	General reserve	Investments	Fixed assets	Non-banking assets			
Rupees in '000										
Balance as at January 01, 2020 (Audited)	11,450,739	1,821,720	20,442,505	6,000	7,428,981	15,638,996	2,740,681	57,681,932	117,211,554	
Profit after taxation for the three months period ended .. March 31, 2020	-	-	-	-	-	-	-	3,890,221	3,890,221	
Other Comprehensive Income - net of tax										
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,214,671)	-	-	-	(3,214,671)	
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	(23,075)	-	-	(23,075)	
Effect of translation of net investment in foreign branches	-	(542,750)	-	-	-	-	-	-	(542,750)	
	-	(542,750)	-	-	(3,214,671)	-	-	(23,075)	(3,780,496)	
Transfer to statutory reserve	-	-	401,769	-	-	-	-	(401,769)	-	
Transferred from surplus in respect of incremental depreciation .. of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(25,338)	-	25,338	-	
Transactions with owners recognized directly in equity										
Final cash dividend for the year ended December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at March 31, 2020	11,450,739	1,278,970	20,844,274	6,000	4,214,310	15,613,658	2,717,606	58,905,574	115,031,131	
Profit after taxation for the nine months period ended .. December 31, 2020	-	-	-	-	-	-	-	14,487,384	14,487,384	
Other Comprehensive Income - net of tax										
Deficit on revaluation of investments - net of tax	-	-	-	-	661,640	-	-	-	661,640	
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	5,749,574	-	-	5,749,574	
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	185,452	-	185,452	
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(802,510)	(802,510)	
Effect of translation of net investment in foreign branches	-	746,763	-	-	-	-	-	-	746,763	
	-	746,763	-	-	661,640	5,749,574	185,452	(802,510)	6,540,919	
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	2,257,200	(2,257,200)	-	-	
Transfer to statutory reserve	-	-	1,401,177	-	-	-	-	(1,401,177)	-	
Transferred from surplus in respect of incremental depreciation .. of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(84,678)	-	84,678	-	
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(213,015)	-	213,015	-	
Transferred from surplus in respect of incremental depreciation .. of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,080)	1,080	-	
Surplus realised on disposal of revalued non-banking assets .. net of tax	-	-	-	-	-	-	(5,806)	5,806	-	
Transactions with owners, recognized directly in equity										
Third interim cash dividend for the year ended .. December 31, 2019 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)	
Balance as at December 31, 2020 (Audited)	11,450,739	2,025,733	22,245,451	6,000	4,875,950	23,322,739	638,972	69,203,702	133,769,286	
Profit after taxation for the nine months period ended .. March 31, 2021	-	-	-	-	-	-	-	4,111,879	4,111,879	
Other Comprehensive Income										
Deficit on revaluation of investments - net of tax	-	-	-	-	(2,706,653)	-	-	-	(2,706,653)	
Deficit on revaluation of fixed assets - net of tax	-	-	-	-	-	(199,010)	-	-	(199,010)	
Deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(1,263)	-	(1,263)	
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	41,632	41,632	
Effect of translation of net investment in foreign branches	-	(332,274)	-	-	-	-	-	-	(332,274)	
	-	(332,274)	-	-	(2,706,653)	(199,010)	(1,263)	41,632	(3,197,568)	
Transfer to statutory reserve	-	-	402,898	-	-	-	-	(402,898)	-	
Transferred from surplus in respect of incremental depreciation .. of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(22,966)	-	22,966	-	
Transferred from surplus in respect of incremental depreciation .. of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(241)	241	-	
Transactions with owners, recognized directly in equity										
Final cash dividend for the year ended .. December 31, 2020 (Rs. 6 per ordinary share)	-	-	-	-	-	-	-	(6,870,443)	(6,870,443)	
Balance as at March 31, 2021	11,450,739	1,693,459	22,648,349	6,000	2,169,297	23,100,763	637,468	66,107,079	127,813,154	

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

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

1 STATUS AND NATURE OF BUSINESS

The “Group” consist of:

Holding Company

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,400 (December 31, 2020: 1,400) branches in Pakistan including 117 (December 31, 2020: 117) Islamic banking branches, 1 branch (December 31, 2020: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2020: 1) in Bahrain.

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

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

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

The registered office of the Bank is situated at 3 - Tipu Block, 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[]] 2007 (“the NBFC Rules”) S.R.O 1233() / 2019. The Company received certificate of commencement of business on 31 December 2007. The Company has also obtained license to carry out business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005. The registered office of the Company is situated at Plot no. 14, Main Boulevard, DHA Phase VI, Lahore. The Company is a wholly owned subsidiary of Allied Bank Limited (“the holding Company”).

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

ABL Asset Management Company is managing the following funds:

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

2 BASIS OF PRESENTATION

These consolidated condensed interim financial statements have been presented in Pakistan Rupees (PKR), which is the currency of primary economic environment in which Group operates and functional currency of

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

the Group, in that environment as well. The amounts are rounded to nearest thousand.

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

2.1.5 Effective date of IFRS 9 'Financial Instruments' was extended by SBP to annual periods beginning on or after January 01, 2021 vide SBP BPRD circular no. 4 dated October 23, 2019. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new Expected Credit Loss (ECL) model for calculating impairment on financial assets, and new general hedge accounting requirements. The ECL approach has an impact on all assets of the Group which are exposed to credit risk. SBP shared draft "IFRS 9 Financial Instruments Application Instructions" for industry feedback however the final guidelines based on feedback are still awaited.

In absence of these guidelines from SBP and revision in prudential regulations, application of IFRS 9 across the banking industry is not possible, therefore these consolidated condensed interim financial statements have been prepared in accordance with the existing prudential regulation regime.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

2.1.6 These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE BANK

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

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

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

- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Annual improvements to IFRS Standards 2018-2020	January 01, 2022

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2020.

5 BASIS OF MEASUREMENT

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

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

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2020.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

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

	(Audited)				(Audited)			
	March 31, 2021				December 31, 2020			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	20,025,247	-	12,385	20,037,632	-	-	-	-
Open Ended Mutual Funds/ Pension Funds	2,547,048	-	27,964	2,575,012	2,574,190	-	9,197	2,583,387
	22,572,295	-	40,349	22,612,644	2,574,190	-	9,197	2,583,387
Available-for-sale securities								
Federal Government Securities*	933,743,777	(7,279)	(1,154,358)	932,582,140	758,053,707	(12,306)	1,795,459	759,836,860
Shares	18,690,110	(2,024,812)	4,599,711	21,265,009	19,566,119	(2,055,595)	5,787,108	23,297,632
Non Government Debt Securities	19,890,335	(21,071)	109,528	19,978,792	21,433,961	(21,071)	(81,907)	21,330,983
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	25,000	-	1,343	26,343	25,000	-	802	25,802
	973,386,914	(2,053,162)	3,556,224	974,889,976	800,116,479	(2,088,972)	7,501,462	805,528,969
Held-to-maturity securities								
Federal Government Securities	38,107,474	-	-	38,107,474	23,592,141	-	-	23,592,141
Non Government Debt Securities	344,260	(344,260)	-	-	344,260	(344,260)	-	-
	38,451,734	(344,260)	-	38,107,474	23,936,401	(344,260)	-	23,592,141
Total Investments	1,034,410,943	(2,397,422)	3,596,573	1,035,610,094	826,627,070	(2,433,232)	7,510,659	831,704,497

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	98,755,200	28,776,013
Pakistan Investment Bonds	132,425,316	81,963,094
GOP Foreign Currency Sukuks (US\$)	-	-
Total Investments given as collateral	231,180,516	110,739,107
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,433,232	3,584,114
Exchange adjustments	(545)	209
Charge / (reversals)		
Charge for the period / year	-	600,351
Reversals for the period / year	(4,482)	(22,851)
	(4,482)	577,500
Reversal on disposals	(30,783)	(1,728,591)
Closing Balance	2,397,422	2,433,232

	(Audited)			
	March 31, 2021		December 31, 2020	
	NPI	Provision	NPI	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	365,331	365,331	365,331	365,331
	365,331	365,331	365,331	365,331
Overseas				
Not past due but impaired*	3,818,415	7,279	3,995,021	12,306
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-
Total	4,183,746	372,610	4,360,352	377,637

* Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at March 31, 2021 amounted to Rs. 35,951.5 million (December 31, 2020: Rs. 21,971.9 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

Note	(Audited)		(Audited)		(Audited)			
	Performing		Non Performing		Total			
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020		
Rupees in '000								
11	ADVANCES							
	Loans, cash credits, running finances, etc.	408,976,211	459,257,759	12,584,724	12,740,989	421,560,935	471,998,748	
	Islamic financing and related assets	39.3	17,571,458	32,642,319	-	-	17,571,458	32,642,319
	Bills discounted and purchased		2,205,963	4,183,084	1,419,670	1,419,670	3,625,633	5,602,754
	Advances - gross	11.1	428,753,632	496,083,162	14,004,394	14,160,659	442,758,026	510,243,821
	Provision against advances							
	Specific	11.2 & 11.3	-	-	(13,509,203)	(13,632,529)	(13,509,203)	(13,632,529)
	General	11.3	(73,198)	(109,459)	-	-	(73,198)	(109,459)
			(73,198)	(109,459)	13,509,203	(13,632,529)	(13,582,401)	(13,741,988)
	Advances - net of provision		428,680,434	495,973,703	495,191	528,130	429,175,625	496,501,833

		(Audited)	
		March 31, 2021	December 31, 2020
Rupees in '000			
11.1	Particulars of advances (Gross)		
	In local currency	437,597,155	495,787,646
	In foreign currencies	5,160,871	14,456,175
		<u>442,758,026</u>	<u>510,243,821</u>

11.2 Advances include Rs. 14,004.394 million (December 31, 2020: Rs. 14,160.659 million) which have been placed under non-performing status as detailed below:

	March 31, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	54,082	2,438	31,881	121
Substandard	191,186	46,537	253,289	62,451
Doubtful	597,797	298,899	611,064	305,532
Loss	13,161,329	13,161,329	13,264,425	13,264,425
Total	<u>14,004,394</u>	<u>13,509,203</u>	<u>14,160,659</u>	<u>13,632,529</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021			(Audited) December 31, 2020		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
11.3	Particulars of provision against advances					
Opening balance	13,632,529	109,459	13,741,988	15,112,624	39,795	15,152,419
Exchange adjustments	-	(4,090)	(4,090)	-	1,478	1,478
Charge for the period / year	81,545	-	81,545	911,464	1,404,515	2,315,979
Reversal	(204,871)	(32,171)	(237,042)	(630,472)	(1,336,329)	(1,966,801)
	(123,326)	(32,171)	(155,497)	280,992	68,186	349,178
Amounts written off	-	-	-	(1,761,087)	-	(1,761,087)
Closing balance	13,509,203	73,198	13,582,401	13,632,529	109,459	13,741,988

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

	Note	(Audited)	
		March 31, 2021	December 31, 2020
Rupees in '000			
12	FIXED ASSETS		
Capital work-in-progress	12.1	3,291,470	2,891,147
Property and equipment		63,470,487	63,481,116
Right-of-Use Assets		7,151,991	7,279,879
		73,913,948	73,652,142
12.1	Capital work-in-progress		
Civil works		2,390,283	1,958,105
Equipment		331,745	331,677
Advances to suppliers		569,442	601,365
		3,291,470	2,891,147

12.2 Additions to fixed assets

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

	March 31, 2021	March 31, 2020
Rupees in '000		
Capital work-in-progress	432,247	619,664
Property and equipment		
Freehold land	36,742	510,733
Leasehold land	165,922	-
Building on freehold land	58,760	15,854
Building on leasehold land	5,995	4,311
Furniture and fixture	62,418	91,848
Electrical office and computer equipment	427,942	330,410
Vehicles	84,977	40,759
Others-building improvements	61,659	30,633
	904,415	1,024,548
Right-of-Use Assets	226,287	383,722
Total	1,562,949	2,027,934

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

12.3 Disposal of fixed assets

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

	March 31, 2021	March 31, 2020
	Rupees in '000	
Furniture and fixture	136	200
Electrical office and computer equipment	1,081	1,062
Vehicles	22,149	4,096
Building	2,406	-
Total	25,772	5,358

	March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
13 INTANGIBLE ASSETS		
Capital work-in-progress	584,506	505,367
Computer Software	2,308,581	2,217,584
Total	2,893,087	2,722,951

	March 31, 2021	March 31, 2020
	Rupees in '000	
13.1 Capital work-in-progress		
Software	575,841	496,703
Advances to suppliers	8,665	8,664
Total	584,506	505,367

13.2 Additions to intangible assets

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

	March 31, 2021	March 31, 2020
	Rupees in '000	
Directly purchased	185,898	293,658
Capital work-in-progress	79,138	250,452
Software	-	-
Total	265,036	544,110

13.3 Disposals of intangible assets

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

	March 31, 2021	March 31, 2020
	Rupees in '000	
Software	19	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency	13,263,909	19,310,016
	Income / Mark-up accrued in foreign currency	363,308	204,777
	Advances, deposits, advance rent and other prepayments	2,468,782	1,297,139
	Advance taxation (payments less provisions)	1,998,798	2,366,188
	Non-banking assets acquired in satisfaction of claims	790,814	792,217
	Branches adjustment account	-	-
	Acceptances	3,421,515	5,329,898
	Due from the employees' retirement benefit schemes		
	Pension fund	3,878,734	3,786,440
	Fraud and forgeries	547,261	539,178
	Stationery and stamps in hand	470,790	304,116
	Overdue Foreign Bills Negotiated / Discounted	93,261	107,472
	Home Remittance Cell agent receivable	83,852	83,999
	Receivable from SBP - customers encashments	11,906	-
	Charges receivable	27,842	27,711
	Automated Teller Machine or Point of Sale settlement account	-	830,819
	Suspense Account	1,606	1,865
	Others	13,315	12,182
		27,435,693	34,994,017
	Less: Provision held against other assets	14.1 (752,351)	(756,559)
	Other assets (net of provision)	26,683,342	34,237,458
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	649,634	650,029
	Other Assets - total	27,332,976	34,887,487

14.1 Provision held against other assets

	Advances, deposits, advance rent and other prepayments	146,472	147,067
	Provision against fraud and forgeries	547,261	539,178
	Overdue Foreign Bills Negotiated / Discounted	24,295	24,295
	Charges receivable	27,748	27,711
	Suspense account	-	-
	Others	6,575	18,308
		752,351	756,559

14.1.1 Movement in provision held against other assets

	Opening balance	756,559	862,460
	Charge for the period / year	17,500	65,537
	Reversals	-	(110,723)
	Net charge	17,500	(45,186)
	Written off / adjusted	(21,708)	(60,715)
	Closing balance	752,351	756,559

15 CONTINGENT ASSETS

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
16	BILLS PAYABLE		
	In Pakistan	9,804,269	9,622,020

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

17			
BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
	Repurchase agreement borrowings	203,854,100	69,899,415
	Under Export Refinance Scheme	27,103,902	28,781,058
	Under Payroll Refinance Scheme	14,207,746	17,579,785
	Under long term financing facility	29,400,317	27,462,140
	Under financing scheme for renewable energy	54,820	34,461
	Under Temporary Economic Refinance Scheme	1,537,754	388,385
	Other borrowings	8,506	8,432
	Under refinance scheme for wages and salaries	106,112	121,270
		276,273,257	144,274,946
	Repurchase agreement borrowings from financial institutions	26,682,157	40,293,084
	Total secured	302,955,414	184,568,030
Unsecured			
	Call borrowings	7,026,075	9,263,438
	Overdrawn nostro accounts	5,450,390	-
	Musharaka borrowing	116,547	43,797
	Other borrowings	10,800	52,821
	Total unsecured	12,603,812	9,360,056
		315,559,226	193,928,086

	March 31, 2021			(Audited) December 31, 2020			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
18	DEPOSITS AND OTHER ACCOUNTS						
Customers							
	Current deposits	400,463,875	22,164,164	422,628,039	391,571,035	23,736,666	415,307,701
	Savings deposits	456,005,093	30,332,966	486,338,049	461,241,849	33,740,375	494,982,224
	Term deposits	113,553,011	34,792,146	148,345,157	107,223,558	35,015,861	142,239,419
	Others	21,987,097	39,137	22,026,234	23,540,199	58,247	23,598,446
		992,009,076	87,328,403	1,079,337,479	983,576,641	92,551,149	1,076,127,790
Financial Institutions							
	Current deposits	51,350,081	12,049	51,362,130	52,236,902	11,655	52,248,557
	Savings deposits	92,254,339	-	92,254,339	75,348,572	-	75,348,572
	Term deposits	9,466,350	39,718	9,506,068	12,896,350	41,557	12,937,907
	Others	6	-	6	5,421	-	5,421
		153,070,776	51,767	153,122,543	140,487,245	53,212	140,540,457
		1,145,079,852	87,380,170	1,232,460,022	1,124,063,886	92,604,361	1,216,668,247

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 746,521 million for December 31, 2020 (December 31, 2019: 628,087 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

		(Audited)	
		March 31, 2021	December 31, 2020
		Rupees in '000	
19	DEFERRED TAX LIABILITIES		
	Deductible Temporary Differences on		
	Provision against investments	(19,093)	(19,093)
	Provision against other assets	(38,959)	(43,039)
	Provision against off balance sheet obligations	(14,824)	(14,824)
	Provision against advances	(244,567)	(229,476)
	Actuarial gains	(405,919)	(364,286)
	Post retirement medical benefits	(48,634)	(46,954)
	Workers welfare fund	(876,941)	(736,933)
	Investment in finance lease liabilities	(1,851)	(1,551)
		(1,650,788)	(1,456,156)
	Taxable Temporary Differences on		
	Surplus on revaluation of fixed assets	1,782,843	1,598,517
	Surplus on revaluation of investments	1,391,120	2,626,891
	Surplus on revaluation on non-banking assets	12,166	11,057
	Accelerated tax depreciation / amortization	1,221,471	1,184,933
	Excess of investment in finance lease over written down value of leased assets	13,206	13,206
		4,420,806	5,434,604
		2,770,018	3,978,448

		(Audited)	
		March 31, 2021	December 31, 2020
		Rupees in '000	
20	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency	6,518,096	3,024,818
	Mark-up / return / interest payable in foreign currencies	70,299	257,307
	Accrued expenses	1,570,620	1,743,508
	Retention money payable	436,794	417,668
	Unearned commission and income on bills discounted	219,257	247,103
	Acceptances	3,421,515	5,329,898
	Unclaimed dividends	357,332	363,404
	Dividend payable	132,337	-
	Branch adjustment account	758,223	268,872
	Unrealized loss on forward foreign exchange contracts	2,555,743	2,006,994
	Provision for:		
	Gratuity	609,275	627,529
	Employees' medical benefits	1,557,152	1,514,300
	Employees' compensated absences	816,472	774,381
	Early retirement	-	-
	Payable to defined contribution plan	76,556	29,657
	Provision against off-balance sheet obligations	304,798	301,093
	Security deposits against lease	786,708	757,009
	ATM / Point of Sale settlement account	1,291,870	-
	Charity fund balance	30	14
	Home Remittance Cell overdraft	643,573	1,177,680
	With-holding tax payable	384,707	1,838,384
	Sundry deposits	2,545,899	2,652,177
	Workers welfare fund payable	2,294,447	2,148,983
	Present value of lease liability	8,441,422	8,398,681
	Others	2,245,317	1,244,708
		38,038,442	35,124,168

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	(Audited)	
	March 31, 2021	December 31, 2020
	Rupees in '000	
20.1 Provision against off-balance sheet obligations		
Opening balance	301,093	313,043
Charge for the period / year	3,705	-
Reversals	-	(11,950)
	3,705	(11,950)
Closing balance	304,798	301,093

21 SHARE CAPITAL

21.1 Authorized capital

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

21.2 Issued, subscribed and paid-up capital

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

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 972,510,410 (84.93%) [December 31, 2020: 972,510,410 (84.93%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus arising on revaluation of:			
Fixed assets		24,883,606	24,921,256
Non-banking assets acquired in satisfaction of claims		649,634	650,030
Available-for-sale securities		3,556,224	7,501,462
		29,089,464	33,072,748
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,782,843)	(1,598,517)
Non-banking assets acquired in satisfaction of claims		(12,166)	(11,058)
Available-for-sale securities		(1,386,927)	(2,625,512)
		(3,181,936)	(4,235,087)
Surplus on revaluation of assets - net of tax		25,907,528	28,837,661
23	CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1	36,640,151	36,224,791
Commitments	23.2	271,306,072	304,760,653
Other contingent liabilities	23.3	6,036,418	8,594,509
		313,982,641	349,579,953
23.1	Guarantees		
Financial guarantees		8,404,003	8,401,931
Performance guarantees		7,161,994	6,014,712
Other guarantees		21,074,154	21,808,148
		36,640,151	36,224,791
23.2	Commitments		
Documentary credits and short term trade related transactions:			
letters of credit		72,700,317	84,039,527
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	190,495,809	216,047,094
forward government securities transactions	23.2.2	4,057,691	-
operating leases	23.2.3	288,036	349,303
Commitments for acquisition of:			
fixed assets		3,386,944	3,683,381
intangible assets		335,044	599,117
Other Commitments		42,231	42,231
		271,306,072	304,760,653
23.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		125,317,253	136,626,044
Sale		65,178,556	79,421,050
		190,495,809	216,047,094

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	(Audited) December 31, 2020
Rupees in '000			
23.2.2	Commitments in respect of forward government securities transactions		
	Purchase	3,214,147	-
	Sale	843,544	-
		<u>4,057,691</u>	<u>-</u>
23.2.3	Commitments in respect of operating leases		
	Not later than one year	141,827	146,859
	Later than one year and not later than five years	117,986	179,634
	Later than five years	28,223	22,810
		<u>288,036</u>	<u>349,303</u>
23.3	Other contingent liabilities		
23.3.1	Claims against the Bank not acknowledged as debt	6,036,418	8,594,509

23.3.2 The income tax assessments of the Group are finalized upto and including tax year 2020 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2020, income tax authorities made certain add backs with aggregate tax impact of Rs.29,480 million (December 31, 2020: 27,827 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals and references before higher forums against unfavorable decisions. Pending finalization of appeals and references no provision is made by the Group on aggregate sum of Rs. 29,480 million (December 31, 2020: 27,827 million). The management is confident that the outcome of these appeals and references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,720 million (December 31, 2020: 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 is made against the said demand of Rs. 1,720 million (December 31, 2020: 1,720 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 963 million (December 31, 2020: 963 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 963 million (December 31, 2020: 963 million).

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

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

24 DERIVATIVE INSTRUMENTS

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
25	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	7,828,609	14,059,379
	Investments	15,682,809	17,206,404
	Lendings to financial institutions	259,026	759,098
	Balances with banks	3,748	46,363
		23,774,192	32,071,244
26	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	9,704,378	16,926,156
	Borrowings	2,026,156	1,476,115
	Cost of foreign currency swaps against foreign currency deposits	1,009,328	1,695,548
	Interest expense on lease liability	241,319	278,634
		12,981,181	20,376,453
27	FEE AND COMMISSION INCOME		
	Card related fees (debit and credit cards)	577,651	519,127
	Branch banking customer fees	554,546	518,371
	Commission on remittances including home remittances	235,859	196,644
	Investment banking fees	206,759	265,392
	Commission on trade	104,660	84,921
	Commission on cash management	45,610	44,456
	Commission on guarantees	60,756	41,335
	Commission on bancassurance	22,419	35,843
	Credit related fees	5,554	11,480
	Consumer finance related fees	1,338	1,045
		1,815,152	1,718,614
28	GAIN ON SECURITIES		
	Realised - net	28.1	1,450,309
	Unrealised - held for trading	10.1	40,349
	Unrealised - forward government securities		(2,894)
			1,487,764
28.1	Realised gain / (loss) on:		
	Federal government securities	483,238	480,201
	Shares	954,180	353,675
	Non Government debt securities	(779)	(137)
	Open Ended Mutual Funds	13,670	97,019
		1,450,309	930,758
29	OTHER INCOME		
	Recovery of written off mark-up and charges	85	226
	Gain on sale of fixed assets - net	1,883	4,341
	Other assets disposal	608	6,998
	Fee for attending Board meetings	779	-
	Gain on disposal of islamic financing and related assets	1,349	2,511
		4,704	14,076

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees in '000			
30	OPERATING EXPENSES		
	Total compensation expense	3,715,930	3,384,903
	Property expense:		
	Depreciation	1,095,542	1,042,116
	Rent and taxes	81,369	50,720
	Utilities cost	260,320	242,788
	Security (including guards)	256,104	242,689
	Repair and maintenance (including janitorial charges)	215,045	204,913
	Insurance	23,829	19,778
		1,932,209	1,803,004
	Information technology expenses:		
	Depreciation	175,192	191,988
	Amortization	94,883	63,311
	Network charges	173,079	161,826
	Software maintenance	193,127	87,585
	Hardware maintenance	123,016	58,954
	Others	1,729	1,562
		761,026	565,226
	Other operating expenses:		
	Insurance	350,958	293,255
	Outsourced service costs	190,780	192,752
	Stationery and printing	114,601	103,366
	Cash in Transit service charge	142,642	114,408
	Marketing, advertisement and publicity	221,113	279,539
	Depreciation	54,662	58,136
	Travelling and conveyance	47,592	59,490
	Postage and courier charges	49,166	39,891
	NIFT clearing charges	36,138	31,650
	Communication	45,148	21,752
	Legal and professional charges	46,517	28,077
	Auditors Remuneration	7,587	5,501
	Directors fees and allowances	13,104	7,591
	Brokerage expenses	31,041	35,842
	Card related expenses	98,935	42,931
	Fees and allowances to Shariah Board	1,665	1,613
	Training and development	12,672	16,380
	Donations	1,689	8,631
	Others	125,044	103,387
		1,591,054	1,444,192
	Others	8,000,219	7,197,325
31	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	1,020	277
	Education cess	11,751	11,751
	Depreciation - non-banking assets	1,798	8,366
	Others	25,000	25,000
	Other assets written off	5	-
		39,574	45,394

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

		March 31, 2021	March 31, 2020
Rupees in '000			
32	PROVISIONS AND WRITE OFFS - NET		
	(Reversal) / Provision for diminution in the value of investments	10.2.1 (4,482)	578,983
	(Reversal) / Provision against loans and advances	11.3 (155,497)	80,832
	Provision against other assets	14.1.1 17,500	14,498
	Provision against off-balance sheet obligations	20.1 3,705	6,701
	Bad debts written off directly	-	-
		(138,774)	681,014
	Recovery of written off bad debts	(227)	(83)
		<u>(139,001)</u>	<u>680,931</u>

33 TAXATION

	Current - for the period	33.1 2,840,096	2,753,222
	- for prior year	-	-
		2,840,096	2,753,222
	Deferred - current	(137,354)	(215,191)
		<u>2,702,742</u>	<u>2,538,031</u>

33.1 This also includes proportionate super tax charge of Rs. 284.913 million, levied on taxable income of the Bank for the tax year 2021 vide Finance Supplementary (Second Amendment) Act, 2019.

34 EARNINGS PER SHARE - BASIC AND DILUTED

	Profit after taxation	4,111,879	3,890,221
		Number of Shares	
	Weighted average number of ordinary shares outstanding during the year	1,145,073,830	1,145,073,830
		Rupees	
	Earnings per share - basic and diluted	3.59	3.40

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	March 31, 2021						
	Carrying Value				Fair Value		
	Held to Maturity	Held for Trading	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities	Total
Rupees in '000							Total
On-Balance sheet Financial Instruments							
Financial assets-measured at fair value							
Investments							
Shares / Open Ended Mutual Funds	-	2,575,012	19,970,424	-	-	-	22,545,436
Federal Government Securities	-	20,037,632	941,150,139	-	-	-	961,187,771
Non Government Debt Securities	-	-	4,873,953	-	-	-	4,873,953
Financial assets-not measured at fair value							
Cash and balances with treasury banks	-	-	-	-	100,355,438	-	100,355,438
Loans	-	-	-	-	3,140,176	-	3,140,176
Balances with other banks	-	-	-	-	54,023,787	-	54,023,787
Lendings	-	-	-	-	429,175,625	-	429,175,625
Advances	-	-	-	-	17,827,775	-	17,827,775
Other assets	-	-	-	-	-	-	-
Investments (Federal government securities, unlisted ordinary shares, term finance certificates, sukuk, Bai Mujaal)	37,607,474	-	9,395,460	-	-	-	47,002,934
	37,607,474	22,612,644	975,389,976	483,199,412	121,323,389	-	1,640,132,895
Financial liabilities-measured at fair value							
Trading Liability	-	5,450,390	-	-	-	-	5,450,390
Financial liabilities-not measured at fair value							
Bills payable	-	-	-	-	9,904,269	9,904,269	19,808,538
Borrowings	-	-	-	-	315,550,228	315,550,228	631,100,456
Deposits and other accounts	-	-	-	-	1,232,460,022	1,232,460,022	2,464,920,044
Other liabilities	-	-	-	-	31,168,035	31,168,035	62,336,070
	-	5,450,390	-	-	1,588,991,552	1,594,441,942	3,184,892,906
Off-balance sheet financial instruments-measured at fair value							
Forward foreign exchange contracts	-	-	-	-	125,317,253	-	125,317,253
- Purchase	-	-	-	-	65,178,556	-	65,178,556
- Sale	-	-	-	-	60,138,697	-	60,138,697
Forward government securities transactions	-	-	-	-	3,214,147	-	3,214,147
- Purchase	-	-	-	-	843,544	-	843,544
- Sale	-	-	-	-	194,593,500	-	194,593,500

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	December 31, 2020 (Audited)					Fair Value				
	Carrying Value					Total	Level 1	Level 2	Level 3	Total
	Held to Maturity	Held for Trading	Available for Sale	Financing and receivables	Other financial assets					
Rupees in '000										
On-Balance sheet Financial Instruments										
Financial assets-measured at fair value										
Investments										
Shares / Open Ended Mutual Funds	-	2,583,387	22,002,506	-	-	24,585,893	24,560,091	25,802	-	24,585,893
Federal Government Securities	-	-	759,836,860	-	-	759,836,860	-	759,836,860	-	759,836,860
Non Government Debt Securities	-	-	14,260,108	-	-	14,260,108	-	14,260,108	-	14,260,108
Financial assets-not measured at fair value										
Cash and balances with treasury banks*	-	-	-	-	128,388,720	-	-	128,388,720	-	-
Balances with other banks	-	-	-	-	7,236,502	-	-	7,236,502	-	-
Lending to Financial institutions	-	-	17,996,123	-	-	17,996,123	-	-	-	-
Advances	-	-	496,501,853	-	-	496,501,853	-	-	-	-
Other assets	-	-	-	-	26,447,917	-	-	26,447,917	-	-
Investments (Federal government securities, unlisted ordinary shares, term finance certificates, sukuk, Ba Mujila)	23,092,141	-	9,929,497	-	-	33,021,638	-	-	-	-
	23,092,141	2,583,387	806,028,971	514,497,966	162,073,139	1,508,275,594	24,560,091	774,122,770	-	799,682,861
Financial liabilities-measured at fair value										
Trading Liability	-	-	-	-	-	-	-	-	-	-
Financial liabilities-not measured at fair value										
Bills payable	-	-	-	-	9,622,020	9,622,020	-	-	-	-
Borrowings	-	-	-	-	193,925,096	193,925,096	-	-	-	-
Deposits and other accounts	-	-	-	-	1,216,665,247	1,216,665,247	-	-	-	-
Other liabilities	-	-	-	-	27,185,816	27,185,816	-	-	-	-
	-	-	-	-	1,447,404,169	1,447,404,169	-	-	-	-
Off-balance sheet financial instruments-measured at fair value										
Forward foreign exchange contracts	-	-	-	-	136,626,044	136,626,044	-	136,626,044	-	136,626,044
Purchase	-	-	-	-	79,421,050	79,421,050	-	79,421,050	-	79,421,050
Sale	-	-	-	-	216,047,094	216,047,094	-	216,047,094	-	216,047,094

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

35.1 Fair value of non-financial assets

	March 31, 2021				December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000							
Fixed assets (Land and Buildings)	-	54,491,157	-	54,491,157	-	54,415,469	-	54,415,469
Non-banking assets	-	1,440,448	-	1,440,448	-	1,442,246	-	1,442,246

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

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

March 31, 2021

	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
36 SEGMENT INFORMATION							
36.1 Segment Details with respect to Business Activities							
Profit & Loss							
Net mark-up/return/profit	6,744,536	(8,921,734)	12,558,075	527,175	(626)	(114,415)	10,793,011
Inter segment revenue - net	(6,298,070)	18,004,382	(10,960,502)	-	-	(745,810)	-
Non mark-up / return / interest income	2,009,843	1,001,843	726,240	78,417	245,944	5,578	4,067,865
Total Income	2,456,309	10,084,491	2,323,813	605,592	245,318	(854,647)	14,860,876
Segment direct expenses	159,997	4,145,127	60,464	341,877	130,069	3,347,722	8,185,256
Total expenses	159,997	4,145,127	60,464	341,877	130,069	3,347,722	8,185,256
Provisions	33,497	(74,513)	-	34	-	179,983	139,001
Profit before tax	2,329,809	5,864,851	2,263,349	263,749	115,249	(4,022,386)	6,814,621
Balance Sheet							
Cash & Bank balances	70,544	42,357,358	49,389,713	6,066,654	14,432	5,596,913	103,495,614
Investments	36,119,082	-	977,024,454	19,891,546	2,575,012	-	1,035,610,094
Net inter segment lending	(326,511,996)	1,138,605,171	(847,817,730)	(1,596,043)	-	37,320,598	-
Lendings to financial institutions	-	-	54,741,081	4,249,652	-	(4,966,946)	54,023,787
Advances - performing	375,841,558	26,463,964	-	17,571,458	67,130	8,809,522	428,753,632
Advances - non-performing	686,531	240,633	-	-	-	13,077,230	14,004,394
Provision against advances	(360,874)	(150,310)	-	(115)	-	(13,071,102)	(13,582,401)
Advances - net	376,167,215	26,554,287	-	17,571,343	67,130	8,815,650	429,175,625
Others	3,597,364	8,325,879	5,136,892	2,387,995	576,099	84,115,782	104,140,011
Total Assets	89,442,209	1,215,842,695	238,474,410	48,571,147	3,232,673	130,881,997	1,726,445,131
Borrowings	77,485,804	5,263,297	236,213,994	1,563,077	-	(4,966,946)	315,559,226
Deposits & other accounts	-	1,189,429,918	-	39,632,193	-	3,397,911	1,232,460,022
Net inter segment borrowing	-	-	-	-	-	-	-
Others	1,927,628	16,122,661	1,762,026	2,930,746	440,593	27,429,075	50,612,729
Total liabilities	79,413,432	1,210,815,876	237,976,020	44,126,016	440,593	25,860,040	1,598,631,979
Equity / Reserves	10,028,777	5,026,819	498,390	4,445,131	2,792,080	105,021,957	127,813,154
Total Equity & liabilities	89,442,209	1,215,842,695	238,474,410	48,571,147	3,232,673	130,881,997	1,726,445,131
Contingencies and commitments	90,828,594	13,342,924	194,553,500	5,088,229	42,231	10,127,163	313,982,641

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

March 31, 2020

	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	12,749,127	(15,776,702)	14,372,776	487,708	(206)	(137,912)	11,694,791
Inter segment revenue - net	(12,676,508)	26,791,823	(13,579,493)	-	-	(535,822)	-
Non mark-up / return / interest income	1,370,182	938,152	471,234	47,449	(39,872)	14,279	2,801,424
Total Income	1,442,801	11,953,273	1,264,517	535,157	(40,078)	(659,455)	14,496,215
Segment direct expenses	140,922	3,920,490	49,017	318,556	112,601	2,845,446	7,387,032
Total expenses	140,922	3,920,490	49,017	318,556	112,601	2,845,446	7,387,032
Provisions	(781,003)	(44,637)	-	(9)	-	144,718	(680,931)
Profit before tax	520,876	7,988,146	1,215,500	216,592	(152,679)	(3,360,183)	6,428,252

December 31, 2020 (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	63,515	56,549,630	70,345,528	3,372,243	6,832	5,287,474	135,625,222
Investments	40,137,617	-	769,333,252	19,650,241	2,583,387	-	831,704,497
Net inter segment lending	(367,667,313)	1,115,262,750	(753,028,599)	(1,696,240)	-	7,129,402	-
Lendings to financial institutions	-	-	30,817,586	1,454,435	-	(14,275,898)	17,996,123
Advances - performing	424,399,594	30,103,282	-	32,642,319	70,077	8,867,890	496,083,162
Advances - non-performing	690,533	261,900	-	-	-	13,208,226	14,160,659
Provision against advances	(397,684)	(152,904)	-	(149)	-	(13,191,251)	(13,741,988)
Advances - net	424,692,443	30,212,278	-	32,642,170	70,077	8,884,865	496,501,833
Others	3,731,162	8,967,967	11,335,908	2,512,076	521,896	84,193,571	111,262,590
Total Assets	100,957,424	1,210,992,625	128,803,675	57,934,925	3,182,192	91,219,414	1,593,090,255
Borrowings	81,851,296	5,433,733	111,289,117	9,553,220	-	(14,199,280)	193,928,086
Deposits & other accounts	-	1,169,568,083	-	41,839,270	-	5,260,894	1,216,668,247
Others	3,163,510	14,806,920	903,740	2,547,538	473,014	26,829,914	48,724,636
Total liabilities	85,014,806	1,189,808,736	112,192,857	53,940,028	473,014	17,891,528	1,459,320,969
Equity / Reserves	15,942,618	21,183,889	16,610,818	3,994,897	2,709,178	73,327,886	133,769,286
Total Equity and liabilities	100,957,424	1,210,992,625	128,803,675	57,934,925	3,182,192	91,219,414	1,593,090,255
Contingencies and commitments	93,691,022	20,979,810	216,047,094	5,540,979	42,231	13,278,817	349,579,953

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

RELATED PARTY TRANSACTIONS

The Group has related party relationships with its parent, subsidiary, companies with common directorship, directors, employee benefit plans and key management personnel including their associates. Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	March 31, 2021				December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Balances with other banks	-	-	-	-	-	-	-	-	-	-
In current accounts	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the period/year	-	-	-	-	-	-	-	-	-	-
Repaid during the period/year	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	-	2,583,387	-	-	-	-	2,197,434
Investment made during the period/year	-	-	-	-	815,190	-	-	-	-	3,204,791
Investment redeemed and disposed off during the period/year	-	-	-	-	(851,528)	-	-	-	-	(2,828,035)
Surplus	-	-	-	-	27,963	-	-	-	-	9,917
Closing balance	-	-	-	-	2,021,889	-	-	-	-	2,583,387
	-	-	-	-	-	-	-	-	-	-
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-
Opening balance	-	2,969	156,424	-	496	-	4,764	196,884	-	575
Addition during the period/year	-	26,929	41,349	-	2,281	-	17,055	62,395	-	4,287
Repaid during the period/year	-	(11,725)	(40,549)	-	(2,558)	-	(18,850)	(102,845)	-	(4,366)
Closing balance	-	18,173	157,228	-	219	-	2,969	156,424	-	490
	-	-	-	-	-	-	-	-	-	-
Provision held against advances	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021				March 31, 2020			
	Parent	Directors	Key management personnel	Associates* Other related parties	Parent	Directors	Key management personnel	Associates* Other related parties
	Rupees in '000							
Income								
Mark-up/return/interest earned	-	262	2,274	-	-	155	3,956	-
Sales commission	-	-	-	1,685	-	-	-	1,910
Fee and commission income	-	5	13	130,686	1	-	22	2
Dividend income	-	-	-	-	-	-	-	127,985
Net gain / (loss) on sale of securities	-	-	-	-	-	-	10	3,354
Rental income	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-
Expense								
Mark-up/return/interest paid	-	3,050	169	45	204,599	2,402	171	117
Directors meeting fee	-	13,000	-	-	-	7,350	-	-
Remuneration	-	17,615	194,534	-	-	8,250	63,147	-
Other expenses**	-	-	-	30	-	-	-	-
Rent expense*	-	-	-	7,475	-	-	-	7,125
Charge in respect of staff retirement benefit funds	-	257	4,594	-	-	325	3,219	-
Contribution to defined contribution plan	-	254	2,261	-	-	306	1,877	-
Insurance premium paid	-	-	-	-	-	39	211	-
Charge in respect of staff retirement benefit funds	-	-	-	-	97,516	-	-	-

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 arm's length with prior permission of State Bank of Pakistan. During the period ended March 31, 2021; certain moveable assets having cumulative net book value of Rs. 90,000 were disposed off for Rs. 200,357 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2021

	March 31, 2021	(Audited) December 31, 2020
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	91,691,880	95,335,586
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	91,691,880	95,335,586
Eligible Tier 2 Capital	26,337,080	27,690,683
Total Eligible Capital (Tier 1 + Tier 2)	118,028,960	123,026,269
Risk Weighted Assets (RWAs):		
Credit Risk	316,492,230	344,948,463
Market Risk	38,397,908	43,237,570
Operational Risk	96,160,368	96,160,368
Total	451,050,506	484,346,401
Common Equity Tier 1 Capital Adequacy ratio	20.33%	19.68%
Tier 1 Capital Adequacy Ratio	20.33%	19.68%
Total Capital Adequacy Ratio	26.17%	25.40%

	March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	91,691,880	95,335,586
Total Exposures	2,087,551,047	1,850,090,033
Leverage Ratio	4.39%	5.15%

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on April 22, 2021 has proposed an interim cash dividend for the quarter ended March 31, 2021 of Rs. 2.00 per share (March 31, 2020: cash dividend of Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2021 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 April 22, 2021 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Nazrat Bashir
Director

Dr. Muhammad Akram Sheikh
Director

Mohammad Naeem Mukhtar
Chairman



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