

SCALING DIGITAL GROWTH



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Corporate Information

Vision

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

Mission

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

Core Values

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

Board of Directors

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

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

Audit Committee of the Board

Zafar Iqbal (Chairman)
 Nazrat Bashir
 Mubashir A. Akhtar

e-Vision Committee

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

Board Risk Management Committee

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

Strategic Planning & Monitoring Committee

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

Human Resource & Remuneration Committee

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

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

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Pakistan

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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the half year ended June 30, 2024. The operating results and appropriations as recommended by the Board are included in the appended table:

	Half year ended June 30,		Growth
	2024	2023	
	(Rupees in million)		%
Profit after tax for the quarter	23,641	17,443	36
Accumulated profits brought forward	102,080	79,653	28
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	2	1	100
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	89	35	154
Re-measurement on defined benefit obligation – net of tax	-	43	(100)
Surplus realized on disposal of revalued fixed assets - net of tax	2	-	100
Transfer of surplus on account of disposal of equity investments - net of tax	1,000	-	100
Profit available for appropriation	126,814	97,175	30
Final cash dividend for the year ended December 31, 2023: Rs. 4.00 per share (2023: Year ended December 31, 2022: Rs. 2.50 per share)	(4,580)	(2,863)	60
First interim cash dividend for the year ended at December 31, 2024: Rs. 4.00 per share (year ended December 31, 2023: Rs. 2.50 per share)	(4,580)	(2,863)	60
Transfer to Statutory Reserves	(2,364)	(1,744)	36
Accumulated profits carried forward	115,289	89,705	29
Earnings Per Share (EPS) (Rs.)	20.65	15.23	36

The Board is pleased to announce an interim cash dividend of Rs. 4.00 per share in addition to first interim cash dividend of Rs. 4.00 per share, which has already been paid. Interim cash dividend for the half year ended June 30, 2024 is Rs. 8.00 per share (June 30, 2023 - Rs. 5.00 per share).

Economic Review

Global economy is showing signs of stabilizing after a period of slowdown in both advanced economies and emerging markets. Despite facing high policy rates, inflationary pressures, lingering post-pandemic supply chain disruptions and persistent geopolitical stress, global economic activity has started to pick up since early 2024. International Monetary Fund (IMF) has maintained its global growth forecast at 3.2%, with an expected uptick of 0.1% in 2025, revising the projection to 3.3% for the year.

Global inflation has continued to decline but at a slower pace than targeted in most advanced economies. However, inflation is expected to remain higher in emerging markets and developing economies as compared to advanced economies.

On the domestic front, the IMF projected Pakistan's GDP at 2.0% for 2024 and 3.5% for 2025, unchanged from its previous projection made in April 2024. However, improvements in certain economic indicators such as declining inflation, a surplus in primary fiscal account, a significant reduction in current account deficit, an increase in foreign exchange reserves and successful completion of a Stand-by Agreement (SBA) program with the IMF are expected to bring the economy onto the path of recovery and stabilization.

The Large Scale Manufacturing (LSM) sector is showing signs of recovery despite ongoing challenges, growing by

1.0% during Jul-May FY'24 compared to a contraction of 9.6% during Jul-May FY'23. In May 2024, LSM recorded a growth of 7.3% on year on year (YoY) basis. This was achieved mainly due to performance in wearing apparel, pharma, coke & petroleum products, fertilizers and furniture sectors.

The agriculture credit experienced substantial growth in FY'24, with credit disbursements totalling Rs. 1,973 billion during Jul-May FY'24, marking a 26.0% increase compared to the previous year.

The current account showed significant improvements during FY'24. The current account deficit reduced to US\$ 0.7 billion as on June 30, 2024 FY'24, compared to US\$ 3.3 billion as on June 30, 2023, shrinking by 79%.

On the external front, imports of goods and services increased by 3%, reaching US\$ 63 billion for the fiscal year ended June 30, 2024, compared to US\$ 61 billion for the fiscal year ended June 30, 2023.

Exports of goods and services stood at US\$ 39 billion during FY'24, compared to US\$ 35 billion during FY'23, an improvement of 10%. According to Pakistan Bureau of Statistics (PBS), commodities that registered significant positive growth include Rice, Fruits, Cotton yarn, and Plastic materials. On YoY basis, exports of goods and services showed healthy growth of 14%, reaching US\$ 3.1 billion in June 2024, compared to US\$ 2.7 billion in June 23.

This led to a 6% reduction in trade deficit, which stood at US\$ 24 billion at the end of the fiscal year on June 30, 2024, compared to US\$ 26 billion at the end of last fiscal year on June 30, 2023.

During FY'24, workers' remittances were registered at US\$ 30 billion, compared to US\$ 27 billion during FY'23,

marking an 11% increase, with the largest share coming from Saudi Arabia. On YoY basis, workers' remittances showed a growth of 44% in June 2024, reaching US\$ 3 billion, compared to US\$ 2 billion in June 2023.

Foreign Direct Investment (FDI) was recorded at US\$ 1,902 million during the fiscal year ended June 30, 2024, compared to US\$ 1,627 million during the fiscal year ended June 30, 2023, showing growth of 17%. Private sector Foreign Portfolio Investment (FPI) recorded a net inflow of US\$ 120 million, while Public FPI recorded a net outflow of US\$ 503 million during FY'24. In June 2024, FDI experienced a growth of 38% on YoY basis, reaching US\$ 169 million compared to US\$ 122 million in June 2023.

Net Foreign Reserves and Total Liquid Foreign Reserves with the State Bank of Pakistan (SBP) were recorded at US\$ 13,997 million and US\$ 9,390 million respectively as on June 30, 2024, compared to US\$ 9,160 million and US\$ 4,445 million, respectively, as on June 30, 2023.

Money supply (M2) was recorded at Rs. 36,585 billion as of June 30, 2024, compared to Rs. 31,523 billion as of June 30, 2023, registering a YoY growth of 16%. Currency in circulation (CIC) stood at Rs. 9,153 billion as of June 30, 2024, remaining almost unchanged from Rs. 9,149 billion as of June 30, 2023.

On the fiscal side, net provisional federal tax collection showed a growth of 30% reaching Rs. 9,311 billion during FY'24 against Rs. 7,169 billion in the preceding year. On the other hand, expenditure grew by 27% to reach Rs. 20,476 billion during FY'24, compared to Rs. 16,155 billion during FY'23. As a result, overall budget deficit stood at Rs. 7,207 billion for the year ended June 30, 2024, compared to Rs. 6,521 billion for the year ended June 30, 2023, an increase of 11%. The budget deficit reduced to 6.8% of GDP for the fiscal year ended June 30, 2024 as compared to 7.7% for the fiscal year ended June 30, 2023.

The Stock Market continued its upward trend from September 2023 through June 2024. The KSE 100 index closed at 78,445 points at the end of June 2024 and Market capitalization of PSX stood at Rs. 10,375 billion as on June 30, 2024.

The US\$-PKR exchange rate of 9% has shown a downward trend since August 2023, appreciating by 9% and maintaining a stable trend since April 2024 to reach at Rs. 278.34 as on June 30, 2024.

Improvements in the external account, an increase in foreign exchange reserves, relatively lower inflation and PKR vs USD parity have influenced the Policy rate. Accordingly, the State Bank of Pakistan has reduced the policy rate to 19.50% in July 2024 which was continuing at 22% since June 2023.

The Consumer Price Index Inflation (CPI) General, increased to 12.6% on YoY basis in June 2024, compared to 11.8% in the previous month and 29.4% in June 2023. On MoM basis, it increased by 0.5% in June 2024, compared to a decrease of 3.2% in the previous month and a decrease of 0.3% in June 2023.

Financial Review

The banking sector performed well during the first half of 2024, expanding its asset base by 12%, reaching Rs. 50,403 billion as of June 30, 2024, up from Rs. 45,183 billion as on December 31, 2023. Investments increased by 19%, to Rs. 30,171 billion at the end of the half year, compared to Rs. 25,280 billion on December 31, 2023. However, gross advances of the banking industry increased by 1%, recorded at Rs. 12,435 billion as on June 30, 2024, up from Rs. 12,352 billion as on December 31, 2023. On

the liabilities side, total deposits showed growth of 12%, standing at Rs. 31,122 billion at the end of the second quarter of 2024, compared to Rs. 27,841 billion as on December 31, 2023.

Allied Bank is committed to offering top-tier global services to its customers, striving to be their preferred banking choice while driving meaningful positive changes in the industry. These efforts are focused at fostering a more inclusive society and promoting a sustainable future.

The Performance of Your Bank maintained its upward growth trajectory during the half year ended June 30, 2024. Positive volumetric growth in average earning assets, supported by improving spreads and effective duration management of investments, enabled the Bank to post higher markup income of Rs. 192,352 million for the half year ended June 30, 2024. This represents a 14% increase from Rs. 169,131 million for the corresponding half year ended June 30, 2023.

During the first half of 2024, mark-up/interest expenses increased to Rs. 133,871 million, up from Rs. 118,228 million in the corresponding first half of 2023, representing a 13% increase. This rise is attributable to higher cost of deposits due to increased volumes and was partially offset by lower borrowing expenses. Consequently, net markup and interest income was recorded a growth of 15% over the corresponding half-year reaching Rs. 58,481 million.

Total non-markup income of Your Bank increased by 18% to reach at Rs. 13,370 million for the half year ended June 30, 2024, compared to Rs. 11,308 million for the corresponding half year ended June 30, 2023. The increase in non-markup income was driven by higher fee income, other income, capital gains and dividend income, partially offset by lower foreign exchange income.

Fee income registered an increase of 28%, reaching Rs. 6,478 million as of June 30, 2024, up from Rs. 5,055 million as of June 30, 2023. This growth was driven by higher card-related fees, branch banking customer fees, commission income from remittances and trade.

Capital gains significantly expanded by Rs. 627 million, or 297% to Rs. 838 million for the half year ended June 30, 2024, up from Rs. 211 million as of June 30, 2023, driven by higher gains on federal government securities and Euro bonds. Dividend income for the half-year under review reached Rs. 1,642 million showing an increase of 1% over the corresponding half year ended June 30, 2023.

Foreign exchange income of Your Bank reached Rs. 4,075 million for the half-year ended June 30, 2024, compared to Rs. 4,360 million for the corresponding half-year, marking a decrease of 7%. Other income stood at Rs. 337 million for the half-year ended June 30, 2024, primarily due to disposal of property.

Growth in administrative expenses was restricted to 17%, reaching Rs. 28,390 million for the half-year ended June 30, 2024, compared to Rs. 24,263 million for the corresponding half-year ended June 30, 2023. This increase is attributed to higher salaries & benefits expenses, depreciation, advertisement, Workers' Welfare Fund, fees and subscriptions, utilities expenses, and repair and maintenance.

Profit before taxation of Your Bank was recorded at Rs. 46,510 million for the half-year ended June 30, 2024, compared to Rs. 35,204 million for the half-year ended June 30, 2023, marking an appreciable increase of 32%. Profit after taxation for the half-year ended June 30, 2024 was registered at Rs. 23,641 million, in comparison with Rs. 17,443 million for the half year ended June 30, 2023, depicting a significant growth of 36%.

Director's Review

Earnings per share of Your Bank stood at Rs. 20.65 during the half-year June 30, 2024, compared to Rs. 15.23 during the half-year ended June 30, 2023.

Your Bank is committed to a hybrid expansion approach that blends "digital" and "brick-and-mortar" banking operations, with an increased focus on digital banking products and services. The Bank operates a large ATM network consisting of 1,572 machines, including 1,325 on-site, 242 off-site, and 5 Mobile Banking Units (MBU). As of the end of the second quarter, the Bank's branch outreach expanded to 1,493 branches, comprising 1,360 conventional, 133 Islamic banking branches and 14 digital branches.

Total assets of Your Bank stood at Rs. 2,517,872 million as of June 30, 2024, reflecting a growth of 8% from Rs. 2,329,317 as of December 31, 2023. The main increase was observed in lending to financial institutions, balances with other banks, investments and other assets. Net assets of Your Bank increased by 12% to Rs. 218,528 million as of June 30, 2024, up from Rs. 194,254 million as of December 31, 2023.

Gross advances and net advances reached Rs. 786,681 million and Rs. 772,967 million respectively, while the non-performing advances portfolio stood at Rs. 12,427 million as of June 30, 2024. This compares to Rs. 794,138 million, Rs. 781,597 million and Rs. 13,039 million, respectively, as of December 31, 2023.

Your Bank continued its efforts to maintain a low infection ratio and a high overall coverage ratio which stood at 1.58% and 110.35%, respectively, as of June 30, 2024. No FSV benefit was availed while determining provisions against non-performing loans, as allowed under guidelines of SBP.

Deposits of the Bank stood at Rs. 1,877,473 million as of June 30, 2024, compared to Rs. 1,676,623 as of December 31, 2023, registering robust growth of 12%.

A healthy growth of 12% was also witnessed in total investments of Your Bank which stood at Rs. 1,283,420 million as of June 30, 2024, compared to Rs. 1,150,318 million as of December 31, 2023. This mainly pertains to increase in Pakistan Investment Bonds and higher revaluation gains partially offset by lower treasury bills.

Lendings to financial institutions stood at Rs. 28,094 million as of June 30, 2024, compared to Rs. 9,418 million as of December 31, 2023 due to higher Repo and Musharakah lendings, partially offset lower Call Money lendings.

Return on Assets of Your Bank improved to 2.0% as of June 30, 2024, compared to 1.79% as of December 31, 2023. Return on Equity stood at 29.6% as of June 30, 2024, compared to 29.4% as of December 31, 2023. Capital Adequacy Ratio of Your Bank was 30.10% as of June 30, 2024, compared to 26.21% as of December 31, 2023.

Future Outlook

Global Growth is expected to remain stable, with risks to the growth outlook balanced. Policymakers are facing key challenge to slow down inflation and bring back the prices to a normal.

On the domestic front, moderate improvement in economic activity has been witnessed during fiscal year 2024. Supported by recent rate cuts in June and July 2024, LSM, Auto, POL and service sector are expected to show positive growth in the medium to long term.

The Monetary Policy Committee (MPC) of the State Bank of Pakistan assessed Pakistan's real GDP growth in the range of 2.5%-3.5% for FY2025. The MPC aims to achieve the medium-term target of 5%-7% inflation, driven by positive indicators, paving the way for further policy rate cuts by the end of the year.

Allied bank is committed to achieving excellence in providing world-class banking by maintaining a robust risk management framework, ensuring regulatory compliance with both local and international requirements and implementing a sound business strategy supported strong technological infrastructure and digital services excellence. This dedication has led Your Bank to win awards on various international forums during the half-year under review:

- Best Domestic Bank in Pakistan 2024 – by FinanceAsia Country Awards.
- Most Diversity Equity Inclusion Progressive Bank 2024 – by FinanceAsia Country Awards.
- Most Innovative use of Technology 2024 – by FinanceAsia Country Awards.
- Best Bank for Financial Inclusion 2024 – by FinanceAsia Country Awards.
- Best Sustainable Bank 2024 – by FinanceAsia Country Awards.
- Best Digital Bank 2024 - Euromoney Awards for Excellence
- Best Domestic Islamic Bank 2024 - Euromoney Islamic Finance Awards
- Best Customer Relationship Management (CRM) Technology Award - Pakistan Digital Awards
- Best Augmented & Virtual Reality – ABL Metaverse Branch at the Pakistan Digital Awards 2024 - Pakistan Digital Awards
- Best Deals - Significant Deal(s) of the Year - The Asset Triple A Awards for Sustainable Finance.
- Syndicated Loan of the Year - ABF Corporate & Investment Banking Awards

Entity Rating

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

Corporate Governance Rating

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

Board of Directors

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

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

Acknowledgement

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

We would also like to extend appreciation to our colleagues for their diligent work towards meeting customer expectations and their dedication towards achieving the

Bank's goals and objectives.

For and on behalf of the Board of Directors.

Aizid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: August 21, 2024

ڈائریکٹرز کا تجزیہ

معزز شیئر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2024ء کو اختتام پذیر ہونے والی مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور صحیح مندرجہ ذیل جدول میں درج ہے:

ششماہی مختصر 30 جون			
نمبر	2023	2024	
%	ملین روپے		
36	17,443	23,641	رواں مدت کا منافع بعد از ٹیکس
28	79,653	102,080	گزشتہ جمع شدہ منافع
100	1	2	غیر بینکاری اثاثہ جات کی قدر دیکھنا سے غیر تصروف شدہ منافع میں منتقلی خالص از ٹیکس
154	35	89	مستحق اثاثہ جات کی قدر دیکھنا سے غیر تصروف شدہ منافع میں منتقلی خالص از ٹیکس
(100)	43	-	مستحق فوائد کی ذمہ داری کی دوبارہ دیکھنا سے حاصل شدہ آمدنی۔ خالص از ٹیکس
100	-	2	قدر دیکھنا سے حاصل شدہ منافع کی فروخت سے حاصل سرپلس۔ خالص از ٹیکس
100	-	1,000	ایکویٹی سرمایہ کاری کی فروخت سے سرپلس میں منتقلی۔ خالص از ٹیکس
30	97,175	126,814	تصرف کے لیے دستیاب منافع
60	(2,863)	(4,580)	حقیقی کیش ڈیویڈنڈ برائے سال مختصر 31 دسمبر 2023 - 4.00 روپے فی حصص (سال مختصر 31 دسمبر 2022 - 2.50 روپے فی حصص)
60	(2,863)	(4,580)	پہلا عبوری کیش ڈیویڈنڈ برائے سال مختصر 31 دسمبر 2024 - 4.00 روپے فی حصص (سال مختصر 31 دسمبر 2023 - 2.50 روپے فی حصص)
36	(1,744)	(2,364)	ضوابطی ریزرو میں منتقلی
29	89,705	115,289	آگے منتقل کیا گیا جمع شدہ منافع
36	15.23	20.65	فی حصص آمدنی (EPS) روپے

بورڈ نہایت مسرت سے 4.00 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے جو کہ 4.00 روپے فی شیئر کے پہلے عبوری ڈیویڈنڈ، جس کی پیشتر ادائیگی کی جا چکی ہے، کے علاوہ ہے۔ 30 جون 2024ء کو اختتام پذیر ہونے والی مالیاتی نتائج میں 8 روپے، فی حصص ری (30 جون 2023ء 5 روپے فی حصص)

معاشی تجزیہ:

جدید معیشتوں اور اجمرتی منڈیوں دونوں میں ایک مدت سے درپیش پابندیوں کے بعد عالمی معیشت استحکام کے اشارے ظاہر کر رہی ہے۔ بلند پالیسی ریٹ، افراط زر کے دباؤ، عالمی روایہ کے بعد کے دور میں بھی رسد کی ترسیل میں مائل رکاوٹوں اور جغرافیائی و سیاسی دباؤ کے تسلسل کا سامنا کرنے کے باوجود، عالمی معاشی سرگرمی سال 2024ء کے اوائل سے ہی تیزی پکڑنا شروع ہو گئی ہے۔ بین الاقوامی ماہی فیروزہ (آئی ایم ایف) نے عالمی نمو کی شرح کی پیش بینی کو 3.2 فیصد کی سطح پر برقرار رکھا ہے۔ تاہم، سال 2025ء میں اس کی شرح میں 0.1 فیصد کے متوقع اضافے کی بنیاد پر اس متعلقہ سال کے لیے اس کی شرح کو 3.3 فیصد پر تخمینہ کیا گیا ہے۔

عالمی افراط زر میں اگرچہ کمی دیکھی جا رہی ہے تاہم، جدید معیشتوں میں اس کی رفتار توقع سے کہیں کم ہے۔ چنانچہ، اجمرتی منڈیوں اور ترقی پذیر معیشتوں میں جدید معیشتوں کی نسبت افراط زر کی شرح میں بلند پروازی برقرار رکھنے کی توقع ہے۔

داخلی ماہی، آئی ایم ایف نے پاکستان کی جی ڈی پی کی نمو کے بارے میں اپریل 2024ء میں کہتے ہوئے اپنے ساتھ تجزیے کو برقرار رکھتے ہوئے سال 2024ء کے لیے اسکی شرح 2.0 فیصد اور سال 2025ء کے لیے 3.5 فیصد پر اندازہ کیا ہے۔ تاہم، افراط زر میں کمی، بنیادی مالیاتی اکاؤنٹ میں سرپلس، کرنٹ اکاؤنٹ خسارے میں نمایاں کمی، غیر ملکی زرمبادلہ کے ذخائر میں اضافے اور آئی ایم ایف کے ساتھ اسٹیڈیائی انگریجمنٹ کی کامیاب تکمیل جیسے معاشی اشاریوں میں بہتری کے باعث معیشت بحالی اور استحکام کی راہ پر گامزن ہے۔

بڑے پیمانے کی پیداوار کی صنعت کے شعبے نے، جاری خدمات کے باوجود، بحالی کے اشاریے ظاہر کر دیے ہیں اور مالی سال 2023ء کے جولائی تا مئی کے عرصے کے 9.6 فیصد کے سکڑاؤ کے مقابلے میں مالی سال 2024ء کے جولائی تا مئی کے عرصے میں 1.0 فیصدی نمو حاصل کی۔ مئی 2024ء کے دوران، بڑے پیمانے کی پیداوار کی صنعت میں، سال بہ سال 7.3 فیصدی نمو حاصل ہوئی۔ ملباسات، فارما، کونسلے، بیٹریوں پر ڈاکٹس، کھاد اور فرنیچر کے شعبوں میں ہونے والی کارکردگی کا اس بڑھتی ہوئی بنیادی کردار رہا۔

مالی سال 2024ء میں زرعی قرضوں میں خاطر خواہ اضافہ دیکھا گیا۔ جو کہ گزشتہ سال کے مقابلے میں مالی سال 2024ء کے جولائی تا مئی کی مدت کے دوران 26 فیصد کے اضافے کے اندراج کے ساتھ 1,973 بلین روپے کے حجم پر ریکارڈ ہوئے۔

کرنٹ اکاؤنٹ میں مالی سال 2024ء کے دوران نمایاں بہتری دیکھی گئی۔ کرنٹ اکاؤنٹ کے خسارہ 30 جون 2023ء تک کے 3.3 بلین امریکی ڈالرز کے مقابلے میں 30 جون 2024ء تک 79 بلین امریکی ڈالر پر درج کیا گیا۔

بیرونی ماہی پیداوار، خدمات کی درآمدات 3 فیصد کے اضافے کے ساتھ 30 جون 2024ء کو اختتام پذیر مالی سال کے لیے 63 بلین امریکی ڈالر پر درج ہوئیں اسکے مقابلے میں 30 جون 2023ء کو اختتام پذیر مالی سال کے لیے اس کا حجم 61 بلین امریکی ڈالر تھا۔

اشیاء و خدمات کی برآمدات مالی سال 2023ء کے دوران کی 35 بلین امریکی ڈالرز کی سطح سے 10 فیصد کے اضافے کے ساتھ مالی سال 2024ء کے دوران 39 بلین امریکی ڈالرز پر درج ہوئیں۔ پاکستان کے ادارہ شماریات کے مطابق جن اشیا میں مثبت نمو دیکھی گئی ان میں چاول، مچل، کانٹینر اور پلاسٹک خام مال شامل ہے۔ سال بہ سال کی بنیاد پر، اشیا و خدمات کی برآمدات میں جون 2023ء کے 2.7 بلین امریکی ڈالرز کے حجم کی نسبت جون 2024ء میں 14 فیصد کی توانا نمو کے ساتھ 3.1 بلین امریکی ڈالرز کا حجم درج ہوا۔

اس بنا پر تجارتی خسارے میں 6 فیصد کی کمی واقع ہوئی جو کہ 30 جون 2023ء کو اختتام پذیر مالی سال کے 26 بلین امریکی ڈالرز کے خسارے کے مقابلے میں 30 جون 2024ء کو اختتام پذیر مالی سال تک 24 بلین امریکی ڈالر پر جا پہنچا۔

مالی سال 2024ء کے دوران افرادی ترسیلات زر مالی سال 2023ء کے دوران حاصل شدہ 27 بلین امریکی ڈالر کے حجم سے 11 فیصد کے اضافے کے اندراج کے ساتھ 30 بلین امریکی ڈالر پر جا پہنچیں۔ جس میں سعودی عرب سے موصول ہونے والی ترسیلات کاسب سے زیادہ حصہ رہا۔ سال بہ سال کی بنیاد پر افرادی ترسیلات میں جون 2023ء کے 2 بلین امریکی ڈالرز کے حجم کے مقابلے میں جون 2024ء میں 44 فیصد کی نمو کے ساتھ ان کا حجم 3 بلین امریکی ڈالر پر درج ہوا۔

غیر ملکی براہ راست سرمایہ کاری 30 جون 2023ء کو اختتام پذیر مالی سال کے دوران کی 1,627 بلین امریکی ڈالرز کی سطح کی نسبت 30 جون 2024ء کو اختتام پذیر مالی سال کے دوران 17 فیصدی نمو ظاہر کرتے ہوئے 1,902 بلین امریکی ڈالر پر ریکارڈ ہوئی۔ آسٹریلیا اور ہانگ کانگ اس نمو کے نمایاں حصدار تھے۔ مئی شعبے کی غیر ملکی پورٹ فولیو سرمایہ کاری میں 120 بلین امریکی ڈالر کا بہاؤ ریکارڈ کیا گیا ہے۔ جبکہ سرکاری شعبے کی غیر ملکی پورٹ فولیو سرمایہ کاری میں مالی سال 2024ء کے دوران 503 بلین امریکی ڈالر کا خالص بہاؤ درج ہوا۔ جون 2024ء میں غیر ملکی براہ راست سرمایہ کاری میں، سال بہ سال کی بنیاد پر، 38 فیصدی نمو دیکھی گئی جو کہ جون 2023ء کے 122 بلین امریکی ڈالرز کے مقابلے میں 169 بلین امریکی ڈالر پر پہنچی گئی۔

اسٹیٹ بینک آف پاکستان کے خالص غیر ملکی زرمبادلہ کے ذخائر اور کل دستیاب غیر ملکی زرمبادلہ کے ذخائر 30 جون 2024ء تک بالترتیب 13,997 بلین امریکی ڈالر اور 9,390 بلین امریکی ڈالر پر درج ہوئے۔ جبکہ اس کے مقابلے میں 30 جون 2023ء تک ان کا حجم بالترتیب 9,160 بلین امریکی ڈالر اور 4,445 بلین امریکی ڈالر رہا تھا۔

مئی سہ ماہی (2م) 30 جون 2023ء تک کے 31,523 بلین روپے کی سطح سے، سال بہ سال کی بنیاد پر، 16 فیصد کی نمو کے ساتھ 30 جون 2024ء تک 36,585 بلین روپے پر ریکارڈ کی گئی۔ 30 جون 2024ء تک کرنسی کی سرکولیشن کا حجم 9,153 بلین روپے رہا جو کہ 30 جون 2023ء کے 149,9 بلین روپے کی

سطح کے تقریباً برابر ہے۔

مالیاتی حوالے سے، وفاقی ٹیکس کی خالص عبوری وصولیوں میں 30 فیصد کی نمو دیکھی گئی جو کہ پچھلے سال کی 16,155 ملین روپے سے 27 فیصد کے اضافے کے ساتھ مالی سال 2024ء میں 20,476 ملین روپے پر پہنچ گئے۔ جس کے نتیجے میں مجموعی بجٹ خسارہ 30 جون 2023ء کے 6,521 ملین روپے کے مقابلے میں 11 فیصد کی نمو کے ساتھ 30 جون 2024ء کو اختتام پذیر مالی سال تک 7,207 ملین روپے پر درج ہوا۔ بجٹ خسارہ 30 جون 2023ء کو اختتام پذیر مالی سال کی 7.7 فیصد کی شرح کے تناسب میں 30 جون 2024ء کو اختتام پذیر سال کے لیے کم ہوتے ہوئے بجی ڈی پی کی 6.8 فیصد کی شرح پر درج ہوا۔

اسٹاک مارکیٹ نے ستمبر 2023ء سے جون 2024ء سے جاری اپنی بلند روش کے عمل کو جاری رکھا۔ کے ایس ای - 100 انڈیکس جون 2024ء کے اختتام پر 78,445 پوائنٹس پر بند ہوا اور پاکستان اسٹاک ایکسچینج کی مارکیٹ کیپٹلائزیشن 30 جون 2024ء تک 60,375 ملین روپے پر پہنچ گئی۔

امریکی ڈالر کے مقابلے میں پاکستانی روپے کی شرح تبادلہ میں اگست 2023ء سے کئی کاراجان دیکھا جا رہا ہے اور 9 فیصد کی افزائش کے ساتھ یہ اپریل 2024ء سے استحکام برقرار رکھتے ہوئے 30 جون 2024ء تک 278.34 روپے ڈالر پر درج کی گئی۔

بیرونی اکاؤنٹ میں ہونے والی بہتری، غیر ملکی زرمبادلہ کے ذخائر میں اضافہ، افراط زر میں کمی کے مقابلے امریکی ڈالر اور پاکستانی روپے کی شرح تبادلہ سمیت تمام عوامل مل کر پالیسی ریٹ پر اثر انداز ہوئے۔ چنانچہ اسٹیٹ بینک آف پاکستان نے جون 2023ء سے 22 فیصد کی شرح پر برقرار پالیسی ریٹ میں جولائی 2024ء کے دوران کمی کرتے ہوئے اسے 19.5 فیصد کی شرح پر گھٹا کر دیا۔

کنزیومر پرائس انڈیکس افراط زر جنرل (سی پی آئی) جون 2023ء کی 29.4 فیصد کی شرح اور گذشتہ مہینے کی 11.8 فیصد کی شرح کے مقابلے میں جون 2024ء کے دوران سال بہ سال کی بنیاد پر، اضافے کے ساتھ 12.6 فیصد پر جا پہنچا۔ ماہانہ بنیاد پر، اس کی شرح میں جون 2023ء میں 0.3 فیصد کی کمی اور پچھلے مہینے کی 3.2 فیصد کی کمی کی نسبت جون 2024ء کے دوران 0.5 فیصد کا اضافہ دیکھا گیا۔

مالیاتی تجزیہ :

بینکاری کے شعبے نے سال 2024ء کی پہلی ششماہی کے دوران بہتر کارکردگی کا مظاہرہ کیا۔ اپنے اثاثہ جات کی اساس میں 12 فیصد کی وسعت حاصل کرتے ہوئے ان کا حجم 31 دسمبر 2023ء تک 45,183 ملین روپے کی سطح سے بڑھتے ہوئے 30 جون 2024ء تک 50,403 ملین روپے پر پہنچ گیا۔ سرمایہ کاری 31 دسمبر 2023ء کے 25,280 ملین روپے کے مقابلے میں اس ششماہی کے اختتام پر 19 فیصد کے اضافے کے ساتھ 30,171 ملین روپے پر جا پہنچی۔ تاہم، بینکاری کی صنعت کے کل قرضہ جات 31 دسمبر 2023ء تک 12,352 ملین روپے سے 1 فیصد کی بہتری ریکارڈ کرتے ہوئے 30 جون 2024ء تک 12,435 ملین روپے پر درج ہوئے۔ واجبات کے حوالے سے، کل ڈیپازٹس 31 دسمبر 2023ء تک کے 27,841 ملین روپے کی نسبت سال 2024ء کی دوسری سہ ماہی کے اختتام پر 12 فیصد کی نمو کے اعداد و شمار کے ساتھ 31,122 ملین روپے پر جا پہنچے۔

الائبرٹ بینک اپنے صارفین کو عالمی معیار کی بہترین خدمات کی فراہمی اور ان کی اولین ترجیح کا ٹیک بننے کے لیے سرگرم رہا ہے اور صنعت کے لیے باہمی اور مثبت کردار ادا کرنے کے لیے پرعزم اور خواہاں ہے۔ ان تمام کوششوں کا محور معاشرے کی شمولیت میں اضافے اور ایک پائیدار مستقبل کے فروغ پر مرکوز ہے۔

آپکے بینک کی کارکردگی میں 30 جون 2024ء کو اختتام پذیر ششماہی کے دوران بلند نمو کا رجحان برقرار رہا۔ اپنے اوسط پیداواری اثاثہ جات میں مثبت مقداری نمو جسے بہتر ہوتے سپرڈ اور سرمایہ کاری کے مدنی انتظام کی مزید ترقی کا تعاون حاصل رہا، کی بدولت بینک نے 30 جون 2024ء کو اختتام پذیر ششماہی میں 192,352 ملین روپے کی بلند مارک اپ آمدنی حاصل کی۔ یہ 30 جون 2023ء کو اختتام پذیر ششماہی کے 169,131 ملین روپے کے حجم سے 14 فیصد کی بڑھتی ہوئی کو ظاہر کرتی ہے۔

سال 2024ء کی پہلی ششماہی کے دوران، مارک اپ انٹرسٹ اخراجات سال 2023ء کی پہلی ششماہی کی تقابلی مدت کے 118,228 ملین روپے کی نسبت 13 فیصد کا اضافہ ظاہر کرتے ہوئے 133,871 ملین روپے تک بڑھ گئے۔ اس میں ڈیپازٹس کی مقدار میں اضافے کے باعث ڈیپازٹس کی لاگت کے بڑھنے کا نمایاں کردار رہا اگرچہ حاصل کردہ قرضہ جات سے مختلف اخراجات میں کمی نے جزوی طور پر زائل بھی کیا۔ جس کے نتیجے میں، خالص مارک اپ اور انٹرسٹ آمدنی اپنی تقابلی ششماہی سے 15 فیصد کی نمو کو درج کرتے ہوئے 58,481 ملین روپے پر ریکارڈ کی گئی۔

آپ کے بینک کی کل نان مارک اپ آمدنی 30 جون 2023ء کو اختتام پذیر شدہائی کے 11,308 ملین روپے کے حجم سے 18 فیصد کے اضافے کے ساتھ 30 جون 2024ء کو اختتام پذیر شدہائی میں 13,370 ملین روپے پر درج ہوئی۔ نان مارک اپ آمدنی میں اس اضافے میں بلند فیس آمدنی، دیگر آمدنی، کیپٹل گین اور ڈیویڈنڈ آمدنی کا بنیادی کردار رہا جسے فارن ایکسیج آمدنی میں کمی نے جزوی طور پر زائل کیا۔

فیس آمدنی 30 جون 2023ء تک کے 5,055 ملین روپے کے حجم سے 28 فیصد کے اضافے کے ساتھ 30 جون 2024ء تک 6,478 ملین روپے پر پہنچ گئی۔ اس اضافے میں کارڈ سے متعلق آمدنی کی بڑھتی، برانچ بینکنگ کے صارفین کی فیس، ترسیلات اور تجارت سے حاصل ہونے والی کمیشن آمدنی کی اہم شمولیت رہی۔

کیپٹل گین میں 627 ملین روپے یعنی 297 فیصد کی نمایاں وسعت حاصل ہوئی اور یہ 30 جون 2023ء کی 211 ملین روپے کی سطح سے 30 جون 2024ء کو اختتام پذیر شدہائی میں 838 ملین روپے پر شمار کی گئی۔ جس میں وفاقی حکومت کے تسکات اور یورو بانڈز سے حاصل ہونے والے بلند گین کا نمایاں کردار رہا۔ اس زریعہ پر شدہائی کے دوران ڈیویڈنڈ آمدنی 30 جون 2023ء کو اختتام پذیر شدہائی سے 1 فیصد اضافے کے ساتھ 1,642 ملین روپے پر درج ہوئی۔

آپ کے بینک کی فارن ایکسیج آمدنی اپنی قابل شدہائی کے 360,4 ملین روپے کے حجم سے 7 فیصد کے اضافے کے ساتھ 30 جون 2024ء کو اختتام پذیر شدہائی میں 4,075 ملین روپے پر ریکارڈ ہوئی۔ جائیداد کی فروخت کی بنیادی وجہ کے باعث دیگر آمدنی 30 جون 2024ء کو اختتام پذیر شدہائی کے دوران، 337 ملین روپے پر چاٹھی۔

انتظامی اخراجات اپنی قابل شدہائی کے 24,263 ملین روپے کے حجم سے 17 فیصد کے اضافے کے ساتھ 30 جون 2024ء کو اختتام پذیر شدہائی میں 28,390 ملین روپے پر درج ہوئے۔ اس اضافے کی بنیادی وجہ میں تنخواہوں اور دیگر فوائد کے اخراجات، فرسودگی، ایڈوائزمنٹ (تعمیر)، ورکرز ویلفیئر فنڈ، فیس و سبسکرپشن، پولیسیٹرز کے اخراجات اور مرمت و دیکھ بھال کے اخراجات میں ہونے والی بڑھتی تھی۔

آپ کے بینک کا منافع قبل از ٹیکس 30 جون 2023ء کو اختتام پذیر شدہائی کے 35,204 ملین روپے سے 32 فیصد کی شاندار نمو کے ساتھ 30 جون 2024ء کو اختتام پذیر شدہائی تک 46,510 ملین روپے ہوا۔ منافع بعد از ٹیکس 30 جون 2023ء کو اختتام پذیر شدہائی کے 17,443 ملین روپے سے 36 فیصد کی قابل قدر نمو کے ساتھ 30 جون 2024ء کو اختتام پذیر شدہائی تک 33,641 ملین روپے پر درج ہوا۔

آپ کے بینک کی فی کس آمدنی 30 جون 2023ء کو اختتام پذیر شدہائی کی 15.23 فیصد کی شرح کے مقابلے میں 30 جون 2024ء کو اختتام پذیر شدہائی کے دوران 20.65 فیصد پر شمار ہوئی۔

آپ کا بینک اپنی وسعت کی دہری حکمت عملی پر عمل پیرا ہے جو کہ ڈیجیٹل اور برک اینڈ مارٹ بینکنگ آپریٹرز دونوں کا استخراج ہے اور جس میں ڈیجیٹل بینکنگ کی پراڈکٹس اور خدمات پر خصوصی توجہ مرکوز ہے۔ بینک 1,572 شیڈوں پر مشتمل ایک وسیع ای سی ٹی ایگز کے نیٹ ورک سے مستفید ہے۔ جس میں 1,325 آن سائٹ، 242 آف سائٹ اور 5 سو بائل بینکنگ پینٹ شال ہیں۔ سال کی دوسری سہائی کے اختتام پر بینک کی برانچوں کی تعداد بڑھنے ہوئے 1,493 برانچوں پر پہنچ گئی جس میں 1,360 رواپتی، 113 اسلامک بینکنگ برانچیں اور 14 ڈیجیٹل برانچیں شامل ہیں۔

30 جون 2024ء تک آپ کے بینک کے کل اثاثہ جات 31 دسمبر 2023ء کی 2,329,317 ملین روپے کی سطح سے 8 فیصد کے اضافے کو ظاہر کرتے ہوئے 2,517,872 ملین روپے پر ریکارڈ ہوئے۔ اس میں زیادہ اضافہ مالیاتی اداروں کو فراہم کیے گئے قرضوں، دیگر بینکوں کے ساتھ پیلیٹس، سرمایہ کاری اور دیگر اثاثہ جات میں دیکھا گیا۔ آپ کے بینک کے خالص اثاثہ جات 31 دسمبر 2023ء تک سے 194,254 ملین روپے کے حجم سے 12 فیصد کے اضافے کے ساتھ 30 جون 2024ء تک 218,528 ملین روپے پر درج ہوئے۔

کل قرضہ جات اور خالص قرضہ جات کا حجم بالترتیب 786,681 ملین روپے اور 772,967 ملین روپے رہا۔ جبکہ غیر فعال قرضہ جات کا پورٹ فولیو 30 جون 2024ء تک 12,427 ملین روپے پر درج ہوا۔ اس کے مقابلے میں 31 دسمبر 2023ء تک ان کا حجم بالترتیب 794,138 ملین روپے، 781,597 ملین روپے اور 13,039 ملین روپے تھا۔

آپ کا بینک انٹرنیشنل کی کم شرح اور ایک بلند مجموعی کوریج کی شرح کو برقرار رکھنے کے لیے مسلسل کوشاں ہے جو کہ 30 جون 2024ء تک بالترتیب 1.58 فیصد اور 110.35 فیصد پر درج ہوئے۔ اسٹیٹ بینک پاکستان کی گائیڈ لائنز میں اجازت کے باوجود، غیر فعال قرضوں کے لیے اخراجات (پروویژن) کا تعین کرتے ہوئے جبری فروخت کے فوائد کو شمار نہیں کیا گیا۔

بینک کے ڈیپازٹس 31 دسمبر 2023ء تک کی 1,676,623 ملین روپے کی سطح سے 12 فیصد کی مضبوط نمو کے ساتھ 30 جون 2024ء تک 1,877,473 ملین روپے پر جا پہنچے۔

آپ کے بینک کی سرمایہ کاری میں بھی 12 فیصد کی ایک تواتر بڑھتی دیکھی گئی جو کہ 31 دسمبر 2023ء کے 1,510,318 ملین روپے کے حجم کی نسبت 30 جون 2024ء تک 1,283,420 ملین روپے پر درج ہوئی۔ جس کی بنیادی وجہ پاکستان انوسٹمنٹ بانڈز میں اضافہ اور بلنڈ ریولوشن (قدر و پائائٹس) گین تھے جنہیں ٹریڈی بلز میں کیلئے کسی قدر زائل کر دیا۔

مالیاتی اداروں کو فراہم کیے گئے قرضوں میں ریپو اور مشارقہ قرضجات میں اضافے، نئے ترقی یافتہ طور پر کالہنی کے قرضجات کی کمی نے کسی قدر زائل کیا، کی بدولت 31 دسمبر 2023ء تک کی 9,418 ملین روپے کی سطح کے تناسب میں 30 جون 2024ء تک 28,094 ملین روپے کا حجم درج کیا گیا۔

آپ کے بینک کے اثاثجات کی آمدنی (ریٹرن آن ایسیٹ) 31 دسمبر 2023ء کی 1.1 فیصد کی سطح کی نسبت 30 جون 2024ء تک 0.2 فیصد پر ریکارڈ ہوئی۔ ایکویٹی کی آمدنی (ریٹرن آن ایکویٹی) 31 دسمبر 2023ء کی 29.4 فیصد کی سطح کی نسبت 30 جون 2024ء تک 29.6 فیصد درج ہوئی۔ آپ کے بینک کے سرمائے کی معقولیت (کسیٹل ایڈ کیوٹی) کی شرح 31 دسمبر 2023ء کی 26.21 فیصد کی سطح کی نسبت 30 جون 2024ء تک 30.10 فیصد پر پہنچ گئی۔

مستقبل کی پیش بینی:

عالمی نمونہ استحکام برقرار رہنے کی توقع ہے جس کے ساتھ نمو کی پیش بینی کو درپیش خطرات معتدل اور متوازن رہنے کی امید ہے۔ پالیسی سازوں کو افراط زر کی رفتار کو کم کرنے اور قیمتوں کو استحکام کے رخ پر لانے کے گلیڈی پیچنگز کا سامنا ہے۔

داخلی مجاہدہ، مالی سال 2024ء کے دوران معاشی سرگرمی میں درمیانی درجے کی بہتری کا مشاہدہ کیا گیا۔ جسے، جون اور جولائی میں ریٹ کی ٹوٹی، بڑے پیمانے کی پیداواری صنعت، آٹو انڈسٹری، پیٹرولیم پراڈکٹس اور خدمات کے شعبے جو کہ درمیانی سے طویل مدت میں متوقع طور پر مثبت نمو ظاہر کریں گے، کا تعاون بھی حاصل رہا۔

ایسٹ بینک آف پاکستان کی مائیٹری پالیسی کئی (ایم پی) نے مالی سال 2025ء کے لیے پاکستان کی حقیقی جی ڈی پی نمو کی شرح 2.5 فیصد تا 3.5 فیصد پر تجویز کی ہے۔ ایم پی سی بی کے اشاریوں کے تناظر میں افراط زر کو درمیانی مدت میں 5 فیصد تا 7 فیصد کی شرح کے ہدف تک لانے کا اعداد کیے ہوئے ہیں جس کی بدولت سال کے اختتام تک پالیسی ریٹ میں مزید کٹوتی کی راہ ہموار ہوگی۔

الائیز بینک خدمات کے تدارک کے مضبوط نظام کو برقرار رکھنے، داخلی اور بین الاقوامی دونوں مطلوبات کی ضوابطی تبدیلیات کے ساتھ اور ایک بہترین کاروباری حکمت عملی، نئے مضبوط ٹیکنالوجی ڈھانچے اور ڈیجیٹل خدمات کے اعلیٰ معیار کا تعاون حاصل ہو، کے ذریعے دنیا کی بہترین بینکاری کی خدمات کی فراہمی کے اعلیٰ پیمانوں کے حصول کے لیے پرعزم اور کوشاں ہے۔ آپ کے بینک نے اس عزم کی بدولت، اس زیر تجزیہ ششماہی کے دوران، کئی بین الاقوامی سطحوں پر ایوارڈ حاصل کیے ہیں:

- بیسٹ ڈومیسٹک بینک ان پاکستان 2024ء فنانس ایڈیٹوریٹس ایوارڈز کی جانب سے۔
- موست ڈائیورسٹی ایکویٹی انکلوژن پرائیویو بینک 2024ء
- موست ڈائیورسٹی ایکویٹی انکلوژن پرائیویو (Most Diversity Equity Inclusion Progressive) فنانس ایڈیٹوریٹس ایوارڈز کی جانب سے۔
- موست انووئیو یوز آف ٹیکنالوجی (Most Innovative Use of Technology) 2024ء فنانس ایڈیٹوریٹس ایوارڈز کی جانب سے۔
- بیسٹ بینک فار فنانشل انکلوژن 2024ء۔ فنانس ایڈیٹوریٹس ایوارڈز کی جانب سے۔
- بیسٹ سسٹین ایبل (Best Sustainable) بینک 2024ء۔ فنانس ایڈیٹوریٹس ایوارڈز کی جانب سے۔
- بیسٹ ڈیجیٹل بینک 2024ء۔ یورپی ایوارڈز فار ایکسی لینس کی جانب سے۔
- بیسٹ ڈومیسٹک اسلامک بینک 2024ء۔ یورپی اسلامک فنانس ایوارڈز کی جانب سے۔
- بیسٹ کسٹمر ریلیشن شپ مینجمنٹ (سی آر ایم) ٹیکنالوجی ایوارڈ۔ (Best Customer Relationship Management (CRM)) پاکستان ڈیجیٹل ایوارڈز کی جانب سے۔
- بیسٹ ایڈیٹڈ ریئلٹی (Bset Augmented & Virtual Reality)۔
- ای سی ایل میٹاورس (Metaverse) براؤچ ایٹ وی پاکستان ڈیجیٹل ایوارڈز 2024ء۔ پاکستان ڈیجیٹل ایوارڈز کی جانب سے۔
- بیسٹ ڈیلز۔ گولڈ میٹ ڈیلز آف دی ایئر۔ (Significant Deals of the Year) دی ایسٹ ٹریڈ ایس ایوارڈز فار سسٹین ایبل فنانس

- سٹریکیٹ لون آف دی ایئر (Syndicate Loan of the Year) - اے بی ایف کارپوریٹ اینڈ انویسٹمنٹ بینکنگ ایوارڈز کی جانب سے۔

ابتدائی ریٹنگ:

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

کارپوریٹ گورننس ریٹنگ:

وی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی لیمنڈ نے الاہنڈ بینک لمیٹڈ (اے بی ایل) کی کارپوریٹ گورننس کی درجہ بندی کو برقرار رکھتے ہوئے زیادہ سے زیادہ 10 کے پیمانے میں سے "CGR-9++" کی سطح پر تین کیا ہے۔ کارپوریٹ گورننس کی "CGR-9++" کی یہ ریٹنگ بینک کے مضبوط اور مستحکم گورننس کے نظام (فریم ورک) پر مسلسل تین اور اعادہ کا مظہر ہیں۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز اور بورڈ کی ذیلی کمیٹیوں کی بناوٹ کو کارپوریٹ معلومات کے جزد میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو بورڈ یا اور انکی کمیٹی کے اجلاس میں شریک ہونے کے لیے ایک مناسب اور موزوں معاوضہ دیا جاتا ہے۔ معاوضے کا معیار ایسا نہیں ہے کہ جس سے یہ تاثر بھی ملے کہ کسی آزاد حیثیت پر کوئی سمجھوتا ممکن ہے اور یہ اسٹیٹ بینک آف پاکستان کی تین کردہ حدود کی مطابقت میں ہے۔ جو ڈائریکٹر اجلاس میں شریک نہیں ہوا اس کو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پر رولیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

تسلیم و تحسین:

بورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے، ہم اپنے معزز شیئر ہولڈرز اور قابل قدر صارفین کے الاہنڈ بینک پر اسکے اعتماد، سکیورٹی اینڈ ایکٹیو کیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رضامندی اور اعانت پر انتہائی خلوص سے شکر یہ ادا کرتے ہیں۔

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

مخائبہ و برائے بورڈ آف ڈائریکٹرز

محمد نعیم مختار

چیئرمین بورڈ آف ڈائریکٹرز

ایڈ ریڈ زاق گل

چیف ایگزیکٹو آفیسر

لاہور

21 اگست 2024

Independent Auditors' Review Report

To the members of Allied Bank Limited

REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Allied Bank Limited ("the Bank") as at 30 June 2024, and the related condensed interim unconsolidated statement of profit and loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "Condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

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

Conclusion

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

Other matter

The figures for the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the three months period ended 30 June 2024 and 2023 have not been reviewed by us and we do not express a conclusion on them, as we are required to review only the cumulative figures for the six-month period ended 30 June 2024.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Omer Chughtai.

EY Ford Rhodes
Chartered Accountants

Date: 28 August 2024

Lahore

UDIN: RR202410120T3JQwOAM0

UNCONSOLIDATED FINANCIAL STATEMENTS

for the half year ended June 30, 2024

Unconsolidated Statement of Financial Position

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	187,678,299	156,136,308
Balances with other banks	8	6,365,541	2,455,601
Lendings to financial institutions - net	9	28,094,416	9,418,003
Investments - net	10	1,283,419,689	1,150,318,089
Advances - net	11	772,967,403	781,597,230
Property and equipment	12	121,196,913	113,778,667
Right-of-use assets	13	7,906,453	8,287,055
Intangible assets	14	3,389,457	3,409,291
Deferred tax assets		-	3,821,594
Other assets - net	15	106,853,786	100,094,817
		<u>2,517,871,957</u>	<u>2,329,316,655</u>
LIABILITIES			
Bills payable	17	9,504,311	9,322,405
Borrowings	18	331,251,823	373,674,042
Deposits and other accounts	19	1,877,472,514	1,676,623,075
Lease liabilities	20	10,382,751	10,632,854
Sub-ordinated debt		-	-
Deferred tax liabilities - net	21	5,148,676	-
Other liabilities	22	65,584,076	64,809,815
		<u>2,299,344,151</u>	<u>2,135,062,191</u>
NET ASSETS		<u>218,527,806</u>	<u>194,254,464</u>
REPRESENTED BY			
Share capital	23	11,450,739	11,450,739
Reserves		40,094,463	37,961,636
Surplus on revaluation of assets - net of tax	24	51,693,586	40,039,632
Unappropriated profit		115,289,018	104,802,457
		<u>218,527,806</u>	<u>194,254,464</u>
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the half year ended June 30, 2024

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
Mark-up / return / interest earned	27	192,351,978	169,130,748	98,040,419	95,090,511
Mark-up / return / interest expensed	28	133,870,720	118,228,336	68,705,787	64,701,150
Net mark-up / interest income		58,481,258	50,902,412	29,334,632	30,389,361
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	6,478,012	5,055,146	2,928,997	2,537,157
Dividend income		1,642,435	1,633,632	666,094	754,402
Foreign exchange income		4,074,718	4,359,797	2,802,840	1,117,197
Income from derivatives		-	-	-	-
Gain on securities - net	30	838,259	211,106	535,457	33,274
Net gain / (loss) on derecognition of financial assets measured at amortized cost		-	-	-	-
Other income	31	336,670	48,358	101,596	22,529
Total non mark-up / interest income		13,370,094	11,308,039	7,034,984	4,464,559
Total income		71,851,352	62,210,451	36,369,616	34,853,920
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	27,228,005	23,370,451	14,425,927	12,114,652
Workers welfare fund		930,192	734,145	463,844	446,993
Other charges	33	231,769	158,672	121,896	80,661
Total non mark-up / interest expenses		28,389,966	24,263,268	15,011,667	12,642,306
Profit before credit loss allowance		43,461,386	37,947,183	21,357,949	22,211,614
Credit loss allowance / Provisions and write offs - net	34	(3,048,229)	2,743,624	(2,885,474)	433,847
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		46,509,615	35,203,559	24,243,423	21,777,767
Taxation	35	22,868,894	17,760,527	11,966,270	11,923,552
PROFIT AFTER TAXATION		23,640,721	17,443,032	12,277,153	9,854,215
In Rupees					
Basic and Diluted earnings per share	36	20.65	15.23	10.72	8.61

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the half year ended June 30, 2024

	Half Year Ended		Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees in '000			
Profit after taxation for the period	23,640,721	17,443,032	12,277,153	9,854,215
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	(231,245)	3,093,101	(3,138)	95,906
Movement in (deficit) / surplus on revaluation of investments - net of tax	-	(5,764,061)	-	4,328,560
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	2,353,545	-	(99,379)	-
	2,122,300	(2,670,960)	(102,517)	4,424,466
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	2,569,578	-	1,901,408	-
	2,569,578	-	1,901,408	-
Total comprehensive income	28,332,599	14,772,072	14,076,044	14,278,681

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the half year ended June 30, 2024

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Investments	Surplus on revaluation of Property and equipment	Non-banking assets	Un-appropriated profit	Total
	Rupees in '000								
Balance as at January 01, 2023 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,523,816	882,450	79,652,815	127,811,408
Profit after taxation for the half year ended June 30, 2023	-	-	-	-	-	-	-	17,443,032	17,443,032
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(5,764,061)	-	-	-	(5,764,061)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(248,344)	-	-	(248,344)
Effect of change in tax rate on revaluation surplus of non banking assets - net of tax	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	3,093,101	-	-	(5,764,061)	(248,344)	(2,700)	42,981	3,093,101
Transfer to statutory reserve	-	3,093,101	-	-	-	-	-	-	3,093,101
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	1,744,303	-	-	-	-	(1,744,303)	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,876)	-	34,876	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(644)	644	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	(5,725,370)	(5,725,370)
Balance as at June 30, 2023 (Un-audited)	11,450,739	8,426,341	27,840,516	6,000	(23,897,926)	22,240,596	879,105	89,704,675	136,650,047
Profit after taxation for the half year ended December 31, 2023	-	-	-	-	-	-	-	23,239,955	23,239,955
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of investments - net of tax	-	-	-	-	17,020,178	-	-	-	17,020,178
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	23,733,750	-	-	23,733,750
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	98,788	-	98,788
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	444,869	444,869
Effect of translation of net investment in foreign branches	-	(635,217)	-	-	-	-	-	-	(635,217)
	-	(635,217)	-	-	17,020,178	23,733,750	98,788	444,869	40,662,368
Transfer to statutory reserve	-	-	2,323,996	-	-	-	-	(2,323,996)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,217)	-	34,217	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(643)	643	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Third interim cash dividend for the year ended December 31, 2023 (Rs. 3 per ordinary share)	-	-	-	-	-	-	-	(3,435,221)	(3,435,221)
	-	-	-	-	-	-	-	(6,297,906)	(6,297,906)
Balance as at December 31, 2023 (Audited)	11,450,739	7,791,124	30,164,512	6,000	(6,877,748)	45,940,129	977,251	104,802,457	194,254,464
Effect of adoption of IFRS 9 - Note 3.1.1	-	-	-	-	7,824,133	-	-	(7,722,800)	5,101,333
Balance as at January 01, 2024 - as restated	11,450,739	7,791,124	30,164,512	6,000	946,385	45,940,129	977,251	102,079,657	199,355,797
Profit after taxation for the half year ended June 30, 2024	-	-	-	-	-	-	-	23,640,721	23,640,721
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of debt investments - net of tax	-	-	-	-	2,353,545	-	-	-	2,353,545
Surplus on revaluation of equity investments - net of tax	-	-	-	-	2,569,578	-	-	-	2,569,578
Effect of translation of net investment in foreign branches	-	(231,245)	-	-	-	-	-	-	(231,245)
	-	(231,245)	-	-	4,923,123	-	-	-	4,691,878
Transfer to statutory reserve	-	-	2,364,072	-	-	-	-	(2,364,072)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(89,438)	-	89,438	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(2,424)	-	2,424	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,792)	1,792	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	(999,648)	-	-	999,648	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2023 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(9,160,590)	(9,160,590)
Balance as at June 30, 2024 (Un-audited)	11,450,739	7,559,879	32,528,584	6,000	4,869,860	45,848,267	975,459	115,289,018	218,527,906

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		46,509,615	35,203,559
Less: Dividend income		(1,642,435)	(1,633,632)
		44,867,180	33,569,927
Adjustments:			
Net mark-up / interest income		(58,481,258)	(50,902,412)
Depreciation - Operating Fixed Assets		3,086,701	2,215,840
Depreciation - Non Banking Assets		13,564	5,016
Depreciation on right of use assets		915,081	876,352
Finance charges on leased assets		643,527	556,650
Amortization		306,880	285,588
Credit loss allowance and write offs	34	(3,045,929)	2,746,572
Unrealized (gain) / loss on revaluation of securities measured at FVTPL		(11,049)	10,346
Provision for workers welfare fund		930,192	734,145
Charge for defined benefit plans		74,021	236,838
Gain on disposal of right-of-use assets		(53,580)	-
Gain on disposal of property and equipment		(213,508)	(161)
		(55,835,358)	(43,235,226)
		(10,968,178)	(9,665,299)
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(18,676,413)	6,700,424
Securities classified as FVTPL		9,265,464	(6,418,032)
Advances		10,285,778	26,824,340
Other assets (excluding advance taxation)		6,090,950	(10,741,311)
		6,965,779	16,365,421
Increase / (Decrease) in operating liabilities			
Bills payable		181,906	(6,177,075)
Borrowings from financial institutions		(42,229,864)	(59,339,712)
Deposits		200,849,439	142,820,993
Other liabilities (excluding current taxation)		(8,673,898)	9,183,172
		150,127,583	86,487,378
		146,125,184	93,187,500
Income tax paid		(31,083,084)	(17,040,203)
Mark-up / interest received		185,697,383	150,041,322
Mark-up / interest paid		(127,292,428)	(111,588,859)
Defined benefits paid		(430,629)	(342,914)
Net cash flow generated from operating activities		173,016,426	114,256,846
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		4,378,452	(24,794,117)
Net investments in amortized cost securities		(121,146,095)	(188,862)
Investments in subsidiary		(1,000,000)	-
Dividend received		1,680,060	1,628,065
Investments in property and equipment and intangible assets		(12,494,462)	(6,878,081)
Disposals of property and equipment		1,946,555	14,505
Effect of translation of net investment in foreign branches		(231,245)	3,093,101
Net cash flow used in investing activities		(126,866,735)	(27,125,389)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right of use assets		(1,374,514)	(1,432,758)
Dividend paid		(9,127,120)	(5,706,496)
Net cash flow used in financing activities		(10,501,634)	(7,139,254)
Increase in cash and cash equivalents during the period		35,648,057	79,992,203
Cash and cash equivalents at beginning of the period		158,128,442	92,115,082
Effect of exchange rate changes on opening cash and cash equivalents		271,112	(1,197,459)
		158,399,554	90,917,623
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		194,047,611	170,909,826

The annexed notes 1 to 44 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

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 1,491 (December 31, 2023: 1,481) branches in Pakistan including 133 (December 31, 2023: 127) Islamic banking branches, 1 branch (December 31, 2023: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2023: 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 and ABL Exchange Company (Pvt.) Limited.

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

2. BASIS OF PRESENTATION

These unconsolidated condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 2 dated February 09, 2023. These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank are being issued separately.

The financial results of the Islamic banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions and balances. Key financial figures of the Islamic banking branches are disclosed in Note 41 to these unconsolidated condensed interim financial statements.

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

- 2.1.2 The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.1.3 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of 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 disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended December 31, 2023.
- 2.1.5 **Standards, interpretations and amendments to accounting standards that are effective in the current period**

During the year, the Bank has adopted IFRS 9 as applicable in Pakistan with effect from January 01, 2024 (refer note 3.2 for details). There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these unconsolidated condensed interim financial statements.

- 2.1.6 **Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective**

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Bank's financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2023, except as disclosed in Notes 3.1 and 3.2.

3.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for interim financial statements of banking companies. The new format has revised the disclosure requirements of the Bank for the half year ended June 30, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

3.2 IFRS 9 - Financial Instruments

The Bank has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) using modified retrospective approach with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and surplus on revaluation of assets - net of tax at the beginning of the current period without restating the comparative figures. The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 3.2.4.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

3.2.1 Scope of IFRS 9 application

IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 01, 2018. The requirements of this standard were already incorporated in the Bank's financial statements for the jurisdictions where IFRS 9 has been adopted.

Upon implementation of IFRS 9, the Banking Industry sought certain technical clarifications from SBP and also identified practical difficulties in implementation of certain areas of IFRS 9. The SBP vide its Circular No.16 dated July 29, 2024 with respect to these matters has allowed temporary extension in timeline with directions to implement IFRS 9 requirements before the end of the financial year other than valuation of unquoted equity securities which is required to be implemented from next financial year. The Banking Industry continues to engage SBP on remaining matters, including fair valuation of concessional loans and treatment of foreign currency balances with SBP, in the coming months to have more clarity on such areas. Accordingly, the Bank has continued to apply previous accounting practices in such areas for the purposes of preparation of these interim financial statements.

3.2.2 Significant differences from accounting policies applicable till December 31, 2023 before adoption of IFRS 9

3.2.2.1 Classification of financial assets

IFRS 9 introduced a new classification model for financial assets that is more principle-based than the previous requirements. Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. Instruments will be classified either at amortised cost, the newly established measurement category fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). For equity investment that are not held for trading, an election is available to the Bank to classify these either through FVTPL or FVOCI. The previous accounting policies were based on instrument by instrument classification into Held for trading, Held to maturity and Available for Sale categories as disclosed in Note 4.3 to the annual financial statements of the Bank.

3.2.2.2 Impairment of debt investments and loans and advances

The new IFRS 9 impairment requirements eliminate the previous approach for the recognition of credit losses, i.e., it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for ECLs, and updates the loss allowance for changes in these ECLs at each reporting date to reflect changes in credit risk since initial recognition. Consequently, the holder of the financial asset needs to take into account more timely and forward-looking information in order to provide users of financial statements with meaningful information about the ECLs on financial instruments that are in the scope of these impairment requirements. The previous impairment requirements were based solely on Prudential regulations of SBP as disclosed in Note 4.4 to the annual financial statements of the Bank.

3.2.2.3 Impairment of equity investments

Previously, investments classified as available for sale were required to be tested for impairment and if there is an objective evidence, impairment was required to be booked. Under IFRS 9 regime, no impairment is required against such investments which are carried at FVOCI as the gain or loss on remeasurement will permanently remain in OCI/Surplus on revaluation of Investments. The previous accounting policies are disclosed in Note 4.3 & 4.11 to the annual financial statements of the Bank.

3.2.3 Material accounting policies applicable from January 01, 2024 as a result of adoption of IFRS 9

3.2.3.1 Financial assets – initial recognition

Financial assets are initially recognized at fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit and loss account when the inputs become observable, or when the instrument is derecognised.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

3.2.3.2 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Financial assets at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

3.2.3.3 Financial assets at amortized cost

The Bank classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board/ Board Committees
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b) The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than trivial exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

3.2.3.4 Debt instruments at FVOCI

The Bank applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

3.2.3.5 Equity instruments at FVOCI

Upon initial recognition, the Bank elects to classify its equity investments at FVOCI which are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

3.2.3.6 Financial assets and financial liabilities at FVTPL

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
- not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

3.2.3.7 Financial liabilities at amortised cost

Financial liabilities with a fixed maturity are measured at amortised cost using the EIR method. These include Bills payable, Borrowings, Deposits and certain items within Other Liabilities.

3.2.3.8 Derecognition of financial assets

3.2.3.8.1 Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired.

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(Un-audited) for the half year ended June 30, 2024

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The gain/(loss) on derecognition of financial asset is calculated as the difference between the book value (including impairment) and the proceeds received.

3.2.3.8.2 Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

3.2.3.9 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

3.2.3.10 Impairment of financial assets

3.2.3.10.1 Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Bank has been recording the allowance for expected credit losses for all loans and other debt financial assets held at amortized cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

3.2.3.10.2 The calculation of ECLs

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognized, the Bank recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. However, for certain portfolios, the Bank has rebutted 30 DPD presumption based on behavioural analysis of its borrowers.

The key elements of ECL calculations are as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.
- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. For IFRS 9, the Bank only considers the liquid collaterals.

The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Bank considers three probability-weighted scenarios (a base case, a best case, and a worse case). Each of these is associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

3.2.3.10.3 Forward looking information

The Bank formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent macro economic inputs.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

3.2.4 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

The following table reconciles the carrying amount of financial assets from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024.

	Carrying amount as per accounting policy as at December 31, 2023	Classification under IFRS-09					
		AT FVTPL	At FVOCI- with recycling	At FVOCI- without recycling	At Amortized Cost	Remeasurement under IFRS 9	IFRS 9 carrying amount as at January 01, 2024
		Rupees in '000					
Cash and cash equivalents	158,591,909	-	-	-	158,591,909	(704)	158,591,205
Lendings to financial institutions	9,418,003	-	-	-	9,418,003	(3)	9,418,000
Advances	781,597,230	-	-	-	781,597,230	(2,830,487)	778,766,743
Investments in financial assets							
Held for trading	20,049,848	20,049,848	-	-	-	-	20,049,848
Held to maturity	59,797,669	-	-	-	59,797,669	120,334,806	180,132,475
Available for sale	1,069,970,572	34,454	946,914,037	18,798,989	104,223,092	(107,301,672)	962,668,900
Other financial assets							
Other financial assets	88,096,252	-	-	-	88,096,252	(48,085)	88,048,167
Other liabilities							
Other liabilities	(75,442,669)	-	-	-	(75,442,669)	(151,241)	(75,593,910)
	2,262,964,152	20,084,302	946,914,037	18,798,989	1,277,166,824	10,002,614	2,272,966,766

3.2.5 Impact on equity on adoption of IFRS 9

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity as at January 01, 2024 is increase in surplus on revaluation of assets of approximately Rs. 7,824.1 million and reduction in unappropriated profits of approximately Rs. 2,722.8 million. Following is the detail of the impact on respective item within equity:

Opening unappropriated profits

- A decrease of Rs. 3,115.641 million net of tax related to impairment requirements;
- An increase of Rs. 392.841 million net of tax related to classification and measurement changes.

Opening surplus on revaluation of assets

- An increase of Rs. 7,824.1 million net of tax related to classification and measurement changes.

3.2.6 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

(a) Open ended mutual funds previously classified as available for sale (AFS) has been reclassified to FVTPL

The Bank holds a portfolio of mutual funds investments which was earlier classified as available for sale (AFS) investments. However, upon implementation of IFRS 9, the Bank has elected to measure the investments as FVTPL reclassifying from available for sale which is permitted under IFRS 9. Therefore, these financial assets having a carrying value of Rs. 34.454 million have been reclassified.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

(b) Debt investments previously classified as available for sale (AFS) reclassified to amortized cost

'At the date of initial application of IFRS 9, an entity shall assess the business model and the contractual terms of the financial asset on the basis of facts and circumstances that exist at the transition date. The Bank has identified certain portfolio of federal government securities under AFS category which have been held to collect the contractual cash flows and the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding. As a result, financial assets having fair value amounting to Rs. 104,223.092 million have been reclassified to Amortized cost at Rs. 120,334.806 million, instead of FVOCI.

(c) Investment in debt securities previously designated at held for trading

The Bank holds investment of Rs. 20,049.848 million in a portfolio of debt securities which had previously been designated at held for trading as the debt securities were managed on a fair value basis. As part of the transition to IFRS 9, these securities are part of an 'other' business model and so required to be classified as FVTPL category under IFRS 9, instead of designated FVTPL category under existing local regulations.

(d) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate equity investments of Rs. 18,798.989 million in listed and unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(e) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- (i) Those previously classified as available for sale and now classified as measured at FVOCI; and
- (ii) Those previously classified as held to maturity and now classified as measured at amortised cost.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank for the year ended December 31, 2023, except for the adoption of IFRS 9 w.e.f January 01, 2024. These are disclosed in Note 4.1.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

4.1 Impairment losses on financial assets

Determination of expected credit losses is a significant estimate and involves the following judgments:

- Development of ECL models, including the various formulas and the choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis
- The Bank's internal credit grading model based on which PDs are assigned to the individual grades
- Qualitative and quantitative indicators used as SICR triggers
- The definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated
- Selection of forward-looking macroeconomic scenarios and their probability weightings
- Determination of economic inputs, such as GDP growth, Current Account Balance and CPI

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2023.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		35,514,323	34,864,260
Foreign currencies		1,908,219	3,877,058
		37,422,542	38,741,318
With State Bank of Pakistan (SBP) in			
Local currency current accounts		96,163,502	73,799,188
Foreign currency current accounts		79,662	149,569
Foreign currency deposit accounts (non-remunerative)		5,935,626	5,580,842
Foreign currency deposit accounts (remunerative)		12,009,599	11,695,327
		114,188,389	91,224,926
With National Bank of Pakistan in			
Local currency current accounts		35,431,344	25,519,660
Prize Bonds			
Credit loss allowance held against cash and balances with treasury banks		636,024	650,404
Cash and balances with treasury banks - net of credit loss allowance		187,678,299	156,136,308
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	7,500
Outside Pakistan			
In current accounts		5,700,615	1,931,547
In deposit accounts		661,197	516,554
		6,361,812	2,448,101
Credit loss allowance held against balances with other banks		(3,771)	-
Balances with other banks - net of credit loss allowance		6,365,541	2,455,601
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		-	1,000,000
Repurchase agreement lendings (Reverse Repo)		26,094,417	8,418,003
Musharaka lendings		2,000,000	-
Certificates of investment		70,000	70,000
		28,164,417	9,488,003
Less: Credit loss allowance held against lendings to financial institutions	9.1	(70,001)	(70,000)
Lendings to financial institutions - net of credit loss allowance		28,094,416	9,418,003

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024		(Audited) December 31, 2023	
	Lending	Credit loss allowance held	Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Performing - Stage 1	28,094,417	1	-	-
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	28,164,417	70,001	70,000	70,000

	June 30, 2024				(Audited) December 31, 2023			
	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
FVTPL					Held-for-trading securities			
Federal Government Securities	10,823,983	-	12,416	10,836,399	20,114,447	-	(64,599)	20,049,848
Open Ended Mutual Funds	25,000	-	(1,367)	23,633	-	-	-	-
	10,848,983	-	11,049	10,860,032	20,114,447	-	(64,599)	20,049,848
FVOCI					Available for sale			
Federal Government Securities	1,051,571,898	(3,595,214)	1,009,845	1,048,986,529	1,047,943,332	(2,452,459)	(19,702,262)	1,025,788,611
Shares	10,840,389	-	8,546,211	19,386,600	13,329,302	(760,822)	6,228,739	18,797,219
Non Government Debt Securities	22,196,149	(471,464)	(7,312)	21,717,373	25,391,300	(21,071)	(21,711)	25,348,518
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	-	-	-	-	25,000	-	9,454	34,454
	1,084,610,206	(4,066,678)	9,548,744	1,090,092,272	1,086,690,704	(3,234,352)	(13,485,780)	1,069,970,572
Amortized cost					Held to maturity			
Federal Government Securities	180,967,385	-	-	180,967,385	59,797,669	-	-	59,797,669
Non Government Debt Securities	291,109	(291,109)	-	-	302,920	(302,920)	-	-
	181,258,494	(291,109)	-	180,967,385	60,100,589	(302,920)	-	59,797,669
Subsidiaries	1,500,000	-	-	1,500,000	500,000	-	-	500,000
Total Investments	1,278,217,683	(4,357,787)	9,559,793	1,283,419,689	1,167,405,740	(3,537,272)	(13,550,379)	1,150,318,089

10.1.1 During the year, investment of Rs. 1 billion was made in ABL Exchange Pvt. Limited which was incorporated by Allied Bank Limited as a wholly owned subsidiary of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024	(Audited) December 31, 2023
Rupees in '000		
10.1.1 Investments given as collateral - at market value		
Pakistan Investment Bonds	240,296,684	268,646,617
Market Treasury Bills	3,255,549	-
Total Investments given as collateral	243,552,233	268,646,617
10.2 Credit loss allowance for diminution in value of investments		
10.2.1 Opening balance	3,537,272	2,321,414
Impact of adoption of IFRS 9	2,317,757	-
Exchange adjustments	(19,804)	69,221
Charge / (reversals)		
Charge for the period / year	1,335,724	2,082,408
Reversals for the period / year	(1,951,642)	(17,717)
Reversal on disposals	(861,520)	-
	(1,477,438)	2,064,691
Reversal on disposals	-	(918,054)
Closing Balance	4,357,787	3,537,272

	June 30, 2024		(Audited) December 31, 2023	
	Outstanding amount	Credit loss allowance Held	Outstanding amount	Provision Held
Rupees in '000				
10.2.2 Particulars of credit loss allowance / provision against debt securities				
Category of Classification				
Domestic				
Performing - Stage 1	1,230,831,770	2,455	-	-
Underperforming - Stage 2	10,873,713	2,353,651	-	-
Non-performing - Stage 3	952,518	752,838	-	-
Substandard	640,338	440,658	-	-
Doubtful	-	-	-	-
Loss	312,180	312,180	323,991	323,991
	1,242,658,001	3,108,944	323,991	323,991
Overseas				
Performing - Stage 1	-	-	-	-
Underperforming - Stage 2	12,368,540	1,248,843	19,392,275	2,452,459
Non-performing - Stage 3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	-	-	-	-
Total	1,255,026,541	4,357,787	19,716,266	2,776,450

- 10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at June 30, 2024 amounted to Rs. 163,026.899 million (December 31, 2023: Rs. 51,778 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	Performing		Non Performing		Total	
		(Audited)		(Audited)		(Audited)	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Rupees in '000							
11	ADVANCES						
	Loans, cash credits, running finances, etc.	701,868,124	699,211,949	11,163,545	11,713,507	713,031,669	710,925,456
	Islamic financing and related assets	41.3 68,804,652	79,621,981	249,539	5,729	69,054,191	79,627,710
	Bills discounted and purchased	3,581,025	2,264,978	1,013,913	1,319,793	4,594,938	3,584,771
	Advances - gross	11.1 774,253,801	781,098,908	12,426,997	13,039,029	786,680,798	794,137,937
	Credit loss allowance / Provision against advances						
	Stage 1	11.3 (477,060)	-	-	-	(477,060)	-
	Stage 2	11.3 (1,443,505)	-	-	-	(1,443,505)	-
	Stage 3	11.3 -	-	(11,792,830)	-	(11,792,830)	-
	Specific	11.2 & 11.3 -	-	-	(12,335,688)	-	(12,335,688)
	General	11.3 -	(205,019)	-	-	-	(205,019)
		(1,920,565)	(205,019)	(11,792,830)	(12,335,688)	(13,713,395)	(12,540,707)
	Advances - net of credit loss allowance	772,333,236	780,893,889	634,167	703,341	772,967,403	781,597,230

(Audited)

June 30, 2024 December 31, 2023

Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	740,024,022	753,527,904
In foreign currencies	46,656,776	40,610,033
	786,680,798	794,137,937

11.2 Advances include Rs. 12,426.997 million (December 31, 2023: Rs. 13,039.029 million) which have been placed under non-performing / Stage 3 status as detailed below:

	(Audited)			
	June 30, 2024		December 31, 2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Provision held
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	106,156	52,929	31,765	250
Substandard - Stage 3	354,271	235,634	361,480	90,154
Doubtful - Stage 3	252,987	167,711	46,947	23,473
Loss - Stage 3	11,713,583	11,336,556	12,598,837	12,221,811
Total	12,426,997	11,792,830	13,039,029	12,335,688

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

11.3 Particulars of credit loss allowance against advances

	June 30, 2024				(Audited) December 31, 2023		
	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total
	Rupees in '000						
Opening balance	12,335,688	144,558	60,461	12,540,707	11,738,558	109,603	11,848,161
Impact of adoption of IFRS 9	165,416	1,691,141	973,930	2,830,487	-	-	-
Exchange adjustments	-	(1,848)	-	(1,848)	-	9,497	9,497
Charge for the period / year	397,393	382,299	100,125	879,817	1,694,691	241,205	1,935,896
Reversals for the period / year	(1,105,667)	(772,645)	(657,456)	(2,535,768)	(1,097,561)	(155,286)	(1,252,847)
	(708,274)	(390,346)	(557,331)	(1,655,951)	597,130	85,919	683,049
Amounts written off	-	-	-	-	-	-	-
Closing balance	11,792,830	1,443,505	477,060	13,713,395	12,335,688	205,019	12,540,707

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.

	June 30, 2024			
	Stage 3	Stage 2	Stage 1	Total
	Rupees in '000			
Opening balance	12,501,104	1,835,699	1,034,391	15,371,194
New Advances	228,404	49,026	96,394	373,824
Advances derecognised or repaid	(850,162)	(672,813)	(597,209)	(2,120,184)
Transfer to stage 1	-	(86,832)	3,731	(83,101)
Transfer to stage 2	(255,505)	333,273	(58,211)	19,557
Transfer to stage 3	168,989	(14,848)	(2,036)	152,105
	(708,274)	(392,194)	(557,331)	(1,657,799)
Amounts written off / charged off	-	-	-	-
Changes in risk parameters	-	-	-	-
Other changes (to be specific)	-	-	-	-
Closing balance	11,792,830	1,443,505	477,060	13,713,395

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

	June 30, 2024		December 31, 2023	
	Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
Rupees in '000				
11.5 Advances - Category of classification				
Domestic				
Performing - Stage 1	715,122,886	477,060	-	-
Underperforming - Stage 2	58,527,842	1,412,040	-	-
Non-Performing - Stage 3	12,426,997	11,792,830	-	-
Other impaired	1,167	887	-	-
Other Assets Especially Mentioned	104,989	52,042	-	-
Substandard	354,271	235,634	-	-
Doubtful	252,987	167,711	-	-
Loss	11,713,583	11,336,556	-	-
	786,077,725	13,681,930	-	-
Overseas				
Performing - Stage 1	-	-	-	-
Underperforming - Stage 2	603,073	31,465	1,221,396	144,558
Non-Performing - Stage 3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	603,073	31,465	1,221,396	144,558
Total	786,680,798	13,713,395		

	Note	(Audited)	
		June 30, 2024	December 31, 2023
Rupees in '000			
12 PROPERTY AND EQUIPMENT			
Capital work-in-progress	12.1	13,297,143	9,779,743
Property and equipment		107,899,770	103,998,924
		121,196,913	113,778,667
12.1 Capital work-in-progress			
Civil works		11,544,857	7,759,247
Equipment		225	89,246
Advances to suppliers		1,752,061	1,931,250
		13,297,143	9,779,743

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

12.2 Additions to property and equipment

The following additions are made to property and equipment during the period:

	June 30, 2024	March 31, 2023
	Rupees in '000	
Capital work-in-progress	7,540,250	3,956,829
Property and equipment		
Freehold land	1,038,423	547,701
Leasehold land	780,187	10
Building on freehold land	1,560,257	210,288
Building on leasehold land	123,489	30,926
Furniture and fixture	304,832	134,608
Electrical office and computer equipment	3,215,161	2,353,805
Vehicles	694,501	127,573
Others-building improvements	973,166	277,962
	8,690,016	3,682,873
Total	16,230,266	7,639,702

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

	June 30, 2024	June 30, 2023
	Rupees in '000	
Furniture and fixture	2,018	1,234
Electrical office and computer equipment	8,221	3,192
Vehicles	82	132
Freehold land	1,670,225	-
Building on freehold land	21,923	-
Total	1,702,469	4,558

	June 30, 2024		December 31, 2023	
	Buildings	Total	Buildings	Total
13 RIGHT-OF-USE ASSETS				
At January 01				
Cost	15,576,947	15,576,947	13,610,540	13,610,540
Accumulated Depreciation	(7,289,892)	(7,289,892)	(5,787,146)	(5,787,146)
Net carrying amount at January 01, 2024	8,287,055	8,287,055	7,823,394	7,823,394
Additions during the year	855,274	855,274	2,457,404	2,457,404
Deletions during the year	(320,451)	(320,451)	(235,706)	(235,706)
Depreciation charge during the year	(915,081)	(915,081)	(1,764,838)	(1,764,838)
Exchange difference	(344)	(344)	6,801	6,801
Net carrying amount at June 30, 2024	7,906,453	7,906,453	8,287,055	8,287,055

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

		(Audited)	
		June 30, 2024	December 31, 2023
		Rupees in '000	
14	INTANGIBLE ASSETS		
	Capital work-in-progress	14.1	764,365
	Intangible Assets	2,625,092	2,630,420
		<u>3,389,457</u>	<u>3,409,291</u>

14.1 Capital work-in-progress

	Software	761,491	775,996
	Advances to suppliers	2,874	2,875
		<u>764,365</u>	<u>778,871</u>

		June 30, 2024	June 30, 2023
		Rupees in '000	

14.2 Additions to intangible assets

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

	Capital work-in-progress	158,048	230,312
	Software	143,504	84,141
	Total	<u>301,552</u>	<u>314,453</u>

14.3 Disposals of intangible assets

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

		(Audited)
	June 30,	December 31,
	2024	2023
	Rupees in '000	
15 OTHER ASSETS		
Income / Mark-up accrued in local currency	76,072,541	69,602,045
Income / Mark-up accrued in foreign currency	1,099,887	953,413
Advances, deposits, advance rent and other prepayments	7,583,957	3,081,606
Non-banking assets acquired in satisfaction of claims	1,031,964	1,038,270
Branches adjustment account	-	1,701,578
Mark to market gain on forward foreign exchange contracts	-	80,674
Acceptances	6,968,986	8,444,550
Due from the employees' retirement benefit schemes		
Pension fund	6,619,846	6,185,041
Fraud and forgeries	565,679	544,824
Stationery and stamps in hand	999,224	863,475
Home Remittance Cell agent receivable	6,669	1,749
Receivable from State Bank of Pakistan	13,488	4,375
Charges receivable	29,842	29,873
ATM / Point of Sale settlement account	5,511,801	7,075,342
Suspense Account	2,957	295
Others	466,586	440,225
	<u>106,973,427</u>	<u>100,047,335</u>
Less: Credit loss allowance / Provision held against other assets	15.1	(1,159,630)
Other assets (net of credit loss allowance)	<u>105,813,797</u>	<u>99,051,315</u>
Surplus on revaluation of non-banking assets		
acquired in satisfaction of claims	1,039,989	1,043,502
Other Assets - Total	<u>106,853,786</u>	<u>100,094,817</u>

15.1 Credit loss allowance / Provision held against other assets

Advances, deposits, advance rent and other prepayments	342,757	213,329
Fraud and forgeries	465,137	444,282
Charges receivable	29,834	29,840
Others	321,902	308,569
	<u>1,159,630</u>	<u>996,020</u>

15.1.1 Movement in credit loss allowance / provision held against other assets

Opening balance	996,020	755,808
Impact of adoption of IFRS 9	48,085	-
Charge for the period / year	283,281	505,416
Reversals	(164,713)	(259,078)
Net charge	118,568	246,338
Amounts written off	(3,043)	(6,126)
Closing balance	<u>1,159,630</u>	<u>996,020</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

		(Audited)	
		June 30, 2024	December 31, 2023
		Rupees in '000	

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at June 30, 2024 and December 31, 2023.

		(Audited)	
		June 30, 2024	December 31, 2023
		Rupees in '000	

17 BILLS PAYABLE

In Pakistan	9,479,198	9,296,223
Outside Pakistan	25,113	26,182
	<u>9,504,311</u>	<u>9,322,405</u>

		(Audited)	
		June 30, 2024	December 31, 2023
		Rupees in '000	

18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan		
Repurchase agreement borrowings	235,000,000	270,000,000
Under export refinance scheme	22,465,977	28,652,901
Under long term financing facility	32,382,688	34,880,671
Under financing scheme for renewable energy	637,704	639,066
Under temporary economic refinance scheme	11,994,628	12,741,909
Under refinance scheme for modernization of SMEs	4,091	8,182
Under refinance scheme for SME Asaan Finance (SAAF)	44,832	-
Refinance and credit guarantee scheme for women entrepreneurs	21,187	13,517
Under refinance scheme for combating COVID-19	107,170	133,325
	<u>302,658,277</u>	<u>347,069,571</u>

Repurchase agreement borrowings from Financial Institutions	11,469,593	1,843,392
Trading liability	14,796,518	7,541,047
	<u>328,924,388</u>	<u>356,454,010</u>

Unsecured

Call borrowings	1,477,435	2,677,677
Overdrawn nostro accounts	-	192,355
Musharaka borrowing	850,000	14,350,000
	<u>2,327,435</u>	<u>17,220,032</u>
	<u>331,251,823</u>	<u>373,674,042</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	(Audited)					
	June 30, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
19 DEPOSITS AND OTHER ACCOUNTS						
Customers						
Current deposits	651,396,872	44,111,966	695,508,838	616,041,518	44,460,629	660,502,147
Savings deposits	722,086,317	19,733,966	741,820,283	652,715,228	19,697,405	672,412,633
Term deposits	251,409,126	58,217,889	309,627,015	201,318,101	51,084,504	252,402,605
Others	57,325,131	44,686	57,369,817	30,467,120	61,278	30,528,398
	1,682,217,446	122,108,507	1,804,325,953	1,500,541,967	115,303,816	1,615,845,783
Financial Institutions						
Current deposits	20,388,336	1,531,290	21,919,626	14,062,494	853,715	14,916,209
Savings deposits	45,627,805	-	45,627,805	44,978,314	-	44,978,314
Term deposits	819,350	4,771,680	5,591,030	819,350	63,419	882,769
Others	8,100	-	8,100	-	-	-
	66,843,591	6,302,970	73,146,561	59,860,158	917,134	60,777,292
	1,749,061,037	128,411,477	1,877,472,514	1,560,402,125	116,220,950	1,676,623,075

- 19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,242,090 million for June 30, 2024 (December 31, 2023: Rs. 1,138,708 million).

	Note	(Restated)	
		June 30, 2024	December 31, 2023
		Rupees in '000	
20 LEASE LIABILITIES			
Outstanding amount at the start of the year		10,632,854	9,787,443
Additions during the year		855,274	2,457,404
Deletions during the year		(374,031)	(232,906)
Lease payments including interest		(1,374,514)	(2,580,364)
Interest expense		643,527	1,189,825
Exchange difference		(359)	11,452
Outstanding amount at the end of the period		10,382,751	10,632,854
20.1 Liabilities outstanding			
Not later than one year		2,532,521	2,199,222
Later than one year and upto five years		2,096,791	2,232,521
Over five years		5,753,439	6,201,111
		10,382,751	10,632,854

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
21 DEFERRED TAX LIABILITIES / ASSETS			
Deductible Temporary Differences on			
Credit loss allowance against advances, off balance sheet etc.		2,053,071	492,469
Workers welfare fund		3,113,242	2,657,448
Others		102,650	102,650
		5,268,963	3,252,567
Taxable Temporary Differences on			
Surplus on revaluation of property and equipment		(4,114,270)	(4,200,202)
Surplus on revaluation of non-banking assets		(64,530)	(66,251)
Surplus on revaluation of investments		(4,678,884)	6,608,032
Accelerated tax depreciation or amortization		(1,483,542)	(1,696,139)
Actuarial gains		(76,413)	(76,413)
		(10,417,639)	569,027
		(5,148,676)	3,821,594

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
22 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		20,523,799	14,143,930
Mark-up / return / interest payable in foreign currencies		1,960,429	1,762,006
Accrued expenses		4,106,704	3,920,388
Provision for taxation (provisions less payments)		176,907	7,730,026
Retention money payable		911,327	679,647
Deferred income		1,098,117	855,132
Unearned commission and income on bills discounted		2,327,584	759,785
Acceptances		6,968,986	8,444,550
Unclaimed dividends		465,114	442,049
Dividend payable		36,748	26,343
Branch adjustment account		1,903,522	-
Unrealized loss on forward foreign exchange contracts		121,843	-
Unrealized loss on forward government securities transactions		86,625	13,812
Provision for:			
Gratuity		806,365	806,365
Employees' medical benefits		1,509,639	1,473,496
Employees' compensated absences		1,242,372	1,200,318
Payable to defined contribution plan		132,419	117,158
Credit loss allowance against off-balance sheet obligations	22.1	415,972	298,904
Security deposits against lease		1,007,835	941,987
Charity fund balance		3,263	1,000
Home Remittance Cell overdraft		328,929	794,027
With-holding tax payable		6,063,108	8,608,289
Sundry deposits		4,910,688	4,162,588
Workers welfare fund payable		6,353,555	5,423,363
Others		2,122,226	2,204,652
		65,584,076	64,809,815

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
22.1 Credit loss allowance / Provision against off-balance sheet obligations			
Opening balance		298,904	298,904
Impact of adoption of IFRS 9		151,241	-
Charge for the period / year		-	-
Reversals for the period / year		(34,173)	-
		(34,173)	-
Closing balance		415,972	298,904

23 SHARE CAPITAL

23.1 Authorized capital

	(Audited)			(Audited)	
	June 30, 2024	December 31, 2023		June 30, 2024	December 31, 2023
	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
23.2 Issued, subscribed and paid-up capital					
Fully paid-up Ordinary shares of Rs. 10/- each					
	406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
	720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
	1,127,525,280	1,127,525,280		11,275,253	11,275,253
	9,148,550	9,148,550	18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)	91,486	91,486
	8,400,000	8,400,000	8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.	84,000	84,000
	1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2023: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
24	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) arising on revaluation of:			
Property and equipment		49,962,537	50,140,331
Non-banking assets acquired in satisfaction of claims		1,039,989	1,043,502
Available-for-sale securities		-	(13,485,780)
Securities measured at FVOCI - Debt		1,002,533	-
Securities measured at FVOCI - Equity		8,546,211	-
		<u>60,551,270</u>	<u>37,698,053</u>
Deferred tax on (surplus) / deficit on revaluation of:			
Property and equipment		(4,114,270)	(4,200,202)
Non-banking assets acquired in satisfaction of claims		(64,530)	(66,251)
Available-for-sale securities		-	6,608,032
Securities measured at FVOCI - Debt		(491,241)	-
Securities measured at FVOCI - Equity		(4,187,643)	-
		<u>(8,857,684)</u>	<u>2,341,579</u>
Surplus on revaluation of assets - net of tax		<u>51,693,586</u>	<u>40,039,632</u>

25 CONTINGENCIES AND COMMITMENTS

Guarantees	25.1	63,121,464	66,315,450
Commitments	25.2	537,460,465	495,953,754
Other contingent liabilities	25.3	7,060,997	6,987,410
		<u>607,642,926</u>	<u>569,256,614</u>

25.1 Guarantees

Financial guarantees		5,859,859	5,603,283
Performance guarantees		13,754,524	13,503,642
Other guarantees		43,507,081	47,208,525
		<u>63,121,464</u>	<u>66,315,450</u>

25.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		109,254,459	153,136,140
Commitments in respect of:			
forward foreign exchange contracts	25.2.1	374,470,823	322,127,301
forward government securities transactions	25.2.2	41,314,413	11,439,221
operating leases	25.2.3	256,680	298,754
Commitments for acquisition of:			
property and equipment		11,210,111	8,054,382
intangible assets		953,979	897,956
		<u>537,460,465</u>	<u>495,953,754</u>

25.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		209,470,144	180,292,360
Sale		165,000,679	141,834,941
		<u>374,470,823</u>	<u>322,127,301</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

(Audited)
June 30, December 31,
2024 2023

Rupees in '000

25.2.2 Commitments in respect of forward government securities transactions

Purchase	40,602,879	10,053,843
Sale	711,534	1,385,378
	<u>41,314,413</u>	<u>11,439,221</u>

25.2.3 Commitments in respect of operating leases

Not later than one year	114,730	112,416
Later than one year and not later than five years	121,883	162,545
Later than five years	20,067	23,793
	<u>256,680</u>	<u>298,754</u>

25.3 Other contingent liabilities

25.3.1 Claims against the Bank not acknowledged as debt	7,060,997	6,987,410
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25.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2023 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2023 income tax authorities made certain add backs with aggregate tax impact of Rs. 35,086 million (2023: 34,841 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals/references before higher forums against unfavorable decisions. Pending finalization of appeals/references no provision has been made by the Bank on aggregate sum of Rs. 35,086 million (2023: 34,841 million). The management is confident that the outcome of these appeals/references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and tax year 2022 created an arbitrary demand of Rs. 2,029 million (2023: 2,029 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2023: 2,029 million).

Tax authorities have also issued orders under Federal Excise Act, 2005/Sales Tax Act/Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2023: 1,144 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2023: 1,144 million).

25.3.3 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 Foreign Exchange Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated January 15, 2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

26 DERIVATIVE INSTRUMENTS

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

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2023.

	Note	Half Year Ended June 30, 2024	June 30, 2023	Quarter Ended June 30, 2024	June 30, 2023
Rupees in '000					
27 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		70,191,644	66,972,562	34,249,740	38,977,595
Investments		119,795,201	99,685,539	62,605,900	54,468,549
Lendings to financial institutions		1,831,254	1,822,552	909,859	1,229,483
Balances with banks		533,879	650,095	274,920	414,884
		<u>192,351,978</u>	<u>169,130,748</u>	<u>98,040,419</u>	<u>95,090,511</u>
28 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		96,064,196	72,753,772	49,279,487	40,327,955
Borrowings		34,615,013	43,037,339	17,737,462	22,914,856
Cost of foreign currency swaps against foreign currency deposits		2,547,984	1,880,575	1,371,987	1,170,929
Interest expense on lease liability		643,527	556,650	316,851	287,410
		<u>133,870,720</u>	<u>118,228,336</u>	<u>68,705,787</u>	<u>64,701,150</u>
29 FEE AND COMMISSION INCOME					
Branch banking customer fees		1,236,290	1,057,619	619,826	521,145
Consumer finance related fees		11,583	16,567	6,358	5,482
Card related fees (debit and credit cards)		3,504,777	2,453,153	1,654,958	1,257,351
Credit related fees		12,322	18,540	5,473	10,715
Investment banking fees		506,797	549,997	149,506	306,337
Commission on trade		352,133	282,736	182,955	153,069
Commission on guarantees		92,239	96,153	35,582	50,620
Commission on cash management		192,433	192,415	96,267	94,903
Commission on remittances including home remittances		533,592	382,208	151,834	136,507
Commission on bancassurance		6,712	5,758	923	1,028
Card acquiring business		29,134	-	25,315	-
		<u>6,478,012</u>	<u>5,055,146</u>	<u>2,928,997</u>	<u>2,537,157</u>
30 GAIN / (LOSS) ON SECURITIES					
Realised - net	30.1	909,477	207,510	577,747	23,755
Unrealised - held for trading		-	(10,346)	-	(3,934)
Unrealised - measured at FVTPL		1,595	-	7,294	-
Unrealised - forward government securities		(72,813)	13,942	(49,584)	13,453
		<u>838,259</u>	<u>211,106</u>	<u>535,457</u>	<u>33,274</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
30.1 Realised gain / (loss) on:					
Federal government securities		909,477	156,240	577,747	20,720
Shares		-	51,270	-	3,035
		909,477	207,510	577,747	23,755
31 OTHER INCOME					
Rent on property		16,278	10,765	9,352	5,377
Gain on sale of property and equipment - net		267,088	161	60,115	(5,064)
Other assets disposal		36,957	11,432	23,234	5,411
Recovery of written off mark-up and charges		56	911	54	875
Fee for attending Board meetings		431	1,158	175	486
Income from data centre hosting service		8,858	8,858	4,429	4,429
Gain on sale of islamic financing and related assets		7,002	15,073	4,237	11,015
		336,670	48,358	101,596	22,529
32 OPERATING EXPENSES					
Total compensation expense		10,435,008	9,304,962	5,249,859	4,678,150
Property expense:					
Rent & taxes		205,467	191,162	120,588	103,846
Insurance		68,751	52,165	38,462	27,193
Utilities cost		1,376,518	1,187,115	801,154	761,000
Security (including guards)		957,516	907,940	446,568	515,415
Repair and maintenance (including janitorial charges)		889,968	737,721	457,426	407,332
Depreciation		3,054,066	2,422,493	1,543,918	1,227,616
		6,552,286	5,498,596	3,408,116	3,042,402
Information technology expenses:					
Software maintenance		1,130,589	1,234,092	554,727	688,852
Hardware maintenance		293,095	297,566	122,546	162,634
Depreciation		738,162	522,890	389,605	290,866
Amortization		306,880	285,588	156,486	146,054
Network charges		452,366	421,122	218,632	226,839
Others		2,455	1,786	1,432	1,182
		2,923,547	2,763,044	1,443,428	1,516,427
Other operating expenses:					
Directors' fees and allowances		34,950	33,307	18,750	16,363
Fees and allowances to Shariah Board		4,885	4,611	2,287	2,150
Legal & professional charges		141,234	116,269	76,973	67,149
Outsourced service cost		768,738	635,261	390,068	331,035
Travelling & conveyance		209,235	169,290	115,410	81,768
NIFT clearing charges		109,674	100,205	52,614	52,677
Depreciation		209,554	146,809	108,637	74,365
Training and development		83,302	63,963	56,205	28,294
Postage & courier charges		116,805	150,312	74,377	98,109
Communication		654,397	506,700	456,621	465,838
Stationery & printing		412,629	313,655	227,685	203,709
Marketing, advertisement & publicity		1,478,019	757,743	960,374	243,720
Donations		87,440	17,340	67,918	11,673
Auditors Remuneration		15,104	9,681	8,732	4,489
Brokerage expenses		53,521	33,715	33,805	12,520
Card related expenses		1,141,031	1,203,953	661,304	562,159
CNIC verification		104,978	86,888	59,584	-
Entertainment		187,237	160,236	89,177	-
Clearing and settlement		130,157	99,261	67,603	-
Insurance		1,036,546	876,793	602,487	440,909
Cash In Transit Service Charge		221,217	264,376	95,378	130,030
Others		116,511	53,481	98,535	(126,378)
		7,317,164	5,803,849	4,324,524	2,700,579
		27,228,005	23,370,451	14,425,927	11,937,558

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
33 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		18,204	3,656	15,104	3,153
Education cess		24,999	25,002	12,499	12,501
Depreciation - non-banking assets		13,564	5,016	6,792	2,508
Others		175,002	124,998	87,501	62,499
Other assets written off		-	-	-	-
		231,769	158,672	121,896	80,661
34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET					
Credit loss allowance against lendings to					
financial institutions		(2)	-	(113)	-
Credit loss allowance against					
nostro accounts		3,067	-	2,199	-
Credit loss allowance / Provision for					
diminution in value of investments	10.2.1	(1,477,438)	953,983	(1,387,657)	98,507
Credit loss allowance / Provision against					
loans & advances	11.3	(1,655,951)	1,460,800	(1,488,782)	20,745
Credit loss allowance / Provision					
against other assets	15.1.1	118,568	331,789	10,972	315,364
Credit loss allowance against					
off-balance sheet obligations	22.1	(34,173)	-	(20,500)	-
		(3,045,929)	2,746,572	(2,883,881)	434,616
Recovery of written off bad debts		(2,300)	(2,948)	(1,593)	(769)
		(3,048,229)	2,743,624	(2,885,474)	433,847

35 TAXATION

Current - for the period	35.1	22,564,886	18,476,561	11,139,355	12,292,795
- for prior year		-	-	-	-
		22,564,886	18,476,561	11,139,355	12,292,795
Deferred - current		304,008	(716,034)	826,915	(369,243)
		22,868,894	17,760,527	11,966,270	11,923,552

35.1 This also includes proportionate super tax on high earning persons of Rs. 4,605.079 million (June 30, 2023: Rs. 3,770.727 million).

		Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
36 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		23,640,721	17,443,032	12,277,153	9,854,215
Number of Shares					
Weighted average number of ordinary shares					
outstanding during the year		1,145,073,830	1,145,073,830	1,145,073,830	1,145,073,830
Rupees					
Earnings per share - basic and diluted		20.65	15.23	10.72	8.61

There is no dilution effect on basic earnings per share.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 Fair value of financial assets

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

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

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

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

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

June 30, 2024

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,059,284,894	-	1,059,284,894	-	1,059,284,894
Shares	19,069,618	19,045,985	23,633	-	19,069,618
Non-Government Debt Securities	13,300,933	-	13,300,933	-	13,300,933
Financial assets - disclosed but not measured at fair value					
Investments	191,764,244	-	-	-	-
Cash and balances with treasury banks	187,678,299	-	-	-	-
Balances with other banks	6,365,541	-	-	-	-
Lendings	28,094,416	-	-	-	-
Advances	772,967,403	-	-	-	-
Other assets	89,921,563	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment	91,564,090	-	91,564,090	-	91,564,090
Non-banking assets	2,071,953	-	2,071,953	-	2,071,953
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	209,470,144	-	209,470,144	-	209,470,144
Forward sale of foreign exchange	165,000,679	-	165,000,679	-	165,000,679
Forward purchase of government securities transactions	40,602,879	-	40,602,879	-	40,602,879
Forward sale of government securities transactions	711,534	-	711,534	-	711,534

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

	(Audited)				Total
	December 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,044,283,263	-	1,044,283,263	-	1,044,283,263
Shares	18,491,692	18,457,238	34,454	-	18,491,692
Non-Government Debt Securities	13,274,049	-	13,274,049	-	13,274,049
Financial assets - disclosed but not measured at fair value					
Investments	74,269,085	-	-	-	-
Cash and balances with treasury banks	156,136,308	-	-	-	-
Balances with other banks	2,455,601	-	-	-	-
Lendings	9,418,003	-	-	-	-
Advances	781,597,230	-	-	-	-
Other assets	88,096,252	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment	90,354,067	-	90,354,067	-	90,354,067
Non-banking assets	2,081,772	-	2,081,772	-	2,081,772
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	180,292,360	-	180,292,360	-	180,292,360
Forward sale of foreign exchange	141,834,941	-	141,834,941	-	141,834,941
Forward purchase of government securities transactions	10,053,843	-	10,053,843	-	10,053,843
Forward sale of government securities transactions	1,385,378	-	1,385,378	-	1,385,378

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
	Rupees in '000					
38 SEGMENT INFORMATION						
38.1 Segment Details with respect to Business Activities						
Profit & Loss						
Net mark-up/return/profit	58,834,983	(88,866,370)	82,699,788	5,571,025	241,832	58,481,258
Inter segment revenue - net	(54,866,441)	147,311,114	(86,238,056)	-	(6,206,617)	-
Non mark-up / return / interest income	3,225,901	4,595,871	4,685,692	322,017	540,613	13,370,094
Total Income	7,194,443	63,040,615	1,147,424	5,893,042	(5,424,172)	71,851,352
Segment direct expenses	408,166	12,218,960	175,027	1,082,558	14,505,255	28,389,966
Total expenses	408,166	12,218,960	175,027	1,082,558	14,505,255	28,389,966
Credit loss allowance	(2,516,398)	(218,743)	(3)	517,795	(830,880)	(3,048,229)
Profit before tax	9,302,675	51,040,398	972,400	4,292,689	(19,098,547)	46,509,615
Balance Sheet						
Cash & Bank balances	44,988	62,913,789	117,396,871	10,627,181	3,061,011	194,043,840
Investments	51,181,208	-	1,190,804,916	39,933,566	1,499,999	1,283,419,689
Net inter segment lending	(657,824,690)	1,620,189,974	(1,116,443,301)	-	154,078,017	-
Lendings to financial institutions	-	-	26,177,920	2,000,000	(83,504)	28,094,416
Advances - performing	671,385,381	22,830,243	-	68,804,652	11,233,525	774,253,801
Advances - non-performing	284,531	220,958	-	249,539	11,671,969	12,426,997
Credit loss allowance against advances	(1,784,396)	(574,422)	-	(225,220)	(11,129,357)	(13,713,395)
Advances - net	669,885,516	22,476,779	-	68,828,971	11,776,137	772,967,403
Operating fixed assets	151,823	82,574,074	56,496	1,963,167	47,747,263	132,492,823
Others	7,380,951	16,958,437	45,002,007	5,420,739	32,091,652	106,853,786
Total Assets	70,819,796	1,805,113,053	262,994,909	128,773,624	250,170,575	2,517,871,957
Borrowings	64,890,037	2,085,631	261,797,186	2,562,472	(83,503)	331,251,823
Deposits & other accounts	3,372,844	1,769,264,864	-	99,017,645	5,817,161	1,877,472,514
Net inter segment borrowing	-	-	-	-	-	-
Others	2,556,915	33,762,558	1,197,723	8,185,171	44,917,447	90,619,814
Total liabilities	70,819,796	1,805,113,053	262,994,909	109,765,288	50,651,105	2,299,344,151
Equity / Reserves	-	-	-	19,008,336	199,519,470	218,527,806
Total Equity and liabilities	70,819,796	1,805,113,053	262,994,909	128,773,624	250,170,575	2,517,871,957
Contingencies and commitments	149,482,937	18,754,893	415,785,236	8,771,305	14,848,555	607,642,926

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	57,674,205	(66,753,700)	56,203,214	3,450,704	327,989	50,902,412
Inter segment revenue - net	(60,363,644)	128,092,489	(62,569,965)	-	(5,158,880)	-
Non mark-up / return / interest income	2,903,818	3,443,449	4,482,296	242,703	235,773	11,308,039
Total Income	214,379	64,782,238	(1,884,455)	3,693,407	(4,595,118)	62,210,451
Segment direct expenses	404,778	10,776,618	128,410	883,549	12,069,913	24,263,268
Total expenses	404,778	10,776,618	128,410	883,549	12,069,913	24,263,268
Provisions	(2,136,552)	(521,117)	(287,719)	(1,887)	203,651	(2,743,624)
Profit before tax	(2,326,951)	53,484,503	(2,300,584)	2,807,971	(16,461,380)	35,203,559
December 31, 2023 (Audited)						
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	63,911	52,567,988	87,420,356	7,981,515	10,558,139	158,591,909
Investments	56,323,830	-	1,055,128,295	38,360,057	505,907	1,150,318,089
Net inter segment lending	(637,179,804)	1,431,073,958	(920,483,266)	(427,931)	127,017,043	-
Lendings to financial institutions	-	-	16,191,116	-	(6,773,113)	9,418,003
Advances - performing	658,585,879	32,393,352	-	79,621,981	10,497,696	781,098,908
Advances - non-performing	296,254	174,347	-	5,729	12,562,699	13,039,029
Provision against advances	(226,742)	(129,247)	-	(7,338)	(12,177,380)	(12,540,707)
Advances - net	658,655,391	32,438,452	-	79,620,372	10,883,015	781,597,230
Operating fixed assets	152,919	74,579,541	5,707	887,783	49,849,063	125,475,013
Others	8,271,993	15,956,021	40,787,167	5,126,241	33,774,989	103,916,411
Total Assets	86,288,240	1,606,615,960	279,049,375	131,548,037	225,815,043	2,329,316,655
Borrowings	80,418,586	3,160,687	279,576,794	17,276,361	(6,758,386)	373,674,042
Deposits & other accounts	3,332,467	1,573,043,102	-	95,333,605	4,913,901	1,676,623,075
Others	2,537,187	30,412,171	(527,419)	3,904,191	48,438,944	84,765,074
Total liabilities	86,288,240	1,606,615,960	279,049,375	116,514,157	46,594,459	2,135,062,191
Equity / Reserves	-	-	-	15,033,880	179,220,584	194,254,464
Total Equity and liabilities	86,288,240	1,606,615,960	279,049,375	131,548,037	225,815,043	2,329,316,655
Contingencies and commitments	192,589,491	20,824,987	333,566,522	5,984,115	16,291,499	569,256,614

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024				December 31, 2023				(Audited)				
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors		Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000												
Other Assets													
Interest / mark-up accrued	-	20,254	103,123	-	21,050	-	-	13,464	94,881	3,616	8,660	-	
Receivable from staff retirement fund	-	-	-	-	5,579,332	-	-	-	-	-	-	5,238,086	
Other receivable	-	-	-	144,819	-	-	-	-	-	66,547	-	-	
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowings													
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	
Deposits and other accounts													
Opening balance	12,963	46,895	35,100	33,398	37,125	7,839,462	1,716	53,731	51,333	21,629	111,965	2,128,234	
Received during the period/year	8,782,745	1,028,891	986,323	8,658,636	7,035,059	238,088,670	21,582,782	510,082	1,116,106	10,686,205	9,933,381	292,682,647	
Withdrawn during the period/year	(8,792,460)	(1,024,160)	(863,988)	(8,416,691)	(7,052,825)	(241,594,396)	(21,571,535)	(516,898)	(1,132,330)	(10,674,436)	(10,008,221)	(286,951,418)	
Closing balance	3,248	51,626	157,434	275,343	19,359	4,324,736	12,963	46,895	35,100	33,398	37,125	7,839,462	
Other Liabilities													
Interest / mark-up payable	-	-	-	-	-	-	-	-	-	-	-	-	
Contingencies and Commitments	-	-	-	-	-	-	-	-	-	-	-	-	
Other contingencies	-	-	-	-	692,577	-	-	-	-	-	1,842,309	-	

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

39.1 RELATED PARTY TRANSACTIONS

	June 30, 2024					December 31, 2023						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Income												
Mark-up/return/interest earned	-	6,790	8,919	2,705	207,187	156	-	4,914	8,204	234,143	19,975	43
Fee and commission income	0	51	194	9,131	553	601	4	46	103	2,317	2,594	398
Dividend income	-	-	83	(51)	-	-	-	-	-	-	-	-
Net (loss) / gain on sale of securities	-	-	-	15,933	-	1	-	-	3	-	-	230
Rental Income	-	-	16	9,503	-	4	-	-	8,660	8,856	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
Expense												
Mark-up/return/interest paid	515	7,234	3,131	21,256	30	692,144	-	4,597	2,113	4,233	667	417,541
Directors meeting fee	-	34,800	-	-	-	-	-	33,000	-	-	-	-
Remuneration	-	123,540	420,954	-	-	-	-	64,025	329,747	-	-	-
Charge for defined benefit plans	-	2,654	13,947	-	-	-	-	1,399	11,903	-	-	-
Contribution to defined contribution plan	-	2,499	6,973	-	-	-	-	1,250	5,046	-	-	-
Other expenses	-	-	-	-	31,252	-	-	-	-	-	6,590	-
Rent expense**	-	-	-	-	10,441	-	-	-	-	-	11,832	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	-	-	-	-	-	-	-
Insurance premium paid	-	208	672	-	-	65,482	-	107	323	-	-	153,315
Others Transaction**	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Government securities	-	-	322,445	-	-	-	-	-	-	-	-	-
Sale of Government securities	-	-	295,813	1,501,150	-	9,198	-	-	-	-	-	-
Purchase of foreign currencies	-	-	5,016	116,645	-	-	-	-	-	-	-	-
Sale of foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-	-	-

Shares held by the holding company, outstanding at the end of the period are included in note 23 to these unconsolidated condensed interim financial statements.

* Associated companies as per IAS 24, "Related Party Disclosure".

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

*** Other Transaction are executed on an arm's length basis.

During the period ended June 30, 2024, certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 478,407 to the Key Management Personnel of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024	(Audited) December 31, 2023
	Rupees in '000	
40 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	148,682,441	136,415,747
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	148,682,441	136,415,747
Eligible Tier 2 Capital	57,665,890	44,340,488
Total Eligible Capital (Tier 1 + Tier 2)	206,348,331	180,756,235
Risk Weighted Assets (RWAs):		
Credit Risk	461,722,442	473,684,877
Market Risk	48,589,814	40,606,084
Operational Risk	175,308,026	175,308,026
Total	685,620,282	689,598,987
Common Equity Tier 1 Capital Adequacy ratio	21.69%	19.78%
Tier 1 Capital Adequacy Ratio	21.69%	19.78%
Total Capital Adequacy Ratio	30.10%	26.21%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	148,682,441	136,415,747
Total Exposures	2,656,855,914	2,470,110,831
Leverage Ratio	5.60%	5.52%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	843,015,297	673,797,912
Total Net Cash Outflow	422,675,890	371,108,564
Liquidity Coverage Ratio	199.45%	181.56%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,878,208,601	1,679,029,185
Total Required Stable Funding	975,273,213	1,042,804,071
Net Stable Funding Ratio	192.58%	161.01%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

41. ISLAMIC BANKING BUSINESS

The Bank is operating 133 (December 31, 2023: 127 and June 30, 2023: 118) Islamic Banking Branches and 308 (December 31, 2023: 162 and June 30, 2023: 160) Islamic Banking Windows at the end of the period.

		(Audited)
		June 30, December 31,
		2024 2023
		Rupees in '000
ASSETS		
Cash and balances with treasury banks		8,199,749 7,728,461
Balances with other banks		2,427,432 253,054
Due from financial institutions	41.1	2,000,000 -
Investments	41.2	39,933,566 38,360,057
Islamic financing and related assets - net	41.3	68,828,971 79,620,372
Property and equipment		937,448 420,710
Right-of-use assets		1,024,406 963,821
Intangible assets		1,313 1,378
Due from Head Office		- -
Other assets		5,420,739 5,126,241
		<u>128,773,624 132,474,094</u>
LIABILITIES		
Bills payable		609,954 363,436
Due to financial institutions		2,562,472 17,276,361
Deposits and other accounts	41.4	99,017,645 95,333,605
Due to Head Office		3,879,221 427,931
Lease liabilities		1,361,503 1,178,259
Subordinated debt		- -
Other liabilities		2,334,493 2,860,622
		<u>109,765,288 117,440,214</u>
NET ASSETS		<u>19,008,336 15,033,880</u>
REPRESENTED BY		
Islamic Banking Fund		4,100,000 4,100,000
Reserves		- -
Surplus on revaluation of assets		270,050 351,709
Unappropriated profit	41.8	14,638,286 10,582,171
		<u>19,008,336 15,033,880</u>
CONTINGENCIES AND COMMITMENTS	41.5	

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

		June 30, 2024	March 31, 2023
Rupees in '000			
The profit and loss account of the Bank's Islamic Banking Branches for the period ended June 30, 2024 is as follows:			
Profit / return earned	41.6	12,579,262	8,767,984
Profit / return expensed	41.7	7,008,237	5,317,280
Net Profit / return		5,571,025	3,450,704
OTHER INCOME			
Fee and commission income		261,615	166,699
Dividend income		-	-
Foreign exchange income		54,609	61,566
Gain / (loss) on securities		2	15
Other income		5,791	14,423
Total other income		322,017	242,703
Total income		5,893,042	3,693,407
OTHER EXPENSES			
Operating expenses		1,082,558	883,280
Workers Welfare Fund		-	-
Other charges		-	269
Total other expenses		1,082,558	883,549
Profit before credit loss allowance		4,810,484	2,809,858
Credit loss allowance and write offs - net		517,795	1,887
PROFIT BEFORE TAXATION		4,292,689	2,807,971
Taxation		-	-
PROFIT AFTER TAXATION		4,292,689	2,807,971

	(Audited)					
	June 30, 2024			December 31, 2023		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
41.1 Due from Financial Institutions						
Bai Muajjal Receivable from other Financial Institutions	-	-	-	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
Musharakah Lending	2,000,000	-	2,000,000	-	-	-
Less: Credit loss allowance						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance	2,000,000	-	2,000,000	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	(Audited)							
	June 30, 2024				December 31, 2023			
	Cost / Amortized cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
41.2 Investments by Segments								
Debt Instruments								
Classified at FVOCI								
Federal Government Securities:								
-Ijarah Sukuks	27,400,607	-	183,682	27,584,289	24,141,346	-	273,079	24,414,425
-Islamic Naya Pakistan Certificate	631,953	(93,921)	-	538,032	1,555,196	-	-	1,555,196
Non Government Debt Securities	12,235,339	(441,119)	17,025	11,811,245	12,381,149	-	9,287	12,390,436
Total Investments	40,267,899	(535,040)	200,707	39,933,566	38,077,691	-	282,366	38,360,057

	(Audited)							
	June 30, 2024				December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rupees in '000								
41.2.1 Particulars of credit loss allowance								
Federal Government securities	-	93,921	-	93,921	-	-	-	-
Non Government debt securities	461	-	440,658	441,119	-	-	-	-
	461	93,921	440,658	535,040	-	-	-	-

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024	December 31, 2023
	Rupees in '000	
41.3 Islamic financing and related assets		
Ijarah Financing	278,252	344,512
Advance Against Ijarah	-	-
Murabaha Financing	262,826	155,607
Advance Against Murabaha	-	-
Diminishing Musharakah	14,863,062	14,886,737
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	36,000	466,733
Advance Against Diminishing Musharakah	1,052,515	42,130
Business Musharakah Financing	49,045,543	59,298,890
Business Musharakah - Islamic Export Re-Finance	1,388,000	1,230,000
Business Musharakah - Islamic Re-Finance Against Wages And Salaries	-	-
Istisna Financing	-	-
Istisna - Financing Under Islamic Export Re-Finance	-	407,268
Advance Against Istisna	369,996	-
Advance Against Istisna - Financing Under Islamic Export Re-Finance	-	1,200,000
Musawamah Financing	9,322	136,708
Inventory Against Musawamah	38,825	-
Advance Against Musawamah	17,156	42,147
Salam Financing	45,551	40,933
Advance Against Salam	155,803	127,474
Ijarah Financing - Staff	849,918	677,652
Diminishing Musharakah Financing - Staff	451,187	442,928
Advance Against Ijarah - Staff	91,213	83,114
Advance Against Diminishing Musharakah - Staff	99,022	44,877
Gross Islamic financing and related assets	69,054,191	79,627,710
Less: Credit loss allowance against Islamic financings		
- Stage 1	30,110	-
- Stage 2	21,709	-
- Stage 3	173,401	-
	225,220	-
Less: provision against Islamic financings		
- Specific	-	5,729
- General	-	1,609
	-	7,338
Islamic financing and related assets - net of credit loss allowance	68,828,971	79,620,372
41.4 Deposits		
Customers		
Current deposits	22,875,304	25,024,904
Savings deposits	27,412,146	23,534,617
Term deposits	4,641,343	4,703,796
Other deposits	2,737,702	2,664,074
	57,666,495	55,927,391
Financial Institutions		
Current deposits	587,355	459,525
Savings deposits	40,763,795	38,946,689
Term deposits	-	-
Other deposits	-	-
	41,351,150	39,406,214
	99,017,645	95,333,605

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024	(Audited) December 31, 2023
	Rupees in '000	
41.5 Contingencies and Commitments		
-Guarantees	2,344,247	2,278,575
-Commitments	2,458,055	2,989,376
-Other contingencies	3,969,003	716,164
	<u>8,771,305</u>	<u>5,984,115</u>
	June 30, 2024	June 30, 2023
	Rupees in '000	
41.6 Profit / Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing	8,317,273	6,303,056
Investments	4,199,775	2,460,654
Placements	62,214	4,274
	<u>12,579,262</u>	<u>8,767,984</u>
41.7 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	5,309,995	3,755,290
Due to Financial Institutions	1,608,373	1,495,009
Other Expenses (IFRS-16)	89,869	66,981
	<u>7,008,237</u>	<u>5,317,280</u>
	2024	December 31, 2023
	Rupees in '000	
41.8 Islamic banking business unappropriated profit		
Opening Balance	10,582,171	3,199,155
ECL Adjustment as per IFRS-9	(236,574)	
Add: Islamic Banking profit for the period	4,292,689	7,383,016
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	<u>14,638,286</u>	<u>10,582,171</u>

42 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 42.1 The Board of Directors of the Bank in its meeting held on August 21, 2024 has proposed an interim cash dividend for the quarter ended June 30, 2024 of Rs. 4.00 per share (June 30, 2023: cash dividend of Rs. 2.50 per share). The unconsolidated condensed interim financial statements of the Bank for the half year ended June 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

43 GENERAL

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

44 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on August 21, 2024 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended June 30, 2024

Consolidated Statement of Financial Position

(Un-audited) as at June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	187,615,432	156,124,352
Balances with other banks	8	6,365,541	2,455,601
Lendings to financial institutions - net	9	28,094,416	9,418,003
Investments - net	10	1,285,574,967	1,154,597,203
Advances - net	11	773,190,885	780,296,455
Property and equipment	12	122,190,683	114,065,779
Right-of-use assets	13	7,979,975	8,329,462
Intangible assets	14	3,524,060	3,416,652
Deferred tax assets		-	3,781,881
Other assets - net	15	107,306,666	100,564,585
		<u>2,521,842,625</u>	<u>2,333,049,973</u>
LIABILITIES			
Bills payable	17	9,504,311	9,322,405
Borrowings	18	331,251,823	373,674,042
Deposits and other accounts	19	1,877,197,171	1,676,589,677
Lease liabilities	20	10,468,923	10,686,438
Sub-ordinated debt		-	-
Deferred tax liabilities - net	21	5,125,013	-
Other liabilities	22	66,258,425	65,451,373
		<u>2,299,805,666</u>	<u>2,135,723,935</u>
NET ASSETS		<u>222,036,959</u>	<u>197,326,038</u>
REPRESENTED BY			
Share capital	23	11,450,739	11,450,739
Reserves		40,094,463	37,961,636
Surplus on revaluation of assets - net of tax	24	51,740,698	40,086,369
Unappropriated profit		118,751,059	107,827,294
		<u>222,036,959</u>	<u>197,326,038</u>
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the half year ended June 30, 2024

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
Mark-up / return / interest earned	27	192,414,781	168,902,389	98,087,890	94,931,165
Mark-up / return / interest expensed	28	133,891,868	118,254,420	68,715,211	64,720,810
Net mark-up / interest income		58,522,913	50,647,969	29,372,679	30,210,355
NON MARK-UP / INTEREST INCOME					
Fee and commission income	29	7,352,225	5,539,403	3,359,680	2,783,859
Dividend income		1,642,435	1,633,632	666,094	754,402
Foreign exchange income		4,075,697	4,359,797	2,803,819	1,117,197
Income from derivatives		-	-	-	-
Gain on securities - net	30	838,259	211,106	535,457	33,274
Net gain / (loss) on derecognition of financial assets measured at amortized cost		-	-	-	-
Other income	31	311,349	28,735	86,621	10,931
Total non mark-up / interest income		14,219,965	11,772,673	7,451,671	4,699,663
Total income		72,742,878	62,420,642	36,824,350	34,910,018
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	32	27,751,387	23,676,947	14,686,083	12,280,581
Workers welfare fund		944,250	740,470	471,050	450,205
Other charges	33	231,769	158,672	121,896	80,661
Total non mark-up / interest expenses		28,927,406	24,576,089	15,279,029	12,811,447
Share of profit of associates		352,954	412,564	189,961	270,420
Profit before credit loss allowance		44,168,426	38,257,117	21,735,282	22,368,991
Credit loss allowance / Provisions and write offs - net	34	(3,048,229)	2,743,624	(2,885,474)	433,847
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		47,216,655	35,513,493	24,620,756	21,935,144
Taxation	35	23,138,730	17,877,072	12,149,759	11,982,950
PROFIT AFTER TAXATION		24,077,925	17,636,421	12,470,997	9,952,194
In Rupees					
Basic and Diluted earnings per share	36	21.03	15.40	10.89	8.69

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the half year ended June 30, 2024

	Half Year Ended		Quarter Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000				
Profit after taxation for the period	24,077,925	17,636,421	12,470,997	9,952,194
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	(231,245)	3,093,101	(3,138)	95,906
Movement in deficit on revaluation of investments - net of tax	-	(5,764,061)	-	4,328,560
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	2,353,920	-	(99,004)	-
	2,122,675	(2,670,960)	(102,142)	4,424,466
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Movement in surplus on revaluation of equity investments through FVOCI - net of tax	2,569,578	-	1,901,408	-
	2,569,578	-	1,901,408	-
Total comprehensive income	28,770,178	14,965,461	14,270,263	14,376,660

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Zafar Iqbal
Director

Azid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Mubashir A. Akhtar
Director

Consolidated Statement of Changes in Equity

(Un-audited) for the half year ended June 30, 2024

	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, 2023 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,866)	22,570,552	882,450	82,058,979	130,264,308
Profit after taxation for the half year ended June 30, 2023	-	-	-	-	-	-	-	17,636,421	17,636,421
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(5,764,061)	-	-	-	(5,764,061)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(248,344)	-	-	(248,344)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	3,093,101	-	-	-	-	-	-	3,093,101
	-	3,093,101	-	-	(5,764,061)	(248,344)	(2,700)	42,981	(2,879,023)
Transfer to statutory reserve	-	-	1,744,303	-	-	-	-	-	(1,744,303)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,876)	-	34,876	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(644)	644	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	(5,725,370)	(5,725,370)
Balance as at June 30, 2023 (Un-audited)	11,450,739	8,426,341	27,840,516	6,000	(23,897,926)	22,287,332	879,106	92,304,228	139,296,336
Profit after taxation for the year period ended December 31, 2023	-	-	-	-	-	-	-	23,664,943	23,664,943
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of investments - net of tax	-	-	-	-	17,020,178	-	-	-	17,020,178
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	23,733,750	-	-	23,733,750
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	98,788	-	98,788
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	445,166	445,166
Effect of translation of net investment in foreign branches	-	(635,217)	-	-	-	-	-	-	(635,217)
	-	(635,217)	-	-	17,020,178	23,733,750	98,788	445,166	40,662,665
Transfer to statutory reserve	-	-	2,323,996	-	-	-	-	-	(2,323,996)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(34,216)	-	34,216	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(643)	643	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Third interim cash dividend for the year ended December 31, 2023 (Rs. 3 per ordinary share)	-	-	-	-	-	-	-	(3,435,221)	(3,435,221)
	-	-	-	-	-	-	-	(6,297,906)	(6,297,906)
Balance as at December 31, 2023 (Audited)	11,450,739	7,791,124	30,164,512	6,000	(6,877,748)	45,986,866	977,251	107,827,294	197,326,038
Effect of adoption of IFRS 9 - Note 3.1.1	-	-	-	-	7,824,133	-	-	(2,722,800)	5,101,333
Balance as at January 01, 2024 - as restated	11,450,739	7,791,124	30,164,512	6,000	946,385	45,986,866	977,251	105,104,494	202,427,371
Profit after taxation for the half year ended June 30, 2024	-	-	-	-	-	-	-	24,077,925	24,077,925
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Surplus on revaluation of debt investments - net of tax	-	-	-	-	2,353,920	-	-	-	2,353,920
Surplus on revaluation of equity investments - net of tax	-	-	-	-	2,569,578	-	-	-	2,569,578
Effect of translation of net investment in foreign branches	-	(231,245)	-	-	-	-	-	-	(231,245)
	-	(231,245)	-	-	4,923,498	-	-	-	4,692,253
Transfer to statutory reserve	-	-	2,364,072	-	-	-	-	-	(2,364,072)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(89,438)	-	89,438	-
Surplus realized on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(2,424)	-	2,424	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	(2,424)	-	2,424	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,792)	1,792	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	(999,648)	-	-	999,648	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2023 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(9,160,590)	(9,160,590)
Balance as at June 30, 2024 (Un-audited)	11,450,739	7,559,879	32,528,584	6,000	4,870,235	45,895,004	975,459	118,715,059	222,036,959

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Cash Flow Statement

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		47,216,655	35,513,493
Less: Dividend income and Share of Profit of associates		(1,995,389)	(2,046,196)
		45,221,266	33,467,297
Adjustments:			
Net mark-up / interest income		(58,522,913)	(50,902,412)
Depreciation - Operating Fixed Assets		3,116,660	2,233,098
Depreciation - Non Banking Assets		13,564	5,016
Depreciation on right of use assets		915,081	876,352
Finance charges on leased assets		649,288	559,981
Amortization		308,777	286,619
Credit loss allowance and write offs	34	(3,045,929)	2,746,572
Unrealized loss on revaluation of securities measured at FVTPL		(12,415)	(10,346)
Provision for workers welfare fund		944,250	740,470
Charge for defined benefit plans		74,021	236,838
Loss / (gain) on sale / disposal of property and equipment		(267,088)	(161)
		(55,826,704)	(43,227,973)
		(10,605,438)	(9,760,676)
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(18,676,413)	6,700,424
Securities classified as FVTPL		9,290,463	(7,817,801)
Advances		8,761,521	28,166,911
Other assets (excluding advance taxation)		6,717,976	(10,591,311)
		6,093,547	16,458,223
Increase / (Decrease) in operating liabilities			
Bills payable		181,906	(6,177,075)
Borrowings from financial institutions		(42,229,864)	(59,339,712)
Deposits		200,607,494	142,809,782
Other liabilities (excluding current taxation)		(7,735,666)	9,234,645
		150,823,870	86,527,640
		146,311,979	93,225,187
Income tax paid		(31,126,433)	(17,177,063)
Mark-up / interest received		185,751,925	150,041,322
Mark-up / interest paid		(127,313,576)	(111,588,859)
Defined benefits paid		(397,173)	(319,129)
Net cash flow generated from operating activities		173,226,722	114,181,458
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		3,496,812	(24,794,117)
Net investments in amortized cost securities		(121,146,095)	(188,862)
Dividend received		1,680,060	1,710,809
Investments in property and equipment and intangible assets		(13,337,153)	(6,900,895)
Disposals of property and equipment		1,946,555	14,505
Effect of translation of net investment in foreign branches		(231,245)	3,093,101
Net cash flow used in investing activities		(127,091,066)	(27,065,459)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,411,390)	(1,428,331)
Dividend paid		(9,127,120)	(5,706,496)
Net cash flow used in financing activities		(10,538,510)	(7,134,827)
Increase / (Decrease) in cash and cash equivalents during the period		35,597,146	79,981,172
Cash and cash equivalents at beginning of the period		158,116,486	92,106,519
Effect of exchange rate changes on opening cash and cash equivalents		271,112	(1,197,459)
		158,387,598	90,909,060
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		193,984,744	170,890,232

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mubashir A. Akhtar
Director

Zafar Iqbal
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

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 1,491 (December 31, 2023: 1,481) branches in Pakistan including 133 (December 31, 2023: 127) Islamic banking branches, 1 branch (December 31, 2023: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2023: 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 and ABL Exchange Company (Pvt.) Limited.

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

Subsidiaries

ABL Asset Management Company Limited

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

The Company has been assigned an Asset Manager rating of 'AM1' by Pakistan Credit Rating Agency Limited dated October 26, 2023.

ABL Asset Management Company is managing the following funds:

- ABL Income Fund	Launched on September 20, 2008
- ABL Stock Fund	Launched on June 28, 2009
- ABL Cash Fund	Launched on July 30, 2010
- ABL Islamic Income Fund	Launched on July 30, 2010
- ABL Government Securities Fund	Launched on November 30, 2011
- ABL Islamic Stock Fund	Launched on June 12, 2013
- ABL Pension Fund	Launched on August 20, 2014
- ABL Islamic Pension Fund	Launched on August 20, 2014
- ABL Islamic Financial Planning Fund	Launched on December 22, 2015
- ABL Financial Planning Fund	Launched on December 31, 2015
- ABL Islamic Dedicated stock fund	Launched on December 19, 2016
- ABL Islamic Asset Allocation Fund	Launched on May 31, 2018
- Allied Finergy Fund	Launched on November 30, 2018
- ABL Special Saving Fund	Launched on September 19, 2019
- ABL Islamic Cash Fund	Launched on February 10, 2020
- ABL Financial Sector Fund	Launched on August 01, 2023
- ABL Fixed Rate Fund	Launched on October 20, 2023
- ABL Money Market Fund	Launched on November 16, 2023
- ABL Islamic Money Market Fund	Launched on December 23, 2023
- ABL GOKP Pension Fund	Launched on April 23, 2024
- ABL GOKP Islamic Pension Fund	Launched on April 23, 2024

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

ABL Exchange Private Limited

ABL Exchange (Private) Limited (the Company) was incorporated on December 15, 2023 as a private limited company under the Companies Act, 2017. The Company obtained license for commencement of operations from the State Bank of Pakistan (SBP) on March 20, 2024. The Company was formed under section 3AA of the Foreign Exchange Regulation Act, 1947. The registered office of the Company (head office) is situated at 21-Z, DHA Phase 3, Lahore and the Company has a head office and 10 payment booths across the country.

2 BASIS OF PRESENTATION

These consolidated condensed interim financial statements have been prepared in conformity with the format of interim financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 2 dated February 09, 2023. These consolidated condensed interim financial statements consists of holding company and its subsidiary companies for the half year ended June 30, 2024.

The financial results of the Islamic banking branches have been consolidated in these consolidated 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 41 to the unconsolidated condensed interim financial statements.

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures 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.

2.1.3 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of 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.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

2.1.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended December 31, 2023.

2.1.5 Standards, interpretations and amendments to accounting standards that are effective in the current period

During the year, the Group has adopted IFRS 9 as applicable in Pakistan with effect from January 01, 2024 (refer note 3.2 for details). There are certain other amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2024. Except for IFRS 9, these are either considered not to be relevant or do not have any significant impact and accordingly have not been detailed in these consolidated condensed interim financial statements.

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

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective. These are not likely to have a material effect on the Group's financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended December 31, 2023, except as disclosed in Notes 3.1 and 3.2.

3.1 Changes in reporting format

The SBP vide BPRD Circular No. 2 dated February 09, 2023 specified the new format for interim financial statements of banking companies. The new format has revised the disclosure requirements of the Group for the half year ended June 30, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

3.2 IFRS 9 - Financial Instruments

The Group has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) using modified retrospective approach with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and surplus on revaluation of assets - net of tax at the beginning of the current period without restating the comparative figures. The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 3.2.4.

3.2.1 Scope of IFRS 9 application

IFRS 9 has been applicable in several overseas jurisdictions at various effective dates starting from January 01, 2018. The requirements of this standard were already incorporated in the Group's financial statements for the jurisdictions where IFRS 9 has been adopted.

Upon implementation of IFRS 9, the Banking Industry sought certain technical clarifications from SBP and also identified practical difficulties in implementation of certain areas of IFRS 9. The SBP vide its Circular No.16 dated July 29, 2024 with respect to these matters has allowed temporary extension in timeline with directions to implement IFRS 9 requirements before the end of the financial year other than valuation of unquoted equity securities which is required to be implemented from next financial year. The Banking Industry continues to engage SBP on remaining matters, including fair valuation of concessional loans and treatment of foreign currency balances with SBP, in the coming months to have more clarity on such areas. Accordingly, the Group has continued to apply previous accounting practices in such areas for the purposes of preparation of these interim financial statements.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

3.2.2 Significant differences from accounting policies applicable till December 31, 2023 before adoption of IFRS 9

3.2.2.1 Classification of financial assets

IFRS 9 introduced a new classification model for financial assets that is more principle-based than the previous requirements. Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. Instruments will be classified either at amortised cost, the newly established measurement category fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). For equity investment that are not held for trading, an election is available to the Group to classify these either through FVTPL or FVOCI. The previous accounting policies were based on instrument by instrument classification into Held for trading, Held to maturity and Available for Sale categories as disclosed in Note 4.3 to the annual financial statements of the Group.

3.2.2.2 Impairment of debt investments and loans and advances

The new IFRS 9 impairment requirements eliminate the previous approach for the recognition of credit losses, i.e., it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for ECLs, and updates the loss allowance for changes in these ECLs at each reporting date to reflect changes in credit risk since initial recognition. Consequently, the holder of the financial asset needs to take into account more timely and forward-looking information in order to provide users of financial statements with meaningful information about the ECLs on financial instruments that are in the scope of these impairment requirements. The previous impairment requirements were based solely on Prudential regulations of SBP as disclosed in Note 4.4 to the annual financial statements of the Group.

3.2.2.3 Impairment of equity investments

Previously, investments classified as available for sale were required to be tested for impairment and if there is an objective evidence, impairment was required to be booked. Under IFRS 9 regime, no impairment is required against such investments which are carried at FVOCI as the gain or loss on remeasurement will permanently remain in OCI/Surplus on revaluation of Investments. The previous accounting policies are disclosed in Note 4.3 & 4.11 to the annual financial statements of the Group.

3.2.3 Material accounting policies applicable from January 01, 2024 as a result of adoption of IFRS 9

3.2.3.1 Financial assets – initial recognition

Financial assets are initially recognized at fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in profit and loss account. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit and loss account when the inputs become observable, or when the instrument is derecognised.

3.2.3.2 Classification and subsequent measurement of financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Financial assets at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

3.2.3.3 Financial assets at amortized cost

The Group classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

a) Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's Board/ Board Committees
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b) The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than trivial exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

After initial measurement, these financial assets are subsequently measured at amortized cost.

3.2.3.4 Debt instruments at FVOCI

The Group applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

3.2.3.5 Equity instruments at FVOCI

Upon initial recognition, the Group elects to classify its equity investments at FVOCI which are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

3.2.3.6 Financial assets and financial liabilities at FVTPL

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
- not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

3.2.3.7 Financial liabilities at amortised cost

Financial liabilities with a fixed maturity are measured at amortised cost using the EIR method. These include Bills payable, Borrowings, Deposits and certain items within Other Liabilities.

3.2.3.8 Derecognition of financial assets

3.2.3.8.1 Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

The gain/(loss) on derecognition of financial asset is calculated as the difference between the book value (including impairment) and the proceeds received.

3.2.3.8.2 Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The

Notes to the Consolidated Condensed Interim Financial Statements

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Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

3.2.3.9 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

3.2.3.10 Impairment of financial assets

3.2.3.10.1 Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Group's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Group has been recording the allowance for expected credit losses for all loans and other debt financial assets held at amortized cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

3.2.3.10.2 The calculation of ECLs

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss (LTECL)), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognized, the Group recognizes an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Group records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. However, for certain portfolios, the Group has rebutted 30 DPD presumption based on behavioural analysis of its borrowers.

The key elements of ECL calculations are as follows:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank

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(Un-audited) for the half year ended June 30, 2024

has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 7 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. For IFRS 9, the Bank only considers the liquid collaterals.

The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Bank considers three probability-weighted scenarios (a base case, a best case, and a worse case). Each of these is associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

3.2.3.10.3 Forward looking information

The Bank formulates a base case view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios and consideration of a variety of external actual and forecast information. This process involves developing three different economic scenarios, which represent macro economic inputs.

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(Un-audited) for the half year ended June 30, 2024

3.2.4 Reconciliation of statement of financial position balances from existing local regulations to IFRS 9

'The following table reconciles the carrying amount of financial assets from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024.

The Bank formulates a base case view of the future direction of relevant economic variables and a repres

	Classification under IFRS-09						
	Carrying amount as per accounting policy as at December 31, 2023	AT FVPL	At FVOCI- with recycling	At FVOCI- without recycling	At Amortized Cost	Remeasurement under IFRS 9	IFRS 9 carrying amount as at January 01, 2024
	Rupees in '000						
Cash and cash equivalents	158,591,909	-	-	-	158,591,909	(704)	158,591,205
Lendings to financial institutions	9,418,003	-	-	-	9,418,003	(3)	9,418,000
Advances	781,597,230	-	-	-	781,597,230	(2,830,487)	778,766,743
Investments in financial assets							
Held for trading	20,049,848	20,049,848	-	-	-	-	20,049,848
Held to maturity	59,797,669	-	-	-	59,797,669	120,334,806	180,132,475
Available for sale	1,069,970,572	34,454	946,914,037	18,798,989	104,223,092	(107,301,672)	962,668,900
Other financial assets	88,096,252	-	-	-	88,096,252	(48,085)	88,048,167
Other liabilities	(75,442,669)	-	-	-	(75,442,669)	(151,241)	(75,593,910)
	2,262,964,152	20,084,302	946,914,037	18,798,989	1,277,166,824	10,002,614	2,272,966,766

3.2.5 Impact on equity on adoption of IFRS 9

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity as at January 01, 2024 is increase in surplus on revaluation of assets of approximately Rs. 7,824.1 million and reduction in unappropriated profits of approximately Rs. 2,722.8 million. Following is the detail of the impact on respective item within equity:

Opening unappropriated profits

- A decrease of Rs. 3,115.641 million net of tax related to impairment requirements;
- An increase of Rs. 392.841 million net of tax related to classification and measurement changes.

Opening surplus on revaluation of assets

- An increase of Rs. 7,824.1 million net of tax related to classification and measurement changes.

3.2.6 The following explains how applying the new classification requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank as shown in the table above:

(a) Open ended mutual funds previously classified as available for sale (AFS) has been reclassified to FVTPL

The Bank holds a portfolio of mutual funds investments which was earlier classified as available for sale (AFS) investments. However, upon implementation of IFRS 9, the Bank has elected to measure the investments as FVTPL reclassifying from available for sale which is permitted under IFRS 9. Therefore, these financial assets having a carrying value of Rs. 34.454 million have been reclassified.

(b) Debt investments previously classified as available for sale (AFS) reclassified to amortized cost

'At the date of initial application of IFRS 9, an entity shall assess the business model and the contractual terms of the financial asset on the basis of facts and circumstances that exist at the transition date. The Bank has identified certain portfolio of federal government securities under AFS category which have been held to collect the contractual cash flows and the contractual terms of the financial asset give rise to cash flows on

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specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding. As a result, financial assets having fair value amounting to Rs. 104,223.092 million have been reclassified to Amortized cost at Rs. 120,334.806 million, instead of FVOCI.

(c) Investment in debt securities previously designated at held for trading

The Bank holds investment of Rs. 20,049.848 million in a portfolio of debt securities which had previously been designated at held for trading as the debt securities were managed on a fair value basis. As part of the transition to IFRS 9, these securities are part of an 'other' business model and so required to be classified as FVTPL category under IFRS 9, instead of designated FVTPL category under existing local regulations.

(d) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate equity investments of Rs. 18,798.989 million in listed and unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(e) Reclassification from retired categories with no change in measurement

In addition to the above, the following debt instruments have been reclassified to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

- (i) Those previously classified as available for sale and now classified as measured at FVOCI; and
- (ii) Those previously classified as held to maturity and now classified as measured at amortised cost.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank for the year ended December 31, 2023, except for the adoption of IFRS 9 w.e.f January 01, 2024. These are disclosed in Note 4.1.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

4.1 Impairment losses on financial assets

Determination of expected credit losses is a significant estimate and involves the following judgments:

- Development of ECL models, including the various formulas and the choice of inputs
- The segmentation of financial assets when their ECL is assessed on a collective basis
- The Bank's internal credit grading model based on which PDs are assigned to the individual grades
- Qualitative and quantitative indicators used as SICR triggers
- The definition of default against which parameters of ECL model such as PD, LGD and EAD are evaluated
- Selection of forward-looking macroeconomic scenarios and their probability weightings
- Determination of economic inputs, such as GDP growth, Current Account Balance and CPI

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2023.

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(Un-audited) for the half year ended June 30, 2024

(Audited)

June 30, 2024

December 31, 2023

	June 30, 2024		December 31, 2023	
	Lending	Credit loss allowance held	Lending	Provision held
Rupees in '000				
9.1 Category of classification				
Domestic				
Performing - Stage 1	28,094,417	1	-	-
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	28,164,417	70,001	70,000	70,000

	June 30, 2024				December 31, 2023			
	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
FVTPL								
	Held-for-trading securities							
Federal Government Securities	10,823,983	-	12,416	10,836,399	20,114,446	-	(64,599)	20,049,847
	10,823,983	-	12,416	10,836,399	20,114,446	-	(64,599)	20,049,847
FVOCI								
	Available for sale							
Federal Government Securities	1,052,428,539	(3,595,214)	1,009,845	1,049,843,170	1,047,943,333	(2,452,459)	(19,702,262)	1,025,788,612
Shares	10,840,389	-	8,546,211	19,386,600	13,329,302	(760,822)	6,228,739	18,797,219
Non Government Debt Securities	22,196,149	(471,464)	(7,312)	21,717,373	25,391,300	(21,071)	(21,711)	25,348,518
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
	1,085,466,847	(4,066,678)	9,548,744	1,090,948,913	1,086,665,705	(3,234,352)	(13,495,234)	1,069,936,119
Amortized cost								
	Held to maturity							
Federal Government Securities	180,967,385	-	-	180,967,385	59,797,669	-	-	59,797,669
Non Government Debt Securities	291,109	(291,109)	-	-	302,920	(302,920)	-	-
	181,258,494	(291,109)	-	180,967,385	60,100,589	(302,920)	-	59,797,669
Associates	2,822,270	-	-	2,822,270	4,813,568	-	-	4,813,568
Total Investments	1,280,371,594	(4,357,787)	9,561,160	1,285,574,967	1,171,694,308	(3,537,272)	(13,559,833)	1,154,597,203

10.1.1 During the year, investment of Rs. 1 billion was made in ABL Exchange Pvt. Limited which was incorporated by Allied Bank Limited as a wholly owned subsidiary of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024	(Audited) December 31, 2023
Rupees in '000		
10.1.1 Investments given as collateral - at market value		
Pakistan Investment Bonds	240,296,684	268,646,617
Market Treasury Bills	3,255,549	-
Total Investments given as collateral	<u>243,552,233</u>	<u>268,646,617</u>
10.2 Credit loss allowance for diminution in value of investments		
10.2.1 Opening balance	3,537,272	2,321,414
Impact of adoption of IFRS 9	2,317,757	-
Exchange adjustments	(19,804)	69,221
Charge / (reversals)		
Charge for the period / year	1,335,724	2,082,408
Reversals for the period / year	(1,951,642)	(17,717)
Reversal on disposals	(861,520)	-
Reversal on disposals	(1,477,438)	2,064,691
Closing Balance	<u>4,357,787</u>	<u>(918,054)</u>
	<u>4,357,787</u>	<u>3,537,272</u>

	June 30, 2024		(Audited) December 31, 2023	
	Outstand- ing amount	Credit loss allowance Held	Out- standing amount	Provision Held
Rupees in '000				
10.2.2 Particulars of credit loss allowance against debt securities				
Category of Classification				
Domestic				
Performing - Stage 1	1,230,831,770	2,455	-	-
Underperforming - Stage 2	10,873,713	2,353,651	-	-
Non-performing - Stage 3	952,518	752,838	-	-
Substandard	640,338	440,658	-	-
Doubtful	-	-	-	-
Loss	312,180	312,180	323,991	323,991
	<u>1,242,658,001</u>	<u>3,108,944</u>	<u>323,991</u>	<u>323,991</u>
Overseas				
Performing - Stage 1	-	-	-	-
Underperforming - Stage 2	12,368,540	1,248,843	19,392,275	2,452,459
Non-performing - Stage 3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	<u>12,368,540</u>	<u>1,248,843</u>	<u>19,392,275</u>	<u>2,452,459</u>
Total	<u>1,255,026,541</u>	<u>4,357,787</u>	<u>19,716,266</u>	<u>2,776,450</u>

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at June 30, 2024 amounted to Rs. 163,026.899 million (December 31, 2023: Rs. 51,778 million).

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(Un-audited) for the half year ended June 30, 2024

Note	Performing		Non Performing		Total			
	(Audited)		(Audited)		(Audited)			
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023		
Rupees in '000								
11	ADVANCES							
	Loans, cash credits, running finances, etc.	702,091,606	699,230,728	11,163,545	11,713,507	713,255,151	710,944,235	
	Islamic financing and related assets	68,804,652	79,621,981	249,539	5,729	69,054,191	79,627,710	
	Bills discounted and purchased	3,581,025	945,424	1,013,913	1,319,793	4,594,938	2,265,217	
	Advances - gross	11.1	774,477,283	779,798,133	12,426,997	13,039,029	786,904,280	792,837,162
	Credit loss allowance / Provision against advances							
	Stage 1	11.3	(477,060)	-	-	(477,060)	-	
	Stage 2	11.3	(1,443,505)	-	-	(1,443,505)	-	
	Stage 3	11.3	-	-	(11,792,830)	(11,792,830)	-	
	Specific	11.2 & 11.3	-	-	-	(12,335,688)	(12,335,688)	
	General	11.3	-	(205,019)	-	-	(205,019)	
			(1,920,565)	(205,019)	(11,792,830)	(12,335,688)	(13,713,395)	(12,540,707)
	Advances - net of credit loss allowance		772,556,718	779,593,114	634,167	703,341	773,190,885	780,296,455

(Audited)
June 30, 2024 December 31, 2023

Rupees in '000

11.1	Particulars of advances (Gross)	
	In local currency	740,247,504 752,227,129
	In foreign currencies	46,656,776 40,610,033
		786,904,280 792,837,162

11.2 Advances include Rs. 12,426.997 million (December 31, 2023: Rs. 13,039.029 million) which have been placed under non-performing / Stage 3 status as detailed below:

Category of Classification:	June 30, 2024		December 31, 2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Provision held
Rupees in '000				
Domestic				
Other Assets Especially Mentioned	106,156	52,929	31,765	250
Substandard - Stage 3	354,271	235,634	361,480	90,154
Doubtful - Stage 3	252,987	167,711	46,947	23,473
Loss - Stage 3	11,713,583	11,336,556	12,598,837	12,221,811
Total	12,426,997	11,792,830	13,039,029	12,335,688

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

11.3 Particulars of credit loss allowance against advances

	(Audited)						
	June 30, 2024			December 31, 2023			
	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total
Rupees in '000							
Opening balance	12,335,688	144,558	60,461	12,540,707	11,738,558	109,603	11,848,161
Impact of adoption of IFRS 9	165,416	1,691,141	973,930	2,830,487	-	-	-
Exchange adjustments	-	(1,848)	-	(1,848)	-	9,497	9,497
Charge for the period / year	285,807	78,403	23,463	387,673	1,694,691	241,205	1,935,896
Reversals for the period / year	(994,081)	(468,749)	(580,794)	(2,043,624)	(1,097,561)	(155,286)	(1,252,847)
	(708,274)	(390,346)	(557,331)	(1,655,951)	597,130	85,919	683,049
Amounts written off	-	-	-	-	-	-	-
Closing balance	11,792,830	1,443,505	477,060	13,713,395	12,335,688	205,019	12,540,707

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.

	June 30, 2024			
	Stage 3	Stage 2	Stage 1	Total
	Rupees in '000			

11.4 Advances - Particulars of credit loss allowance

Opening balance	12,501,104	1,835,699	1,034,391	15,371,194
New Advances	228,404	49,026	96,394	373,824
Advances derecognised or repaid	(850,162)	(672,813)	(597,209)	(2,120,184)
Transfer to stage 1	-	(86,832)	3,731	(83,101)
Transfer to stage 2	(255,505)	333,273	(58,211)	19,557
Transfer to stage 3	168,989	(14,848)	(2,036)	152,105
	(708,274)	(392,194)	(557,331)	(1,657,799)
Amounts written off / charged off	-	-	-	-
Changes in risk parameters	-	-	-	-
Other changes	-	-	-	-
Closing balance	11,792,830	1,443,505	477,060	13,713,395

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(Un-audited) for the half year ended June 30, 2024

		June 30, 2024	
		Outstanding amount	Credit loss allowance Held
Rupees in '000			
11.5	Advances - Category of classification		
	Domestic		
	Performing - Stage 1	715,122,886	477,060
	Underperforming - Stage 2	58,527,842	1,412,040
	Non-Performing - Stage 3	12,426,997	11,792,830
	Other impaired	1,167	887
	Other Assets Especially Mentioned	104,989	52,042
	Substandard	354,271	235,634
	Doubtful	252,987	167,711
	Loss	11,713,583	11,336,556
		<u>786,077,725</u>	<u>13,681,930</u>
	Overseas		
	Performing - Stage 1	-	-
	Underperforming - Stage 2	603,073	31,465
	Non-Performing - Stage 3	-	-
	Substandard	-	-
	Doubtful	-	-
	Loss	-	-
		<u>603,073</u>	<u>31,465</u>
	Total	<u>786,680,798</u>	<u>13,713,395</u>

		(Audited)	
		June 30, 2024	December 31, 2023
Rupees in '000			
12	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	12.1 13,297,143	9,779,743
	Property and equipment	108,893,540	104,286,036
		<u>122,190,683</u>	<u>114,065,779</u>
12.1	Capital work-in-progress		
	Civil works	11,544,857	7,759,247
	Equipment	225	89,246
	Advances to suppliers	1,752,061	1,931,250
		<u>13,297,143</u>	<u>9,779,743</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

12.2 Additions to property and equipment

The following additions are made to property and equipment during the period:

	June 30, 2024	June 30, 2023
Rupees in '000		
Capital work-in-progress	32,602,470	3,956,829
Property and equipment		
Freehold land	1,038,423	547,701
Leasehold land	780,187	10
Building on freehold land	1,560,257	210,288
Building on leasehold land	123,489	30,926
Furniture and fixture	304,832	134,608
Electrical office and computer equipment	3,215,161	2,361,896
Vehicles	694,501	127,573
Others-building improvements	969,448	277,962
	8,686,298	3,690,964
Total	41,288,768	7,647,793

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

	June 30, 2024	June 30, 2023
Rupees in '000		
Furniture and fixture	2,018	1,234
Electrical office and computer equipment	8,221	3,346
Vehicles	82	132
Freehold land	1,670,225	-
Building on freehold land	21,923	-
Total	1,702,469	4,712

	(Audited)			
	June 30, 2024		December 31, 2023	
	Buildings	Total	Buildings	Total
13 RIGHT-OF-USE ASSETS				
At January 01				
Cost	15,650,469	15,650,469	13,610,540	13,610,540
Accumulated Depreciation	(7,289,892)	(7,289,892)	(5,728,559)	(5,728,559)
Net carrying amount at January 01, 2024	8,360,577	8,360,577	7,881,981	7,881,981
Additions during the year	855,274	855,274	2,457,404	2,457,404
Deletions during the year	(320,451)	(320,451)	(235,706)	(235,706)
Depreciation charge during the year	(915,081)	(915,081)	(1,774,217)	(1,774,217)
Exchange difference	(344)	(344)	-	-
Net carrying amount at June 30, 2024	7,979,975	7,979,975	8,329,462	8,329,462

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
14	INTANGIBLE ASSETS		
	Capital work-in-progress	14.1 764,365	778,871
	Intangible Assets	2,759,695	2,637,781
		3,524,060	3,416,652
14.1	Capital work-in-progress		
	Software	761,491	775,996
	Advances to suppliers	2,874	2,875
		764,365	778,871

14.2 Additions to intangible assets

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

	June 30, 2024	June 30, 2023
Rupees in '000		
Capital work-in-progress	157,580	230,312
Software	143,504	84,141
Total	301,084	314,453

14.3 Disposals of intangible assets

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

		(Audited)	
		June 30,	December 31,
		2024	2023
		Rupees in '000	
15	OTHER ASSETS		
	Income / Mark-up accrued in local currency	76,080,802	69,598,428
	Income / Mark-up accrued in foreign currency	1,099,887	953,413
	Advances, deposits, advance rent and other prepayments	8,028,577	3,554,991
	Non-banking assets acquired in satisfaction of claims	1,031,964	1,038,270
	Branches adjustment account	-	1,701,578
	Mark to market gain on forward foreign exchange contracts	-	80,674
	Acceptances	6,968,986	8,444,550
	Due from the employees' retirement benefit schemes		
	Pension fund	6,619,846	6,185,041
	Fraud and forgeries	565,679	544,824
	Stationery and stamps in hand	999,224	863,475
	Home Remittance Cell agent receivable	6,669	1,749
	Receivable from State Bank of Pakistan	13,488	4,375
	Charges receivable	29,842	29,873
	ATM / Point of Sale settlement account	5,511,801	7,075,342
	Suspense Account	2,957	295
	Others	466,585	440,225
		107,426,307	100,517,103
	Less: Credit loss allowance / Provision held against other assets	15.1 (1,159,630)	(996,020)
	Other assets (net of credit loss allowance)	106,266,677	99,521,083
	Surplus on revaluation of non-banking assets		
	acquired in satisfaction of claims	1,039,989	1,043,502
	Other Assets - Total	107,306,666	100,564,585

		(Audited)	
		June 30,	December 31,
		2024	2023
		Rupees in '000	
15.1	Credit loss allowance / Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	342,757	213,329
	Fraud and forgeries	465,137	444,282
	Charges receivable	29,834	29,840
	Others	321,902	308,569
		1,159,630	996,020
15.1.1	Movement in credit loss allowance / provision held against other assets		
	Opening balance	996,020	755,808
	Impact of adoption of IFRS 9	48,085	-
	Charge for the period / year	283,281	505,416
	Reversals	(164,713)	(259,078)
	Net charge	118,568	246,338
	Amounts written off	(3,043)	(6,126)
	Closing balance	1,159,630	996,020

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at June 30, 2024 and December 31, 2023.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
17	BILLS PAYABLE		
	In Pakistan	9,479,198	9,296,223
	Outside Pakistan	25,113	26,182
		9,504,311	9,322,405
18	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	235,000,000	270,000,000
	Under export refinance scheme	22,465,977	28,652,901
	Under long term financing facility	32,382,688	34,880,671
	Under financing scheme for renewable energy	637,704	639,066
	Under temporary economic refinance scheme	11,994,628	12,741,909
	Under refinance scheme for modernization of SMEs	4,091	8,182
	Under refinance scheme for SME Asaan Finance (SAAF)	44,832	-
	Refinance and credit guarantee scheme for women entrepreneurs	21,187	13,517
	Under refinance scheme for combating COVID-19	107,170	133,325
		302,658,277	347,069,571
	Repurchase agreement borrowings from Financial Institutions	11,469,593	1,843,392
	Trading liability	14,796,518	7,541,047
		328,924,388	356,454,010
	Unsecured		
	Call borrowings	1,477,435	2,677,677
	Overdrawn nostro accounts	-	192,355
	Musharaka borrowing	850,000	14,350,000
		2,327,435	17,220,032
		331,251,823	373,674,042

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

		June 30, 2024			(Audited) December 31, 2023		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000							
19	DEPOSITS AND OTHER ACCOUNTS						
Customers							
Current deposits		651,396,872	44,111,966	695,508,838	616,041,518	44,460,629	660,502,147
Savings deposits		721,810,974	19,733,966	741,544,940	652,681,830	19,697,405	672,379,235
Term deposits		251,409,126	58,217,889	309,627,015	201,318,101	51,084,504	252,402,605
Others		57,325,131	44,686	57,369,817	30,467,120	61,278	30,528,398
		1,681,942,103	122,108,507	1,804,050,610	1,500,508,569	115,303,816	1,615,812,385
Financial Institutions							
Current deposits		20,388,336	1,531,290	21,919,626	14,062,494	853,715	14,916,209
Savings deposits		45,627,805	-	45,627,805	44,978,314	-	44,978,314
Term deposits		819,350	4,771,680	5,591,030	819,350	63,419	882,769
Others		8,100	-	8,100	-	-	-
		66,843,591	6,302,970	73,146,561	59,860,158	917,134	60,777,292
		1,748,785,694	128,411,477	1,877,197,171	1,560,368,727	116,220,950	1,676,589,677

- 19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,242,090 million for June 30, 2024 (December 31, 2023: Rs. 1,138,708 million).

		Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000				
20	LEASE LIABILITIES			
	Outstanding amount at the start of the year		10,686,438	9,841,027
	Additions during the year		887,862	2,457,404
	Deletions during the year		(374,031)	(232,906)
	Lease payments including interest		(1,374,514)	(2,580,364)
	Interest expense		643,527	1,189,825
	Exchange difference		(359)	11,452
	Outstanding amount at the end of the period		10,468,923	10,686,438
20.1	Liabilities outstanding			
	Not later than one year		277,507	2,199,222
	Later than one year and upto five years		3,937,977	2,286,105
	Over five years		6,253,439	6,201,111
			10,468,923	10,686,438

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
21	DEFERRED TAX LIABILITIES		
Deductible Temporary Differences on			
Credit loss allowance against advances, off balance sheet etc.		2,053,071	507,293
Workers welfare fund		3,113,242	2,657,448
Investments in associated undertaking		26,000	-
Others		100,313	110,222
		<u>5,292,626</u>	<u>3,274,963</u>
Taxable Temporary Differences on			
Surplus on revaluation of property and equipment		(4,114,270)	(4,212,352)
Surplus on revaluation of non-banking assets		(64,530)	(66,251)
Investments in associated undertaking		-	(59,763)
Surplus on revaluation of investments		(4,678,884)	6,608,032
Accelerated tax depreciation or amortization		(1,483,542)	(1,689,137)
Actuarial gains		(76,413)	(73,611)
		<u>(10,417,639)</u>	<u>506,918</u>
		<u>(5,125,013)</u>	<u>3,781,881</u>
	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
22	OTHER LIABILITIES		
Mark-up / return / interest payable in local currency		20,523,799	14,143,930
Mark-up / return / interest payable in foreign currencies		1,960,429	1,762,006
Accrued expenses		4,354,632	4,127,256
Provision for taxation (provisions less payments)		403,394	7,915,956
Retention money payable		911,327	679,647
Deferred income		1,098,117	855,132
Unearned commission and income on bills discounted		2,327,584	759,785
Acceptances		6,968,986	8,444,550
Unclaimed dividends		465,114	442,049
Dividend payable		36,748	26,343
Branch adjustment account		1,903,522	-
Unrealized loss on forward foreign exchange contracts		121,843	-
Unrealized loss on forward government securities transactions		86,625	13,812
Provision for:			
Gratuity		806,365	806,365
Employees' medical benefits		1,543,095	1,500,971
Employees' compensated absences		1,242,372	1,200,318
Payable to defined contribution plan		132,419	117,158
Credit loss allowance against off-balance sheet obligations	22.1	415,972	298,904
Security deposits against lease		1,007,835	941,987
Charity fund balance		3,263	1,000
Home Remittance Cell overdraft		328,929	794,027
With-holding tax payable		6,070,695	8,610,249
Sundry deposits		4,910,688	4,162,588
Workers welfare fund payable		6,422,583	5,478,333
Others		2,212,089	2,369,007
		<u>66,258,425</u>	<u>65,451,373</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

		(Audited)	
		June 30, 2024	December 31, 2023
		Rupees in '000	
22.1	Credit loss allowance against off-balance sheet obligations		
	Opening balance	298,904	298,904
	Impact of adoption of IFRS 9	151,241	-
	Charge for the period / year	-	-
	Reversals for the period / year	(34,173)	-
		(34,173)	-
	Closing balance	415,972	298,904

23 SHARE CAPITAL

23.1 Authorized capital

		(Audited)		(Audited)	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
		No. of shares		Rupees in '000	

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

		(Audited)		(Audited)	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
		No. of shares		Rupees in '000	
	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
	18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)				
		9,148,550	9,148,550	91,486	91,486
	8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.				
		8,400,000	8,400,000	84,000	84,000
		1,145,073,830	1,145,073,830	11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2023: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
24	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) arising on revaluation of:			
Property and equipment		50,009,273	50,187,068
Non-banking assets acquired in satisfaction of claims		1,039,989	1,043,502
Available-for-sale securities		-	(13,485,780)
Securities measured at FVOCI - Debt		1,002,909	-
Securities measured at FVOCI - Equity		8,546,211	-
		<u>60,598,382</u>	<u>37,744,790</u>
Deferred tax on (surplus) / deficit on revaluation of:			
Property and equipment		(4,114,270)	(4,200,202)
Non-banking assets acquired in satisfaction of claims		(64,530)	(66,251)
Available-for-sale securities		-	6,608,032
Securities measured at FVOCI - Debt		(491,241)	-
Securities measured at FVOCI - Equity		(4,187,643)	-
		<u>(8,857,684)</u>	<u>2,341,579</u>
Surplus on revaluation of assets - net of tax		<u>51,740,698</u>	<u>40,086,369</u>
25	CONTINGENCIES AND COMMITMENTS		
Guarantees	25.1	<u>63,121,464</u>	66,315,450
Commitments	25.2	<u>537,460,465</u>	495,953,754
Other contingent liabilities	25.3	<u>7,060,997</u>	6,987,410
		<u>607,642,926</u>	<u>569,256,614</u>
25.1	Guarantees		
Financial guarantees		<u>5,859,859</u>	5,603,283
Performance guarantees		<u>13,754,524</u>	13,503,642
Other guarantees		<u>43,507,081</u>	47,208,525
		<u>63,121,464</u>	<u>66,315,450</u>
25.2	Commitments		
Documentary credits and short term trade related transactions:			
Letters of Credit		<u>109,254,459</u>	153,136,140
Commitments in respect of:			
Forward foreign exchange contracts	25.2.1	<u>374,470,823</u>	322,127,301
Forward government securities transactions	25.2.2	<u>41,314,413</u>	11,439,221
Operating leases	25.2.3	<u>256,680</u>	298,754
Commitments for acquisition of:			
Property and equipment		<u>11,210,111</u>	8,054,382
Intangible assets		<u>953,979</u>	897,956
		<u>537,460,465</u>	<u>495,953,754</u>
25.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		<u>209,470,144</u>	180,292,360
Sale		<u>165,000,679</u>	141,834,941
		<u>374,470,823</u>	<u>322,127,301</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	June 30, 2024	(Audited) December 31, 2023
Rupees in '000			
25.2.2	Commitments in respect of forward government securities transactions		
	Purchase	40,602,879	10,053,843
	Sale	711,534	1,385,378
		<u>41,314,413</u>	<u>11,439,221</u>
25.2.3	Commitments in respect of operating leases		
	Not later than one year	114,730	112,416
	Later than one year and not later than five years	121,883	162,545
	Later than five years	20,067	23,793
		<u>256,680</u>	<u>298,754</u>
25.3	Other contingent liabilities		
25.3.1	Claims against the Bank not acknowledged as debt	7,060,997	6,987,410

25.3.2 The income tax assessments of the Group have been finalized upto and including tax year 2023 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2023, income tax authorities made certain add backs with aggregate tax impact of Rs. 35,111 million (2023: Rs.34,866 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.35,111 million (2023: Rs.34,866 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs.2,049 million (2023: Rs.2,049 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Group; therefore, no provision has been made against the said demand of Rs.2,049 million (2023: Rs.2,049 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990, Punjab Sales Tax on Services Act, 2012 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 and 2021 thereby creating arbitrary aggregate demand of Rs.1,149 million (2023: Rs.1,144 million). The Group's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs.1,149 million (2023: Rs.1,144 million).

25.3.3 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 Foreign Exchange Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable court was pleased to order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated January 15, 2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

26 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:

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2024

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2023.

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
27 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		70,196,014	66,744,203	34,253,689	38,818,248
Investments		119,853,634	99,685,539	62,649,422	54,468,549
Lendings to financial institutions		1,831,254	1,822,552	909,859	1,229,483
Balances with banks		533,879	650,095	274,920	414,885
		192,414,781	168,902,389	98,087,890	94,931,165
28 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		96,079,583	72,749,539	49,302,648	40,325,504
Borrowings		34,615,013	43,064,325	17,737,463	22,934,968
Cost of foreign currency swaps against foreign currency deposits		2,547,984	1,880,575	1,371,987	1,170,929
Interest expense on lease liability		649,288	559,981	303,113	289,409
		133,891,868	118,254,420	68,715,211	64,720,810
29 FEE AND COMMISSION INCOME					
Branch banking customer fees		2,110,503	1,541,876	1,050,509	767,847
Consumer finance related fees		11,583	16,567	6,358	5,482
Card related fees (debit and credit cards)		3,504,777	2,453,153	1,654,958	1,257,351
Credit related fees		12,322	18,540	5,473	10,715
Investment banking fees		506,797	549,997	149,506	306,337
Commission on trade		352,133	282,736	182,955	153,069
Commission on guarantees		92,239	96,153	35,582	50,620
Commission on cash management		192,433	192,415	96,267	94,903
Commission on remittances including home remittances		533,592	382,208	151,834	136,507
Commission on bancassurance		6,712	5,758	923	1,028
Card acquiring business		29,134	-	25,315	-
		7,352,225	5,539,403	3,359,680	2,783,859
30 GAIN / (LOSS) ON SECURITIES					
Realised - net	30.1	909,477	207,510	577,747	23,755
Unrealised - held for trading		-	(10,346)	-	(3,934)
Unrealised - measured at FVTPL		1,595	-	7,294	-
Unrealised - forward government securities		(72,813)	13,942	(49,584)	13,453
		838,259	211,106	535,457	33,274
30.1 Realised gain / (loss) on:					
Federal government securities		909,477	156,240	577,747	20,720
Shares		-	51,270	-	3,035
		909,477	207,510	577,747	23,755

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
31 OTHER INCOME					
Rent on property		-	-	(2)	(36)
Gain on sale of property and equipment - net		267,088	161	60,115	(5,064)
Other assets disposal		36,772	11,432	23,049	5,411
Recovery of written off mark-up and charges		56	911	(953)	(881)
Fee for attending Board meetings		431	1,158	175	486
Gain on sale of islamic financing and related assets		7,002	15,073	4,237	11,015
		<u>311,349</u>	<u>28,735</u>	<u>86,621</u>	<u>10,931</u>
32 OPERATING EXPENSES					
Total compensation expense		10,788,468	9,541,084	5,430,793	4,800,225
Property expense:					
Rent & taxes		191,442	180,511	110,161	96,677
Insurance		75,357	55,241	42,260	29,144
Utilities cost		1,383,832	1,191,878	805,491	763,737
Security (including guards)		957,516	907,940	446,568	515,415
Repair and maintenance (including janitorial charges)		902,529	752,336	459,733	416,037
Depreciation		3,074,198	2,433,710	1,556,446	1,233,485
		<u>6,584,874</u>	<u>5,521,616</u>	<u>3,420,659</u>	<u>3,054,495</u>
Information technology expenses:					
Software maintenance		1,130,589	1,234,092	554,727	688,852
Hardware maintenance		293,095	297,566	122,546	162,634
Depreciation		738,162	522,890	389,605	290,866
Amortization		308,777	286,619	158,383	146,945
Network charges		452,366	421,122	218,617	226,839
Others		2,455	1,786	1,432	1,182
		<u>2,925,444</u>	<u>2,764,075</u>	<u>1,445,310</u>	<u>1,517,318</u>
Other operating expenses:					
Directors' fees and allowances		36,950	34,507	19,950	16,663
Fees and allowances to Shariah Board		4,885	4,611	2,287	2,150
Legal & professional charges		142,173	90,602	77,450	40,876
Outsourced service cost		768,738	635,261	390,068	331,035
Travelling & conveyance		212,596	171,459	117,142	82,318
NIFT clearing charges		109,674	100,205	52,614	52,677
Depreciation		219,381	152,849	114,418	77,525
Training and development		83,302	63,963	56,205	28,294
Postage & courier charges		116,805	165,116	74,377	112,913
Communication		659,647	85,121	459,421	42,482
Stationery & printing		414,878	314,903	229,065	204,564
Marketing, advertisement & publicity		1,492,970	762,506	967,621	246,672
Donations		87,440	17,340	67,918	11,673
Auditors Remuneration		18,446	10,229	11,282	4,793
Brokerage expenses		53,521	33,715	33,805	12,520
Card related expenses		1,141,031	1,225,251	661,304	583,457
CNIC verification		104,978	86,888	59,584	51,496
Entertainment		191,792	160,237	91,040	71,577
Clearing and settlement		130,157	99,261	67,603	54,022
Insurance		1,036,546	876,794	602,487	440,910
Cash In Transit Service Charge		221,217	264,376	95,378	130,030
Others		205,474	494,978	138,302	309,896
		<u>7,452,601</u>	<u>5,850,172</u>	<u>4,389,321</u>	<u>2,908,543</u>
		<u>27,751,387</u>	<u>23,676,947</u>	<u>14,686,083</u>	<u>12,280,581</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	Note	Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
33 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		18,204	3,656	15,104	3,153
Education cess		24,999	25,002	12,499	12,501
Depreciation - non-banking assets		13,564	5,016	6,792	2,508
Others		175,002	124,998	87,501	62,499
Other assets written off		-	-	-	-
		231,769	158,672	121,896	80,661
34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET					
Credit loss allowance against lendings to financial institutions		(2)	-	(113)	-
Credit loss allowance against nostro accounts		3,067	-	2,199	-
Credit loss allowance / Provision for diminution in value of investments	10.2.1	(1,477,438)	953,983	(1,387,657)	98,507
Credit loss allowance / Provision against loans & advances	11.3	(1,655,951)	1,460,800	(1,488,782)	20,745
Credit loss allowance / Provision against other assets	15.1.1	118,568	331,789	10,972	315,364
Credit loss allowance against off-balance sheet obligations	22.1	(34,173)	-	(20,500)	-
		(3,045,929)	2,746,572	(2,883,881)	434,616
Recovery of written off bad debts		(2,300)	(2,948)	(1,593)	(769)
		(3,048,229)	2,743,624	(2,885,474)	433,847
35 TAXATION					
Current - for the period	35.1	22,834,722	18,593,106	11,322,844	12,352,193
- for prior year		-	-	-	-
		22,834,722	18,593,106	11,322,844	12,352,193
Deferred - current		304,008	(716,034)	826,915	(369,243)
		23,138,730	17,877,072	12,149,759	11,982,950
35.1	This also includes proportionate super tax on high earning persons of Rs. 4,605.079 million (June 30, 2023: Rs. 3,770.727 million).				
		Half Year Ended		Quarter Ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Rupees in '000					
36 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation		24,077,925	17,443,032	12,470,997	9,952,194
Number of Shares					
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830	1,145,073,830	1,145,073,830
Rupees					
Earnings per share - basic and diluted		21.03	15.40	10.89	8.69
There is no dilution effect on basic earnings per share.					

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 Fair value of financial assets

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

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

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

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

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

	June 30, 2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,060,141,535	-	1,060,141,535	-	1,060,141,535
Shares	21,868,255	21,844,622	23,633	-	21,868,255
Non-Government Debt Securities	13,300,933	-	13,300,933	-	13,300,933
Financial assets - disclosed but not measured at fair value					
Investments	190,264,244	-	-	-	-
Cash and balances with treasury banks	187,678,299	-	-	-	-
Balances with other banks	6,365,541	-	-	-	-
Lendings	28,094,416	-	-	-	-
Advances	772,967,403	-	-	-	-
Other assets	89,921,563	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment	91,564,090	-	91,564,090	-	91,564,090
Non-banking assets	2,071,953	-	2,071,953	-	2,071,953
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	209,470,144	-	209,470,144	-	209,470,144
Forward sale of foreign exchange	165,000,679	-	165,000,679	-	165,000,679
Forward purchase of government securities transactions	40,602,879	-	40,602,879	-	40,602,879
Forward sale of government securities transactions	711,534	-	711,534	-	711,534

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	(Audited)				
	December 31, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,044,283,263	-	1,044,283,263	-	1,044,283,263
Shares	23,270,806	18,457,238	4,813,568	-	23,270,806
Non-Government Debt Securities	13,274,049	-	13,274,049	-	13,274,049
Financial assets - disclosed but not measured at fair value					
Investments					
Cash and balances with treasury banks	73,769,085	-	-	-	-
Balances with other banks	156,124,352	-	-	-	-
Lendings	2,455,601	-	-	-	-
Advances	9,418,003	-	-	-	-
Other assets	780,296,455	-	-	-	-
	88,092,635	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment	90,354,067	-	90,354,067	-	90,354,067
Non-banking assets	2,081,772	-	2,081,772	-	2,081,772
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	180,292,360	-	180,292,360	-	180,292,360
Forward sale of foreign exchange	141,834,941	-	141,834,941	-	141,834,941
Forward purchase of government securities transactions	10,053,843	-	10,053,843	-	10,053,843
Forward sale of government securities transactions	1,385,378	-	1,385,378	-	1,385,378

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

June 30, 2024

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	ABL Exchange	Others	Total
Rupees in '000								
38	SEGMENT INFORMATION							
38.1	Segment Details with respect to Business Activities							
Profit & Loss								
Net mark-up/return/profit	58,834,983	(88,866,370)	82,699,788	5,571,025	(30,183)	71,838	241,832	58,522,913
Inter segment revenue - net	(54,866,441)	147,311,114	(86,238,056)	-	-	-	(6,206,617)	-
Non mark-up / return / interest income	3,225,901	4,595,871	4,685,692	322,017	1,236,360	980	506,098	14,572,919
Total Income	7,194,443	63,040,615	1,147,424	5,893,042	1,206,177	72,818	(5,458,687)	73,095,832
Segment direct expenses								
Segment direct expenses	408,166	12,218,960	175,027	1,082,558	517,337	54,619	14,470,739	28,927,406
Total expenses	408,166	12,218,960	175,027	1,082,558	517,337	54,619	14,470,739	28,927,406
Credit loss allowance	(2,516,398)	(218,743)	(3)	517,795	-	-	(830,880)	(3,048,229)
Profit before tax	9,302,675	51,040,398	972,400	4,292,689	688,840	18,199	(19,098,546)	47,216,655
Balance Sheet								
Cash & Bank balances	44,988	62,913,789	117,396,871	10,627,181	22,559	189,917	2,785,668	193,980,973
Investments	51,181,208	-	1,190,804,916	39,933,566	2,798,636	856,641	-	1,285,574,967
Net inter segment lending	(657,824,690)	1,620,189,974	(1,116,443,301)	-	-	-	154,078,017	-
Lendings to financial institutions	-	-	26,177,920	2,000,000	-	-	(83,504)	28,094,416
Advances - performing	671,385,381	22,830,243	-	68,804,652	223,482	-	11,233,525	774,477,283
Advances - non-performing	284,531	220,958	-	249,539	-	-	11,671,969	12,426,997
Credit loss allowance against advances	(1,784,398)	(574,422)	-	(225,220)	-	-	(11,129,357)	(13,713,395)
Advances - net	669,885,516	22,476,779	-	68,828,971	223,482	-	11,776,137	773,190,885
Operating fixed assets	151,823	82,574,074	56,496	1,963,167	1,243,344	33,689	47,672,125	133,694,718
Others	7,380,951	16,958,437	45,002,007	5,420,739	613,139	16,732	31,914,661	107,306,666
Total Assets	70,819,796	1,805,113,053	262,994,909	128,773,624	4,901,160	1,096,979	248,143,104	2,521,842,625
Borrowings								
Borrowings	64,890,037	2,085,631	261,797,186	2,562,472	-	-	(83,503)	331,251,823
Deposits & other accounts	3,372,844	1,769,264,864	-	99,017,645	-	-	5,541,818	1,877,197,171
Net inter segment borrowing	-	-	-	-	-	-	-	-
Others	2,556,915	33,762,568	1,197,723	8,185,171	830,166	84,058	44,740,081	91,356,672
Total liabilities	70,819,796	1,805,113,053	262,994,909	109,765,288	830,166	84,058	50,198,396	2,299,805,686
Equity / Reserves	-	-	-	19,008,336	4,070,994	1,012,921	197,944,708	222,036,959
Total Equity and liabilities	70,819,796	1,805,113,053	262,994,909	128,773,624	4,901,160	1,096,979	248,143,104	2,521,842,625
Contingencies and commitments	149,482,937	18,754,893	415,785,236	8,771,305	-	-	14,848,555	607,642,926

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2023						
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Profit & Loss							
Net mark-up/return/profit	57,674,205	(66,753,700)	56,203,214	3,450,704	(254,443)	327,989	50,647,969
Inter segment revenue - net	(60,370,878)	128,099,723	(62,569,965)	-	-	(5,158,880)	-
Non mark-up / return / interest income	2,903,818	3,443,449	4,482,296	242,703	899,138	213,833	12,185,237
Total Income	207,145	64,789,472	(1,884,455)	3,693,407	644,695	(4,617,058)	62,833,206
Segment direct expenses	404,778	10,776,618	128,410	883,549	334,761	12,047,973	24,576,089
Total expenses	404,778	10,776,618	128,410	883,549	334,761	12,047,973	24,576,089
Provisions	(2,136,552)	(521,117)	(287,719)	(1,887)	-	203,651	(2,743,624)
Profit before tax	(2,334,185)	53,491,737	(2,300,584)	2,807,971	309,934	(16,461,380)	35,513,493
December 31, 2023 (Audited)							
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
Rupees in '000							
Balance Sheet							
Cash & Bank balances	63,911	52,567,988	87,420,356	7,981,515	21,442	10,524,741	158,579,953
Investments	56,323,830	-	1,055,128,295	38,360,057	4,779,114	5,907	1,154,597,203
Net inter segment lending	(637,179,804)	1,431,073,958	(920,483,266)	(427,931)	-	127,017,043	-
Lendings to financial institutions	-	-	16,191,116	-	-	(6,773,113)	9,418,003
Advances - performing	658,585,879	32,393,352	-	79,621,981	199,225	8,997,696	779,798,133
Advances - non-performing	296,254	174,347	-	5,729	-	12,562,699	13,039,029
Provision against advances	(226,742)	(129,247)	-	(7,338)	-	(12,177,380)	(12,540,707)
Advances - net	658,655,391	32,438,452	-	79,620,372	199,225	9,383,015	780,296,455
Operating fixed assets	152,919	74,579,541	5,707	887,783	412,017	49,773,926	125,811,893
Others	8,271,993	15,956,021	40,787,167	5,126,241	530,232	33,674,812	104,346,466
Total Assets	86,288,240	1,606,615,960	279,049,375	131,548,037	5,942,030	223,606,331	2,333,049,973
Borrowings	80,418,586	3,160,687	279,576,794	17,276,361	-	(6,758,386)	373,674,042
Deposits & other accounts	3,332,467	1,573,043,102	-	95,333,605	-	4,880,503	1,676,589,677
Others	2,537,187	30,412,171	(527,419)	3,904,191	2,295,319	46,838,767	85,460,216
Total liabilities	86,288,240	1,606,615,960	279,049,375	116,514,157	2,295,319	44,960,884	2,135,723,935
Equity / Reserves	-	-	-	15,033,880	3,646,711	178,645,447	197,326,038
Total Equity and liabilities	86,288,240	1,606,615,960	279,049,375	131,548,037	5,942,030	223,606,331	2,333,049,973
Contingencies and commitments	192,589,491	20,824,987	333,566,522	5,984,115	-	16,291,499	569,256,614

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

RELATED PARTY TRANSACTIONS

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

	June 30, 2024				December 31, 2023 (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	-	-	-	-	-	-	-	-
Lending to financial institute	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Opening balance	-	-	-	4,779,114	-	-	-	4,099,423
Investment made during the period/year	-	-	-	1,344,100	-	-	-	36,608,802
Investment redeemed/disclosed off during the period/year	-	-	-	(3,345,545)	-	-	-	(36,688,574)
Share of profit/(loss) from associate	-	-	-	352,954	-	-	-	965,900
Dividend income	-	-	-	(331,965)	-	-	-	(206,445)
Closing balance	-	-	-	2,796,638	-	-	-	4,779,114
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Opening balance	-	116,784	394,496	1,125	-	66,875	416,615	961,477
Addition during the period/year	-	39,515	32,876	33,579,955	7,460	90,791	202,400	81,408,541
Repaid during the period/year	-	(41,470)	(69,877)	(33,532,839)	(7,943)	(40,882)	(224,519)	(82,370,017)
Closing balance	-	114,829	367,485	47,127	642	116,784	394,496	1,125
Credit loss allowance held against advances	-	-	-	-	-	-	-	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

	June 30, 2024				December 31, 2023 (Audited)					
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Other Assets										
Interest / mark-up accrued	-	20,254	103,123	21,050	-	-	13,464	94,681	8,660	-
Receivable from staff retirement fund	-	-	-	-	5,579,392	-	-	-	-	5,238,086
Other receivable	-	-	-	-	-	-	-	-	-	222,164
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	12,963	46,804	35,100	37,125	7,839,463	1,716	53,731	51,333	11,965	2,128,234
Received during the period/year	8,782,744	1,028,892	996,323	7,035,059	236,069,670	21,562,782	510,062	1,116,106	9,933,361	292,662,647
Withdrawn during the period/year	(8,792,460)	(1,024,160)	(663,989)	(7,052,825)	(241,594,396)	(21,577,535)	(516,899)	(1,132,339)	(10,008,221)	(286,951,418)
Closing balance	3,247	51,626	157,434	19,359	4,334,737	12,963	46,894	35,100	37,125	7,839,463
Other Liabilities										
Interest / mark-up payable	-	-	-	-	-	-	2,165	1,069	50	209,873
Other Liabilities	-	-	-	-	86,173	-	-	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	692,577	-	-	-	-	-	1,942,309

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

39.1 RELATED PARTY TRANSACTIONS

	June 30, 2024					June 30, 2023						
	Parent	Directors	"Key management personnel"	Associates*	Joint venture	Other related parties	Parent	Directors	"Key management personnel"	Associates*	Joint venture	Other related parties
	Rupees in '000											
Income												
Mark-up/return/interest earned	-	6,790	9,337	207,187	156	-	4,914	8,204	19,975	43	19,975	43
Sales Commission	-	-	-	-	21,931	-	-	-	-	21,363	2,584	386
Fee and commission income	-	51	184	553	670,978	4	46	103	2,584	251,913	-	-
Share of profit from associates	-	-	-	352,954	-	-	-	-	-	82,744	-	-
Net (loss) / gain on sale of securities	-	-	83	(51)	1	-	-	3	-	230	-	230
Rental income	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	16	1,548	-	-	-	8,660	-	-	-	-
Expense												
Mark-up/return/interest paid	515	7,234	3,131	30	692,144	-	4,897	2,113	667	417,541	667	417,541
Directors meeting fee	-	34,600	-	-	-	-	33,000	-	-	-	-	-
Remuneration	-	123,540	420,954	-	-	-	65,223	335,782	-	-	-	-
Charge for defined benefit plans	-	2,654	13,947	-	-	-	1,339	11,903	-	-	-	-
Contribution to defined contribution plan	-	2,499	6,973	-	-	-	1,250	5,048	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	6,590	-	6,590	-
Rent expense***	-	-	-	-	-	-	-	-	11,832	-	11,832	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	-	-	-	-	-	-	-
Insurance premium paid	208	-	672	-	65,482	-	107	323	-	153,315	-	153,315
Others Transaction**												
Purchase of Government securities	-	-	322,445	-	-	-	-	-	-	-	-	-
Sale of Government securities	-	-	295,813	-	9,198	-	-	-	-	-	-	-
Purchase of foreign currencies	-	-	5,016	-	-	-	-	-	-	-	-	-
Sale of foreign currencies	-	-	-	-	-	-	-	-	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-	-	-

Shares held by the holding company, outstanding at the end of the period are included in note 23 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 & Ibrahim Agencies Pvt. Limited) was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan.

*** Other Transaction are executed on an arm's length basis.

During the period ended June 30, 2024; certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 478,407 to the Key Management Personnel of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

(Audited)
June 30, December 31,
2024 2023

Rupees in '000

40	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	150,514,014	137,272,038
	Eligible Additional Tier 1 (ADT 1) Capital	-	-
	Total Eligible Tier 1 Capital	150,514,014	137,272,038
	Eligible Tier 2 Capital	58,137,928	44,070,701
	Total Eligible Capital (Tier 1 + Tier 2)	208,651,942	181,342,739
	Risk Weighted Assets (RWAs):		
	Credit Risk	459,666,396	472,828,682
	Market Risk	49,812,248	41,288,208
	Operational Risk	177,359,474	177,359,474
	Total	686,838,118	691,476,364
	Common Equity Tier 1 Capital Adequacy ratio	21.91%	19.85%
	Tier 1 Capital Adequacy Ratio	21.91%	19.85%
	Total Capital Adequacy Ratio	30.38%	26.23%
	Leverage Ratio (LR):		
	Eligible Tier-1 Capital	150,514,014	137,272,038
	Total Exposures	2,660,376,339	2,473,204,725
	Leverage Ratio	5.66%	5.55%
	Liquidity Coverage Ratio (LCR):		
	Total High Quality Liquid Assets	885,733,856	729,610,915
	Total Net Cash Outflow	427,882,067	395,703,808
	Liquidity Coverage Ratio	207.00%	184.38%
	Net Stable Funding Ratio (NSFR):		
	Total Available Stable Funding	1,881,640,828	1,682,223,313
	Total Required Stable Funding	977,650,429	1,046,798,062
	Net Stable Funding Ratio	192.47%	160.70%

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2024

41 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 41.1 The Board of Directors of the Bank in its meeting held on August 21, 2024 has proposed an interim cash dividend for the quarter ended June 30, 2024 of Rs. 4.00 per share (June 30, 2023: cash dividend of Rs. 2.50 per share). The consolidated condensed interim financial statements of the Bank for the half year ended June 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

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

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on August 21, 2024 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Zafar Iqbal
Director

Aizid Razzaq Gill
President and Chief Executive

Mohammad Naeem Mukhtar
Chairman

Mubashir A. Akhtar
Director



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