



REPORT FOR THE QUARTER ENDED
MARCH 31, 2021

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Corporate Information

Board of Directors

Mr. Waqar Ahmed Malik - Chairman
Lt Gen Tariq Khan, HI (M) (Retd)
Mr. Sarfaraz Ahmed Rehman
Dr. Nadeem Inayat
Syed Bakhtiyar Kazmi
Mr. Manzoor Ahmed
Mr. Mohammad Aftab Manzoor
Ms. Zoya Mohsin Nathani
Mr. Mushtaq Malik
Raja Muhammad Abbas
Mr. Abid Sattar - President & Chief Executive

Board Audit Committee

Mr. Mohammad Aftab Manzoor - Chairman
Dr. Nadeem Inayat
Syed Bakhtiyar Kazmi
Mr. Manzoor Ahmed
Raja Muhammad Abbas

Shariah Board

Mufti Muhammad Zahid - Chairman
Mufti Ismatullah - Member
Dr. Muhammad Tahir Mansoori - Resident Shariah Board Member

Auditors

M/s KPMG Taseer Hadi & Co
Chartered Accountants

Legal Advisors

M/s RIAA, Barker Gillette
Advocates & Corporate Counselors

Company Secretary

Syed Ali Safdar Naqvi, FCA

Registered Office

AWT Plaza, The Mall, P. O. Box No. 1084
Rawalpindi - 46000, Pakistan.
Tel: (92 51) 8092624
UAN: (92 51) 111 000 787
Fax: (92 51) 2857448
Email: ir@askaribank.com.pk

Registrar & Share Transfer Office

CDCShareRegistrarServicesLimited (CSCSRSL) Mezzanine
Floor, South Tower, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal, Lahore
Tel: CustomerSupportServices (Toll Free)
0800-CDCPL(23275)
Tel:(9242) 36362061-66
Fax:(9242) 36300072
Email: info@cdcsrsl.com
Website:www.cdcsrsl.com




Entity Rating

Long Term: AA+
Short Term: A1+
By PACRA

Website

www.askaribank.com

Social Media

 /askaribankpk
 /askari_bank
 /askaribankpakistan

DIRECTORS' REVIEW

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial statements for the quarter ended March 31, 2021. The financial results are summarized as under:

	(Rupees in million)	
	March 31, 2021	March 31, 2020
Net mark-up and non fund income	10,205	7,788
Administrative and other expenses	(5,883)	(4,813)
Profit before provision and taxation	4,322	2,974
Net provision reversal against loans and investments Profit before taxation	170	70
Taxation	4,492	3,044
Profit after taxation	(1,750)	(1,186)
Basic earning per share - Rupees	2,743	1,859
	2.18	1.47

Askari Bank posted profit after tax of Rs. 2.74 billion for the quarter ended March 31, 2021 compared to Rs.1.86 billion for the corresponding quarter of 2020, a year on year increase of 48 percent. Profit before provisions and taxation increased by 45 percent to Rs.4.32 billion from Rs.2.97 billion. The earnings per share for the current period are reported at Rs.2.18 against Rs.1.47 last year.

Aggregate net revenues for the current quarter increased by 31 percent to Rs.10.2 billion from Rs.7.8 billion. Net mark-up income increased by 30 percent mainly reflecting the impact of lower rates off-set by earning assets growth and mix; average earning assets increased by 14.4 percent year on year. Non mark-up income increased by 33 percent mainly contributed by increase in foreign exchange income. Fee, commission and brokerage income increased by 19 percent due to uptick in trade and transactional volumes; the corresponding quarter of last year had witnessed a pandemic related slowdown. Cost to income ratio improved from 62 percent to 58 percent despite a 22 percent increase in operating expenses.

Customer deposits are reported at Rs.803 billion at March 31, 2021 with CASA ratio maintained at 87 percent. Gross advances increased to Rs.441 billion at the quarter end, an increase of 4.5 percent while non-performing loans to gross advances ratio improved by 39 bps to 6.34 percent at the quarter end. During the quarter, market rates of fixed income securities witnessed a rising trend adversely impacting investment portfolio valuations and capital ratios. The Bank's capital adequacy ratio at 14.48 percent at March 31, 2021 remains fully compliant with the regulatory requirement.

The Bank's entity rating assigned by Pakistan Credit Rating Agency Limited (PACRA) stands at AA+ reflecting sustainability of the Bank's relative positioning and continuous improvement in capital adequacy driven by AKBL's strong Sponsors and brand, continued growth trajectory, improvement in net spreads and increase in earning assets. The short-term rating was maintained at 'A1+', being the highest rating.

Askari Bank has put in place strategies and processes to drive the performance forward while setting priorities for the high growth areas. To cope with the changing business dynamics, the Bank has accelerated transformation initiatives focusing on refinements in business and operating model; to make it more robust, efficient and service oriented. Talent fitment and rationalization to align with organization design and capacity is a vital component of transformation initiatives and is a key priority. The Bank will continue to leverage technology advancements for digitizing processes to enable improved customer experience. Askari digital banking is attracting greater customer attention reflected by the 28 percent increase in transaction volume and over 96 percent ATM and contact centre uptime. Askari Digital is enabling an efficient alternative for everyday banking transactions.

The Bank is taking all measures necessary for the safety and health of our staff, and our customers due to continuity of pandemic, and is pursuing cautions strategies to maintain our market standing, protecting the capital and to safeguard Bank's assets and earning potential.

On behalf of the Board, we would like to place on record our gratitude to our valued customers for their continued patronage to the Askari brand; our profound thanks to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, and other regulatory authorities for their guidance and assistance. We express our deepest appreciation and gratitude to our staff and their families for adhering to the new protocols, containing the transmission risk and ensuring uninterrupted delivery of customer offerings.

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Abid Sattar
President & Chief Executive

-sd-

Waqar Ahmed Malik
Chairman, Board of Directors

Rawalpindi
April 22, 2021

ڈائریکٹرز کی جائزہ رپورٹ

عزیز حصص داران

ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی سہ ماہی مدت کے لئے غیر آڈٹ شدہ مختصر غیر مدغم شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔ مالی نتائج کا خلاصہ درج ذیل ہے:

(روپے بلین میں)		
31 مارچ 2020	31 مارچ 2021	
7,788	10,205	خالص مارک اپ اور نان فنڈ آمدن
(4,813)	(5,883)	انتظامی اور دیگر اخراجات
2,974	4,322	پرویشن و ٹیکس سے قبل منافع
70	170	قرضوں اور سرمایہ کاری کے مقابل پروویشن
3,044	4,492	قبل از ٹیکس منافع
(1,186)	(1,750)	ٹیکس
1,859	2,743	بعد از ٹیکس منافع
1.47	2.18	بنیادی فی حصص آمدن - روپے

عسکری بینک نے 31 مارچ 2021 کو ختم ہونے والی سہ ماہی مدت میں 2.74 ارب روپے بعد از ٹیکس منافع کمایا، جس میں سال بہ سال کے تناظر میں 2020 کی سہ ماہی مدت میں کمائے گئے 1.86 ارب روپے کے مقابلے میں 48 فیصد اضافہ دیکھنے میں آیا۔ قبل از پروویشن و ٹیکس منافع 45 فیصد اضافے کے ساتھ 2.97 ارب روپے سے 4.32 ارب روپے تک پہنچ گیا۔ رواں دورانیہ کی مدت کیلئے آمدن فی حصص گزشتہ سال کے اسی دورانیہ کی مدت کے 1.47 روپے کے مقابلے میں 2.18 روپے رہی۔

رواں سہ ماہی مدت کیلئے مجموعی خالص ریونیوز 31 فیصد کے اضافے کے ساتھ 7.8 ارب روپے سے بڑھ کر 10.2 ارب روپے رہا۔ خالص مارک اپ آمدن میں 30 فیصد اضافہ دیکھنے میں آیا، جو بنیادی طور پر کم شرح کی عکاس ہے جس کا اثر اوسط آمدن والے اثاثہ جات میں 14.4 فیصد کے سالہ سال اضافے کی بدولت کم ہوا۔ نان مارک اپ آمدن میں 33 فیصد کا اضافہ دیکھنے میں آیا جو بنیادی طور پر غیر ملکی زر مبادلہ سے حاصل شدہ آمدن کی بدولت ممکن ہوا۔ تجارت اور لین دین کے حجم میں تیزی کی وجہ سے فیس، کمیشن اور بروکر جج آمدن میں 19 فیصد اضافہ ہوا، جبکہ گزشتہ سال سہ ماہی مدت میں کورونا وبا کی وجہ سے اسے سست روی کا سامنا کرنا پڑا تھا۔ آپریٹنگ اخراجات میں 22 فیصد اضافے کے باوجود لاگت اور آمدن کے مابین تناسب 62 فیصد سے بہتر ہو کر 58 فیصد دیکھا گیا۔

31 مارچ 2021 کو کھاتیداروں کی جانب سے جمع کرائی گئی رقم 87 فیصد CASA کی شرح کے ساتھ 803 ارب روپے تھیں۔ سہ ماہی مدت کے اختتام پر مجموعی ایڈوانسز 4.5 فیصد اضافے کے ساتھ بڑھ کر 441 ارب روپے ہو گئے جبکہ غیر فعال قرضہ جات اور مجموعی ایڈوانسز کے مابین تناسب 39 بی پی ایس کی بہتری کے ساتھ 6.34 فیصد رہا۔ سہ ماہی کے دوران مستقل آمدن والے بانڈز کی قیمت میں اضافے کے رجحان نے انوسٹمنٹ پورٹ فولیو کے تخمینہ جات اور کیپٹل تناسب کو منفی انداز میں متاثر کیا۔ 31 مارچ 2021 پہ بینک کی کیپٹل ایڈیکویٹی کی شرح 14.48 فیصد رہی جو کہ ریگولیٹری تقاضوں کی مکمل تعمیل کی عکاس ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی جانب سے مقرر کردہ بینک کی اینٹیٹی ریٹنگ ”AA+“ برقرار رکھی گئی۔ ریٹنگ بینک کی مستحکم تقابلی پوزیشن اور کیپٹل ایڈیکویٹی میں مسلسل بہتری کی عکاس ہے جو عسکری بینک کے مضبوط سپانسرز اور برانڈ، شرح نمو میں مسلسل اضافے، خالص سپریڈز میں بہتری اور اثاثہ جات سے آمدن میں

اضافے کی وجہ سے حاصل ہوئی۔ بینک کی مختصر معیاد کی ریٹنگ '+A1' برقرار رکھی گئی جو کہ علی ترین ریٹنگ ہے۔

عسکری بینک نے زیادہ ترقی کے حامل شعبوں کو اپنی ترجیحات میں رکھتے ہوئے کارکردگی کو آگے بڑھانے کیلئے حکمت عملیاں اور عوامل وضع کئے ہیں۔ بدلتے ہوئے کاروباری حالات سے نمٹنے کیلئے، بینک نے بزنس اور آپریٹنگ ماڈل کی بہتری پر توجہ مرکوز کر کے تبدیلی کے اقدامات کو تیز کر دیا تاکہ اسے مزید مستحکم، مؤثر اور خدمات پر مبنی بنایا جاسکے۔ تنظیمی ڈھانچے اور صلاحیت کے مطابق درست ٹیلنٹ کو شامل کرنا اور تنظیم سازی کرنا تبدیلی کے اقدامات کا اہم اور ترجیحی جزو ہے۔ بینک صارفین کے تجربے کو بہتر بنانے کیلئے جدید ٹیکنالوجی اور ڈیجیٹل طریقہ کار کو بروئے کار لانے کا عمل جاری رکھے گا۔ ٹرانزیکشن کے حجم میں 28 فیصد اضافہ اور 96 فیصد سے زائد اے ٹی ایم اور کنٹیکٹ سینٹر اپ ٹائم اس بات کے عکاس ہیں کہ عسکری ڈیجیٹل بینکنگ صارفین کی توجہ کا محور ہے۔ عسکری ڈیجیٹل روزمرہ ٹرانزیکشن کیلئے ایک مؤثر متبادل بن رہی ہے۔

بینک کو روٹا کی وباء کے دوران اپنے عملے اور صارفین کے تحفظ اور صحت کے لیے ضروری ہر ممکن اقدامات اٹھا رہا ہے اور مارکیٹ میں اپنی حیثیت برقرار رکھنے، سرمائے کا تحفظ، بینک کے اثاثہ جات محفوظ کرنے اور زیادہ آمدن کے امکانات کیلئے احتیاطی تدابیر پر عمل پیرا ہے۔

بورڈ کی جانب سے، ہم عسکری برانڈ کی مسلسل تائید کرنے پر اپنے گراں قدر صارفین کے بے حد مشکور ہیں۔ ہم اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی جانب سے رہنمائی اور معاونت کا بھی شکریہ ادا کرتے ہیں۔ اس مشکل وقت میں کووڈ ناوائزس کی منتقلی کے خطرے سے نمٹنے کیلئے نئے پروٹوکولز پر عمل پیرا ہونے اور صارفین کو بلا تعطل خدمات کی فراہمی کو یقینی بنانے کیلئے ہم اپنے سٹاف اور ان کے اہل خانہ کے بھی تیدل سے شکرگزار ہیں۔

وقار احمد ملک

چیرمین، بورڈ آف ڈائریکٹرز

عابد ستار

صدر و چیف ایگزیکٹو

راولپنڈی

22 اپریل، 2021

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

		(Un-audited)	(Audited)
		March 31,	December 31,
		2021	2020
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	67,661,156	73,651,718
Balances with other banks	7	5,193,010	7,719,615
Lendings to financial institutions	8	-	-
Investments	9	450,334,153	449,687,240
Advances	10	414,398,665	395,373,840
Fixed assets	11	20,951,790	21,213,709
Intangible assets	12	1,151,104	1,143,146
Deferred tax assets	13	2,825,801	1,623,001
Other assets	14	41,070,508	42,104,793
		<u>1,003,586,187</u>	<u>992,517,062</u>
LIABILITIES			
Bills payable	15	13,905,170	12,629,996
Borrowings	16	78,541,657	84,163,669
Deposits and other accounts	17	802,731,839	791,186,883
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	44,854,854	37,990,164
		<u>952,033,520</u>	<u>937,970,712</u>
NET ASSETS		<u>51,552,667</u>	<u>54,546,350</u>
REPRESENTED BY			
Share capital		12,602,602	12,602,602
Reserves		30,977,720	25,632,015
Surplus on revaluation of assets - net of tax	20	5,778,171	7,637,784
Unappropriated profit		2,194,174	8,673,949
		<u>51,552,667</u>	<u>54,546,350</u>
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2021

	Note	Quarter ended March 31, 2021 (Rupees in '000)	Quarter ended March 31, 2020
Mark-up / return / interest earned	23	17,062,131	22,068,307
Mark-up / return / interest expensed	24	9,452,149	16,227,126
Net mark-up / interest income		7,609,982	5,841,181
Non mark-up / interest income			
Fee and commission income	25	1,017,028	857,090
Dividend income		87,108	64,561
Foreign exchange income		650,856	377,513
Income / (loss) from derivatives		-	-
Gain on securities	26	742,443	565,541
Other income	27	97,591	81,675
Total non-markup / interest income		2,595,026	1,946,380
Total income		10,205,008	7,787,561
Non mark-up / interest expenses			
Operating expenses	28	5,874,429	4,767,914
Workers' Welfare Fund		4,258	45,000
Other charges	29	4,196	221
Total non-markup / interest expenses		5,882,883	4,813,135
Profit before provisions		4,322,125	2,974,426
Provisions and write offs - net	30	(170,260)	(69,930)
Extraordinary / unusual items		-	-
Profit before taxation		4,492,385	3,044,356
Taxation	31	1,749,667	1,185,731
Profit after taxation		2,742,718	1,858,625
		Rupees	
Basic earnings per share	32	2.18	1.47

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2021

	Quarter ended March 31, 2021	Quarter ended March 31, 2020
	(Rupees in '000)	
Profit after taxation	2,742,718	1,858,625
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in Wholesale Bank Branch	(96,007)	113,233
Movement in deficit on revaluation of investments - net of tax	(1,859,613)	2,151,502
	(1,955,620)	2,264,735
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of non-banking assets	-	(7,000)
Total comprehensive income	<u>787,098</u>	<u>4,116,360</u>

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED
Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2021

Balance as at January 1, 2020
Total comprehensive income for the quarter ended
March 31, 2020

Net profit for the quarter ended March 31, 2020

Other comprehensive income related to equity

Transfer to Statutory reserve

Transfer from surplus on revaluation of assets to

i unappropriated profit - net of tax

Balance as at March 31, 2020
Total comprehensive income for the nine months ended
December 31, 2020

Net profit for the nine months ended December 31, 2020

Other comprehensive income related to equity

Transfer to Statutory reserve

Transfer from surplus on revaluation of assets to

i unappropriated profit - net of tax

Transfer to General reserve

Transactions with owners, recorded directly in equity

Final dividend 2019: Rs 1.5 per share

Balance as at December 31, 2020
Total comprehensive income for the quarter ended
March 31, 2021

Net profit for the quarter ended March 31, 2021

Other comprehensive income related to equity

Transfer to Statutory reserve

Transfer from surplus on revaluation of assets to

i unappropriated profit - net of tax

Transfer to General reserve

Transactions with owners, recorded directly in equity

Final dividend 2020: Rs 3 per share

Balance as at March 31, 2021

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	General reserve	Surplus / (deficit) on revaluation of			Un-appropriated profit / (loss)	Total
						Investments	Fixed / Non banking assets			
(Rupees in '000)										
12,602,602	275,169		234,669	10,098,551	8,757,871	(1,534,291)	5,834,717	5,986,556	42,255,844	
-	-		-	-	-	-	-	1,858,625	1,858,625	
-	113,233		-	-	-	2,151,502	(7,000)	-	2,257,735	
-	113,233		-	-	-	2,151,502	(7,000)	1,858,625	4,116,360	
-	-		-	371,725	-	-	-	(371,725)	-	
-	-		-	-	-	-	-	8,016	8,016	
12,602,602	388,402		234,669	10,470,276	8,757,871	617,211	5,827,717	7,481,472	46,380,220	
-	-		-	-	-	-	-	8,941,750	8,941,750	
-	(103,719)		-	-	-	(566,579)	1,759,435	(44,926)	1,044,211	
-	(103,719)		-	-	-	(566,579)	1,759,435	8,896,824	9,985,961	
-	-		-	1,788,350	-	-	-	(1,788,350)	-	
-	-		-	-	-	-	-	70,559	70,559	
-	-		-	-	4,096,166	-	-	(4,096,166)	-	
-	-		-	-	-	-	-	(1,890,390)	(1,890,390)	
12,602,602	284,683		234,669	12,258,626	12,854,037	50,632	7,587,152	8,673,949	54,546,350	
-	-		-	-	-	-	-	2,742,718	2,742,718	
-	(96,007)		-	-	-	(1,859,613)	-	-	(1,955,620)	
-	(96,007)		-	-	-	(1,859,613)	-	2,742,718	787,098	
-	-		-	548,544	-	-	-	(548,544)	-	
-	-		-	-	-	-	-	-	-	
-	-		-	-	-	-	-	-	-	
-	-		-	-	4,893,168	-	-	(4,893,168)	-	
-	-		-	-	-	-	-	(3,780,781)	(3,780,781)	
12,602,602	188,676		234,669	12,807,170	17,747,205	(1,808,981)	7,587,152	2,194,174	51,552,667	

Balance as at January 1, 2020

Total comprehensive income for the quarter ended March 31, 2020

Net profit for the quarter ended March 31, 2020

Other comprehensive income related to equity

Transfer to Statutory reserve

Transfer from surplus on revaluation of assets to unappropriated profit - net of tax

Balance as at March 31, 2020

Total comprehensive income for the nine months ended December 31, 2020

Net profit for the nine months ended December 31, 2020

Other comprehensive income related to equity

Transfer to Statutory reserve

Transfer from surplus on revaluation of assets to unappropriated profit - net of tax

Transfer to General reserve

Transactions with owners, recorded directly in equity

Final dividend 2019: Rs 1.5 per share

Balance as at December 31, 2020

Total comprehensive income for the quarter ended March 31, 2021

Net profit for the quarter ended March 31, 2021

Other comprehensive income related to equity

Transfer to Statutory reserve

Transfer from surplus on revaluation of assets to unappropriated profit - net of tax

Transfer to General reserve

Transactions with owners, recorded directly in equity

Final dividend 2020: Rs 3 per share

Balance as at March 31, 2021

-sd-

Chief Financial Officer

-sd-

President & Chief Executive

-sd-

Director

-sd-

Director

-sd-

Chairman

ASKARI BANK LIMITED

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2021

		Quarter ended March 31, 2021	Quarter ended March 31, 2020
	Note	(Rupees in '000)	
Cash flow from operating activities			
Profit before taxation		4,492,385	3,044,356
Less: dividend income		(87,108)	(64,561)
		<u>4,405,277</u>	<u>2,979,795</u>
Adjustments:			
Depreciation		257,466	271,015
Amortization		59,483	55,523
Depreciation on ROU assets		382,237	393,877
Markup expense on lease liability against ROU assets		226,927	252,065
Termination of lease contracts under IFRS - 16 Leases		2,792	2,018
Charge for defined benefit plans		121,678	118,578
Provisions and write offs - net	30	(145,028)	(49,711)
Gain on sale of fixed assets		(1,744)	(2,977)
		<u>903,811</u>	<u>1,040,388</u>
		5,309,088	4,020,183
(Increase) / decrease in operating assets			
Lendings to financial institutions		-	56,917
Held for trading securities		(337,965)	41,591
Advances		(18,895,908)	(8,311,816)
Other assets (excluding advance taxation)		1,026,980	1,880,238
		<u>(18,206,893)</u>	<u>(6,333,070)</u>
Increase / (decrease) in operating liabilities			
Bills payable		1,275,174	(4,298,984)
Borrowings from financial institutions		(5,622,012)	10,257,417
Deposits		11,544,956	20,569,506
Other liabilities (excluding current taxation)		3,030,271	(2,418,210)
		<u>10,228,389</u>	<u>24,109,729</u>
Net cash flow (used in) / generated from operations		<u>(2,669,416)</u>	<u>21,796,842</u>
Payment made to defined benefit plan		(310,314)	-
Income tax paid		(1,459,755)	(1,150,754)
Net cash flow (used in) / generated from operating activities		<u>(4,439,485)</u>	<u>20,646,088</u>
Cash flow from investing activities			
Net investments in available for sale securities		193,488	(27,223,626)
Net investments in held to maturity securities		(3,572,724)	(3,189,003)
Dividend received		62,807	33,253
Investments in operating fixed assets - net of adjustments		(220,281)	(369,218)
Investments in intangible assets		(67,555)	(172,735)
Proceeds from sale of fixed assets		4,329	6,750
Effect of translation of net investment in Wholesale Bank Branch		(96,007)	113,233
Net cash used in investing activities		<u>(3,695,943)</u>	<u>(30,801,346)</u>
Cash flow from financing activities			
Receipts / (payments) of subordinated debts - net		-	5,999,200
Payments against lease liabilities		(380,549)	(299,037)
Dividend paid		(1,196)	(839)
Net cash flow (used in) / generated from financing activities		<u>(381,745)</u>	<u>5,699,324</u>
Decrease in cash and cash equivalents		<u>(8,517,173)</u>	<u>(4,455,934)</u>
Cash and cash equivalents at beginning of the period		81,371,339	77,256,780
Cash and cash equivalents at end of the period		<u>72,854,166</u>	<u>72,800,846</u>

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the quarter ended March 31, 2021

1. STATUS AND NATURE OF BUSINESS

Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2021. The ultimate parent of the Bank is Fauji Foundation. The Bank has 537 branches (2020: 537 branches); 536 in Pakistan and Azad Jammu and Kashmir (including 95 (2020: 95) Islamic Banking branches and 49 (2020: 49) sub-branches) and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

2. BASIS OF PREPARATION

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

- 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).

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 or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The SBP, vide its 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. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks.

- 2.2 These unconsolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the financial year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated condensed interim financial statements.

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

- a) Following standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of their applicability in Pakistan:

		Effective date (annual periods beginning on or after)
IFRS 1	First-Time Adoption of International Financial Reporting Standards (Amendments)	July 1, 2009
b) Following standards and amendments to published accounting standards will be effective in future periods and have not been early adopted by the Bank.		

		Effective date (annual periods beginning on or after)
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IAS 16	Property, plant and equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2023
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures (Amendments)	Not yet finalized

The management does not anticipate early adoption of above standards and amendments.

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

5. **FINANCIAL RISK MANAGEMENT**

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

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
6. CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000	
<i>In hand:</i>		
Local currency	17,980,757	17,290,446
Foreign currencies	<u>3,903,545</u>	<u>4,030,731</u>
	21,884,302	21,321,177
<i>With the State Bank of Pakistan in:</i>		
Local currency current accounts	<u>31,704,300</u>	<u>37,199,449</u>
Foreign currency current account	<u>3,943,722</u>	<u>4,513,312</u>
Foreign currency deposit account	<u>7,419,126</u>	<u>7,501,569</u>
	43,067,148	49,214,330
<i>With National Bank of Pakistan in:</i>		
Local currency current accounts	2,482,412	2,260,681
Prize Bonds	227,294	855,530
	<u>67,661,156</u>	<u>73,651,718</u>

7. BALANCES WITH OTHER BANKS
In Pakistan

In current accounts	481,663	230,682
In deposit accounts - note 7.1	<u>89</u>	<u>151</u>
	481,752	230,833

Outside Pakistan

In current accounts	<u>1,233,843</u>	<u>1,971,347</u>
In deposit accounts	<u>3,477,433</u>	<u>5,517,441</u>
	4,711,276	7,488,788

Provision held against balances with other banks	(18)	(6)
	<u>5,193,010</u>	<u>7,719,615</u>

7.1 These represent placements with local banks, carrying interest rate of 5.5% (2020: 5.5%) per annum.

8. LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	-	-
Repurchase agreement lendings (reverse repo)	-	-
Purchase under resale arrangement of equity securities	<u>148,606</u>	<u>148,606</u>
	148,606	148,606
Provision held against lending to financial institutions	(148,606)	(148,606)
	<u>-</u>	<u>-</u>
Lending to financial institutions - net of provision	-	-

	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Classified Lending	Provision Held	Classified Lending	Provision Held
8.1 Category of classification	(Rupees in '000)			
Domestic				
Loss	<u>148,606</u>	<u>148,606</u>	<u>148,606</u>	<u>148,606</u>

9. INVESTMENTS

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
9.1 Investments by type:								
Held for trading securities								
Fully paid ordinary shares	337,965	-	(6,607)	331,358	-	-	-	-
	337,965	-	(6,607)	331,358	-	-	-	-
Available for sale securities								
Federal Government Securities	334,979,512	(28,641)	(3,516,526)	331,434,345	335,378,424	(31,877)	(525,781)	334,820,766
Shares	4,698,685	(158,003)	133,885	4,674,567	4,696,428	(158,232)	249,169	4,787,365
Units of open end mutual funds	1,405,036	(140,559)	186,713	1,451,190	1,405,036	(140,558)	171,942	1,436,420
Fully paid preference shares	27,314	(11,914)	46,545	61,945	27,314	(11,914)	46,545	61,945
Non Government Debt Securities	11,273,876	(1,422,704)	112,056	9,963,228	11,048,874	(1,422,704)	117,486	9,743,656
Foreign securities	460,712	(5,108)	18,186	473,790	482,547	(5,203)	18,534	495,878
	352,845,135	(1,766,929)	(3,019,141)	348,059,065	353,038,623	(1,770,488)	77,895	351,346,030
Held to maturity securities								
Federal Government Securities	98,751,130	(102,645)	-	98,648,485	95,034,902	(116,957)	-	94,917,945
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	3,233,280	(69,586)	-	3,163,694	3,376,784	(85,070)	-	3,291,714
	102,094,410	(282,231)	-	101,812,179	98,521,686	(312,027)	-	98,209,659
Subsidiary								
Askari Securities Limited	165,619	(34,068)	-	131,551	165,619	(34,068)	-	131,551
Total investments	455,443,129	(2,083,228)	(3,025,748)	450,334,153	451,725,928	(2,116,583)	77,895	449,687,240

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
9.1.1 Investments given as collateral		
	(Rupees in '000)	

The market value of investment given as collateral is as follows

Pakistan Investment Bonds	12,997,400	7,005,600
Market Treasury Bills	-	13,715,612
Euro Bonds	5,318,851	6,442,504
Bahrain International Bonds	-	501,081
Turkish Sukuks	-	973,391
Ijarah Sukuks	5,001,583	5,069,713
Shares	175,969	191,168
	23,493,803	33,899,069

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
9.2 Provision for diminution in value of investments		
	(Rupees in '000)	
9.2.1 Opening balance	2,116,583	3,554,891
Exchange adjustments	(9,961)	5,614
Charge / (reversals)		
Charge for the period / year	-	506,776
(Reversal) / charge of provision under IFRS 9 related to WBB	(23,164)	41,248
Reversals for the period / year	-	(82,163)
Net charge	(23,164)	465,861
Reversal on disposals	(230)	(1,943,851)
Transfer of provision against assets held for sale	-	34,068
Closing balance	<u>2,083,228</u>	<u>2,116,583</u>

9.2.2 Particulars of provision against debt securities

	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPL	Provision	NPL	Provision
Category of classification	(Rupees in '000)			
Domestic				
Loss	1,532,704	1,532,704	1,532,704	1,532,704
Overseas				
Not past due but impaired as per IFRS 9	-	205,980	-	239,107
	<u>1,532,704</u>	<u>1,738,684</u>	<u>1,532,704</u>	<u>1,771,811</u>

- 9.3 The market value of securities classified as held to maturity as at March 31, 2021 is 106,637,074 thousand (2020: Rs. 104,630,207 thousand).

10. **ADVANCES**

Loans, cash credits, running finances, etc.
Islamic financing and related assets
Bills discounted and purchased
Advances - gross
Provision against advances
- Specific
- General

Advances - net of provision

Performing		Non Performing		Total	
(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
(Rupees in '000)					
327,343,350	310,114,350	25,425,901	25,666,137	352,769,251	335,780,487
62,230,585	62,691,358	2,463,752	2,684,267	64,694,337	65,375,625
23,191,804	20,603,372	60,406	60,406	23,252,210	20,663,778
412,765,739	393,409,080	27,950,059	28,410,810	440,715,798	421,819,890
-	-	(24,714,660)	(24,820,923)	(24,714,660)	(24,820,923)
(1,602,473)	(1,625,127)	-	-	(1,602,473)	(1,625,127)
(1,602,473)	(1,625,127)	(24,714,660)	(24,820,923)	(26,317,133)	(26,446,050)
411,163,266	391,783,953	3,235,399	3,589,887	414,398,665	395,373,840

10.1 **Particulars of advances (Gross)**

In local currency
In foreign currencies

(Un-audited)	(Audited)
March 31, 2021	December 31, 2020
(Rupees in '000)	
416,505,390	398,239,110
24,210,408	23,580,780
440,715,798	421,819,890

10.2 Advances include Rs. 27,950,059 thousand (December 31, 2020: Rs. 28,410,810 thousand) which have been placed under non-performing status as detailed below:

Category of classification

Domestic

Other Assets Especially Mentioned - note 10.2.1

Substandard

Doubtful

Loss

March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
Non Performing Loans	Provision	Non Performing Loans	Provision
(Rupees in '000)			
1,413,583	758	1,406,324	-
381,817	62,871	480,927	63,119
1,793,650	847,450	1,956,085	766,400
24,361,009	23,803,581	24,567,474	23,991,404
27,950,059	24,714,660	28,410,810	24,820,923

10.2.1 This represents classification for Agricultural, Mortgage and Small Entities finances

10.3 **Particulars of provision against advances**

Particulars of provision against advances	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Specific	General	Consumer	Total	Specific	General	Consumer	Total
	financing-General				financing-General			
	(Rupees in '000)							
Opening balance	24,820,923	909,101	716,026	26,446,050	24,408,056	584,145	642,747	25,634,948
Exchange adjustment	-	(7,261)	-	(7,261)	-	9,287	-	9,287
Charge for the period / year	498,016	18,260	10,200	526,476	2,249,576	421,751	122,415	2,793,742
Provision under IFRS 9 related to WBB	-	(21,688)	-	(21,688)	-	(83,906)	-	(83,906)
Reversal for the period / year	(604,070)	(811)	(21,354)	(626,235)	(1,010,054)	(22,176)	(49,136)	(1,081,366)
	(106,054)	(4,239)	(11,154)	(121,447)	1,239,522	315,669	73,279	1,628,470
Amounts written off	(209)	-	-	(209)	(748,426)	-	-	(748,426)
Amounts charged off- agriculture financing	-	-	-	-	(78,229)	-	-	(78,229)
Closing balance	24,714,660	897,601	704,872	26,317,133	24,820,923	909,101	716,026	26,446,050

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

10.3.1 The net FSV benefit already availed has been reduced by Rs. 14,395 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the year would have been higher by Rs. 14,395 thousand (March 31, 2020: Rs. 131,308 thousand) and Rs. 8,781 thousand (March 31, 2020: Rs. 85,350 thousand) respectively. Further, at March 31, 2021, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs. 445,784 thousand (December 31, 2020: Rs. 484,372 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

10.3.2 The Bank has availed the relaxation of Rs. 101,394 thousand (December 31, 2020: Rs. 101,394 thousand) allowed by the SBP for maintaining provisions as per time based criteria of prudential regulations.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
11. FIXED ASSETS		
	(Rupees in '000)	
Capital work-in-progress - note 11.1	145,448	164,343
Property and equipment	13,582,100	13,647,546
Right of use asset - IFRS 16	7,224,242	7,401,820
	<u>20,951,790</u>	<u>21,213,709</u>

11.1 This represents advances to suppliers and contractors.

	(Un-audited) Quarter ended March 31, 2021	Quarter ended March 31, 2020
11.2 Additions to fixed assets		
	(Rupees in '000)	

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

Capital work-in-progress	25,579	41,144
Property and equipment		
Renovation of premises	58,070	52,309
Furniture, fixtures and office equipment	17,754	120,913
Carpets	4,677	3,441
Machine and equipments	54,799	66,998
Computer equipments	49,908	34,567
Vehicles	9,494	7,466
	194,702	285,694
Right of use assets under IFRS 16	223,235	185,405
Total	<u>443,516</u>	<u>326,838</u>

11.3 Disposal of fixed assets

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

Renovation of premises	462	-
Furniture, fixtures and office equipment	1,225	1,646
Carpets	284	433
Machine and equipments	567	544
Computer equipments	47	28
Total	<u>2,585</u>	<u>2,651</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
12. INTANGIBLE ASSETS		
	(Rupees in '000)	
Computer software	813,327	777,695
Less: Provision against intangibles	(4,660)	(4,660)
	808,667	773,035
Capital work in progress	342,437	370,111
	<u>1,151,104</u>	<u>1,143,146</u>

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

		(Un-audited)	
		Quarter ended March 31, 2021	Quarter ended March 31, 2020
		(Rupees in '000)	
12.1	Additions to intangible assets		
The following additions have been made to intangible assets during the period:			
	Capital work-in-progress	29,022	44,588
	Directly purchased	38,533	127,025
		<u>67,555</u>	<u>171,613</u>
		(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020
		(Rupees in '000)	
13.	DEFERRED TAX ASSETS		
Deductible temporary differences on			
	- Post retirement employee benefits	34,162	34,162
	- Accelerated tax depreciation	13,472	48,095
	- Deficit on revaluation of investments	1,210,160	-
	- Provision against advances, off balance sheet	1,568,007	1,568,007
		<u>2,825,801</u>	<u>1,650,264</u>
Taxable temporary differences on			
	- Surplus on revaluation of investments	-	(27,263)
		<u>2,825,801</u>	<u>1,623,001</u>
14.	OTHER ASSETS		
	Income / mark-up accrued in local currency - net of provision	14,268,813	17,403,537
	Income / mark-up accrued in foreign currencies	716,439	558,371
	Advances, deposits, advance rent and other prepayments	598,123	663,604
	Advance taxation (payments less provisions)	5,834,174	6,089,464
	Non-banking assets acquired in satisfaction of claims	2,422,489	2,426,242
	Stationary and stamps in hand	99,080	99,829
	Dividend receivable	31,666	7,365
	Acceptances	13,881,695	11,829,891
	Others	984,743	793,296
		<u>38,837,222</u>	<u>39,871,599</u>
	Provision held against other assets - note 14.1	(209,686)	(209,778)
	Other assets - net of provision	<u>38,627,536</u>	<u>39,661,821</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,442,972	2,442,972
	Other assets - total	<u>41,070,508</u>	<u>42,104,793</u>
14.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	138,653	138,745
	Stationery and stamps in hand	2,285	2,285
	Others	68,748	68,748
		<u>209,686</u>	<u>209,778</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
(Rupees in '000)		
14.1.1 Movement in provision held against other assets		
Opening balance	209,778	238,089
Charge for the period / year	-	314
Reversals for the period / year	(92)	(637)
Net charge for the period / year	(92)	(323)
Reversal on disposal	-	(15,952)
Amounts written off / adjustments	-	(12,036)
Closing balance	209,686	209,778

15. **BILLS PAYABLE**

In Pakistan	13,905,170	12,629,996
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16. **BORROWINGS**

Secured

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	18,388,585	16,903,776
Long term financing facility	9,053,097	8,499,073
Financing facility for storage of agricultural produce	70,942	76,399
Renewable energy financing facility	1,185,349	579,231
Refinance from SBP		
Credit guarantee scheme for women entrepreneurs	1,302	1,568
Payment of wages and salaries	12,481,350	12,583,566
Temporary economic relief	1,074,094	-
Combating COVID – 19	138,018	-
	42,392,737	38,643,613

Repurchase agreement borrowings

State Bank of Pakistan	13,000,000	7,000,000
Financial institutions	7,535,247	23,042,628
	20,535,247	30,042,628

Refinance from Pakistan Mortgage Refinance Company

	2,409,396	1,923,886
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Total secured

Unsecured

Call borrowings	10,103,190	10,276,937
Financial institutions	2,978,793	3,276,605
Overdrawn nostro accounts	122,294	-

Total unsecured

	13,204,277	13,553,542
	78,541,657	84,163,669

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
17. DEPOSITS AND OTHER ACCOUNTS	(Rupees in '000)					

Customers

Current accounts	226,939,273	20,486,204	247,425,477	228,444,308	21,780,570	250,224,878
Savings deposits	399,205,079	48,188,559	447,393,638	388,092,120	48,085,995	436,178,115
Fixed deposits	88,174,638	10,640,402	98,815,040	90,069,109	7,058,608	97,127,717
	714,318,990	79,315,165	793,634,155	706,605,537	76,925,173	783,530,710

Financial institutions

Current accounts	1,179,596	136,284	1,315,880	1,178,086	54,187	1,232,273
Savings deposits	2,151,647	-	2,151,647	1,253,900	-	1,253,900
Fixed deposits	5,630,157	-	5,630,157	5,170,000	-	5,170,000
	8,961,400	136,284	9,097,684	7,601,986	54,187	7,656,173

	723,280,390	79,451,449	802,731,839	714,207,523	76,979,360	791,186,883
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	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
18. SUBORDINATED DEBTS		
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	<u>12,000,000</u>	<u>12,000,000</u>

- 18.1 The Bank has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Bank's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Bank including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109-120th month: 100%
Profit Rate	Base Rate plus 1.50% Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate plus 1.20% Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
(Rupees in '000)		
19. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	2,902,490	3,793,829
Mark-up / return / interest payable in foreign currencies	100,577	217,522
Unearned commission and income on bills discounted	1,502,439	1,726,572
Accrued expenses	3,489,958	2,955,844
Advance payments	372,659	349,092
Acceptances	13,881,695	11,829,891
Dividends payable	3,937,024	157,439
Mark to market loss on forward foreign exchange contracts - net	1,452,081	228,034
Branch adjustment account	1,323,458	753,774
Payable to defined benefit plan	91,678	310,314
Security deposit against lease / Ijarah financing	4,238,903	4,169,840
Withholding taxes payable	214,279	306,972
Federal excise duty payable	46,225	74,133
Workers' Welfare Fund	219,357	215,099
Switch fee payable	562,450	665,449
Provision against off-balance sheet obligations - note 19.1	100,012	100,356
Lease liability against ROU assets as per IFRS - 16 Leases	8,174,141	8,223,995
Islamic pool management reserve - note 19.2	13,353	-
Others	2,232,075	1,912,009
	<u>44,854,854</u>	<u>37,990,164</u>
19.1 Provision against off-balance sheet obligations		
Opening balance	100,356	101,154
Exchange adjustment	(7)	49
Charge for the period / year	-	-
Reversal for the period / year	(337)	(847)
Net (reversal) / charge	(337)	(847)
Amounts written off	-	-
Closing balance	<u>100,012</u>	<u>100,356</u>
19.2	This includes equity portion of profit equalisation reserve amounting to Rs 6,676 thousands (2020: Nil) which has been presented as reserve in note 37.	
20. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) on revaluation of:		
- Available for sale securities	(3,019,141)	77,895
- Fixed Assets	5,144,180	5,144,180
- Non-banking assets acquired in satisfaction of claims	2,442,972	2,442,972
	4,568,011	7,665,047
Deferred tax on deficit / (surplus) on revaluation of:		
- Available for sale securities	1,210,160	(27,263)
	<u>5,778,171</u>	<u>7,637,784</u>

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
(Rupees in '000)		
21. CONTINGENCIES AND COMMITMENTS		
- Guarantees - note 21.1	218,814,750	220,222,941
- Commitments - note 21.2	418,974,081	412,616,066
- Other contingent liabilities - note 21.3	720,526	724,374
	<u>638,509,357</u>	<u>633,563,381</u>
21.1 Guarantees		
Financial guarantees	9,991,818	9,952,617
Performance guarantees	139,712,000	138,751,395
Other guarantees	69,110,932	71,518,929
	<u>218,814,750</u>	<u>220,222,941</u>
21.2 Commitments		
Documentary credits and short-term trade-related transactions		
- letters of credit	150,029,147	159,457,683
Commitments in respect of:		
- forward foreign exchange contracts - note 21.2.1	207,399,283	209,279,794
- forward government securities transactions - note 21.2.2	27,100,000	-
- forward lending - note 21.2.3	34,356,124	43,805,613
Commitments for acquisition of:		
- operating fixed assets	33,446	34,298
- intangible assets	56,080	38,678
	<u>418,974,081</u>	<u>412,616,066</u>
21.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	121,709,672	118,889,979
Sale	85,689,611	90,389,815
	<u>207,399,283</u>	<u>209,279,794</u>
The above commitments have maturities falling within one year.		
21.2.2 Commitments in respect of forward government securities transactions		
Purchase	27,000,000	-
Sale	100,000	-
	<u>27,100,000</u>	<u>-</u>
21.2.3 Commitments in respect of forward lending		
Forward repurchase agreement lending	20,575,157	30,084,187
Undrawn commitments - note 21.2.2.1	13,780,967	13,721,426
	<u>34,356,124</u>	<u>43,805,613</u>
21.2.2.1 These represent commitments that are irrevocable because these cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.		
	(Un-audited) March 31, 2021	(Audited) December 31, 2020
21.3 Other contingent liabilities		
(Rupees in '000)		
These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Bank.		
	<u>720,526</u>	<u>724,374</u>

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

22. **DERIVATIVE INSTRUMENTS**

The Bank at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2021	2020
		(Rupees in '000)	
23. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances	7,520,374	12,065,134	
Investments	9,434,742	9,693,479	
Lendings to financial institutions	18,275	183,417	
Balances with banks	2,162	77,005	
Securities purchased under resale agreements	86,578	49,272	
	<u>17,062,131</u>	<u>22,068,307</u>	

24. **MARK-UP / RETURN / INTEREST EXPENSED**

On:			
Deposits	7,906,167	13,729,600	
Borrowings	445,997	1,408,994	
Subordinated debts	257,145	420,419	
Cost of foreign currency swaps against foreign currency deposits / borrowings	615,913	416,048	
Interest expense on lease liability against ROU assets	226,927	252,065	
	<u>9,452,149</u>	<u>16,227,126</u>	

25. **FEE AND COMMISSION INCOME**

Branch banking customer fees	144,760	157,174	
Consumer finance related fees	28,529	32,236	
Card related fees (debit and credit cards)	291,304	196,737	
Credit related fees	86,606	59,749	
Investment banking fees	20,783	43,815	
Commission on trade	203,295	163,454	
Commission on guarantees	173,036	145,599	
Commission on remittances including home remittances	14,249	14,457	
Commission on bancassurance	34,880	23,833	
Others	19,586	20,036	
	<u>1,017,028</u>	<u>857,090</u>	

26. **GAIN ON SECURITIES**

Realised - note 26.1	<u>742,443</u>	<u>565,541</u>	
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26.1 **Realised gain / (loss) on:**

Federal Government Securities	645,078	461,078	
Shares	94,365	102,011	
Non Government Debt Securities	3,000	-	
Mutual Funds	-	2,452	
	<u>742,443</u>	<u>565,541</u>	

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2021	2020
27. OTHER INCOME		(Rupees in '000)	
Gain on sale of fixed assets		1,744	2,977
Rent of lockers		13,824	11,730
Recovery of expenses from customers		79,231	64,950
Termination of lease contracts under IFRS - 16 Leases		2,792	2,018
		<u>97,591</u>	<u>81,675</u>
28. OPERATING EXPENSES			
Total compensation expenses		4,019,469	2,699,592
Property expense			
Rent and taxes		23,395	89,616
Insurance		23,956	25,784
Utilities cost		90,093	137,384
Security (including guards)		124,697	114,430
Repair & maintenance (including janitorial charges)		67,357	65,869
Depreciation on ROU assets		382,237	393,877
Depreciation		88,014	103,141
		799,749	930,101
Information technology expenses			
Software maintenance		102,744	46,388
Hardware maintenance		8,175	7,297
Depreciation		44,939	46,922
Amortisation		59,483	55,523
Network charges		29,967	58,705
		245,308	214,835
Other operating expenses			
Directors' fees, allowances		26,062	3,469
Fees and allowances to shariah board		1,466	1,469
Rates, taxes, insurance etc.		48,582	51,455
Legal and professional charges		34,921	32,369
Brokerage and commission		33,259	28,580
NIFT clearing charges		24,168	18,238
Repair and maintenance		64,115	82,781
Communications		96,393	138,621
Stationery and printing		47,457	68,248
Marketing, advertisement and publicity		466	17,937
Donations		6,904	3,390
Auditors' remuneration		3,635	5,264
Travelling, conveyance and entertainment		38,406	72,507
Depreciation		124,513	120,952
Security service charges		50,702	66,030
Training and development		2,174	8,377
Deposit premium expense		115,784	103,831
Other expenditure		90,896	99,868
		809,903	923,386
		<u>5,874,429</u>	<u>4,767,914</u>

ASKARI BANK LIMITED

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

29. This represents penalties imposed by the State Bank of Pakistan.

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2021	2020
30. PROVISIONS AND WRITE OFFS - NET		(Rupees in '000)	
(Reversal of provision) / provision for diminution in value of investments	(23,164)	45,058	
Reversal of provision against loans and advances	(121,447)	(93,919)	
Reversal of provision against other assets	(92)	(86)	
Reversal of provision against off-balance sheet obligations	(337)	(870)	
Provision against cash and bank balances	12	106	
Recovery of written off / charged off bad debts	(25,232)	(20,219)	
	<u>(170,260)</u>	<u>(69,930)</u>	
31. TAXATION			
Current	1,715,045	1,172,007	
Deferred	34,622	13,724	
	<u>1,749,667</u>	<u>1,185,731</u>	
32. BASIC EARNINGS PER SHARE			
Profit for the period - Rupees in '000	<u>2,742,718</u>	<u>1,858,625</u>	
Weighted average number of Ordinary Shares - numbers	<u>1,260,260,180</u>	<u>1,260,260,180</u>	
Basic earnings per share - Rupees	<u>2.18</u>	<u>1.47</u>	

There is no dilutive effect on the basic earnings per share of the Bank, therefore dilutive earnings per share have not been presented separately.

33. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Bank as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 4 to the annual unconsolidated financial statements for the year ended December 31, 2020.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

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

33.1 Fair value of financial assets

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

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) available at MUFAP, Reuters page, Redemption prices and determined by valuers on the panel of Pakistan Bank's Association.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets.

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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

The table below analyses the financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

March 31, 2021 (Un-audited)				
	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	-	331,765,703	-	331,765,703
Shares	4,324,567	-	350,000	4,674,567
Units of open end mutual funds	-	1,451,190	-	1,451,190
Fully paid preference shares	61,945	-	-	61,945
Non Government Debt Securities	-	1,644,513	8,318,715	9,963,228
Foreign securities	-	473,790	-	473,790
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	98,648,485	-	98,648,485
Foreign Securities	-	3,163,694	-	3,163,694
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	121,709,672	-	121,709,672
Forward sale of foreign exchange	-	85,689,611	-	85,689,611
Forward agreements for lending	-	-	-	-
Forward agreements for borrowing	-	-	20,575,157	20,575,157

December 31, 2020 (Audited)				
	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	-	334,820,766	-	334,820,766
Shares	4,437,365	-	350,000	4,787,365
Units of open end mutual funds	-	1,436,420	-	1,436,420
Fully paid preference shares	61,945	-	-	61,945
Non Government Debt Securities	-	2,022,325	7,721,331	9,743,656
Foreign securities	-	495,878	-	495,878
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	94,917,945	-	94,917,945
Foreign securities	-	3,291,714	-	3,291,714
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	118,889,979	-	118,889,979
Forward sale of foreign exchange	-	90,389,815	-	90,389,815
Forward agreements for lending	-	-	-	-
Forward agreements for borrowing	-	-	30,084,187	30,084,187

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer takes place. There were no transfers between levels 1 and 2 during the year.

		(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020
		(Rupees in '000)	
		Level 3	Level 3
33.2 Fair value of non-financial assets			
Fixed assets			
Property and equipment (freehold and leasehold land)		9,552,630	9,552,630
Other assets			
Non-banking assets acquired in satisfaction of claims		4,865,461	4,869,214

34. Segment Information

34.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	March 31, 2021 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Profit and loss							
Net mark-up / return / profit	(5,508,090)	3,701,918	8,018,342	613,436	826,981	322,393	(364,998)
Inter segment revenue - net	8,848,741	(2,810,640)	(6,576,408)	(322,355)	-	(20,802)	881,464
Non mark-up / return / interest income	376,599	630,325	1,362,494	111,398	111,242	234	2,734
Total income	3,717,250	1,521,603	2,804,428	402,479	938,223	301,825	519,200
Segment direct expenses	2,762,124	203,838	83,857	236,027	536,641	27,874	2,032,522
Inter segment expense allocation	247,895	301,187	877	51,064	-	-	(601,023)
Total expenses	3,010,019	505,025	84,734	287,091	536,641	27,874	1,431,499
Provisions	(4,497)	(171,241)	-	16,635	16,366	(45,177)	17,654
Profit before tax	711,728	1,187,819	2,719,694	98,753	385,216	319,128	(929,953)

	March 31, 2021 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Statement of financial position							
Cash and bank balances	29,916,363	1,514,384	34,308,036	-	6,350,956	420,771	343,656
Investments	-	8,282,811	410,431,224	-	12,699,940	17,523,576	1,396,602
Advances - performing - net of provision	11,383,789	300,272,555	-	18,769,319	62,140,946	11,614,608	6,982,051
Advances - non-performing - net of provision	572,540	861,694	-	370,072	1,431,091	-	-
Others	1,452,911	17,814,470	4,847,217	524,651	5,330,140	453,345	35,576,469
Total Assets	43,325,603	328,745,914	449,586,477	19,664,042	87,953,073	30,012,300	44,298,778
Borrowings	1,743,060	36,383,085	13,000,000	2,409,396	8,866,594	13,038,437	3,101,085
Subordinated debts	-	-	-	-	-	-	12,000,000
Deposits and other accounts	613,205,248	122,141,840	-	17,968	66,319,344	963,010	84,429
Net inter segment balances - net	(583,708,325)	149,858,093	434,282,007	16,372,261	-	10,693,102	(27,497,138)
Others	12,085,620	20,362,896	2,304,470	864,417	5,402,216	5,317,751	12,422,654
Total liabilities	43,325,603	328,745,914	449,586,477	19,664,042	80,588,154	30,012,300	111,030
Equity	-	-	-	-	7,364,919	-	44,187,748
Total Equity and liabilities	43,325,603	328,745,914	449,586,477	19,664,042	87,953,073	30,012,300	44,298,778
Contingencies and commitments	5,553,374	364,748,922	246,056,553	508,923	12,774,085	7,555,007	1,312,493

	March 31, 2020 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Profit and loss							
Net mark-up / return / profit	(9,823,526)	6,890,425	7,450,354	789,852	769,270	242,834	(478,028)
Inter segment revenue - net	14,784,039	(5,647,791)	(8,980,526)	(566,092)	-	61,431	348,939
Non mark-up / return / interest income	383,770	543,399	693,900	97,212	59,960	203	167,936
Total income	5,344,283	1,786,033	(836,272)	320,972	829,230	304,468	38,847
Segment direct expenses	2,546,667	193,877	60,515	198,901	552,632	29,685	1,230,858
Inter segment expense allocation	144,377	175,415	511	43,666	-	-	(363,968)
Total expenses	2,691,044	369,292	61,026	242,567	552,632	29,685	866,890
Provisions	(69,484)	(79,374)	-	64,996	(7,750)	(28,541)	50,223
Profit before tax	2,722,723	1,496,115	(897,298)	13,409	284,348	303,324	(878,266)

	December 31, 2020 (Audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Statement of financial position							
Cash and bank balances	30,938,859	2,174,588	39,690,446	-	6,313,535	135,415	2,118,490
Investments	-	8,559,870	409,207,953	-	12,216,340	18,307,234	1,395,843
Advances - performing - net of provision	12,987,203	280,191,484	-	18,522,780	62,598,616	10,653,303	6,830,567
Advances - non-performing - net of provision	563,642	921,775	-	433,395	1,671,075	-	-
Others	1,806,853	15,698,490	7,491,899	763,025	5,754,115	280,853	34,289,414
Total Assets	46,296,557	307,546,207	456,390,298	19,719,200	88,553,681	29,376,805	44,634,314
Borrowings	2,148,089	32,344,618	20,712,692	1,923,886	11,810,905	11,946,873	3,276,606
Subordinated debts	-	-	-	-	-	-	12,000,000
Deposits and other accounts	564,770,077	160,149,553	-	21,935	65,305,888	858,355	81,075
Net inter segment balances - net	(533,524,209)	97,723,672	434,611,006	16,809,062	-	11,188,408	(26,807,939)
Others	12,902,600	17,328,364	1,066,600	964,317	4,440,177	3,346,088	10,572,014
Total liabilities	46,296,557	307,546,207	456,390,298	19,719,200	81,556,970	27,339,724	(878,244)
Equity	-	-	-	-	6,996,711	2,037,081	45,512,558
Total Equity and liabilities	46,296,557	307,546,207	456,390,298	19,719,200	88,553,681	29,376,805	44,634,314
Contingencies and commitments	5,069,575	376,781,193	229,525,637	432,431	11,081,682	9,352,213	1,320,650

35. **RELATED PARTY TRANSACTIONS**

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties and balances are as follow

	As at March 31, 2021 (Un-audited)						As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Subsidiary	Companies with common directorship	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Companies with common directorship	Other related parties
Rupees in '000												
Investments												
Opening balance	-	-	-	165,619	450,478	350,000	-	-	-	114,789	719,311	300,000
Investment made during the period / year	-	-	-	-	-	-	-	-	-	50,830	411,454	50,000
Investment redeemed / disposed off during the period / year	-	-	-	-	(18,449)	-	-	-	-	-	(247,268)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	(433,019)	-
Closing balance	-	-	-	165,619	432,029	350,000	-	-	-	165,619	450,478	350,000
Provision for diminution in value of investments	-	-	-	34,068	-	-	-	-	-	34,068	-	-
Advances												
Opening balance	2,805,786	28,671	423,764	-	4,766,042	-	5,035,504	19,771	364,453	-	4,701,476	-
Addition during the period / year	17,515,368	548	48,084	2,800	3,039,207	-	121,938,314	59,315	125,382	-	9,941,779	-
Repaid during the period / year	(17,850,188)	(29,201)	(27,872)	-	(3,178,907)	-	(124,168,032)	(50,406)	(93,715)	-	(10,545,058)	-
Transfer in / (out) - net	-	-	11,284	-	-	-	-	(9)	27,644	-	667,845	-
Closing balance	2,470,966	18	455,260	2,800	4,626,342	-	2,805,786	28,671	423,764	-	4,766,042	-
Provision held against advances	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets												
Interest / mark-up receivable	27,531	-	94,007	60	72,100	-	46,571	425	84,087	-	90,799	-
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Advance rent	655	-	-	-	-	-	1,081	-	-	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												
Opening balance	-	-	-	-	-	1,923,886	-	-	-	-	-	1,972,026
Borrowings during the period	-	-	-	-	-	500,000	-	-	-	-	-	1,000,000
Settled during the period	-	-	-	-	-	(14,490)	-	-	-	-	-	(1,048,140)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	2,409,396	-	-	-	-	-	1,923,886
Subordinated debt												
Opening balance	-	-	-	-	-	-	-	-	-	-	24,950	-
Issued during the period	-	-	-	-	-	-	-	-	-	-	-	-
Redemption during the period	-	-	-	-	-	-	-	-	-	-	(5)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	(24,945)	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	8,018,104	19,379	186,617	201,796	12,205,848	4,811,281	4,678,222	64,239	117,562	53,174	15,124,817	4,811,176
Received during the period / year	122,281,927	72,694	348,353	287,405	63,960,136	6,630,758	584,157,308	211,929	1,095,412	980,756	256,093,596	30,648,252
Withdrawn during the period / year	(116,224,016)	(59,991)	(315,720)	(322,006)	(66,777,816)	(6,312,517)	(580,817,426)	(199,751)	(1,016,580)	(832,134)	(257,566,215)	(30,654,147)
Transfer in / (out) - net	-	-	295	-	-	-	-	(57,038)	(9,777)	-	(1,446,350)	-
Closing balance	14,076,015	32,082	219,545	167,195	9,388,168	5,129,522	8,018,104	19,379	186,617	201,796	12,205,848	4,811,281
Other Liabilities												
Interest / mark-up payable	19,340	-	928	-	47,717	48,033	19,363	-	1,809	-	34,000	38,941
Payable to staff retirement fund	-	-	-	-	-	91,678	-	-	-	-	-	310,314
Security deposits payable	-	-	-	-	299,493	-	-	-	287	-	296,198	-
Dividend Payable	2,718,846	8	225	-	-	42,350	-	-	-	-	-	-
Others	-	1,012	-	-	-	-	4,986	4,588	-	-	-	-
Contingencies and Commitments												
Contingencies and Commitments	1,155,678	-	-	40,000	3,069,104	-	1,313,613	-	-	40,000	3,951,782	-
Others												
Securities held as custodian	4,590,000	-	-	-	-	7,360,500	4,590,000	-	-	-	-	6,992,500

For the quarter ended March 31, 2021 (Un-Audited)						For the quarter ended March 31, 2020 (Un-Audited)					
Parent	Directors	Key management personnel	Subsidiary	Companies with common directorship	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Companies with common directorship	Other related parties
Rupees in '000											
Income											
Mark-up / return / interest earned	37,507	533	5,086	60	86,955	-	98,889	728	4,482	-	151,225
Fee and commission received	-	-	-	-	3,341	-	50	-	-	-	1,877
Dividend income	-	-	-	-	-	-	-	-	-	-	4,118
Other income	-	-	-	-	-	-	-	-	-	-	-
Expense											
Mark-up / return / interest expensed	271,148	80	1,473	37	101,287	122,989	150,909	119	1,617	5	434,665
Charge to defined benefit plan	-	-	-	-	-	91,678	-	-	-	-	88,578
Contribution to defined contribution plan	-	-	-	-	-	80,923	-	-	-	-	72,915
Remuneration and allowances	-	-	153,966	-	-	1,466	-	-	122,833	-	1,469
Rent	425	-	-	-	-	-	2,473	-	-	-	-
Communications	-	-	-	-	-	7,977	2,473	-	-	-	9,675
Brokerage and Commission	-	-	-	1,108	77	5,854	-	-	-	1,121	28
Directors' Fee, Allowances	-	26,063	-	-	-	-	-	3,468	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Insurance premium	-	-	-	-	-	-	-	-	-	-	51,839
Others	-	-	-	-	-	-	-	-	-	-	2,364
Donations	-	-	-	-	-	-	-	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and ATM).
The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,602,602	12,602,602
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	43,856,174	44,867,667
Eligible Additional Tier 1 (ADT 1) Capital	5,930,114	5,928,538
Total Eligible Tier 1 Capital	49,786,288	50,796,205
Eligible Tier 2 Capital	11,126,347	13,104,622
Total Eligible Capital (Tier 1 + Tier 2)	60,912,635	63,900,827
Risk Weighted Assets (RWAs):		
Credit Risk	331,640,239	324,807,165
Market Risk	32,711,250	31,566,562
Operational Risk	56,352,087	56,352,087
Total	420,703,576	412,725,814
Common Equity Tier 1 Capital Adequacy ratio	10.42%	10.87%
Tier 1 Capital Adequacy Ratio	11.83%	12.31%
Total Capital Adequacy Ratio	14.48%	15.48%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	49,786,287	50,796,205
Total Exposures	1,408,506,880	1,419,666,541
Leverage Ratio	3.53%	3.58%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	391,339,243	345,807,337
Total Net Cash Outflow	209,615,502	201,510,814
Liquidity Coverage Ratio	186.69%	171.61%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	831,113,366	812,357,633
Total Required Stable Funding	449,893,736	441,907,178
Net Stable Funding Ratio	184.74%	183.83%

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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

37. Islamic Banking Business

The Bank is operating 95 Islamic banking branches including 3 sub-branches at quarter ended March 31, 2021 as compared to 95 Islamic banking branches including 3 sub-branches at year ended December 31, 2020.

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		5,388,019	5,161,165
Balances with other banks		962,937	1,152,370
Due from financial Institutions	37.1	-	-
Investments	37.2	12,699,940	12,216,340
Islamic financing and related assets - net	37.3	63,572,036	64,269,691
Fixed assets		1,704,218	1,756,603
Intangible assets		-	-
Due from Head Office		-	-
Other assets		4,035,759	5,562,647
Total assets		88,362,909	90,118,816
LIABILITIES			
Bills payable		1,237,160	1,477,496
Due to financial institutions		8,866,593	11,810,905
Deposits and other accounts	37.4	66,319,344	65,305,888
Due to head office		-	-
Sub-ordinated debt		-	-
Other liabilities		4,568,213	4,527,816
		80,991,310	83,122,105
NET ASSETS		7,371,599	6,996,711
REPRESENTED BY			
Islamic Banking Fund		4,600,000	4,600,000
Reserves		6,676	-
Deficit on revaluation of assets		(74,674)	(57,670)
Unappropriated profit	37.5	2,839,597	2,454,381
		7,371,599	6,996,711
CONTINGENCIES AND COMMITMENTS	37.6	12,774,085	11,741,980

The profit and loss account of the Bank's Islamic banking branches for the quarter ended March 31, 2021 is as follows:

		(Un-audited) Quarter ended March 31, 2021	Quarter ended March 31, 2020
	Note	(Rupees in '000)	
Profit / return earned	37.8	1,407,957	2,060,640
Profit / return expensed	37.9	580,975	1,291,370
Net Profit / return		826,982	769,270
Other income			
Fee and Commission Income		65,383	47,491
Dividend Income		-	-
Foreign Exchange Income		18,388	(5,749)
Gain / (loss) on securities		-	-
Other Income		27,471	18,218
Total other income		111,242	59,960
Total Income		938,224	829,230
Other expenses			
Operating expenses		536,535	552,582
Workers' Welfare Fund		-	-
Other charges		106	50
Total other expenses		536,641	552,632
Profit before provisions		401,583	276,598
Provisions and write offs - net		16,367	(7,750)
Profit before taxation		385,216	284,348

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For the quarter ended March 31, 2021

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)			(Rupees in '000)		
37.1 Due from financial institutions						
Unsecured	-	-	-	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
37.2 Investments by segments:								
Federal Government Securities:								
- Ijarah Sukuks	5,539,408	-	(75,049)	5,464,359	5,538,804	-	(58,148)	5,480,656
- GOP Bai Muajjal	5,246,146	-	-	5,246,146	5,246,146	-	-	5,246,146
	10,785,554	-	(75,049)	10,710,505	10,784,950	-	(58,148)	10,726,802
Non Government Debt Securities:								
- Listed	70,000	-	375	70,375	70,000	-	478	70,478
- Unlisted	2,479,023	(559,963)	-	1,919,060	1,979,023	(559,963)	-	1,419,060
	2,549,023	(559,963)	375	1,989,435	2,049,023	(559,963)	478	1,489,538
Total investments	<u>13,334,577</u>	<u>(559,963)</u>	<u>(74,674)</u>	<u>12,699,940</u>	<u>12,833,973</u>	<u>(559,963)</u>	<u>(57,670)</u>	<u>12,216,340</u>

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For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
37.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	4,464,716	4,227,697
Murabaha - note 37.3.1	5,262,629	4,379,276
Musharaka	25,021,642	28,545,253
Diminishing Musharaka	13,550,613	16,936,532
Salam	7,636,481	4,935,938
Istisna	2,947,567	2,744,352
Receivable against sale of Istisna / Salam Inventory	281,427	150,000
Service Ijarah	752,176	752,176
Other Islamic Modes (Executive Car Finance -Qarz-e-Hasana)	99,964	93,424
Advances against Islamic assets - note 37.3.2	2,165,990	1,488,133
Inventory related to Islamic financing - note 37.3.3	2,511,132	1,122,844
Gross islamic financing and related assets	64,694,337	65,375,625
Less: provision against islamic financings		
- Specific	1,032,661	1,023,192
- General	89,640	82,742
	1,122,301	1,105,934
Islamic financing and related assets - net of provision	<u>63,572,036</u>	<u>64,269,691</u>

37.3.1 Includes advance against Murabaha of Rs.567,428 thousand (December 31, 2020: Rs.397,579 thousand).

37.3.2 Advance against islamic assets

	Ijarah	Musharaka	Diminishing Musharaka	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2021 (Un-audited)	<u>814,956</u>	<u>-</u>	<u>1,351,034</u>	<u>-</u>	<u>-</u>	<u>2,165,990</u>
December 31, 2020 (Audited)	<u>578,819</u>	<u>-</u>	<u>909,314</u>	<u>-</u>	<u>-</u>	<u>1,488,133</u>

37.3.3 Inventory related to islamic financing

	Ijarah	Musharaka	Diminishing Musharaka	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2021 (Un-audited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>905,025</u>	<u>1,606,107</u>	<u>2,511,132</u>
December 31, 2020 (Audited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,073</u>	<u>1,072,771</u>	<u>1,122,844</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
(Rupees in '000)		
37.4 DEPOSITS AND OTHER ACCOUNTS		
<i>Customers</i>		
Current deposits - non remunerative	25,111,690	23,312,633
Current deposits - remunerative	1,085,645	975,625
Savings deposits	21,690,096	23,619,062
Term deposits	12,405,494	12,058,779
Others	711,670	584,729
	<u>61,004,595</u>	<u>60,550,828</u>
<i>Financial Institutions</i>		
Current deposits - non remunerative	28,210	19,576
Savings deposits	426,382	335,484
Term deposits	4,860,157	4,400,000
	<u>5,314,749</u>	<u>4,755,060</u>
	<u><u>66,319,344</u></u>	<u><u>65,305,888</u></u>
37.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	2,454,381	691,544
Add: Islamic banking profit for the period	385,216	1,762,837
Closing Bblance	<u><u>2,839,597</u></u>	<u><u>2,454,381</u></u>
37.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	5,333,025	5,460,329
-Commitments	7,441,060	6,281,651
-Other contingent liabilities	-	-
	<u><u>12,774,085</u></u>	<u><u>11,741,980</u></u>
37.7 CHARITY FUND		
Opening balance	20,529	52,137
Additions during the period		
- Received from customers on delayed payments	12,819	15,391
- Non Shariah Compliant Income	-	-
- Profit on charity account	2	21
- Others	29	233
	<u>12,850</u>	<u>15,645</u>
Payments / utilization during the period		
- Education	(155)	(1,055)
- Community Welfare	-	-
- Relief and disaster recovery	-	-
- Health	-	(41,270)
- Orphanage	-	(4,928)
	<u>(155)</u>	<u>(47,253)</u>
Closing balance	<u><u>33,224</u></u>	<u><u>20,529</u></u>

ASKARI BANK LIMITED
Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the quarter ended March 31, 2021

(Un-audited)	
Quarter ended March 31, 2021	Quarter ended March 31, 2020
(Rupees in '000)	

**37.8 PROFIT / RETURN EARNED ON FINANCING,
INVESTMENTS AND PLACEMENTS**

Profit earned on:

Financing	1,089,792	1,593,313
Investments	311,426	245,415
Placements	6,739	145,388
Lendings	-	76,524
	<u>1,407,957</u>	<u>2,060,640</u>

37.9 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	434,899	1,215,071
Due to financial institutions	86,470	18,899
Due to head office	253	-
Profit Equalization Reserve	13,411	-
Lease liability against right-of-use assets	45,942	57,400
	<u>580,975</u>	<u>1,291,370</u>

38 RECLASSIFICATION OF COMPARATIVE FIGURES

Where necessary, corresponding figures have been regrouped to conform to the presentation of current period amounts. Such regrouping does not have an impact on previously reported condensed interim unconsolidated statement of financial position or profit and loss account.

39. DATE OF AUTHORIZATION

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

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2021
(UN-AUDITED)

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

		(Un-audited) March 31, 2021 (Rupees in '000)	(Audited) December 31, 2020
	Note		
ASSETS			
Cash and balances with treasury banks	6	67,661,171	73,651,718
Balances with other banks	7	5,326,760	7,961,474
Lendings to financial institutions	8	-	-
Investments	9	450,249,748	449,611,987
Advances	10	414,462,680	395,416,055
Fixed assets	11	20,974,982	21,232,750
Intangible assets	12	1,166,687	1,158,857
Deferred tax assets	13	2,810,184	1,597,334
Other assets	14	41,272,141	42,256,486
		<u>1,003,924,353</u>	<u>992,886,661</u>
LIABILITIES			
Bills payable	15	13,905,170	12,629,996
Borrowings	16	78,541,657	84,163,669
Deposits and other accounts	17	802,564,552	790,982,287
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	45,198,665	38,429,433
		<u>952,210,044</u>	<u>938,205,385</u>
NET ASSETS			
		<u>51,714,309</u>	<u>54,681,276</u>
REPRESENTED BY			
Share capital		12,602,602	12,602,602
Reserves		31,084,817	25,701,665
Surplus on revaluation of assets - net of tax	20	5,811,342	7,670,956
Unappropriated profit		2,215,548	8,706,053
		<u>51,714,309</u>	<u>54,681,276</u>

CONTINGENCIES AND COMMITMENTS

21

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2021

		Quarter ended March 31, 2021	Quarter ended March 31, 2020
	Note	(Rupees in '000)	
Mark-up / return / interest earned	23	17,066,665	22,071,775
Mark-up / return / interest expensed	24	<u>9,452,199</u>	<u>16,227,174</u>
Net mark-up / interest income		7,614,466	5,844,601
Non mark-up / interest income			
Fee and commission income	25	1,075,511	874,085
Dividend income		87,108	64,561
Foreign exchange income		650,856	377,513
Income / (loss) from derivatives		-	-
Gain on securities	26	742,443	565,999
Other income	27	97,591	81,675
Total non-markup / interest income		<u>2,653,509</u>	<u>1,963,833</u>
Total income		10,267,975	7,808,434
Non mark-up / interest expenses			
Operating expenses	28	5,904,074	4,781,313
Workers' Welfare Fund		4,258	45,000
Other charges	29	4,196	221
Total non-markup / interest expenses		<u>5,912,528</u>	<u>4,826,534</u>
Profit before provisions		4,355,447	2,981,900
Provisions and write offs - net	30	(170,260)	(69,930)
Extraordinary / unusual items		-	-
Profit before taxation		4,525,707	3,051,830
Taxation	31	1,756,272	1,185,971
Profit after taxation - continued operations		<u>2,769,435</u>	<u>1,865,859</u>
Attributable to:			
Equity holders of the Bank		2,769,435	1,864,271
Non-controlling interest		-	1,588
		<u>2,769,435</u>	<u>1,865,859</u>
		Rupees	
Basic earnings per share	32	<u>2.20</u>	<u>1.48</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

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Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2021

	Quarter ended March 31, 2021 (Rupees in '000)	Quarter ended March 31, 2020
Profit after taxation	2,769,435	1,865,859
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in Wholesale Bank Branch	(96,007)	113,233
Movement in deficit on revaluation of investments - net of tax	(1,859,614)	2,145,967
	(1,955,621)	2,259,200
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of non-banking assets	-	(7,000)
Total comprehensive income	<u>813,814</u>	<u>4,118,059</u>
Total comprehensive income attributable to:		
Equity holders of the Bank	813,814	4,117,910
Non-controlling interest	-	149
	<u>813,814</u>	<u>4,118,059</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

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Chief Financial Officer	President & Chief Executive	Director	Director	Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2021

	Surplus / (deficit) on revaluation of										
	Share capital	Exchange translation reserve	Share premium account	Statutory reserve	General reserve	Investments	Fixed / Non banking assets	Un-appropriated profit / (loss)	Sub-total	Non-controlling interest	Total
Balance as at January 1, 2020	12,602,602	275,169	234,669	10,098,727	8,800,324	(1,508,638)	5,834,717	6,002,253	42,339,823	48,546	42,388,369
Total comprehensive income for the quarter ended March 31, 2020						(Rupees in '000)					
Net profit for the quarter ended March 31, 2020	-	-	-	-	-	-	-	1,864,271	1,864,271	1,588	1,865,859
Other comprehensive income related to equity	-	113,233	-	-	-	2,145,967	(7,000)	-	2,252,200	-	2,252,200
	-	113,233	-	-	-	2,145,967	(7,000)	1,864,271	4,116,471	1,588	4,118,059
Transfer to Statutory reserve	-	-	-	371,950	-	-	-	(371,950)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	8,016	8,016	-	8,016
Balance as at March 31, 2020	12,602,602	388,402	234,669	10,470,677	8,800,324	637,329	5,827,717	7,502,590	46,464,310	50,134	46,514,444
Total comprehensive income for the nine months ended December 31, 2020											
Net profit for the nine months ended December 31, 2020	-	-	-	-	-	-	-	8,982,062	8,982,062	9,076	8,991,138
Other comprehensive income related to equity	-	(103,719)	-	-	-	(553,525)	1,759,435	(47,457)	1,054,734	-	1,054,734
	-	(103,719)	-	-	-	(553,525)	1,759,435	8,934,605	10,036,796	9,076	10,045,872
Transfer to Statutory reserve	-	-	-	1,799,449	-	-	-	(1,799,449)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	70,560	70,560	-	70,560
Transfer to General reserve	-	-	-	-	4,111,863	-	-	(4,111,863)	-	-	-
Transaction with owners, recorded directly in equity											
Final dividend 2019: Re. 1.5 per share	-	-	-	-	-	-	-	(1,890,390)	(1,890,390)	-	(1,890,390)
Acquisition of further interest in subsidiary	-	-	-	-	-	-	-	-	-	(59,210)	(59,210)
Balance as at December 31, 2020	12,602,602	284,683	234,669	12,270,126	12,912,187	83,804	7,587,152	8,706,053	54,681,276	-	54,681,276
Total comprehensive income for the quarter ended March 31, 2021											
Net profit for the quarter ended March 31, 2021	-	-	-	-	-	-	-	2,769,435	2,769,435	-	2,769,435
Other comprehensive income related to equity	-	(96,007)	-	-	-	(1,859,614)	-	-	(1,955,621)	-	(1,955,621)
	-	(96,007)	-	-	-	(1,859,614)	-	2,769,435	813,814	-	813,814
Transfer to Statutory reserve	-	-	-	553,887	-	-	-	(553,887)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	-	4,925,272	-	-	(4,925,272)	-	-	-
Transaction with owners, recorded directly in equity											
Final dividend 2020: Rs 3 per share	-	-	-	-	-	-	-	(3,780,781)	(3,780,781)	-	(3,780,781)
Balance as at March 31, 2021	12,602,602	188,676	234,669	12,824,013	17,837,459	(1,775,810)	7,587,152	2,215,548	51,714,309	-	51,714,309

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

 -sd-
Chief Financial Officer

 -sd-
President & Chief Executive

 -sd-
Director

 -sd-
Director

 -sd-
Chairman

ASKARI BANK LIMITED

Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended March 31, 2021

		Quarter ended March 31, 2021	Quarter ended March 31, 2020
	Note	(Rupees in '000)	
Cash flow from operating activities			
Profit before taxation		4,525,707	3,051,830
Less: dividend income		(87,108)	(64,561)
		<u>4,438,599</u>	<u>2,987,269</u>
Adjustments:			
Depreciation		258,077	271,983
Amortization		59,611	55,776
Depreciation on ROU assets		382,237	393,877
Markup expense on lease liability against ROU assets		226,927	252,065
Termination of lease contracts under IFRS - 16 Leases		2,792	2,018
Charge for defined benefit plans		121,678	119,279
Provisions and write offs - net	30	(145,028)	(49,711)
Remeasurement of investments at fair value		-	(127)
Gain on sale of fixed assets		(1,744)	(2,977)
		<u>904,550</u>	<u>1,042,183</u>
		<u>5,343,149</u>	<u>4,029,452</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		-	56,917
Held for trading securities		(338,019)	41,591
Advances		(18,917,708)	(8,311,816)
Other assets (excluding advance taxation)		972,088	1,898,583
		<u>(18,283,639)</u>	<u>(6,314,725)</u>
Increase / (decrease) in operating liabilities			
Bills payable		1,275,174	(4,298,984)
Borrowings from financial institutions		(5,622,012)	10,257,417
Deposits		11,582,265	20,603,323
Other liabilities (excluding current taxation)		2,931,033	(2,377,086)
		<u>10,166,460</u>	<u>24,184,670</u>
Net cash flow (used in) / generated from operations		<u>(2,774,030)</u>	<u>21,899,397</u>
Payment made to defined benefit plan		(311,228)	(1,096)
Income tax paid		(1,460,290)	(1,151,076)
Net cash flow (used in) / generated from operating activities		<u>(4,545,548)</u>	<u>20,747,225</u>
Cash flow from investing activities			
Net investments in available for sale securities		193,473	(27,249,709)
Net investments in held to maturity securities		(3,572,724)	(3,182,076)
Dividend received		62,807	34,080
Investment in fixed assets - net of adjustment		(222,297)	(369,846)
Investment in intangible asset		(67,555)	(172,735)
Proceeds from sale of fixed assets		4,329	6,750
Effect of translation of net investment in Wholesale Bank Branch		(96,007)	113,233
Net cash used in investing activities		<u>(3,697,974)</u>	<u>(30,820,303)</u>
Cash flow from financing activities			
Receipts / (payments) of subordinated debts - net		-	5,999,200
Payments against lease liabilities		(380,549)	(299,037)
Dividend paid		(1,196)	(839)
Net cash flow (used in) / generated from financing activities		<u>(381,745)</u>	<u>5,699,324</u>
Decrease in cash and cash equivalents		<u>(8,625,267)</u>	<u>(4,373,754)</u>
Cash and cash equivalents at beginning of the period		81,613,198	77,358,478
Cash and cash equivalents at end of the period		<u>72,987,931</u>	<u>72,984,724</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

-sd-
Chief Financial Officer

-sd-
President & Chief Executive

-sd-
Director

-sd-
Director

-sd-
Chairman

ASKARI BANK LIMITED

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

1. STATUS AND NATURE OF BUSINESS

- 1.1 The Group consists of Askari Bank Limited, the holding company and Askari Securities Limited, a partly owned subsidiary.
- 1.2 Askari Bank Limited (the Bank) was incorporated in Pakistan on October 9, 1991 as a Public Limited Company and is listed on the Pakistan Stock Exchange. The registered office of the Bank is situated at AWT Plaza, the Mall, Rawalpindi. The Bank is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. The Fauji Consortium: comprising of Fauji Foundation (FF), Fauji Fertilizer Company Limited (FFCL) and Fauji Fertilizer Bin Qasim Limited (FFBL) collectively owned 71.91 percent shares of the Bank as on March 31, 2021. The ultimate parent of the Bank is Fauji Foundation. The Bank has 537 branches (2020: 537 branches); 536 in Pakistan and Azad Jammu and Kashmir (including 95 (2020: 95) Islamic Banking branches and 49 (2020: 49) sub-branches) and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.
- 1.3 Askari Securities Limited (ASL) was incorporated in Pakistan on October 1, 1999 under the repealed Companies Ordinance, 1984 as a public limited company. The Bank holds 100% Ordinary Shares of ASL. The principal activity includes share brokerage, investment advisory and consultancy services. The registered office of ASL is situated in Islamabad.

2. BASIS OF PREPARATION

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

- 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).

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 or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail."

The SBP, vide its 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. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Additionally, the SBP has deferred the applicability of IFRS 9 to banks to accounting periods beginning on or after January 1, 2021. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

- 2.2 These consolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard 34 'Interim Financial Reporting' (IAS 40) and do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the financial year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these consolidated condensed interim financial statements.

3.2 **Standards, interpretations of and amendments to published approved accounting standards that are not yet effective**

- a) Following standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of their applicability in Pakistan:

	Effective date (annual periods beginning on or after)
IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendments)	July 1, 2009

- b) Following standards and amendments to published accounting standards will be effective in future periods and have not been early adopted by the Group.

	Effective date (annual periods beginning on or after)
IFRS 3 Business Combinations (Amendments)	January 1, 2022
IAS 16 Property, plant and equipment (Amendments)	January 1, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IFRS 10 Consolidated Financial Statements & Investment in Associates and	Not yet finalized

The management does not anticipate early adoption of above standards and amendments.

4. **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

5. **FINANCIAL RISK MANAGEMENT**

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

ASKARI BANK LIMITED

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
6.	CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000	
	<i>In hand:</i>		
	Local currency	17,980,772	17,290,446
	Foreign currencies	3,903,545	4,030,731
		<u>21,884,317</u>	<u>21,321,177</u>
	<i>With the State Bank of Pakistan in:</i>		
	Local currency current accounts	31,704,300	37,199,449
	Foreign currency current account	3,943,722	4,513,312
	Foreign currency deposit account	7,419,126	7,501,569
		<u>43,067,148</u>	<u>49,214,330</u>
	<i>With National Bank of Pakistan in:</i>		
	Local currency current accounts	2,482,412	2,260,681
	Prize Bonds	227,294	855,530
		<u>67,661,171</u>	<u>73,651,718</u>
7.	BALANCES WITH OTHER BANKS		
	<i>In Pakistan</i>		
	In current accounts	577,732	469,080
	In deposit accounts - note 7.1	37,770	3,612
		<u>615,502</u>	<u>472,692</u>
	<i>Outside Pakistan</i>		
	In current accounts	1,233,843	1,971,347
	In deposit accounts	3,477,433	5,517,441
		<u>4,711,276</u>	<u>7,488,788</u>
	Provision under IFRS 9 related to WBB	(18)	(6)
		<u>5,326,760</u>	<u>7,961,474</u>
7.1	These represent placements with local banks, carrying interest rate of 5.5% (2020: 5.5%) per annum.		
8.	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call / clean money lendings	-	-
	Repurchase agreement lendings (reverse repo)	-	-
	Purchase under resale arrangement of equity securities	148,606	148,606
		<u>148,606</u>	<u>148,606</u>
	Provision held against lending to financial institutions	(148,606)	(148,606)
	Lending to financial institutions - net of provision	<u>-</u>	<u>-</u>
		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
		Classified Lending	Classified Lending
		Provision Held	Provision Held
8.1	Category of classification	(Rupees in '000)	
	Domestic		
	Loss	<u>148,606</u>	<u>148,606</u>
		<u>148,606</u>	<u>148,606</u>

ASKARI BANK LIMITED

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the quarter ended March 31, 2021

9. INVESTMENTS

March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)							

9.1 Investments by type:
Held for trading securities

Fully paid ordinary shares	338,019	-	(6,607)	331,412	-	-	-	-
Units of open end mutual funds	193	-	-	193	193	-	-	193
	338,212	-	(6,607)	331,605	193	-	-	193

Available for sale securities

Federal Government Securities	334,979,512	(28,641)	(3,516,526)	331,434,345	335,378,424	(31,877)	(525,781)	334,820,766
Shares	4,698,685	(158,003)	133,885	4,674,567	4,710,140	(158,232)	291,562	4,843,470
Units of open end mutual funds	1,405,036	(140,559)	186,713	1,451,190	1,405,036	(140,558)	171,942	1,436,420
Fully paid preference shares	27,314	(11,914)	46,545	61,945	27,314	(11,914)	46,545	61,945
Non Government Debt Securities	11,287,602	(1,422,704)	145,229	10,010,127	11,048,874	(1,422,704)	117,486	9,743,656
Foreign securities	460,712	(5,108)	18,186	473,790	482,547	(5,203)	18,534	495,878
	352,858,862	(1,766,929)	(2,985,968)	348,105,964	353,052,335	(1,770,488)	120,288	351,402,135

Held to maturity securities

Federal Government Securities	98,751,130	(102,645)	-	98,648,485	95,034,902	(116,957)	-	94,917,945
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	3,233,280	(69,586)	-	3,163,694	3,376,784	(85,070)	-	3,291,714
	102,094,410	(282,231)	-	101,812,179	98,521,686	(312,027)	-	98,209,659

Total investments	455,291,484	(2,049,160)	(2,992,575)	450,249,748	451,574,214	(2,082,515)	120,288	449,611,987
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(Un-audited)	(Audited)
March 31, 2021	December 31, 2020

9.1.1 Investments given as collateral

(Rupees in '000)

The market value of investment given as collateral is as follows

Pakistan Investment Bonds	12,997,400	7,005,600
Market Treasury Bills	-	13,715,612
Euro Bonds	5,318,851	6,442,504
Bahrain International Bonds	-	501,081
Turkish Sukuks	-	973,391
Ijarah Sukuks	5,001,583	5,069,713
Shares	175,969	191,168
	23,493,803	33,899,069

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For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
9.2 Provision for diminution in value of investments	(Rupees in '000)	
9.2.1 Opening balance	2,082,515	3,554,891
Exchange adjustments	(9,961)	5,614
Charge / (reversals)		
Charge for the period / year	-	506,776
(Reversal) / charge of provision under IFRS 9 related to WBB	(23,164)	41,248
Reversals for the period / year	-	(82,163)
Net charge	(23,164)	465,861
Reversal on disposals	(230)	(1,943,851)
Closing balance	<u>2,049,160</u>	<u>2,082,515</u>

9.2.2 Particulars of provision against debt securities

	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPL	Provision	NPL	Provision
Category of classification	(Rupees in '000)			
Domestic				
Loss	1,532,704	1,532,704	1,532,704	1,532,704
Overseas				
Not past due but impaired as per IF	-	205,980	-	239,107
	<u>1,532,704</u>	<u>1,738,684</u>	<u>1,532,704</u>	<u>1,771,811</u>

9.3 The market value of securities classified as held to maturity as at March 31, 2021 is 106,637,074 thousand (2020: Rs. 104,630,207 thousand).

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		Performing		Non Performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
		(Rupees in '000)					
10. ADVANCES	Loans, cash credits, running finances, etc.	327,407,365	310,156,565	25,425,901	25,666,137	352,833,266	335,822,702
	Islamic financing and related assets	62,230,585	62,691,358	2,463,752	2,684,267	64,694,337	65,375,625
	Bills discounted and purchased	23,191,804	20,603,372	60,406	60,406	23,252,210	20,663,778
	Advances - gross	412,829,754	393,451,295	27,950,059	28,410,810	440,779,813	421,862,105
	Provision against advances						
	- Specific	-	-	(24,714,660)	(24,820,923)	(24,714,660)	(24,820,923)
	- General	(1,602,473)	(1,625,127)	-	-	(1,602,473)	(1,625,127)
		(1,602,473)	(1,625,127)	(24,714,660)	(24,820,923)	(26,317,133)	(26,446,050)
	Advances - net of provision	411,227,281	391,826,168	3,235,399	3,589,887	414,462,680	395,416,055
					(Un-audited)	(Audited)	
				March 31, 2021	December 31, 2020		
		(Rupees in '000)					
10.1 Particulars of advances (Gross)	In local currency					416,569,405	398,281,325
	In foreign currencies					24,210,408	23,580,780
						440,779,813	421,862,105

10.2 Advances include Rs. 27,950,059 thousand (December 31, 2020: Rs. 28,410,810 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing	Provision	Non Performing	Provision
	Loans			
Domestic	(Rupees in '000)			
Other Assets Especially Mentioned - note 10.2.1	1,413,583	758	1,406,324	-
Substandard	381,817	62,871	480,927	63,119
Doubtful	1,793,650	847,450	1,956,085	766,400
Loss	24,361,009	23,803,581	24,567,474	23,991,404
	27,950,059	24,714,660	28,410,810	24,820,923

10.2.1 This represents classification for Agricultural, Mortgage and Small Entities finances.

10.3 Particulars of provision against advances	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Specific	General	Consumer financing-General	Total	Specific	General	Consumer financing-General	Total
	(Rupees in '000)							
Opening balance	24,820,923	909,101	716,026	26,446,050	24,408,056	584,145	642,747	25,634,948
Exchange adjustment	-	(7,261)	-	(7,261)	-	9,287	-	9,287
Charge for the period / year	498,016	18,260	10,200	526,476	2,249,576	421,751	122,415	2,793,742
Provision under IFRS 9 related to WBB	-	(21,688)	-	(21,688)	-	(83,906)	-	(83,906)
Reversal for the period / year	(604,070)	(811)	(21,354)	(626,235)	(1,010,054)	(22,176)	(49,136)	(1,081,366)
	(106,054)	(4,239)	(11,154)	(121,447)	1,239,522	315,669	73,279	1,628,470
Amounts written off	(209)	-	-	(209)	(748,426)	-	-	(748,426)
Amounts charged off- agriculture financing	-	-	-	-	(78,229)	-	-	(78,229)
Closing balance	24,714,660	897,601	704,872	26,317,133	24,820,923	909,101	716,026	26,446,050

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10.3.1 The net FSV benefit already availed has been reduced by Rs. 14,395 thousand, which has resulted in increased charge for specific provision for the period by the same amount. Had the FSV benefit not reduced, before and after tax profit for the year would have been higher by Rs. 14,395 thousand (March 31, 2020: Rs. 131,308 thousand) and Rs. 8,781 thousand (March 31, 2020: Rs. 85,350 thousand) respectively. Further, at March 31, 2021, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs. 445,784 thousand (December 31, 2020: Rs. 484,372 thousand) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

10.3.2 The Group has availed the relaxation of Rs. 101,394 thousand (December 31, 2020: Rs. 101,394 thousand) allowed by the SBP for maintaining provisions as per time based criteria of prudential regulations.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
11. FIXED ASSETS		
	(Rupees in '000)	
Capital work-in-progress - note 11.1	145,448	164,343
Property and equipment	13,605,292	13,666,587
Right of use asset - IFRS 16 - note 10.3	7,224,242	7,401,820
	<u>20,974,982</u>	<u>21,232,750</u>

11.1 This represents advances to suppliers and contractors.

	(Un-audited) Quarter ended March 31, 2021	Quarter ended March 31, 2020
11.2 Additions to fixed assets		
	(Rupees in '000)	
The following additions have been made to fixed assets during the period:		
Capital work-in-progress	25,579	78,756
Property and equipment		
Renovation of premises	58,070	52,309
Furniture, fixtures and office equipment	17,754	120,913
Carpets	4,677	3,441
Machine and equipments	54,799	66,998
Computer equipments	49,908	34,567
Vehicles	9,494	7,466
	194,702	285,693
Right of use assets under IFRS 16	223,235	185,405
Total	<u>443,516</u>	<u>549,854</u>

11.3 Disposal of fixed assets

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

Renovation of premises	-	-
Furniture, fixtures and office equipment	462	1,646
Carpets	1,225	433
Machine and equipments	284	544
Computer equipments	567	28
Vehicles	47	-
Total	<u>2,585</u>	<u>2,651</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
12. INTANGIBLE ASSETS		
	(Rupees in '000)	
Computer software	813,984	778,480
Pakistan Mercantile Exchange - Membership Card	2,500	2,500
Trading Right Entitlement Certificates	12,426	12,426
Less: Provision against intangibles	(4,660)	(4,660)
	824,250	788,746
Capital work in progress	342,437	370,111
	<u>1,166,687</u>	<u>1,158,857</u>

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For the quarter ended March 31, 2021

		(Un-audited)	
		Quarter ended March 31, 2021	Quarter ended March 31, 2020
		(Rupees in '000)	
12.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress		29,022	44,588
Directly purchased		38,533	127,025
		<u>67,555</u>	<u>171,613</u>
		(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020
		(Rupees in '000)	
13. DEFERRED TAX ASSETS			
Deductible temporary differences on			
- Post retirement employee benefits		34,162	34,162
- Accelerated tax depreciation		13,472	24,663
- Deficit on revaluation of investments		1,194,543	-
- Provision against advances, off balance sheet		1,568,007	1,568,007
		<u>2,810,184</u>	<u>1,626,832</u>
Taxable temporary differences on			
- Surplus on revaluation of investments		-	(29,498)
		<u>2,810,184</u>	<u>1,597,334</u>
14. OTHER ASSETS			
Income / mark-up accrued in local currency - net of provision		14,268,813	17,403,537
Income / mark-up accrued in foreign currencies		716,439	558,371
Advances, deposits, advance rent and other prepayments		737,789	803,516
Advance taxation (payments less provisions)		5,839,786	6,101,241
Non-banking assets acquired in satisfaction of claims		2,422,488	2,426,242
Stationary and stamps in hand		99,080	99,829
Dividend receivable		31,666	7,365
Acceptances		13,881,695	11,829,891
Others		1,041,098	793,300
		<u>39,038,854</u>	<u>40,023,292</u>
Provision held against other assets - note 14.1		(209,686)	(209,778)
Other assets - net of provision		<u>38,829,168</u>	<u>39,813,514</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,442,972	2,442,972
Other assets - total		<u>41,272,141</u>	<u>42,256,486</u>
14.1 Provision held against other assets			
Advances, deposits, advance rent and other prepayments		138,653	138,745
Stationery and stamps in hand		2,285	2,285
Others		68,748	68,748
		<u>209,686</u>	<u>209,778</u>

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	(Un-audited) March 31, 2021	(Audited) December 31, 2020
14.1.1 Movement in provision held against other assets		
Opening balance	209,778	238,089
Charge for the period / year	-	314
Provision under IFRS 9 related to WBB	-	-
Reversals for the period / year	(92)	(637)
Net charge for the period / year	(92)	(323)
Reversal on disposal	-	(15,952)
Amounts written off / adjustments	-	(12,036)
Closing balance	<u>209,686</u>	<u>209,778</u>
15. BILLS PAYABLE		
In Pakistan	<u>13,905,170</u>	<u>12,629,996</u>
16. BORROWINGS		
Secured		
Borrowings from the State Bank of Pakistan under:		
Export refinance scheme	18,388,585	16,903,776
Long term financing facility	9,053,097	8,499,073
Financing facility for storage of agricultural produce	70,942	76,399
Renewable energy financing facility	1,185,349	579,231
Refinance from SBP		
Credit guarantee scheme for women entrepreneurs	1,302	1,568
Payment of wages and salaries	12,481,350	12,583,566
Temporary economic relief	1,074,094	-
Combating COVID – 19	138,018	-
	<u>42,392,737</u>	<u>38,643,613</u>
Repurchase agreement borrowings		
State Bank of Pakistan	13,000,000	7,000,000
Financial institutions	7,535,247	23,042,628
	<u>20,535,247</u>	<u>30,042,628</u>
Refinance from Pakistan Mortgage Refinance Company	2,409,396	1,923,886
Total secured	<u>65,337,380</u>	<u>70,610,127</u>
Unsecured		
Call borrowings	10,103,190	10,276,937
Financial institutions	2,978,793	3,276,605
Overdrawn nostro accounts	122,294	-
Total unsecured	<u>13,204,277</u>	<u>13,553,542</u>
	<u>78,541,657</u>	<u>84,163,669</u>

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
17. DEPOSITS AND OTHER	(Rupees in '000)					
Customers						
Current accounts	226,939,273	20,486,204	247,425,477	228,444,308	21,780,570	250,224,878
Savings deposits	399,205,079	48,188,559	447,393,638	388,092,120	48,085,995	436,178,115
Fixed deposits	88,174,638	10,640,402	98,815,040	90,069,109	7,058,608	97,127,717
	<u>714,318,990</u>	<u>79,315,165</u>	<u>793,634,155</u>	<u>706,605,537</u>	<u>76,925,173</u>	<u>783,530,710</u>
Financial institutions						
Current accounts	1,015,252	136,284	1,151,536	976,402	54,187	1,030,589
Savings deposits	2,148,704	-	2,148,704	1,250,988	-	1,250,988
Fixed deposits	5,630,157	-	5,630,157	5,170,000	-	5,170,000
	<u>8,794,113</u>	<u>136,284</u>	<u>8,930,397</u>	<u>7,397,390</u>	<u>54,187</u>	<u>7,451,577</u>
	<u>723,113,103</u>	<u>79,451,449</u>	<u>802,564,552</u>	<u>714,002,927</u>	<u>76,979,360</u>	<u>790,982,287</u>

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	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
18. SUBORDINATED DEBTS		
Term Finance Certificates - VI (ADT-1)	6,000,000	6,000,000
Term Finance Certificates - VII	6,000,000	6,000,000
	<u>12,000,000</u>	<u>12,000,000</u>

- 18.1 The Group has raised unsecured sub-ordinated loans through issuance of Term Finance Certificates to improve the Group's capital adequacy. Liability to the TFC holders is subordinated to and rank inferior to all other indebtedness of the Group including deposits and is not redeemable before maturity without prior approval of the SBP. The salient features of outstanding issues are as follows:

	Term Finance Certificates - VI (ADT-1)	Term Finance Certificates - VII
Outstanding amount - Rupees in '000	6,000,000	6,000,000
Issue amount	Rupees 6,000 million	Rupees 6,000 million
Issue date	July 03, 2018	March 17, 2020
Maturity Date	Perpetual	March 16, 2030
Rating	AA-	AA
Security	Unsecured	Unsecured
Listing	Listed	Listed
Profit payment frequency	Payable six monthly	Payable quarterly
Redemption	Perpetual	109-120th month: 100%
Profit Rate	Base Rate plus 1.50% Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	Base Rate plus 1.20% Base Rate is the simple average of the ask rate of three month KIBOR prevailing on the base rate setting date.
Call option	Exercisable after 60 months from the date of issue subject to approval by the SBP.	Exercisable after 60th month from the date of issue subject to approval by the SBP.
Lock-in-clause	Payment of profit will be subject to the condition that such payment will not result in breach of the Bank's regulatory Minimum Capital Requirement or Capital Adequacy Ratio set by SBP from time to time. Any inability to exercise lock-in clause or the non-cumulative features will subject these TFCs to mandatory conversion into common shares / write off at the discretion of SBP.	As per the lock-in requirement for Tier II Issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall or increase in an existing shortfall in the Bank's Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio. That is, any payment (profit and/or principal) in respect of the TFC would be made, subject to the Bank being in compliance with the requirement of Leverage Ratio or Minimum Capital Requirement or Capital Adequacy Ratio.
Loss absorption clause	The Instrument will be subject to loss absorption and / or any other requirements of SBP upon the occurrence of a Point of Non-Viability event as per Section A-5-3 of Annexure 5 of the Circular, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger event as declared by SBP, subject to a specified cap.	As per Loss Absorbency Clause requirement for Tier II capital purpose, the instrument will be subject to loss absorbency and/or any other requirements under SBP's instructions on the subject. Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP subject to a cap of 245,042,630 shares.

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	(Un-audited) March 31, 2021	(Audited) December 31, 2020
(Rupees in '000)		
19. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	2,902,490	3,793,829
Mark-up / return / interest payable in foreign currencies	100,577	217,522
Unearned commission and income on bills discounted	1,502,439	1,726,572
Accrued expenses	3,491,494	2,956,761
Advance payments	372,659	349,092
Acceptances	13,881,695	11,829,891
Dividends payable	3,937,024	157,439
Mark to market loss on forward foreign exchange contracts - net	1,452,081	228,034
Branch adjustment account	1,323,458	753,774
Payable to defined benefit plan	95,459	313,295
Security deposit against lease / Ijarah financing	4,238,903	4,169,840
Withholding taxes payable	214,279	306,972
Federal excise duty payable	46,225	74,133
Workers' Welfare Fund	219,357	215,099
Switch fee payable	562,450	665,449
Provision against off-balance sheet obligations - note 19.1	100,012	100,356
Lease liability against ROU assets as per IFRS - 16 Leases	8,174,141	8,223,995
Islamic pool management reserve - note 19.2	13,353	-
Others	2,570,569	2,347,380
	<u>45,198,665</u>	<u>38,429,433</u>
19.1 Provision against off-balance sheet obligations		
Opening balance	100,356	101,154
Exchange adjustment	(7)	49
Charge for the period / year	-	-
Reversal for the period / year	(337)	(847)
Net (reversal) / charge	(337)	(847)
Amounts written off	-	-
Closing balance	<u>100,012</u>	<u>100,356</u>
19.2	This includes equity portion of profit equalisation reserve amounting to Rs 6,676 thousands (2020: Nil) which has been presented as reserve in note 37.	
20. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) on revaluation of:		
- Available for sale securities	(2,985,970)	120,287
- Fixed Assets	5,144,180	5,144,180
- Non-banking assets acquired in satisfaction of claims	2,442,972	2,442,972
	4,601,182	7,707,439
Deferred tax on deficit / (surplus) on revaluation of:		
- Available for sale securities	1,210,160	(36,483)
	<u>5,811,342</u>	<u>7,670,956</u>

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	(Un-audited) March 31, 2021	(Audited) December 31, 2020
21. CONTINGENCIES AND COMMITMENTS	(Rupees in '000)	
- Guarantees - note 21.1	218,814,750	220,222,941
- Commitments - note 21.2	419,024,721	412,802,042
- Other contingent liabilities - note 21.3	720,526	724,374
	<u>638,559,997</u>	<u>633,749,357</u>
21.1 Guarantees		
Financial guarantees	9,991,818	9,952,617
Performance guarantees	139,712,000	138,751,395
Other guarantees	69,110,932	71,518,929
	<u>218,814,750</u>	<u>220,222,941</u>
21.2 Commitments		
Documentary credits and short-term trade-related transactions		
- letters of credit	150,029,147	159,457,683
Commitments in respect of:		
- forward foreign exchange contracts - note 21.2.1	207,399,283	209,279,794
- forward government securities transactions - note 21.2.2	27,100,000	-
- forward lending - note 21.2.3	34,356,124	43,805,613
Commitments for acquisition of:		
- operating fixed assets	33,446	34,298
- intangible assets	56,080	38,678
Commitments in respect of outstanding future contract transactions of equity securities	50,640	185,976
	<u>419,024,721</u>	<u>412,802,042</u>
21.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	121,709,672	118,889,979
Sale	85,689,611	90,389,815
	<u>207,399,283</u>	<u>209,279,794</u>
The above commitments have maturities falling within one year.		
21.2.2 Commitments in respect of forward government securities transactions		
Purchase	27,000,000	-
Sale	100,000	-
Sale	<u>27,100,000</u>	<u>-</u>
21.2.3 Commitments in respect of forward lending		
Forward repurchase agreement lending	20,575,157	30,084,187
Undrawn commitments - note 21.2.2.1	13,780,967	13,721,426
	<u>34,356,124</u>	<u>43,805,613</u>
21.2.2.1 These represent commitments that are irrevocable because these cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.		
	(Un-audited) March 31, 2021	(Audited) December 31, 2020
21.3 Other contingent liabilities	(Rupees in '000)	
These represent certain claims by third parties against the Group, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and are not likely to result in any liability against the Group.		
	<u>720,526</u>	<u>724,374</u>

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For the quarter ended March 31, 2021

22. DERIVATIVE INSTRUMENTS

The Group at present does not offer derivative products such as Interest Rate Swaps, Cross Currency Swaps, Forward Rate Agreements or Foreign Exchange Options. The Bank's Treasury and Investment Banking Groups buy and sell derivative instruments such as Forward Exchange Contracts (FECs) and Equity Futures (EFs).

		(Un-audited)	
		Quarter ended March 31, 2021	Quarter ended March 31, 2020
		(Rupees in '000)	
23. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances	7,524,527	12,066,572	
Investments	9,434,742	9,694,998	
Lendings to financial institutions	18,275	183,417	
Balances with banks	2,543	77,516	
Securities purchased under resale agreements	86,578	49,272	
	<u>17,066,665</u>	<u>22,071,775</u>	
24. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits	7,906,167	13,729,595	
Borrowings	446,047	1,409,047	
Subordinated debts	257,145	420,419	
Cost of foreign currency swaps against foreign currency deposits / borrowings	615,913	416,048	
Interest expense on lease liability against ROU assets	226,927	252,065	
	<u>9,452,199</u>	<u>16,227,174</u>	
25. FEE AND COMMISSION INCOME			
Branch banking customer fees	144,760	157,174	
Consumer finance related fees	28,529	32,236	
Card related fees (debit and credit cards)	291,304	196,737	
Credit related fees	86,606	59,749	
Investment banking fees	20,783	43,815	
Commission on trade	203,295	163,454	
Commission on guarantees	173,036	145,599	
Commission on remittances including home remittances	14,249	14,457	
Commission on bancassurance	34,880	23,833	
Others	78,069	37,031	
	<u>1,075,511</u>	<u>874,085</u>	
26. GAIN ON SECURITIES			
Realised - note 26.1	742,443	565,541	
Unrealised - note 9.1	-	458	
	<u>742,443</u>	<u>565,999</u>	
26.1 Realised gain / (loss) on:			
Federal Government Securities	645,078	461,078	
Shares	94,365	102,011	
Non Government Debt Securities	3,000	-	
Mutual Funds	-	2,452	
	<u>742,443</u>	<u>565,541</u>	

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		(Un-audited)	
		Quarter ended March 31, 2021	Quarter ended March 31, 2020
27.	OTHER INCOME	(Rupees in '000)	
	Gain on sale of fixed assets	1,744	2,977
	Rent of lockers	13,824	11,730
	Recovery of expenses from customers	79,231	64,950
	Termination of lease contracts under IFRS - 16 Leases	2,792	2,018
		<u>97,591</u>	<u>81,675</u>
28.	OPERATING EXPENSES		
	Total compensation expenses	4,040,510	2,708,351
	Property expense		
	Rent and taxes	23,938	90,844
	Insurance	23,956	25,784
	Utilities cost	90,506	137,676
	Security (including guards)	124,697	114,430
	Repair & maintenance (including janitorial charges)	67,618	66,417
	Depreciation on ROU assets	382,237	393,877
	Depreciation	88,014	103,141
		800,965	932,169
	Information technology expenses		
	Software maintenance	102,744	46,388
	Hardware maintenance	8,175	7,297
	Depreciation	44,939	46,922
	Amortisation	59,611	55,650
	Network charges	29,967	58,705
		245,436	214,962
	Other operating expenses		
	Directors' fees, allowances	26,062	3,469
	Fees and allowances to shariah board	1,466	1,469
	Rates, taxes, insurance etc.	48,596	51,463
	Legal and professional charges	35,214	32,719
	Brokerage and commission	33,259	27,459
	NIFT clearing charges	24,168	18,238
	Repair and maintenance	64,115	82,781
	Communications	97,319	139,520
	Stationery and printing	47,997	68,693
	Marketing, advertisement and publicity	466	17,937
	Donations	6,904	3,390
	Auditors' remuneration	3,651	5,264
	Travelling, conveyance and entertainment	38,649	72,796
	Depreciation	125,124	121,320
	Security service charges	50,702	66,030
	Training and development	2,174	8,377
	Deposit premium expense	115,784	103,831
	Other expenditure	95,513	101,075
		817,162	925,831
		<u>5,904,074</u>	<u>4,781,313</u>

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29. This represents penalties imposed by the State Bank of Pakistan.

		(Un-audited)	
		Quarter ended March 31, 2021	Quarter ended March 31, 2020
		(Rupees in '000)	
30. PROVISIONS AND WRITE OFFS - NET			
(Reversal of provision) / provision for diminution in value of investments	(23,164)	45,058	
Reversal of provision against loans and advances	(121,447)	(93,919)	
Reversal of provision against other assets	(92)	(86)	
Reversal of provision against off-balance sheet obligations	(337)	(870)	
Provision against cash and bank balances	12	106	
Recovery of written off / charged off bad debts	(25,232)	(20,219)	
	<u>(170,260)</u>	<u>(69,930)</u>	
31. TAXATION			
Current	1,721,745	1,172,247	
Deferred	34,527	13,724	
	<u>1,756,272</u>	<u>1,185,971</u>	
32. BASIC EARNINGS PER SHARE			
Profit for the period - Rupees in '000	<u>2,769,435</u>	<u>1,864,271</u>	
Weighted average number of Ordinary Shares - numbers	<u>1,260,260,180</u>	<u>1,260,260,180</u>	
Basic earnings per share - Rupees	<u>2.20</u>	<u>1.48</u>	

There is no dilutive effect on the basic earnings per share of the Group, therefore dilutive earnings per share have not been presented separately.

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33. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Bank as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy as stated in note 4 to the annual consolidated financial statements for the year ended December 31, 2020.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

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

33.1 Fair value of financial assets

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

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) available at MUFAP, Reuters page, Redemption prices and determined by valuers on the panel of Pakistan Bank's Association.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government Securities	The fair values of Federal Government Securities are determined on the basis of rates / prices sourced from Reuters.
Non Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by Mutual Fund Association of Pakistan (MUFAP).
Foreign Government Debt Securities	Foreign Government Debt Securities are valued on the basis of rates taken from custodian of the securities which are usually drawn from Bloomberg.
Unit of Mutual Funds	Fair values of mutual funds are determined based on their net asset values as published at the close of reporting period.
Fixed Assets and Non Banking Assets Acquired in Satisfaction of Claims	Land and Non Banking assets acquired in satisfaction of claims are valued on a periodic basis using professional valuers. The valuation is based on their assessments of the market value of the assets.

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The table below analyses the financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

	March 31, 2021 (Un-audited)			
	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	-	331,765,757	-	331,765,757
Shares	4,324,567	-	350,000	4,674,567
Units of open end mutual funds	-	1,451,190	-	1,451,190
Fully paid preference shares	61,945	-	-	61,945
Non Government Debt Securities	-	1,691,412	8,318,715	10,010,127
Foreign securities	-	473,790	-	473,790
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	98,648,485	-	98,648,485
Foreign Securities	-	3,163,694	-	3,163,694
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	121,709,672	-	121,709,672
Forward Sale of foreign exchange	-	85,689,611	-	85,689,611
Forward agreements for lending	-	-	-	-
Forward agreements for borrowing	-	-	20,575,157	20,575,157

	December 31, 2020 (Audited)			
	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	-	334,820,766	-	334,820,766
Shares	4,493,470	-	350,000	4,843,470
Units of open end mutual funds	-	1,436,420	-	1,436,420
Fully paid preference shares	61,945	-	-	61,945
Non Government Debt Securities	-	2,022,325	7,721,331	9,743,656
Foreign securities	-	495,878	-	495,878
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	94,942,447	-	94,942,447
Foreign securities	-	3,291,714	-	3,291,714
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	118,889,979	-	118,889,979
Forward Sale of foreign exchange	-	90,389,815	-	90,389,815
Forward agreements for lending	-	-	-	-
Forward agreements for borrowing	-	-	30,084,187	30,084,187

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer takes place. There were no transfers between levels 1 and 2 during the year.

	(Un-audited)	(Audited)
	March 31, 2021	December 31, 2020
	(Rupees in '000)	
33.2 Fair value of non-financial assets	Level 3	Level 3
Fixed assets		
Property and equipment (freehold and leasehold land)	9,552,630	9,552,630
Other assets		
Non-banking assets acquired in satisfaction of claims	4,865,461	4,869,214

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34. Segment Information
34.1 Segment details with respect to Business Activities

The segment analysis with respect to business activity is as follows:

	March 31, 2021 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Profit and loss							
Net mark-up / return / profit	(5,508,090)	3,701,918	8,018,342	613,436	826,981	322,393	(360,514)
Inter segment revenue - net	8,848,741	(2,810,640)	(6,576,408)	(322,355)	-	(20,802)	881,464
Non mark-up / return / interest income	376,599	630,325	1,362,494	111,398	111,242	234	61,217
Total income	3,717,250	1,521,603	2,804,428	402,479	938,223	301,825	582,167
Segment direct expenses	2,762,124	203,838	83,857	236,027	536,641	27,874	2,062,167
Inter segment expense allocation	247,895	301,187	877	51,064	-	-	(601,023)
Total expenses	3,010,019	505,025	84,734	287,091	536,641	27,874	1,461,144
Provisions	(4,497)	(171,241)	-	16,635	16,366	(45,177)	17,654
Profit before tax	711,728	1,187,819	2,719,694	98,753	385,216	319,128	(896,631)

	March 31, 2021 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Statement of financial position							
Cash and bank balances	29,916,363	1,514,384	34,308,036	-	6,350,956	420,771	477,421
Investments	-	8,282,811	410,431,224	-	12,699,940	17,523,576	1,312,197
Advances - performing - net of provision	11,383,789	300,272,555	-	18,769,319	62,140,946	11,614,608	7,046,066
Advances - non-performing - net of provision	572,540	861,694	-	370,072	1,431,091	-	-
Others	1,452,911	17,814,470	4,847,217	524,651	5,330,140	453,345	35,801,260
Total Assets	43,325,603	328,745,914	449,586,477	19,664,042	87,953,073	30,012,300	44,636,944
Borrowings	1,743,060	36,383,085	13,000,000	2,409,396	8,866,594	13,038,437	3,101,085
Subordinated debts	-	-	-	-	-	-	12,000,000
Deposits and other accounts	613,037,961	122,141,840	-	17,968	66,319,344	963,010	84,429
Net inter segment balances - net	(583,541,038)	149,858,093	434,282,007	16,372,261	-	10,693,102	(27,664,425)
Others	12,085,620	20,362,896	2,304,470	864,417	5,402,216	5,317,751	12,766,465
Total liabilities	43,325,603	328,745,914	449,586,477	19,664,042	80,588,154	30,012,300	287,554
Equity	-	-	-	-	7,364,919	-	44,349,390
Total Equity and liabilities	43,325,603	328,745,914	449,586,477	19,664,042	87,953,073	30,012,300	44,636,944
Contingencies and commitments	5,553,374	364,748,922	246,056,553	508,923	12,774,085	7,555,007	1,498,469

	March 31, 2020 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Profit and loss							
Net mark-up / return / profit	(9,823,526)	6,890,425	7,450,354	789,852	769,270	242,834	(474,608)
Inter segment revenue - net	14,784,039	(5,647,791)	(8,980,526)	(566,092)	-	61,431	348,939
Non mark-up / return / interest income	383,770	543,399	693,900	97,212	59,960	203	185,389
Total income	5,344,283	1,786,033	(836,272)	320,972	829,230	304,468	59,720
Segment direct expenses	2,546,667	193,877	60,515	198,901	552,632	29,685	1,244,257
Inter segment expense allocation	144,377	175,415	511	43,666	-	-	-
Total expenses	2,691,044	369,292	61,026	242,567	552,632	29,685	880,289
Provisions	(69,484)	(79,374)	-	64,996	(7,750)	(28,541)	50,223
Profit before tax	2,722,723	1,496,115	(897,298)	13,409	284,348	303,324	(870,792)

	December 31, 2020 (Audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
Statement of financial position							
Cash and bank balances	30,938,859	2,174,588	39,690,446	-	6,313,535	135,415	2,360,349
Investments	-	8,559,870	409,207,953	-	12,216,340	18,307,234	1,320,590
Advances - performing - net of provision	12,987,203	280,191,484	-	18,522,780	62,598,616	10,653,303	6,872,782
Advances - non-performing - net of provision	563,642	921,775	-	433,395	1,671,075	-	-
Others	1,806,853	15,698,490	7,491,899	763,025	5,754,115	280,853	34,450,192
Total Assets	46,296,557	307,546,207	456,390,298	19,719,200	88,553,681	29,376,805	45,003,913
Borrowings	2,148,089	32,344,618	20,712,692	1,923,886	11,810,905	11,946,873	3,276,606
Subordinated debts	-	-	-	-	-	-	12,000,000
Deposits and other accounts	564,565,481	160,149,553	-	21,935	65,305,888	858,355	81,075
Net inter segment balances - net	(533,319,613)	97,723,672	434,611,006	16,809,062	-	11,188,408	(27,012,535)
Others	12,902,600	17,328,364	1,066,600	964,317	4,440,177	3,346,088	11,011,283
Total liabilities	46,296,557	307,546,207	456,390,298	19,719,200	81,556,970	27,339,724	(643,571)
Equity	-	-	-	-	6,996,711	2,037,081	45,647,484
Total Equity and liabilities	46,296,557	307,546,207	456,390,298	19,719,200	88,553,681	29,376,805	45,003,913
Contingencies and commitments	5,069,575	376,781,193	229,525,637	432,431	11,081,682	9,352,213	1,506,626

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35. RELATED PARTY TRANSACTIONS

Fauji Consortium comprising of Fauji Foundation, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited (the Parent) holds 71.91% of the Bank's share capital at the period end. The Bank has related party relationships with entities under common directorship, its directors, key management personnel, entities over which the directors are able to exercise significant influence and employees' funds.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their

Details of transactions with related parties and balances are as follows:

	As at March 31, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Companies with common directorship	Other related parties	Parent	Directors	Key management personnel	Companies with common directorship	Other related parties
	Rupees in '000									
Investments										
Opening balance	-	-	-	450,478	350,000	-	-	-	719,311	300,000
Investment made during the period / year	-	-	-	-	-	-	-	-	411,454	50,000
Investment redeemed / disposed off during the period / year	-	-	-	(18,449)	-	-	-	-	(247,268)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	(433,019)	-
Closing balance	-	-	-	432,029	350,000	-	-	-	450,478	350,000
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-
Advances										
Opening balance	2,805,786	28,671	423,764	4,766,042	-	5,035,504	19,771	364,453	4,701,476	-
Addition during the period / year	17,515,368	548	48,084	3,039,207	-	121,938,314	59,315	125,382	9,941,779	-
Repaid during the period / year	(17,850,188)	(29,201)	(27,872)	(3,178,907)	-	(124,168,032)	(50,406)	(93,715)	(10,545,058)	-
Transfer in / (out) - net	-	-	11,284	-	-	-	(9)	27,644	667,845	-
Closing balance	2,470,966	18	455,260	4,626,342	-	2,805,786	28,671	423,764	4,766,042	-
Provision held against advances	-	-	-	-	-	-	-	-	-	-
Other Assets										
Interest / mark-up receivable	27,531	-	94,007	72,100	-	46,571	425	84,087	90,799	-
Receivable from staff retirement fund	-	-	-	-	-	-	-	-	-	-
Advance rent	655	-	-	-	-	1,081	-	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-	-	-
Borrowings										
Opening balance	-	-	-	-	1,923,886	-	-	-	-	1,972,026
Borrowings during the period	-	-	-	-	500,000	-	-	-	-	1,000,000
Settled during the period	-	-	-	-	(14,490)	-	-	-	-	(1,048,140)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	2,409,396	-	-	-	-	1,923,886
Subordinated debt										
Opening balance	-	-	-	-	-	-	-	-	24,950	-
Issued during the period	-	-	-	-	-	-	-	-	-	-
Redemption during the period	-	-	-	-	-	-	-	-	(5)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	(24,945)	-
Closing balance	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	8,018,104	19,379	186,617	12,205,848	4,811,281	4,678,222	64,239	117,562	15,124,817	4,817,176
Received during the period / year	122,281,927	72,694	348,353	63,960,136	6,630,758	584,157,308	211,929	1,095,412	256,093,596	30,848,252
Withdrawn during the period / year	(116,224,016)	(59,991)	(315,720)	(66,777,816)	(6,312,517)	(580,817,426)	(199,751)	(1,016,580)	(257,566,215)	(30,654,147)
Transfer in / (out) - net	-	-	295	-	-	-	(57,038)	(9,777)	(1,446,350)	-
Closing balance	14,076,015	32,082	219,545	9,388,168	5,129,522	8,018,104	19,379	186,617	12,205,848	4,811,281
Other Liabilities										
Interest / mark-up payable	19,340	-	928	47,717	48,033	19,363	-	1,809	34,000	38,941
Payable to staff retirement fund	-	-	-	-	91,678	-	-	-	-	310,314
Security deposits payable	-	-	-	299,493	-	-	-	287	296,198	-
Dividend Payable	2,718,846	8	225	-	42,350	-	-	-	-	-
Others	-	1,012	-	-	-	4,986	4,588	-	-	-
Contingencies and Commitments										
Contingencies and Commitments	1,155,678	-	-	3,069,104	-	1,313,613	-	-	3,951,782	-
Others										
Securities held as custodian	4,590,000	-	-	-	7,360,500	4,590,000	-	-	-	6,992,500

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For the quarter ended March 31, 2021 (Un-Audited)						For the quarter ended March 31, 2020 (Un-Audited)				
Parent	Directors	Key management personnel	Companies with common directorship	Other related parties		Parent	Directors	Key management personnel	Companies with common directorship	Other related parties
Rupees in '000										
Income										
Mark-up / return / interest earned	37,507	533	5,086	86,955	-	98,889	728	4,482	151,225	-
Fee and commission received	-	-	-	3,341	-	50	-	-	1,877	-
Dividend income	-	-	-	-	-	-	-	-	4,118	-
Other income	-	-	-	-	-	-	-	-	-	-
Expense										
Mark-up / return / interest expensed	271,148	80	1,473	101,287	122,989	150,909	119	1,617	434,665	212,288
Charge to defined benefit plan	-	-	-	-	92,478	-	-	-	-	88,578
Contribution to defined contribution plan	-	-	-	-	81,472	-	-	-	-	72,915
Remuneration and allowances	-	-	156,908	-	1,466	-	-	122,833	-	1,469
Rent	425	-	-	-	-	2,473	-	-	-	-
Communications	-	-	-	-	7,977	2,473	-	-	-	9,675
Brokerage and Commission	-	-	-	77	5,854	-	-	-	28	4,943
Directors' Fee, Allowances	-	26,063	-	-	-	-	3,468	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Insurance premium	-	-	-	-	-	-	-	-	51,839	-
Others	-	-	-	-	-	-	-	-	2,364	-
Donations	-	-	-	-	-	-	-	-	-	-

In addition to above, rent free sub-branches are operating at FFC Sona Tower, FFBL Tower and Foundation University (along with booth and Atm).

The term 'key management personnel' has the same meaning as defined in IAS 24 - Related party disclosures.

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For the quarter ended March 31, 2021

36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	12,602,602	12,602,602
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	43,969,060	44,953,711
Eligible Additional Tier 1 (ADT 1) Capital	5,930,114	5,928,538
Total Eligible Tier 1 Capital	49,899,174	50,882,249
Eligible Tier 2 Capital	11,159,519	13,137,795
Total Eligible Capital (Tier 1 + Tier 2)	61,058,693	64,020,044
Risk Weighted Assets (RWAs):		
Credit Risk	331,867,400	325,175,823
Market Risk	32,711,250	31,566,562
Operational Risk	56,484,088	56,484,088
Total	421,062,738	413,226,473
Common Equity Tier 1 Capital Adequacy ratio	10.44%	10.88%
Tier 1 Capital Adequacy Ratio	11.85%	12.31%
Total Capital Adequacy Ratio	14.50%	15.49%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	49,899,174	50,882,249
Total Exposures	1,408,829,969	1,420,206,406
Leverage Ratio	3.54%	3.58%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	391,339,243	345,807,337
Total Net Cash Outflow	209,615,502	201,510,814
Liquidity Coverage Ratio	186.69%	171.61%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	831,245,344	812,464,916
Total Required Stable Funding	450,127,818	442,061,686
Net Stable Funding Ratio	184.67%	183.79%

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

37. Islamic Banking Business

The Group is operating 95 Islamic banking branches including 3 sub-branches at quarter ended March 31, 2021 as compared to 95 Islamic banking branches including 3 sub-branches at year ended December 31, 2020.

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		5,388,019	5,161,165
Balances with other banks		962,937	1,152,370
Due from financial Institutions	37.1	-	-
Investments	37.2	12,699,940	12,216,340
Islamic financing and related assets - net	37.3	63,572,036	64,269,691
Fixed assets		1,704,218	1,756,603
Intangible assets		-	-
Due from Head Office		-	-
Other assets		4,035,759	5,562,647
Total assets		88,362,909	90,118,816
LIABILITIES			
Bills payable		1,237,160	1,477,496
Due to financial institutions		8,866,593	11,810,905
Deposits and other accounts	37.4	66,319,344	65,305,888
Due to head office		-	-
Sub-ordinated debt		-	-
Other liabilities		4,568,213	4,527,816
		80,991,310	83,122,105
NET ASSETS		7,371,599	6,996,711
REPRESENTED BY			
Islamic Banking Fund		4,600,000	4,600,000
Reserves		6,676	-
Deficit on revaluation of assets		(74,674)	(57,670)
Unappropriated profit	37.5	2,839,597	2,454,381
		7,371,599	6,996,711
CONTINGENCIES AND COMMITMENTS	37.6	12,774,085	11,741,980

The profit and loss account of the Group's Islamic banking branches for the quarter ended March 31, 2021 is as follo

		(Un-audited)	
	Note	Quarter ended March 31, 2021	Quarter ended March 31, 2020
		(Rupees in '000)	
Profit / return earned	37.8	1,407,957	2,060,640
Profit / return expensed	37.9	580,975	1,291,370
Net Profit / return		826,982	769,270
Other income			
Fee and Commission Income		65,383	47,491
Dividend Income		-	-
Foreign Exchange Income		18,388	(5,749)
Gain / (loss) on securities		-	-
Other Income		27,471	18,218
Total other income		111,242	59,960
Total Income		938,224	829,230
Other expenses			
Operating expenses		536,535	552,582
Workers' Welfare Fund		-	-
Other charges		106	50
Total other expenses		536,641	552,632
Profit before provisions		401,583	276,598
Provisions and write offs - net		16,367	(7,750)
Profit before taxation		385,216	284,348

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the quarter ended March 31, 2021

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)			(Rupees in '000)		
37.1 Due from financial institutions						
Unsecured	-	-	-	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	-	-	-
Bai Muajjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
	(Rupees in '000)							
37.2 Investments by segments:								
Federal Government Securities:								
- Ijarah Sukuks	5,539,408	-	(75,049)	5,464,359	5,538,804	-	(58,148)	5,480,656
- GOP Bai Muajjal	5,246,146	-	-	5,246,146	5,246,146	-	-	5,246,146
	10,785,554	-	(75,049)	10,710,505	10,784,950	-	(58,148)	10,726,802
Non Government Debt Securities:								
- Listed	70,000	-	375	70,375	70,000	-	478	70,478
- Unlisted	2,479,023	(559,963)	-	1,919,060	1,979,023	(559,963)	-	1,419,060
	2,549,023	(559,963)	375	1,989,435	2,049,023	(559,963)	478	1,489,538
Total investments	<u>13,334,577</u>	<u>(559,963)</u>	<u>(74,674)</u>	<u>12,699,940</u>	<u>12,833,973</u>	<u>(559,963)</u>	<u>(57,670)</u>	<u>12,216,340</u>

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
(Rupees in '000)		
37.3 ISLAMIC FINANCING AND RELATED ASSETS		
Ijarah	4,464,716	4,227,697
Murabaha - note 37.3.1	5,262,629	4,379,276
Musharaka	25,021,642	28,545,253
Diminishing Musharaka	13,550,613	16,936,532
Salam	7,636,481	4,935,938
Istisna	2,947,567	2,744,352
Receivable against sale of Istisna / Salam Inventory	281,427	150,000
Service Ijarah	752,176	752,176
Other Islamic Modes (Executive Car Finance -Qarz-e-Hasana)	99,964	93,424
Advances against Islamic assets - note 37.3.2	2,165,990	1,488,133
Inventory related to Islamic financing - note 37.3.3	2,511,132	1,122,844
Gross islamic financing and related assets	64,694,337	65,375,625
Less: provision against islamic financings		
- Specific	1,032,661	1,023,192
- General	89,640	82,742
	1,122,301	1,105,934
Islamic financing and related assets - net of provision	63,572,036	64,269,691

37.3.1 Includes advance against Murabaha of Rs.567,428 thousand (December 31, 2020: Rs.397,579 thousand).

37.3.2 Advance against islamic assets

	Ijarah	Musharaka	Diminishing Musharaka	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2021 (Un-audited)	814,956	-	1,351,034	-	-	2,165,990
December 31, 2020 (Audited)	578,819	-	909,314	-	-	1,488,133

37.3.3 Inventory related to islamic financing

	Ijarah	Musharaka	Diminishing Musharaka	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2021 (Un-audited)	-	-	-	905,025	1,606,107	2,511,132
December 31, 2020 (Audited)	-	-	-	50,073	1,072,771	1,122,844

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
37.4 DEPOSITS AND OTHER ACCOUNTS		
<i>Customers</i>		
Current deposits - non remunerative	25,111,690	23,312,633
Current deposits - remunerative	1,085,645	975,625
Savings deposits	21,690,096	23,619,062
Term deposits	12,405,494	12,058,779
Others	711,670	584,729
	<u>61,004,595</u>	<u>60,550,828</u>
<i>Financial Institutions</i>		
Current deposits - non remunerative	28,210	19,576
Savings deposits	426,382	335,484
Term deposits	4,860,157	4,400,000
	<u>5,314,749</u>	<u>4,755,060</u>
	<u>66,319,344</u>	<u>65,305,888</u>
37.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
Opening balance	2,454,381	691,544
Add: Islamic banking profit for the period	385,216	1,762,837
Closing Bblance	<u>2,839,597</u>	<u>2,454,381</u>
37.6 CONTINGENCIES AND COMMITMENTS		
-Guarantees	5,333,025	5,460,329
-Commitments	7,441,060	6,281,651
-Other contingent liabilities	-	-
	<u>12,774,085</u>	<u>11,741,980</u>
37.7 CHARITY FUND		
Opening balance	20,529	52,137
Additions during the period		
- Received from customers on delayed payments	12,819	15,391
- Non Shariah Compliant Income	-	-
- Profit on charity account	2	21
- Others	29	233
	12,850	15,645
Payments / utilization during the period		
- Education	(155)	(1,055)
- Community Welfare	-	-
- Relief and disaster recovery	-	-
- Health	-	(41,270)
- Orphanage	-	(4,928)
	(155)	(47,253)
Closing balance	<u>33,224</u>	<u>20,529</u>

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the quarter ended March 31, 2021

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2021	2020
		(Rupees in '000)	
37.8	PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS		
	Profit earned on:		
	Financing	1,089,792	1,593,313
	Investments	311,426	245,415
	Placements	6,739	145,388
	Lendings	-	76,524
		<u>1,407,957</u>	<u>2,060,640</u>

37.9 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED

Deposits and other accounts	434,899	1,215,071
Due to financial institutions	86,470	18,899
Due to head office	253	-
Profit Equalization Reserve	13,411	-
Lease liability against right-of-use assets	45,942	57,400
	<u>580,975</u>	<u>1,291,370</u>

38. RECLASSIFICATION OF COMPARATIVE FIGURES

Where necessary, corresponding figures have been regrouped to conform to the presentation of current period amounts. Such regrouping does not have an impact on previously reported condensed interim consolidated statement of financial position or profit and loss account.

39. DATE OF AUTHORIZATION

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

-sd-	-sd-	-sd-	-sd-	-sd-
Chief Financial Officer	President & Chief Executive	Director	Director	Chairman



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