



REPORT FOR THE QUARTER  
ENDED MARCH 31, 2022

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## Corporate Information

Board Of Directors	Mr. Waqar Ahmed Malik - Chairman Mr. Sarfaraz Ahmed Rehman Mr. Arif Ur Rehman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi Mr. Manzoor Ahmed Mr. Mohammad Aftab Manzoor Mr. Mushtaq Malik Ms. Zoya Mohsin Nathani Raja Muhammad Abbas  Mr. Atif R. Bokhari - 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 Zakir Hassan Naumani - Member Dr. Lutfullah Saqib - Member Dr. Muhammad Tahir Mansoori - Resident Shariah Board Member
Auditors	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	CDC Share Registrar Services Limited (CDCSRSL) Mezzanine Floor, South Tower, LSE Plaza 19-Khayaban-e-Aiwan-e-Iqbal, Lahore Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275) Tel: (92 42) 36362061-66 Fax: (92 42) 36300072 Email: info@cdcsrsl.com Website: www.cdcsrsl.com
Entity Ratings	Long Term: AA+ Short Term: A1+ By PACRA
Website	<a href="http://www.askaribank.com">www.askaribank.com</a>
Social Media	 askaribankpakistan  Askari_Bank  askaribankpk  askaribanklimited  AskariBankOfficial

## DIRECTORS' REVIEW

Dear Shareholders

The Directors present the unaudited condensed interim unconsolidated financial statements for the quarter ended March 31, 2022.

### Economy:

Pakistan's economy continues to recover albeit the unfolding domestic and international scenario causing macroeconomic imbalances, elevated risks and inflation. The geo political tensions and future market trends suggest international commodity prices to rise further, impacting inflation outlook. Though a pass-through to CPI may remain contained due to regulatory relief measures and packages. The State Bank of Pakistan announced a 250 bps increase in policy rate on April 7, 2022. The proactive announcement ahead of the schedule, is targeted to safeguard external sector and price stability. Additional regulatory actions, including rise in interest rate on export refinance scheme and widening the set of import items subject to cash margin, are also indicated to further dilute pressures on inflation and current account. The performance of domestic economy continues on a track and appears aligned with the growth target of ~5 percent for the current fiscal. As the cyclical position returns to a more sustainable neutral stance, the economic growth will be driven primarily by the expansion of the manufacturing capacity. The intensity of internal and external risks has not been fully realized yet and may adversely affect domestic economic activities. Though a reduction in domestic political uncertainty and prudent fiscal policies, will help ensure that Pakistan's robust economic recovery post Covid-19 remains sustainable.

### Financial Performance:

The financial results of Askari Bank for the quarter ended March 31, 2022 are summarized as under:

	(Rupees in million)	
	March 31, 2022	March 31, 2021
Net mark-up and non fund income	10,981	10,205
Administrative and other expenses	(5,056)	(5,883)
Operating profit	5,925	4,322
Provisions reversals - net	175	170
Profit before taxation	6,100	4,492
Taxation	(2,493)	(1,750)
Profit after taxation	3,607	2,742
Basic earning per share - Rupees	2.86	2.18

The operating profit for the quarter ended March 31, 2022 amounted to Rs 5.9 billion, a year-on-year increase of 27 percent. Profit after taxation increased by 24 percent and is reported at Rs 3.6 billion. The earnings per share at Rs 2.86 for the current period compares with Rs 2.18 last year.

Net aggregate revenues increased by 7.6 percent to Rs 11.0 billion during the current quarter mainly due to net mark-up income that increased by 11 percent delivered mostly by volumetric growth. Non-mark-up income declined by 2.6 percent due to lesser gain on securities, though fee commissions, dividend income,

foreign exchange and other income increased by 32 percent offsetting the decline in gain on securities. Non-mark-up expenses for the current period declined by 14 percent mainly due to a reduction in compensation expense upon complete implementation of human capital strategy during the period. Other operating expenses increased by 15 percent over the corresponding quarter reflecting impact of inflation, rupee devaluation and branch expansion. Customer deposits are reported at Rs 997.5 billion; current and saving accounts constituted 81 percent of the total deposit as at March 31, 2022. Gross advances stood at Rs 496.2 billion, a decline of 2.3 percent during the quarter. Non-performing loans registered a slight decline while provision coverage ratio improved from 97 to 98 percent at the quarter end.

The Bank's entity rating was reaffirmed at 'AA+' (Double A Plus) for the long-term by Pakistan Credit Rating Agency Limited (PACRA), with outlook assigned as 'Stable'. The Bank's strong brand and affiliation with Fauji Foundation are recognized as the key rating drivers, supported by strengths in terms of market penetration, customer confidence, sustainable funding sources and avenues for generating mark-up and non-mark-up based income stream. The short-term rating was maintained at 'A1+' (A One Plus).

Looking ahead, Askari Bank is well positioned for sustainable growth and enhanced value proposition for the long-term shareholders. The Bank will continue to drive business growth supported by enhanced governance, compliance, credit and effective risk management. The Bank plans to grow its market share in retail segment, particularly low-cost deposits and consumer products. Emphasis will remain on boosting trade volumes and increasing penetration in cash management with a focus on SME and commercial clients. The Bank is expanding branch network to widen outreach and better serve its customers. Alongside, investing in human capital and creating a caring culture, process improvement and automation, remains a key priority.

To cope with changing business, Askari Bank has enhanced focus on harnessing digital solutions to ensure customers' banking needs are fully met in a technologically advanced, secure and convenient manner. To this end, the Bank has embarked upon a digital transformation strategy to support world-class digital finance in partnership with Din Global, an international fintech venture. The partnership is set out to create a product that will offer progressive financial services and impact the grassroots of our country by bringing them into the fold of formal economy.

Acknowledgment:

On behalf of the Board, we would like to place on record our gratitude to our valued customers and shareholders 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 would also like to place on record our appreciation for the efforts of the Sharia Board for strengthening sharia compliance and governance framework for Askari Ikhlas Islamic Banking. Lastly, we express our deepest appreciation and gratitude to our staff for the hard work and dedication.

-sd-

Atif R. Bokhari  
President & Chief Executive

-sd-

Waqar Ahmed Malik  
Chairman, Board of Directors

Rawalpindi  
April 20, 2022

## ڈائریکٹرز کا جائزہ

عزیز: حصص داران

ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والی سہ ماہی مدت کے لئے غیر آڈٹ شدہ مختصر غیر مدغم شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

### معیشت:

معاشی عدم توازن، بلند خطرات اور مہنگائی کا سبب بننے والے ملکی اور بین الاقوامی منظر نامے کے باوجود پاکستانی معیشت کی بحالی جاری ہے۔ جغرافیائی سیاسی تناؤ اور مستقبل کے مارکیٹ کے جائزے سے ثابت ہوتا ہے کہ اجناس کی بین الاقوامی قیمتوں میں مزید اضافہ ہوگا، جس سے افراط زر بڑھے گا۔ جبکہ ریگولیٹری ریلیف اقدامات اور بیکس کی وجہ سے سی پی آئی پر کچھ اثر نہیں ہوگا۔ اسٹیٹ بینک آف پاکستان نے 17 اپریل 2022 کو پالیسی ریٹ میں 250 بی پی ایس اضافے کا اعلان کیا۔ مقررہ وقت سے قبل فعال اعلان کا مقصد بیرونی شعبہ اور قیمتوں کا استحکام کی حفاظت کرنا ہے۔ اضافی ریگولیٹری اقدامات بشمول برآمدی ری فنانس اسکیم پر شرح سود میں اضافہ اور نقد مارجن سے مشروط درآمدی اشیاء کے سیٹ کو وسیع کرنا بھی افراط زر اور کرنٹ اکاؤنٹ پر دباؤ کو مزید کم کرنے کا اشارہ ہے۔ گریڈ معیشت اپنی راہ پر گامزن ہے اور رواں مالی سال کے لئے 5 فیصد کی نمو کے ہدف کے ساتھ ہم آہنگ نظر آتی ہے۔ جیسے جیسے سائیکلکل پوزیشن پائیدار اور غیر جانبدار موقف کی طرف واپس آتی جائے گی، معاشی ترقی میں بنیادی طور پر مینوفیکچرنگ صلاحیت کی وجہ سے توسیع ہوگی۔ اندرونی اور بیرونی خطرات کی شدت کا ابھی تک مکمل طور پر ادراک نہیں کیا گیا ہے اور اس سے ملکی معاشی سرگرمیاں بری طرح متاثر ہو سکتی ہیں لیکن ملکی سیاسی غیر یقینی صورتحال میں کمی اور دانشمندانہ مالی پالیسیاں اس بات کو یقینی بنانے میں مدد کریں گی کہ کوویڈ-19 کے بعد پاکستان کی مضبوط اقتصادی بحالی پائیدار رہے۔

### مالیاتی کارکردگی:

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لئے عسکری بینک کے مالی نتائج کا خلاصہ درج ذیل ہے:

(روپے ملین میں)	
31 مارچ 2021	31 مارچ 2022
10,205	10,981
(5,883)	(5,056)
4,322	5,925
170	175
4,492	6,100
(1,750)	(2,493)
2,742	3,607
2.18	2.86

خالص مارک اپ اور نان فنڈ آمدنی

انتظامی اور دیگر اخراجات

آپریٹنگ منافع

پروویژن ریسرسلز - نیٹ

قبل از ٹیکس منافع

ٹیکس

بعد از ٹیکس منافع

بنیادی فی حصص آمدن روپے

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کا آپریٹنگ منافع 5.9 ارب روپے رہا، جو کہ سال پہ سال 27 فیصد زیادہ ہے۔ بعد از ٹیکس منافع میں 24 فیصد اضافہ ہوا اور یہ 3.6 ارب روپے بتایا گیا ہے۔ رواں دورانیہ کی مدت کے لیے فی حصص آمدنی 2.86 روپے ہے جو کہ گزشتہ سال کے دوران 2.18 روپے تھی۔

رواں سہ ماہی کے دوران خالص مجموعی آمدنی 7.6 فیصد بڑھ کر 11.0 ارب روپے ہو گئی، جس کی بنیادی وجہ خالص مارک اپ آمدنی ہے جس میں 11 فیصد کا اضافہ زیادہ تر جنشی نمو کے ذریعے ہوا۔ نان مارک اپ آمدنی میں 2.6 فیصد کمی سیکورٹیز پر کم فٹف کی وجہ سے ہوئی، حالانکہ فیس کمیشن، ڈیویڈنڈ انکم، زرمبادلہ اور دیگر آمدنی میں 32 فیصد اضافہ ہوا جو

سیکیورٹیز پر حاصل ہونے والی کمی کو پورا کرتا ہے۔ موجودہ مدت کے لیے مان مارک اپ اخراجات میں 14 فیصد کمی واقع ہوئی ہے جس کی بنیادی وجہ اس مدت کے دوران ہیومن کپچرل اسٹریٹیجی کے مکمل نفاذ پر معاونت کے اخراجات میں کمی ہے۔ دیگر آپرینگز میں گزشتہ سہ ماہی کے مقابلے میں رواں سہ ماہی میں 15 فیصد اضافہ ہوا جو افراط زر، روپے کی قدر میں کمی اور براؤننگ کی توسیع کے اثرات کو ظاہر کرتا ہے۔ صارفین کے ڈپازٹس 1997.5 ارب روپے بتائے گئے ہیں۔ کرنٹ اور سیوینگ اکاؤنٹس 31 مارچ 2022 تک کل ڈپازٹ کا 81 فیصد ہیں۔ غیر فعال قرضوں میں کمی کی وجہ سے سہ ماہی کے اختتام پر پروویژن کوریج کا تناسب 97 فیصد سے بڑھ کر 98 فیصد ہوا۔

پاکستان کریڈٹ ریننگ ایجنسی لمیٹڈ (PACRA) کی جانب سے بینک کی طویل مدتی ادارہ جاتی درجہ بندی 'AA+' (ڈبل ایس پلس) کی توثیق کی گئی، بینک کے آؤٹ لک کو 'مستحکم' قرار دے دیا گیا ہے۔ بینک کا مضبوط براڈ اور فوجی فاؤنڈیشن کے ساتھ وابستگی کو کلیدی درجہ بندی کے محرک کے طور پر گردانا جاتا ہے، جو مارکیٹ میں رسائی، صارفین کے اعتماد، فنڈنگ کے پائیدار ذرائع اور مارک اپ اور مان مارک اپ پر مبنی آمدنی کے سلسلے کے حوالے سے استحکام کی معاونت کرتا دکھائی دیتا ہے۔ مختصر مدت کی درجہ بندی 'A1+' (A ون پلس) مقرر رکھی گئی ہے۔

مستقبل میں عسکری بینک، طویل مدتی خیر ہولڈرز کے لیے پائیدار ترقی اور بہتر قدر کی تجویز میں اضافے کے لیے اچھی پوزیشن میں ہے۔ بینک کا روباری نمونہ آگے بڑھتا رہے گا جس کی مدد بہتر گورننس، تعمیل، کریڈٹ اور موثر رسک مینجمنٹ سے ہوگی۔ بینک ریشیل کے شعبے، خاص طور پر کم لاگت والے ڈپازٹس اور کنزیومر پروڈکٹس میں اپنا مارکیٹ شیئر بڑھانے کا ارادہ رکھتا ہے۔ ایس ایم ای اور کمرشل کلائنٹس پر توجہ مرکوز کرتے ہوئے تجارتی حجم کو بڑھانے اور کیش مینجمنٹ میں اثر و نفوذ بڑھانے پر زور دیا جائے گا۔ بینک اپنی رسائی اور پہنچ کو وسیع کرنے اور اپنے صارفین کی بہتر خدمت کے لیے برانچ نیٹ ورک کو بڑھا رہا ہے۔ اس کے ساتھ ساتھ، افرادی قوت میں سرمایہ کاری اور ایک خیال رکھنے والا کلچر، عمل میں بہتری اور آؤٹیشن، اہم ترجیحات ہیں۔

بدلتے کاروبار سے نمٹنے کے لیے، عسکری بینک نے ڈیجیٹل سولوشنز کو بروئے کار لانے پر توجہ مرکوز کی ہے تاکہ یہ یقینی بنایا جاسکے کہ صارفین کی بینکنگ ضروریات تکنیکی طور پر جدید، محفوظ اور آسان طریقے سے پوری کی جائیں۔ اس مقصد کے لیے، بینک نے ایک بین الاقوامی فنڈنگ ویئر Din Global کے ساتھ شراکت میں عالمی معیار کے ڈیجیٹل فنانس کو سپورٹ کرنے کے لیے ڈیجیٹل تبدیلی کی حکمت عملی کا آغاز کیا ہے۔ یہ شراکت داری ایسی مصنوعات کی تیاری کے لیے تیار کی گئی ہے جو پروگریسو مالیاتی خدمات پیش کریں گی اور ہمارے ملک کی بنیادی سطح پر انہیں باضابطہ معیشت کے دائرے میں الا کران پر اثر انداز ہوگی۔

## اعترافات:

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، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی جانب سے رہنمائی اور معاونت کا بھی شکریہ ادا کرتے ہیں۔ ہم، عسکری اخلاص اسلامی بینکاری کے لیے شریعہ کی تعمیل اور گورننس فریم ورک کو مضبوط بنانے کے لیے شریعہ بورڈ کی کوششوں کو بھی ریکارڈ پر رکھنا چاہیں گے۔ آخر میں، ہم سخت محنت اور لگن کے لیے اپنے عمل کو تہ دل سے سراہتے ہیں اور ان کا بھی شکریہ ادا کرتے ہیں۔

دستخط

وقار احمد ملک

چیئرمین، بورڈ آف ڈائریکٹرز

دستخط

عاطف ریاض بخاری

صدر و چیف ایگزیکٹو

راولپنڈی

20 اپریل 2022



**ASKARI BANK LIMITED**

## Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

		(Un-audited)	(Audited)
		March 31,	December 31,
		2022	2021
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	90,495,797	89,432,245
Balances with other banks	7	8,479,659	3,454,829
Lendings to financial institutions	8	6,524,816	-
Investments	9	615,406,503	616,361,158
Advances	10	465,774,103	477,588,237
Fixed assets	11	20,355,321	20,166,875
Intangible assets	12	1,256,694	1,183,265
Deferred tax assets	13	6,036,080	5,168,183
Other assets	14	48,375,845	45,789,317
		<u>1,262,704,818</u>	<u>1,259,144,109</u>
<b>LIABILITIES</b>			
Bills payable	15	13,112,932	10,235,374
Borrowings	16	135,015,861	123,563,761
Deposits and other accounts	17	997,539,426	1,015,430,068
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	46,721,133	42,012,413
		<u>1,204,389,352</u>	<u>1,203,241,616</u>
<b>NET ASSETS</b>		<u><u>58,315,466</u></u>	<u><u>55,902,493</u></u>
<b>REPRESENTED BY</b>			
Share capital		12,602,602	12,602,602
Reserves		33,218,569	32,730,297
Surplus on revaluation of assets - net of tax	20	633,678	1,963,619
Unappropriated profit		11,860,617	8,605,975
		<u><u>58,315,466</u></u>	<u><u>55,902,493</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>		21	

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

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Note	(Rupees in '000)	
<b>Mark-up / return / interest earned</b>	23	26,744,287	17,062,131
<b>Mark-up / return / interest expensed</b>	24	18,291,110	9,452,149
Net mark-up / interest income		8,453,177	7,609,982
<b>Non mark-up / interest income</b>			
Fee and commission income	25	1,173,434	1,017,028
Dividend income		105,064	87,108
Foreign exchange income		1,023,293	650,856
Income / (loss) from derivatives		-	-
Gain on securities	26	90,187	742,443
Other income	27	135,751	97,591
<b>Total non-markup / interest income</b>		2,527,729	2,595,026
<b>Total income</b>		10,980,906	10,205,008
<b>Non mark-up / interest expenses</b>			
Operating expenses	28	4,887,623	5,874,429
Workers' Welfare Fund		87,860	4,258
Other charges	29	80,540	4,196
<b>Total non-markup / interest expenses</b>		5,056,023	5,882,883
<b>Profit before provisions</b>		5,924,883	4,322,125
Provisions and write offs - net	30	(172,018)	(170,260)
Extraordinary / unusual items		-	-
<b>Profit before taxation</b>		6,096,901	4,492,385
Taxation	31	2,491,507	1,749,667
<b>Profit after taxation</b>		3,605,394	2,742,718
		Rupees	
<b>Basic earnings per share</b>	32	2.86	2.18

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

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

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	(Rupees in '000)	
<b>Profit after taxation</b>	3,605,394	2,742,718
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in Wholesale Bank Branch	127,733	(96,007)
Movement in deficit on revaluation of investments - net of tax	(1,329,941)	(1,859,613)
	(1,202,208)	(1,955,620)
<b>Total comprehensive income</b>	<u>2,403,186</u>	<u>787,098</u>

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

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	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)								
<b>Balance as at January 1, 2021</b>	12,602,602	284,683	234,669	12,258,626	12,854,037	50,632	7,587,152	8,673,949	54,546,350
<b>Total comprehensive income for the quarter ended March 31, 2021</b>									
Net profit for the quarter ended March 31, 2021	-	-	-	-	-	-	-	2,742,718	2,742,718
Other comprehensive income related to equity	-	(96,007)	-	-	-	(1,859,613)	-	-	(1,955,620)
	-	(96,007)	-	-	-	(1,859,613)	-	2,742,718	787,098
Transfer to Statutory reserve	-	-	-	548,544	-	-	-	(548,544)	-
Transfer to General reserve	-	-	-	-	4,893,168	-	-	(4,893,168)	-
<b>Transactions with owners, recorded directly in equity</b>									
Final dividend 2020: Rs. 3 per share	-	-	-	-	-	-	-	(3,780,781)	(3,780,781)
<b>Balance as at March 31, 2021</b>	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
<b>Total comprehensive income for the nine months ended December 31, 2021</b>									
Net profit for the nine months ended December 31, 2021	-	-	-	-	-	-	-	6,958,668	6,958,668
Other comprehensive income related to equity	-	360,844	-	-	-	(3,153,206)	168,662	14,858	(2,608,842)
	-	360,844	-	-	-	(3,153,206)	168,662	6,973,526	4,349,826
Transfer to Statutory reserve	-	-	-	1,391,733	-	-	-	(1,391,733)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(830,008)	830,008	-
<b>Balance as at December 31, 2021</b>	12,602,602	549,520	234,669	14,198,903	17,747,205	(4,962,187)	6,925,806	8,605,975	55,902,493
<b>Total comprehensive income for the quarter ended March 31, 2022</b>									
Net profit for the quarter ended March 31, 2022	-	-	-	-	-	-	-	3,605,394	3,605,394
Other comprehensive income related to equity	-	127,733	-	-	-	(1,329,941)	-	-	(1,202,208)
	-	127,733	-	-	-	(1,329,941)	-	3,605,394	2,403,186
Transfer to Statutory reserve	-	-	-	360,539	-	-	-	(360,539)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	9,787	9,787
<b>Balance as at March 31, 2022</b>	12,602,602	677,253	234,669	14,559,442	17,747,205	(6,292,128)	6,925,806	11,860,617	58,315,466

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

 -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, 2022

		Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Note	(Rupees in '000)	
<b>Cash flow from operating activities</b>			
Profit before taxation		6,096,901	4,492,385
Less: dividend income		(105,064)	(87,108)
		<u>5,991,837</u>	<u>4,405,277</u>
Adjustments:			
Depreciation		226,899	257,466
Amortization		34,390	59,483
Depreciation on ROU assets		384,181	382,237
Markup expense on lease liability against ROU assets		223,331	226,927
Termination of lease contracts under IFRS - 16 Leases		(13,700)	2,792
Charge for defined benefit plan		109,059	121,678
Provisions and write offs - net	30	(158,535)	(145,028)
Gain on sale of fixed assets		(36,040)	(1,744)
		<u>769,585</u>	<u>903,811</u>
		<u>6,761,422</u>	<u>5,309,088</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		(6,524,817)	-
Held for trading securities		(150,329)	(337,965)
Advances		11,639,057	(18,895,908)
Other assets (excluding advance taxation)		(2,952,086)	1,026,980
		<u>2,011,825</u>	<u>(18,206,893)</u>
Increase / (decrease) in operating liabilities			
Bills payable		2,877,558	1,275,174
Borrowings from financial institutions		11,452,100	(5,622,012)
Deposits		(17,890,642)	11,544,956
Other liabilities (excluding current taxation)		4,974,093	3,030,271
		<u>1,413,109</u>	<u>10,228,389</u>
Net cash flow generated from / (used in) operations		<u>10,186,356</u>	<u>(2,669,416)</u>
Payment made to defined benefit plan		(370,131)	(310,314)
Income tax paid		(2,135,212)	(1,459,755)
Net cash flow generated / (used in) from operating activities		<u>7,681,013</u>	<u>(4,439,485)</u>
<b>Cash flow from investing activities</b>			
Net investments in available for sale securities		(6,727,750)	193,488
Net investments in held to maturity securities		5,580,662	(3,572,724)
Dividend received		92,810	62,807
Investments in operating fixed assets - net of adjustments		(181,298)	(220,281)
Investments in intangible assets		(105,191)	(67,555)
Proceeds from sale of fixed assets		46,889	4,329
Effect of translation of net investment in Wholesale Bank Branch		127,733	(96,007)
Net cash used in investing activities		<u>(1,166,145)</u>	<u>(3,695,943)</u>
<b>Cash flow from financing activities</b>			
Receipts / (payments) of subordinated debts - net		-	-
Payments against lease liabilities		(424,639)	(380,549)
Dividend paid		(1,855)	(1,196)
Net cash flow used in financing activities		<u>(426,494)</u>	<u>(381,745)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>		<u>6,088,374</u>	<u>(8,517,173)</u>
Cash and cash equivalents at beginning of the period		<u>92,887,082</u>	<u>81,371,339</u>
Cash and cash equivalents at end of the period		<u>98,975,456</u>	<u>72,854,166</u>

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

-sd-  
Chief Financial Officer

-sd-  
President & Chief Executive

-sd-  
Director

-sd-  
Director

-sd-  
Chairman

## **ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

### **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, 2022. The ultimate parent of the Bank is Fauji Foundation. The Bank has 560 branches (2021: 560 branches); 559 in Pakistan and Azad Jammu and Kashmir including 105 (2021: 101) Islamic Banking branches and 56 (2021: 56) sub-branches and a Wholesale Bank Branch (WBB) in the Kingdom of Bahrain.

### **2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

#### **2.1 BASIS OF PREPARATION**

- 2.1.1 These unconsolidated condensed interim financial statements represent separate financial statements of Askari Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.
- 2.1.2 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.1.3 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

#### **2.2 STATEMENT OF COMPLIANCE**

- 2.2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards comprise of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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.

- 2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, 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. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 was made applicable to banks for accounting periods beginning on or after January 01, 2022 however the impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and final implementation guidelines are awaited. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirement prescribed by the SBP through various circulars.
- 2.2.3 IFRS10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.2.4 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 of the Bank for the financial year ended December 31, 2021.

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim 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, 2021.

**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, 2022 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**

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of audited annual unconsolidated financial statements for the year ended December 31, 2021.

**5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2021.

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Rupees in '000	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
<i>In hand:</i>		
Local currency	20,653,142	21,150,705
Foreign currencies	5,078,957	4,059,596
	<u>25,732,099</u>	<u>25,210,301</u>
<i>With the State Bank of Pakistan in:</i>		
Local currency current accounts	47,858,142	46,087,959
Foreign currency current account	5,213,568	4,898,891
Foreign currency deposit account	9,869,789	9,278,909
	<u>62,941,499</u>	<u>60,265,759</u>
<i>With National Bank of Pakistan in:</i>		
Local currency current accounts	1,776,629	3,833,104
Prize Bonds	45,570	123,081
	<u>90,495,797</u>	<u>89,432,245</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
<i>In Pakistan</i>		
In current accounts	574,460	455,110
In deposit accounts	-	-
	<u>574,460</u>	<u>455,110</u>
<i>Outside Pakistan</i>		
In current accounts	2,682,425	1,425,930
In deposit accounts	5,222,831	1,573,797
	<u>7,905,256</u>	<u>2,999,727</u>
Provision held against balances with other banks	(57)	(8)
	<u>8,479,659</u>	<u>3,454,829</u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	6,673,423	148,606
Provision held against lending to financial institutions	(148,607)	(148,606)
Lending to financial institutions - net of provision	<u>6,524,816</u>	<u>-</u>



**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**9. INVESTMENTS**

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
<b>9.1 Investments by type:</b>								
<i>Held for trading securities</i>								
Fully paid ordinary shares	150,329	-	-	150,329	-	-	-	-
	150,329	-	-	150,329	-	-	-	-
<i>Available for sale securities</i>								
Federal Government Securities	489,484,788	(47,404)	(10,733,720)	478,703,664	482,298,535	(50,489)	(8,400,351)	473,847,695
Shares	4,565,676	(560,954)	189,465	4,194,187	4,870,194	(432,993)	56,617	4,493,818
Units of open end mutual funds	799,800	(140,558)	117,571	776,813	1,510,609	(140,558)	140,194	1,510,245
Fully paid preference shares	27,314	(11,914)	651	16,051	27,314	(11,914)	651	16,051
Non Government Debt Securities	13,852,764	(1,374,427)	107,332	12,585,669	13,316,295	(1,386,785)	62,687	11,992,197
Foreign securities	551,046	(1,912)	3,737	552,871	530,691	(3,965)	5,469	532,195
	509,281,388	(2,137,169)	(10,314,964)	496,829,255	502,553,638	(2,026,704)	(8,134,733)	492,392,201
<i>Held to maturity securities</i>								
Federal Government Securities	116,954,122	(114,173)	-	116,839,949	120,213,557	(136,355)	-	120,077,202
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	1,436,494	(15,143)	-	1,421,351	3,757,721	(31,585)	-	3,726,136
	118,500,616	(239,316)	-	118,261,300	124,081,278	(277,940)	-	123,803,338
<b>Subsidiary</b>								
Askari Securities Limited	165,619	-	-	165,619	165,619	-	-	165,619
<b>Total investments</b>	<b>628,097,952</b>	<b>(2,376,485)</b>	<b>(10,314,964)</b>	<b>615,406,503</b>	<b>626,800,535</b>	<b>(2,304,644)</b>	<b>(8,134,733)</b>	<b>616,361,158</b>

**9.1.1 Investments given as collateral**

The market value of investment given as collateral is as follows

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
Market Treasury Bills	-	9,967,040
Pakistan Investment Bonds	59,760,000	31,984,000
Euro Bonds	3,964,085	7,386,911
Bahrain International Bonds	554,783	-
Turkish Euro Bonds	1,429,662	596,977
Sukuk	4,245,711	4,372,827
Shares	155,482	161,829
	<u>70,109,723</u>	<u>54,469,584</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
<b>9.2 Provision for diminution in value of investments</b>	(Rupees in '000)	
9.2.1 Opening balance	2,304,644	2,116,583
Exchange adjustments	7,556	21,835
Charge / (reversals)		
Charge for the period / year	142,085	277,764
Reversal of provision under IFRS 9 related to WBB for the period / year	(51,318)	(38,547)
Reversals for the period / year	(12,358)	(69,986)
Net charge	78,409	169,231
Reversal on disposals	(14,124)	(3,005)
Closing balance	<u>2,376,485</u>	<u>2,304,644</u>

**9.2.2 Particulars of provision against debt securities**

	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
<b>Category of classification</b>	(Rupees in '000)			
<b>Domestic</b>				
Loss	<u>1,484,427</u>	<u>1,484,427</u>	<u>1,496,785</u>	<u>1,496,785</u>

9.2.3 In addition to the above, Bank's Bahrain branch holds general provision of Rs 178,632 thousand (December 31, 2021: Rs 222,394 thousand) against investments in accordance with ECL requirement of IFRS 9.

9.3 The market value of securities classified as held to maturity as at March 31, 2022 is 113,690,139 thousand (2021: Rs. 122,430,448 thousand).

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		Performing		Non Performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
		(Rupees in '000)					
10.	ADVANCES						
	Loans, cash credits, running finances, etc.	368,224,981	383,720,771	26,363,309	25,413,635	394,588,290	409,134,406
	Islamic financing and related assets	73,551,457	69,979,661	2,871,627	2,885,460	76,423,084	72,865,121
	Bills discounted and purchased	23,375,941	22,950,694	1,790,081	2,866,232	25,166,022	25,816,926
	Advances - gross	465,152,379	476,651,126	31,025,017	31,165,327	496,177,396	507,816,453
	Provision against advances						
	- Specific	-	-	(28,696,223)	(28,518,930)	(28,696,223)	(28,518,930)
	- General	(1,707,070)	(1,709,286)	-	-	(1,707,070)	(1,709,286)
		(1,707,070)	(1,709,286)	(28,696,223)	(28,518,930)	(30,403,293)	(30,228,216)
	Advances - net of provision	463,445,309	474,941,840	2,328,794	2,646,397	465,774,103	477,588,237
						(Un-audited)	(Audited)
						March 31, 2022	December 31, 2021
						(Rupees in '000)	
10.1	Particulars of advances (Gross)						
	In local currency					457,075,821	465,203,559
	In foreign currencies					39,101,575	42,612,894
						496,177,396	507,816,453

10.2 Advances include Rs. 31,025,017 thousand (2021: Rs. 31,165,327 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing	Provision	Non Performing	Provision
Domestic				
Other Assets Especially Mentioned	162,890	1,758	140,824	445
Substandard	1,603,864	319,258	1,576,529	308,449
Doubtful	596,363	274,527	1,223,288	570,556
Loss	28,441,154	28,076,394	28,012,320	27,616,118
	30,804,271	28,671,937	30,952,961	28,495,568
Overseas				
Not past due but impaired	220,746	24,286	212,366	23,362
Overdue by				
181 to 365 days	-	-	-	-
	220,746	24,286	212,366	23,362
	31,025,017	28,696,223	31,165,327	28,518,930

**10.3 Particulars of provision against advances**

Particulars of provision against advances	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Specific	General	Consumer	Total	Specific	General	Consumer	Total
		(note 10.3.1)	financing-General				financing-General	
	(Rupees in '000)							
Opening balance	28,518,930	974,026	735,260	30,228,216	24,842,078	887,946	716,026	26,446,050
Exchange adjustment	921	6,545	-	7,466	2,207	15,826	-	18,033
Charge for the period / year	871,515	4,043	5,958	881,516	6,382,786	76,663	93,912	6,553,361
Provision under IFRS 9 related to WBB	-	(771)	-	(771)	-	(5,555)	-	(5,555)
Reversal for the period / year	(694,945)	(15,482)	(2,509)	(712,936)	(2,597,059)	(854)	(74,678)	(2,672,591)
	176,570	(12,210)	3,449	167,809	3,785,727	70,254	19,234	3,875,215
Amounts written off	(198)	-	-	(198)	(55,851)	-	-	(55,851)
Amounts charged off- agriculture financing	-	-	-	-	(55,231)	-	-	(55,231)
Closing balance	28,696,223	968,361	738,709	30,403,293	28,518,930	974,026	735,260	30,228,216

10.3.1 General provision includes Rs 374,851 thousand (December 31, 2021: Rs 374,851 thousand) due to deferment / restructuring &amp; rescheduling relief allowed by SBP.

**ASKARI BANK LIMITED**

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

- 10.3.2 The net FSV benefit already availed has been reduced by Rs. 268,941 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. 268,941 thousand (March 31, 2021: Rs. 14,395 thousand) and Rs.164,054 thousand (March 31, 2021: Rs. 8,781 thousand) respectively. Further, at March 31, 2022, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs. 290,511 thousand (December 31, 2021: Rs.320,002 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.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
11. <b>FIXED ASSETS</b>		
Capital work-in-progress - note 11.1	157,491	111,038
Property and equipment	13,494,659	13,601,560
Right of use asset - IFRS 16	<u>6,703,171</u>	<u>6,454,277</u>
	<u>20,355,321</u>	<u>20,166,875</u>

- 11.1 This represents advances to suppliers and contractors.

	(Un-audited) Quarter ended March 31, 2022	Quarter ended March 31, 2021
	(Rupees in '000)	
11.2 <b>Additions to fixed assets</b>		

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

Capital work-in-progress	50,220	25,579
<b>Property and equipment</b>		
Renovation of premises	24,437	58,070
Furniture, fixtures and office equipment	26,649	17,754
Carpets	1,096	4,677
Machine and equipments	32,859	54,799
Computer equipments	32,589	49,908
Vehicles	13,448	9,494
	131,078	194,702
Right of use assets under IFRS 16	257,455	223,235
Total	<u>438,753</u>	<u>443,516</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	59	462
Furniture, fixtures and office equipment	1,677	1,225
Carpets	2,196	284
Machine and equipments	1,793	567
Computer equipments	-	47
Vehicles	5,124	
Total	<u>10,849</u>	<u>2,585</u>

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
12. <b>INTANGIBLE ASSETS</b>		
Computer software	938,800	948,523
Less: Provision against intangibles	-	(1,225)
	938,800	947,298
Capital work in progress	<u>317,894</u>	<u>235,967</u>
	<u>1,256,694</u>	<u>1,183,265</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2022	2021
		(Rupees in '000)	
<b>12.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress		81,927	29,022
Directly purchased		23,264	38,533
		<u>105,191</u>	<u>67,555</u>
		(Un-audited)	(Audited)
		March 31,	December 31,
		2022	2021
		(Rupees in '000)	
<b>13. DEFERRED TAX ASSETS</b>			
Deductible temporary differences on			
- Post retirement employee benefits		24,663	24,663
- Accelerated tax depreciation		114,228	100,837
- Deficit on revaluation of investments		4,022,836	3,172,546
- Provision against advances, off balance sheet		<u>1,874,353</u>	<u>1,870,137</u>
		<u>6,036,080</u>	<u>5,168,183</u>
<b>14. OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net of provision		20,640,184	18,861,858
Income / mark-up accrued in foreign currencies		1,008,074	694,389
Advances, deposits, advance rent and other prepayments		607,349	441,073
Advance taxation (payments less provisions)		5,850,466	6,224,368
Non-banking assets acquired in satisfaction of claims		1,443,006	1,446,968
Due from State Bank of Pakistan		865,581	667,793
Mark to market gain on forward foreign exchange contracts - net		948,428	341,824
Stationary and stamps in hand		95,200	74,065
Dividend receivable		13,475	1,221
Acceptances		14,830,037	14,601,271
Clearing and settlement accounts		-	359,687
Others		<u>529,949</u>	<u>530,756</u>
		46,831,749	44,245,273
Provision held against other assets - note 14.1		<u>(175,794)</u>	<u>(175,846)</u>
Other assets - net of provision		46,655,955	44,069,427
Surplus on revaluation of non-banking assets			
acquired in satisfaction of claims		<u>1,719,890</u>	<u>1,719,890</u>
Other assets - total		<u>48,375,845</u>	<u>45,789,317</u>
<b>14.1 Provision held against other assets</b>			
Advances, deposits, advance rent and other prepayments		4,838	4,838
Others		<u>170,956</u>	<u>171,008</u>
		<u>175,794</u>	<u>175,846</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
14.1.1 Movement in provision held against other assets		
Opening balance	175,845	209,778
Charge for the period / year	23	415
Reversals for the period / year	(74)	(34,348)
Net charge for the period / year	(51)	(33,933)
Closing balance	<u>175,794</u>	<u>175,845</u>

**15. BILLS PAYABLE**

In Pakistan	<u>13,112,932</u>	<u>10,235,374</u>
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**16. BORROWINGS****Secured**

Borrowings from the State Bank of Pakistan under:

Export refinance scheme	21,877,140	20,497,570
Long term financing facility	10,005,156	9,725,125
Financing facility for storage of agricultural produce	66,467	73,853
Renewable energy financing facility	3,653,549	3,672,929
Credit guarantee scheme for women entrepreneurs	448	606
Payment of wages and salaries	5,834,700	7,485,233
Temporary Economic Relief	7,047,624	5,506,824
Modernisation of SME	10,111	10,743
Combating COVID-19	653,004	279,357
	<u>49,148,199</u>	<u>47,252,240</u>

Repurchase agreement borrowings

State Bank of Pakistan	60,000,000	32,000,000
Financial institutions	8,467,421	18,910,076
	<u>68,467,421</u>	<u>50,910,076</u>

Refinance from Pakistan Mortgage Refinance Company

	2,289,053	2,372,387
Total secured	<u>119,904,673</u>	<u>100,534,703</u>

**Unsecured**

Call borrowings	12,734,782	21,713,480
Financial institutions	2,033,122	970,824
Overdrawn nostro accounts	343,284	344,754
Total unsecured	<u>15,111,188</u>	<u>23,029,058</u>
	<u>135,015,861</u>	<u>123,563,761</u>

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
17. DEPOSITS AND OTHER ACCOUNTS						
<b>Customers</b>						
Current accounts	268,574,696	24,534,593	293,109,289	282,967,438	24,864,069	307,831,507
Savings deposits	451,740,881	57,790,428	509,531,309	447,108,954	50,866,257	497,975,211
Fixed deposits	165,355,418	19,424,231	184,779,649	183,802,414	18,794,731	202,597,145
	<u>885,670,995</u>	<u>101,749,252</u>	<u>987,420,247</u>	<u>913,878,806</u>	<u>94,525,057</u>	<u>1,008,403,863</u>
<b>Financial institutions</b>						
Current accounts	745,047	17,254	762,301	1,449,604	62,980	1,512,584
Savings deposits	1,164,989	-	1,164,989	1,931,912	-	1,931,912
Fixed deposits	8,191,889	-	8,191,889	3,581,709	-	3,581,709
	<u>10,101,925</u>	<u>17,254</u>	<u>10,119,179</u>	<u>6,963,225</u>	<u>62,980</u>	<u>7,026,205</u>
	<u>895,772,920</u>	<u>101,766,506</u>	<u>997,539,426</u>	<u>920,842,031</u>	<u>94,588,037</u>	<u>1,015,430,068</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(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 plus 1.20%
	Base Rate is the simple average of the ask rate of six month KIBOR prevailing on the base rate setting date.	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, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>19. OTHER LIABILITIES</b>		
Mark-up / return / interest payable in local currency	5,777,922	4,528,899
Mark-up / return / interest payable in foreign currencies	155,500	275,197
Unearned commission and income on bills discounted	2,272,207	2,293,929
Accrued expenses - note 19.1	1,359,342	2,959,114
Advance payments	414,859	396,609
Acceptances	14,830,037	14,601,271
Dividends payable	202,682	204,537
Branch adjustment account	2,278,158	361,638
Payable to defined benefit plan	85,060	280,287
Provision for employees compensated absences	635,880	701,725
Security deposit against lease / Ijarah financing	4,402,972	4,395,134
Levies and taxes payable	356,320	353,223
Workers' Welfare Fund	516,443	428,583
Clearing and settlement accounts	2,267,410	-
Provision against off-balance sheet obligations - note 19.2	740,278	1,143,768
Lease liability against ROU assets as per IFRS - 16 Leases	7,780,707	7,393,878
Islamic pool management reserve	-	51,630
Others	<u>2,645,356</u>	<u>1,642,991</u>
	<u><u>46,721,133</u></u>	<u><u>42,012,413</u></u>

- 19.1 This includes provision against severance cost and related charges amounting to Rs. 101,076 thousand (2021: Rs.1,246,395 thousand).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>19.2 Provision against off-balance sheet obligations</b>		
Opening balance	1,143,768	100,356
Exchange adjustment	36	163
Charge for the period / year	-	1,043,249
Reversal for the period / year	(403,526)	-
Net (reversal) / charge	(403,526)	1,043,249
Closing balance	<u><u>740,278</u></u>	<u><u>1,143,768</u></u>

**20. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (deficit) on revaluation of:

- Available for sale securities	(10,314,964)	(8,134,733)
- Fixed Assets	5,205,916	5,205,916
- Non-banking assets acquired in satisfaction of claims	1,719,890	1,719,890
	<u>(3,389,158)</u>	<u>(1,208,927)</u>

Deferred tax on deficit / (surplus) on revaluation of:

- Available for sale securities	4,022,836	3,172,546
	<u><u>633,678</u></u>	<u><u>1,963,619</u></u>



**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
		(Rupees in '000)	
<b>21.</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	- Guarantees - note 21.1	276,575,349	274,886,748
	- Commitments - note 21.2	467,440,996	396,004,041
	- Other contingent liabilities - note 21.3	<u>1,117,328</u>	<u>1,095,098</u>
		<u><u>745,133,673</u></u>	<u><u>671,985,887</u></u>
<b>21.1</b>	<b>Guarantees</b>		
	Financial guarantees	5,655,582	6,015,847
	Performance guarantees	160,251,088	155,588,123
	Other guarantees	<u>110,668,679</u>	<u>113,282,778</u>
		<u><u>276,575,349</u></u>	<u><u>274,886,748</u></u>
<b>21.2</b>	<b>Commitments</b>		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	209,762,345	190,672,407
	Commitments in respect of:		
	- forward foreign exchange contracts - note 21.2.1	252,867,563	201,560,195
	- non government securities transactions - note 21.2.2	4,557,091	3,639,700
	Commitments for acquisition of:		
	- operating fixed assets	46,206	31,295
	- intangible assets	207,791	100,444
		<u><u>467,440,996</u></u>	<u><u>396,004,041</u></u>
<b>21.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	139,482,672	117,506,977
	Sale	<u>113,384,891</u>	<u>84,053,218</u>
		<u><u>252,867,563</u></u>	<u><u>201,560,195</u></u>
	The above commitments have maturities falling within one year.		
<b>21.2.2</b>	<b>Commitments in respect of non government securities transactions</b>		
	Purchase	<u>4,557,091</u>	<u>3,639,700</u>
<b>21.3</b>	<b>Other contingent liabilities</b>		
	These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these condensed interim unconsolidated financial statements.	1,117,328	1,095,098
		<u><u>1,117,328</u></u>	<u><u>1,095,098</u></u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**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).

**23. MARK-UP / RETURN / INTEREST EARNED**

(Un-audited)

Quarter ended March 31, 2022	Quarter ended March 31, 2021
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(Rupees in '000)

On:

Loans and advances	10,995,585	7,520,374
Investments	15,681,166	9,434,742
Lendings to financial institutions	30,272	18,275
Balances with banks	-	2,162
Securities purchased under resale agreements	37,264	86,578
	26,744,287	17,062,131

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

On:

Deposits	13,752,738	7,906,167
Borrowings	3,193,856	445,997
Subordinated debts	369,579	257,145
Cost of foreign currency swaps against foreign currency deposits / borrowings	751,606	615,913
Interest expense on lease liability against ROU assets	223,331	226,927
	18,291,110	9,452,149

**25. FEE AND COMMISSION INCOME**

Branch banking customer fees	202,472	144,760
Consumer finance related fees	28,391	28,529
Card related fees (debit and credit cards)	269,769	291,304
Credit related fees	71,893	86,606
Investment banking fees	74,481	20,783
Commission on trade	237,964	203,295
Commission on guarantees	215,940	173,036
Commission on remittances including home remittances	52,474	14,249
Commission on bancassurance	12,665	34,880
Others	7,385	19,586
	1,173,434	1,017,028

**26. GAIN ON SECURITIES**

Realised - note 26.1	90,187	742,443
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**26.1 Realised gain on:**

Federal Government Securities	5,364	645,078
Shares	71,665	94,365
Non Government Debt Securities	300	3,000
Mutual Funds	12,858	-
	90,187	742,443

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		(Un-audited)	
		Quarter ended March 31, 2022	Quarter ended March 31, 2021
27.	<b>OTHER INCOME</b>	(Rupees in '000)	
	Gain on sale of fixed assets	36,040	1,744
	Rent of lockers	12,506	13,824
	Recovery of expenses from customers	73,505	79,231
	Termination of lease contracts under IFRS - 16 Leases	13,700	2,792
		<u>135,751</u>	<u>97,591</u>
28.	<b>OPERATING EXPENSES</b>		
	Total compensation expenses - note 28.1	2,748,215	4,019,469
	<b>Property expense</b>		
	Rent and taxes	43,058	23,395
	Insurance	20,975	23,956
	Utilities cost	134,615	90,093
	Security (including guards)	141,462	124,697
	Repair & maintenance (including janitorial charges)	75,715	67,357
	Depreciation on ROU assets	384,181	382,237
	Depreciation	71,598	88,014
		871,604	799,749
	<b>Information technology expenses</b>		
	Software maintenance	105,087	102,744
	Hardware maintenance	16,177	8,175
	Depreciation	42,758	44,939
	Amortisation	34,390	59,483
	Network charges	50,488	29,967
		248,900	245,308
	<b>Other operating expenses</b>		
	Directors' fees, allowances	10,800	26,062
	Fees and allowances to shariah board	2,257	1,466
	Rates, taxes, insurance etc.	54,382	48,582
	Legal and professional charges	24,456	34,921
	Brokerage and commission	33,351	33,259
	NIFT clearing charges	24,128	24,168
	Repair and maintenance	77,483	64,115
	Communications	128,785	96,393
	Stationery and printing	68,042	47,457
	Marketing, advertisement and publicity	21,445	466
	Donations	-	6,904
	Auditors' remuneration	9,233	3,635
	Travelling, conveyance and entertainment	65,154	38,406
	Depreciation	112,543	124,513
	Security service charges	92,566	50,702
	Training and development	6,874	2,174
	Deposit premium expense	177,043	115,784
	Outsourced service cost	14,256	-
	Other expenditure	96,106	90,896
		1,018,904	809,903
		<u>4,887,623</u>	<u>5,874,429</u>
28.1	<b>Total compensation expense</b>		
	Managerial remuneration	2,162,937	2,338,747
	Charge for defined benefit / contribution plan	181,939	202,601
	Other staff cost - note 28.1.1	403,339	1,478,121
		<u>2,748,215</u>	<u>4,019,469</u>
28.1.1	Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance, provision for severance etc.		

**ASKARI BANK LIMITED**

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For the quarter ended March 31, 2022

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

	(Un-audited)	
	Quarter ended March 31, 2022	Quarter ended March 31, 2021
<b>30. PROVISIONS AND WRITE OFFS - NET</b>	(Rupees in '000)	
Provision / (reversal of provision) for diminution in value of investments	78,409	(23,164)
Provision / (reversal of provision) against loans and advances	167,809	(121,447)
Reversal of provision against other assets	(51)	(92)
Reversal of provision against off-balance sheet obligations	(403,526)	(337)
Provision against cash and bank balances	49	12
Reversal of provision against intangible assets	(1,225)	-
Recovery of written off / charged off bad debts	(13,483)	(25,232)
	<u>(172,018)</u>	<u>(170,260)</u>

**31. TAXATION**

Current	2,509,114	1,715,045
Deferred	(17,607)	34,622
	<u>2,491,507</u>	<u>1,749,667</u>

31.1 There are no changes to tax related contingencies from those disclosed in note 32.2 of the audited annual unconsolidated financial statements for the year ended December 31, 2021.

	(Un-audited)	
	Quarter ended March 31, 2022	Quarter ended March 31, 2021
<b>32. BASIC EARNINGS PER SHARE</b>		
Profit for the period - Rupees in '000	<u>3,605,394</u>	<u>2,742,718</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>2.86</u>	<u>2.18</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.

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**33. FAIR VALUE MEASUREMENTS**

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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 and Reuters page.

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.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
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. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

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The following table provides the fair values of those of the Bank's financial assets and liabilities that are recognized or disclosed at fair value in these unconsolidated condensed interim financial statements:

March 31, 2022 (Un-audited)					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	478,703,664	3,797,079	474,906,585	-	478,703,664
Shares	3,994,516	3,994,516	-	-	3,994,516
Units of open end mutual funds	776,813	-	776,813	-	776,813
Fully paid preference shares	16,051	16,051	-	-	16,051
Non Government Debt Securities	12,585,669	-	12,585,669	-	12,585,669
Foreign securities	552,871	552,871	-	-	552,871
	<u>496,629,584</u>	<u>8,360,517</u>	<u>488,269,067</u>	<u>-</u>	<u>496,629,584</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Unlisted shares	350,000	-	-	-	-
Subsidiary	165,619	-	-	-	-
Federal Government Securities	116,839,949	10,883,817	101,391,803	-	112,275,620
Foreign Securities	1,421,351	1,414,519	-	-	1,414,519
Cash and balances with treasury banks	90,495,797	-	-	-	-
Balances with other banks	8,479,659	-	-	-	-
Advances	465,774,103	-	-	-	-
Other assets	38,664,772	-	-	-	-
	<u>722,191,250</u>	<u>12,298,336</u>	<u>101,391,803</u>	<u>-</u>	<u>113,690,139</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	139,482,672	-	3,604,105	-	3,604,105
Forward sale of foreign exchange	113,384,891	-	(2,655,679)	-	(2,655,679)

December 31, 2021 (Audited)					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	473,847,695	4,382,885	469,464,800	-	473,847,695
Shares	4,143,818	4,143,818	-	-	4,143,818
Units of open end mutual funds	1,510,245	-	1,510,255	-	1,510,245
Fully paid preference shares	16,051	16,051	-	-	16,051
Non Government Debt Securities	11,992,197	-	11,992,177	-	11,992,197
Foreign securities	532,195	532,195	-	-	532,195
	<u>492,042,201</u>	<u>9,074,949</u>	<u>482,967,222</u>	<u>-</u>	<u>492,042,201</u>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Unlisted shares	350,000	-	-	-	-
Subsidiary	165,619	-	-	-	-
Federal Government Securities	120,077,202	12,393,260	106,453,893	-	118,847,153
Foreign Securities	3,726,136	3,583,295	-	-	3,583,295
Cash and balances with treasury banks	89,432,245	-	-	-	-
Balances with other banks	3,454,829	-	-	-	-
Advances	477,588,237	-	-	-	-
Other assets	35,887,791	-	-	-	-
	<u>730,682,059</u>	<u>15,976,555</u>	<u>106,453,893</u>	<u>-</u>	<u>122,430,448</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	117,506,977	-	736,509	-	736,509
Forward sale of foreign exchange	84,053,218	-	(394,684)	-	(394,684)

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

		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
		(Rupees in '000)	
		Level 3	Level 3
<b>33.2 Fair value of non-financial assets</b>			
Fixed assets			
Property and equipment (freehold and leasehold land)		9,689,980	9,689,980
Other assets			
Non-banking assets acquired in satisfaction of claims		3,162,896	3,166,857

### 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, 2022 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
<b>Profit and loss</b>							
Net mark-up / return / profit	(9,094,347)	4,348,273	11,431,725	865,785	941,605	382,506	(422,370)
Inter segment revenue - net	14,966,950	(3,578,414)	(12,199,402)	(566,325)	-	(27,343)	1,404,534
Non mark-up / return / interest income	493,218	682,574	1,053,425	125,189	102,642	4,856	65,825
<b>Total income</b>	6,365,821	1,452,433	285,748	424,649	1,044,247	360,019	1,047,989
Segment direct expenses	2,902,745	218,387	73,822	266,746	601,705	28,558	964,060
Inter segment expense allocation	205,172	230,995	2,743	35,956	-	-	(474,866)
<b>Total expenses</b>	3,107,917	449,382	76,565	302,702	601,705	28,558	489,194
Provisions	15,418	(259,337)	142,085	(961)	(6,080)	(50,482)	(12,661)
<b>Profit before tax</b>	3,242,486	1,262,388	67,098	122,908	448,622	381,943	571,456
	March 31, 2022 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
<b>Statement of financial position</b>							
Cash and bank balances	38,483,427	3,013,241	49,575,638	244,548	6,493,459	1,164,744	399
Investments	-	8,127,142	555,647,218	-	32,727,676	18,339,048	565,419
Lendings to financial institutions	-	-	6,524,816	-	-	-	-
Advances - performing - net of provision	12,434,368	335,117,177	-	20,744,735	73,505,307	15,431,147	6,209,185
Advances - non-performing - net of provision	405,771	327,123	-	227,555	1,175,273	196,462	-
Others	570,881	20,489,122	11,904,072	546,916	5,053,513	636,502	36,822,934
<b>Total Assets</b>	51,894,447	367,073,805	623,651,744	21,763,754	118,955,228	35,767,903	43,597,937
Borrowings	1,881,358	42,115,772	60,343,284	2,289,053	16,051,069	12,335,325	-
Subordinated debts	-	-	-	-	-	-	12,000,000
Deposits and other accounts	723,631,644	198,479,142	-	3,499	74,596,185	746,891	82,065
Net inter segment balances - net	(691,284,872)	105,619,444	562,983,410	18,817,211	13,222,782	19,999,124	(29,357,099)
Others	17,666,317	20,859,447	325,050	653,991	6,747,598	2,686,563	10,895,099
<b>Total liabilities</b>	51,894,447	367,073,805	623,651,744	21,763,754	110,617,634	35,767,903	(6,379,935)
Equity	-	-	-	-	8,337,594	-	49,977,872
<b>Total Equity and liabilities</b>	51,894,447	367,073,805	623,651,744	21,763,754	118,955,228	35,767,903	43,597,937
<b>Contingencies and commitments</b>	6,086,413	465,749,822	257,424,654	278,270	14,223,000	7,171	1,364,343
	March 31, 2021 (Un-audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
<b>Profit and loss</b>							
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
<b>Total income</b>	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)
<b>Total expenses</b>	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
<b>Profit before tax</b>	711,728	1,187,819	2,719,694	98,753	385,216	319,128	(929,953)
	December 31, 2021 (Audited)						
	Branch banking	Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others
	(Rupees in '000)						
<b>Statement of financial position</b>							
Cash and bank balances	38,294,869	3,233,876	43,286,336	151,401	7,797,848	122,302	442
Investments	-	8,521,775	555,083,246	-	31,274,749	20,725,609	755,779
Advances - performing - net of provision	15,233,937	346,926,181	-	21,054,155	69,933,549	14,986,172	6,807,846
Advances - non-performing - net of provision	463,099	563,226	-	248,084	1,182,984	189,004	-
Others	538,831	19,513,936	8,897,467	541,821	5,537,167	436,039	36,842,379
<b>Total Assets</b>	54,530,736	378,758,994	607,267,049	21,995,461	115,726,297	36,459,126	44,406,446
Borrowings	1,904,256	40,118,695	42,309,124	2,372,387	16,529,289	20,330,010	-
Subordinated debts	-	-	-	-	-	-	12,000,000
Deposits and other accounts	683,963,786	257,131,733	-	4,042	73,585,947	646,139	98,421
Net inter segment balances - net	(642,233,536)	61,032,726	564,466,433	18,886,136	11,291,769	12,386,371	(25,829,899)
Others	10,896,230	20,475,840	491,492	732,896	6,452,020	3,096,606	10,102,703
<b>Total liabilities</b>	54,530,736	378,758,994	607,267,049	21,995,461	107,859,025	36,459,126	(3,628,775)
Equity	-	-	-	-	7,867,272	-	48,035,221
<b>Total Equity and liabilities</b>	54,530,736	378,758,994	607,267,049	21,995,461	115,726,297	36,459,126	44,406,446
<b>Contingencies and commitments</b>	5,956,056	446,725,804	204,173,657	16,278	13,885,398	6,859	1,221,835

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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

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

	As at March 31, 2022 (Un-audited)					As at December 31, 2021 (Audited)				
	Parent	Directors	Key management personnel	Subsidiary	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Other related parties
Rupees in '000										
<b>Investments</b>										
Opening balance	-	-	-	165,619	689,341	-	-	-	165,619	800,478
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	(18,449)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(92,688)
Closing balance	-	-	-	165,619	689,341	-	-	-	165,619	689,341
<b>Advances</b>										
Opening balance	4,523,915	43	441,248	-	10,521,710	2,805,786	28,671	423,764	-	4,766,042
Addition during the period / year	26,901,713	701	8,297	-	4,690,673	85,548,230	438	237,240	2,898	12,098,633
Repaid during the period / year	(28,972,767)	(270)	(83,856)	-	(1,250,445)	(83,830,101)	(420)	(150,992)	(2,898)	(9,424,006)
Transfer in / (out) - net	-	-	(15,473)	-	(2,622,997)	-	(28,646)	(68,764)	-	3,081,041
Closing balance	2,452,861	474	350,216	-	11,338,941	4,523,915	43	441,248	-	10,521,710
<b>Other Assets</b>										
Interest / mark-up receivable	68,647	-	86,276	-	388,612	70,227	-	92,634	-	492,285
Advance rent	725	-	-	-	-	1,144	-	-	-	-
<b>Borrowings</b>										
Opening balance	-	-	-	-	2,372,387	-	-	-	-	1,923,886
Borrowings during the period	-	-	-	-	-	-	-	-	-	1,500,000
Settled during the period	-	-	-	-	(83,333)	-	-	-	-	(1,051,499)
Closing balance	-	-	-	-	2,289,054	-	-	-	-	2,372,387
<b>Deposits and other accounts</b>										
Opening balance	56,224,390	24,009	211,259	268,208	42,288,735	8,018,104	19,379	186,617	201,796	17,017,129
Received during the period / year	184,984,796	88,033	624,813	184,521	125,273,180	768,812,177	84,099	1,971,951	1,232,716	404,528,295
Withdrawn during the period / year	(195,958,791)	(51,721)	(558,841)	(237,702)	(134,325,126)	(720,605,891)	(76,565)	(1,957,873)	(1,166,304)	(379,499,670)
Transfer in / (out) - net	-	11,553	(32,015)	-	30,000	-	(2,904)	10,564	-	242,803
Closing balance	45,250,395	71,874	245,216	215,027	33,266,789	56,224,390	24,009	211,259	268,208	42,288,557
<b>Other Liabilities</b>										
Interest / mark-up payable	174,309	-	3,544	-	559,942	87,473	-	3,413	-	136,012
Payable to staff retirement fund	-	-	-	-	85,060	-	-	-	-	280,287
Security deposits payable	-	-	-	-	365,365	-	-	-	-	308,299
Others	-	-	20,263	-	-	110,128	-	5,884	-	-
<b>Contingencies and Commitments</b>										
Contingencies and Commitments	1,212,840	-	-	40,000	3,855,041	1,233,702	-	42,122	40,000	7,649,153
Undrawn Commitments	-	-	25,828	-	1,831,532	-	-	-	-	-
<b>Others</b>										
Securities held as custodian	4,590,000	-	-	-	12,500	6,790,000	-	-	-	1,219,500
Securities given as collateral	-	-	-	-	188,963	-	-	-	-	188,963



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For the quarter ended March 31, 2022 (Un-Audited)					For the quarter ended March 31, 2021 (Un-Audited)				
Parent	Directors	Key management personnel	Subsidiary	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Other related parties
Rupees in '000									
64,332	-	6,805	-	173,367	37,507	533	5,086	60	86,955
147	-	-	39	41,098	-	-	-	-	3,341
-	-	-	-	27,517	-	-	-	-	-
-	-	7,250	-	-	-	-	-	-	-
807,057	96	2,863	826	811,209	271,148	80	1,473	37	224,276
-	-	5,734	-	79,325	-	-	-	-	91,678
-	-	4,934	-	67,946	-	-	-	-	80,923
-	-	196,041	-	2,257	-	-	153,966	-	1,466
419	-	-	-	-	425	-	-	-	-
-	-	-	-	15,243	-	-	-	-	7,977
-	-	-	-	18,895	-	-	-	1,108	5,931
3,100	7,700	-	-	-	-	26,063	-	-	-
110,128	-	-	-	-	-	-	-	-	-

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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**36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>12,602,602</u>	<u>12,602,602</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	53,630,821	51,649,517
Eligible Additional Tier 1 (ADT 1) Capital	5,984,723	5,886,339
Total Eligible Tier 1 Capital	59,615,544	57,535,856
Eligible Tier 2 Capital	8,384,323	8,502,535
Total Eligible Capital (Tier 1 + Tier 2)	<u>67,999,867</u>	<u>66,038,391</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	403,412,493	397,629,708
Market Risk	23,249,376	28,800,513
Operational Risk	66,981,093	66,981,093
Total	<u>493,642,962</u>	<u>493,411,314</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>10.86%</u>	<u>10.47%</u>
Tier 1 Capital Adequacy Ratio	<u>12.08%</u>	<u>11.66%</u>
Total Capital Adequacy Ratio	<u>13.78%</u>	<u>13.38%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	59,615,544	57,535,855
Total Exposures	1,848,848,212	1,748,422,535
Leverage Ratio	<u>3.22%</u>	<u>3.29%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	496,442,200	459,883,554
Total Net Cash Outflow	274,258,069	250,932,186
Liquidity Coverage Ratio	<u>181.01%</u>	<u>183.27%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	993,231,876	986,752,063
Total Required Stable Funding	505,738,390	512,579,835
Net Stable Funding Ratio	<u>196.39%</u>	<u>192.51%</u>

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**37. Islamic Banking Business**

The Bank is operating 105 Islamic banking branches including 3 sub-branches at quarter ended March 31, 2022 as compared to 101 Islamic banking branches including 3 sub-branches at year ended December 31, 2021.

		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		6,099,534	7,149,581
Balances with other banks		393,925	648,268
Investments	37.1	32,727,676	31,274,749
Islamic financing and related assets - net	37.2	74,679,844	71,116,539
Fixed assets		1,774,939	1,477,974
Intangible assets		-	-
Due from Head Office		-	-
Other assets		3,529,647	4,769,976
Total assets		119,205,565	116,437,087
<b>LIABILITIES</b>			
Bills payable		1,638,410	1,769,395
Due to financial institutions		16,051,069	16,529,289
Deposits and other accounts	37.3	74,596,185	73,585,947
Due to head office		13,400,000	12,000,000
Sub-ordinated debt		-	-
Other liabilities		5,182,305	4,659,368
		110,867,969	108,543,999
<b>NET ASSETS</b>		<b>8,337,596</b>	<b>7,893,088</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		4,600,000	4,600,000
Reserves	37.4	-	25,815
Deficit on revaluation of assets		(363,186)	(385,624)
Unappropriated profit	37.5	4,100,782	3,652,897
		8,337,596	7,893,088
<b>CONTINGENCIES AND COMMITMENTS</b>			
	37.6	14,288,451	13,885,398

The profit and loss account of the Bank's Islamic banking branches for the quarter ended March 31, 2022 is as follows:

		(Un-audited) Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Note	(Rupees in '000)	
Profit / return earned	37.8	2,425,031	1,407,957
Profit / return expensed	37.9	1,483,426	580,975
Net Profit / return		941,605	826,982
<b>Other income</b>			
Fee and Commission Income		62,164	65,383
Dividend Income		2,363	-
Foreign Exchange Income		20,454	18,388
Gain / (loss) on securities		-	-
Other Income		17,660	27,471
Total other income		102,641	111,242
Total Income		1,044,246	938,224
<b>Other expenses</b>			
Operating expenses		601,705	536,535
Workers' Welfare Fund		-	-
Other charges		-	106
Total other expenses		601,705	536,641
Profit before provisions		442,541	401,583
Provisions and write offs - net		(5,344)	16,367
Profit before taxation		447,885	385,216

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
<b>37.1 Investments by segments:</b>	(Rupees in '000)							
Federal Government Securities:								
- Ijarah Sukuks	28,532,336	-	(364,044)	28,168,292	23,560,581	-	(385,792)	23,174,789
- Islamic Naya Pakistan Certificates	673,826	-	-	673,826	-	-	-	-
- GOP Bai Muajjal	-	-	-	-	4,215,092	-	-	4,215,092
	29,206,162	-	(364,044)	28,842,118	27,775,673	-	(385,792)	27,389,881
Units of Open end Mutual Fund	100,000	-	858	100,858	100,000		168	100,168
Non Government Debt Securities:								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	4,344,663	(559,963)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
	4,344,663	(559,963)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
Total investments	<u>33,650,825</u>	<u>(559,963)</u>	<u>(363,186)</u>	<u>32,727,676</u>	<u>32,220,336</u>	<u>(559,963)</u>	<u>(385,624)</u>	<u>31,274,749</u>

**ASKARI BANK LIMITED**

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
<b>37.2 ISLAMIC FINANCING AND RELATED ASSETS</b>		
Ijarah	5,386,675	5,443,351
Murabaha - note 37.2.1	6,093,749	6,496,482
Musharakah	28,421,929	29,064,976
Diminishing Musharakah	14,126,013	14,096,303
Salam	9,579,585	6,207,801
Istisna	3,858,210	4,287,613
Receivable against sale of Istisna / Salam Inventory	1,456,792	1,511,039
Service Ijarah	2,052,176	1,652,175
Other Islamic Modes (Executive Car Finance -Qarz-e-Hasana)	90,347	102,193
Advances against Islamic assets - note 37.2.2	3,208,437	2,618,817
Inventory related to Islamic financing - note 37.2.3	2,149,170	1,384,372
Gross Islamic financing and related assets	76,423,083	72,865,122
Less: provision against Islamic financings		
- Specific	1,697,089	1,702,470
- General	46,150	46,113
	1,743,239	1,748,583
Islamic financing and related assets - net of provision	<u>74,679,844</u>	<u>71,116,539</u>

37.2.1 Includes advance against Murabaha of Rs.860,629 thousand (December 31, 2021: Rs.949,535 thousand).

**37.2.2 Advance against Islamic assets**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2022 (Un-audited)	1,665,028	-	1,543,409	-	-	<u>3,208,437</u>
December 31, 2021 (Audited)	1,356,711	-	1,262,106	-	-	<u>2,618,817</u>

**37.2.3 Inventory related to Islamic financing**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2022 (Un-audited)	-	-	-	356,570	1,792,600	<u>2,149,170</u>
December 31, 2021 (Audited)	-	-	-	139,095	1,245,277	<u>1,384,372</u>

**ASKARI BANK LIMITED**

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>37.3 DEPOSITS AND OTHER ACCOUNTS</b>		
<b><i>Customers</i></b>		
Current deposits - non remunerative	30,455,827	32,221,831
Current deposits - remunerative	1,041,628	939,863
Savings deposits	21,503,342	22,006,695
Term deposits	17,146,452	15,152,962
Others	1,106,476	837,139
	<u>71,253,725</u>	<u>71,158,490</u>
<b><i>Financial Institutions</i></b>		
Current deposits - non remunerative	62,822	5,714
Current deposits - remunerative	50,003	50,001
Savings deposits	297,746	370,033
Term deposits	2,931,889	2,001,709
	<u>3,342,460</u>	<u>2,427,457</u>
	<u>74,596,185</u>	<u>73,585,947</u>
<b>37.4 PROFIT EQUALISATION RESERVE</b>		
The profit equalisation reserve at the end of current period is Nil (December 31, 2021: Rs. 25,815 thousand) which is classified in other liabilities in note 19.		
	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>37.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT</b>		
Opening balance	3,652,897	2,454,381
Add: Islamic banking profit for the period	447,885	1,198,516
Closing Balance	<u>4,100,782</u>	<u>3,652,897</u>
<b>37.6 CONTINGENCIES AND COMMITMENTS</b>		
-Guarantees	6,702,025	6,325,748
-Commitments	7,586,426	7,559,650
	<u>14,288,451</u>	<u>13,885,398</u>
<b>37.7 CHARITY FUND</b>		
Opening balance	24,292	20,529
Additions during the period		
- Received from customers on delayed payments	6,792	29,765
- Profit on charity account	2	8
- Others	68	377
	6,862	30,150
Payments / utilization during the period		
- Education	-	(1,519)
- Health	-	(19,447)
- Orphanage	-	(5,421)
	-	(26,387)
Closing balance	<u>31,154</u>	<u>24,292</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2022	2021
		(Rupees in '000)	
<b>37.8</b>	<b>PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS</b>		
	Profit earned on:		
	Financing	1,658,294	1,089,792
	Investments	765,920	311,426
	Placements	817	6,739
	Lendings	-	-
		<u>2,425,031</u>	<u>1,407,957</u>

**37.9 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**

Deposits and other accounts	816,806	434,899
Due to financial institutions	175,566	86,470
Due to head office	496,468	253
Profit Equalization Reserve	(51,919)	13,411
Lease liability against right-of-use assets	46,505	45,942
	<u>1,483,426</u>	<u>580,975</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 20, 2022.

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

CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS

FOR THE QUARTER ENDED  
MARCH 31, 2022

(UN-AUDITED)



**ASKARI BANK LIMITED**

## Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	90,495,825	89,432,245
Balances with other banks	7	8,631,609	3,556,215
Lendings to financial institutions	8	6,524,816	-
Investments	9	615,276,517	616,231,172
Advances	10	465,809,558	477,673,022
Fixed assets	11	20,368,637	20,179,222
Intangible assets	12	1,263,163	1,188,985
Deferred tax assets	13	6,029,597	5,161,697
Other assets	14	48,521,428	45,906,052
		<u>1,262,921,150</u>	<u>1,259,328,610</u>
<b>LIABILITIES</b>			
Bills payable	15	13,112,932	10,235,374
Borrowings	16	135,015,861	123,563,761
Deposits and other accounts	17	997,324,440	1,015,162,254
Liabilities against assets subject to finance lease		-	-
Subordinated debts	18	12,000,000	12,000,000
Deferred tax liabilities		-	-
Other liabilities	19	47,011,043	42,326,358
		<u>1,204,464,276</u>	<u>1,203,287,747</u>
<b>NET ASSETS</b>		<u><u>58,456,874</u></u>	<u><u>56,040,863</u></u>
<b>REPRESENTED BY</b>			
Share capital		12,602,602	12,602,602
Reserves		33,320,323	32,832,051
Surplus on revaluation of assets - net of tax	20	658,036	1,987,976
Unappropriated profit		11,875,913	8,618,234
		<u>58,456,874</u>	<u>56,040,863</u>

**CONTINGENCIES AND COMMITMENTS**

21

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 Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2022

		Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Note	(Rupees in '000)	
<b>Mark-up / return / interest earned</b>	23	26,748,571	17,066,665
<b>Mark-up / return / interest expensed</b>	24	18,291,124	9,452,199
Net mark-up / interest income		8,457,447	7,614,466
<b>Non mark-up / interest income</b>			
Fee and commission income	25	1,196,262	1,075,511
Dividend income		105,064	87,108
Foreign exchange income		1,023,293	650,856
Income / (loss) from derivatives		-	-
Gain on securities	26	90,187	742,443
Other income	27	135,751	97,591
<b>Total non-markup / interest income</b>		2,550,557	2,653,509
<b>Total income</b>		11,008,004	10,267,975
<b>Non mark-up / interest expenses</b>			
Operating expenses	28	4,911,074	5,904,074
Workers' Welfare Fund		87,860	4,258
Other charges	29	80,540	4,196
<b>Total non-markup / interest expenses</b>		5,079,474	5,912,528
<b>Profit before provisions</b>		5,928,530	4,355,447
Provisions and write offs - net	30	(172,018)	(170,260)
Extraordinary / unusual items		-	-
<b>Profit before taxation</b>		6,100,548	4,525,707
Taxation	31	2,492,117	1,756,272
<b>Profit after taxation</b>		3,608,431	2,769,435
<b>Attributable to:</b>			
Equity holders of the Bank		3,608,431	2,769,435
Non-controlling interest		-	-
		<u>3,608,431</u>	<u>2,769,435</u>
		Rupees	
<b>Basic earnings per share</b>	32	<u>2.86</u>	<u>2.20</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**

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

For the quarter ended March 31, 2022

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	(Rupees in '000)	
<b>Profit after taxation</b>	3,608,431	2,769,435
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in Wholesale Bank Branch	127,733	(96,007)
Movement in deficit on revaluation of investments - net of tax	(1,329,940)	(1,859,614)
	(1,202,207)	(1,955,621)
<b>Total comprehensive income</b>	<u>2,406,224</u>	<u>813,814</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	2,406,224	1,536,897
Non-controlling interest	-	-
	<u>2,406,224</u>	<u>1,536,897</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**

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

For the quarter ended March 31, 2022

	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)	Total
	(Rupees in '000)								
Balance as at January 1, 2021	12,602,602	284,683	234,669	12,270,126	12,912,187	83,804	7,587,151	8,706,053	54,681,275
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
Other comprehensive income related to equity	-	(96,007)	-	-	-	(1,859,614)	-	-	(1,955,621)
	-	(96,007)	-	-	-	(1,859,614)	-	2,769,435	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)
Balance as at March 31, 2021	12,602,602	188,676	234,669	12,824,013	17,837,459	(1,775,810)	7,587,151	2,215,548	51,714,308
Total comprehensive income for the nine months ended December 31, 2021									
Net profit for the nine months ended December 31, 2021	-	-	-	-	-	-	-	6,946,298	6,946,298
Other comprehensive income related to equity	-	360,844	-	-	-	(3,162,019)	168,662	12,770	(2,619,743)
	-	360,844	-	-	-	(3,162,019)	168,662	6,959,068	4,326,555
Transfer to Statutory reserve	-	-	-	1,386,390	-	-	-	(1,386,390)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	(830,008)	830,008	-
Balance as at December 31, 2021	12,602,602	549,520	234,669	14,210,403	17,837,459	(4,937,829)	6,925,805	8,618,234	56,040,863
Total comprehensive income for the quarter ended March 31, 2022									
Net profit for the quarter ended March 31, 2022	-	-	-	-	-	-	-	3,608,431	3,608,431
Other comprehensive income related to equity	-	127,733	-	-	-	(1,329,940)	-	-	(1,202,207)
	-	127,733	-	-	-	(1,329,940)	-	3,608,431	2,406,224
Transfer to Statutory reserve	-	-	-	360,539	-	-	-	(360,539)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	9,787	9,787
Balance as at March 31, 2022	12,602,602	677,253	234,669	14,570,942	17,837,459	(6,267,769)	6,925,805	11,875,913	58,456,874

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, 2022

	Note	Quarter ended March 31, 2022 (Rupees in '000)	Quarter ended March 31, 2021
<b>Cash flow from operating activities</b>			
Profit before taxation		6,100,548	4,525,707
Less: dividend income		<u>(105,064)</u>	<u>(87,108)</u>
		5,995,484	4,438,599
Adjustments:			
Depreciation		227,445	258,077
Amortization		34,480	59,611
Depreciation on ROU assets		384,181	382,237
Markup expense on lease liability against ROU assets		223,331	226,927
Termination of lease contracts under IFRS - 16 Leases		(13,700)	2,792
Charge for defined benefit plans		110,059	121,678
Provisions and write offs - net	30	(158,535)	(145,028)
Gain on sale of fixed assets		<u>(36,040)</u>	<u>(1,744)</u>
		771,221	904,550
		6,766,705	5,343,149
(Increase) / decrease in operating assets			
Lendings to financial institutions		(6,524,816)	-
Held for trading securities		(150,329)	(338,019)
Advances		11,688,387	(18,917,708)
Other assets (excluding advance taxation)		<u>(2,982,739)</u>	<u>972,088</u>
		2,030,503	(18,283,639)
Increase / (decrease) in operating liabilities			
Bills payable		2,877,558	1,275,174
Borrowings from financial institutions		11,452,100	(5,622,012)
Deposits		(17,837,814)	11,582,265
Other liabilities (excluding current taxation)		<u>4,952,137</u>	<u>2,931,033</u>
		1,443,981	10,166,460
Net cash flow generated from / (used in) operations		10,241,189	(2,774,030)
Payment made to defined benefit plan		(372,776)	(311,228)
Income tax paid		<u>(2,135,870)</u>	<u>(1,460,290)</u>
Net cash flow generated from / (used in) operating activities		7,732,543	(4,545,548)
<b>Cash flow from investing activities</b>			
Net investments in available for sale securities		(6,727,750)	193,473
Net investments in held to maturity securities		5,580,662	(3,572,724)
Dividend received		92,810	62,807
Investment in fixed assets - net of adjustment		(181,388)	(222,297)
Investment in intangible asset		(106,031)	(67,555)
Proceeds from sale of fixed assets		46,889	4,329
Effect of translation of net investment in Wholesale Bank Branch		127,733	(96,007)
Net cash used in investing activities		(1,167,075)	(3,697,974)
<b>Cash flow from financing activities</b>			
Receipts / (payments) of subordinated debts - net		-	-
Payments against lease liabilities		(424,639)	(380,549)
Dividend paid		<u>(1,855)</u>	<u>(1,196)</u>
Net cash flow used in financing activities		(426,494)	(381,745)
<b>Increase / (decrease) in cash and cash equivalents</b>		6,138,974	(8,625,267)
Cash and cash equivalents at beginning of the period		<u>92,988,460</u>	<u>81,613,198</u>
Cash and cash equivalents at end of the period		<u>99,127,434</u>	<u>72,987,931</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, 2022

### **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 (2020: 71.91) percent shares of the Group as on March 31, 2022. The ultimate parent of the Group is Fauji Foundation. The Bank has 560 branches (2021: 560 branches); 559 in Pakistan and Azad Jammu and Kashmir including 105 (2021: 101) Islamic Banking branches and 56 (2021: 56) 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 Group 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 AND STATEMENT OF COMPLIANCE**

#### **2.1 BASIS OF PREPARATION**

- 2.1.1 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.1.2 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

#### **2.2 STATEMENT OF COMPLIANCE**

- 2.2.1 These consolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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.

- 2.2.2 The State Bank of Pakistan has deferred the applicability of IFAS 3 'Profit and Loss Sharing on Deposits', vide BPRD Circular No.04 dated February 25, 2015, International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" (IAS 39) and International Accounting Standard 40, Investment Property, vide BSD Circular Letter no. 10 dated August 26, 2002, 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. As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, IFRS 9 was made applicable to banks for accounting periods beginning on or after January 01, 2022 however the impact of the application of IFRS 9 in Pakistan on the Group's financial statements is being assessed and final implementation guidelines are awaited. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirement prescribed by the SBP through various circulars.

## **ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

2.2.3 IFRS10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirements of consolidation under section 228 of Companies Act 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.2.4 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' 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 of the Bank for the financial year ended December 31, 2021.

### **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, 2021.

#### **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, 2022 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**

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

### **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, 2021.

### **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, 2021.

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021		
6. CASH AND BALANCES WITH TREASURY BANKS	Rupees in '000			
<i>In hand:</i>				
Local currency	20,653,170	21,150,705		
Foreign currencies	5,078,957	4,059,596		
	25,732,127	25,210,301		
<i>With the State Bank of Pakistan in:</i>				
Local currency current accounts	47,858,142	46,087,959		
Foreign currency current account	5,213,568	4,898,891		
Foreign currency deposit account	9,869,789	9,278,909		
	62,941,499	60,265,759		
<i>With National Bank of Pakistan in:</i>				
Local currency current accounts	1,776,629	3,833,104		
Prize Bonds	45,570	123,081		
	90,495,825	89,432,245		
7. BALANCES WITH OTHER BANKS				
<i>In Pakistan</i>				
In current accounts	718,477	552,186		
In deposit accounts	7,933	4,310		
	726,410	556,496		
<i>Outside Pakistan</i>				
In current accounts	2,682,425	1,425,930		
In deposit accounts	5,222,831	1,573,797		
	7,905,256	2,999,727		
Provision under IFRS 9 related to WBB	(57)	(8)		
	8,631,609	3,556,215		
8. LENDINGS TO FINANCIAL INSTITUTIONS				
Repurchase agreement lendings (Reverse Repo)	6,673,423	148,606		
Provision held against lending to financial institutions	(148,607)	(148,606)		
Lending to financial institutions - net of provision	6,524,816	-		
	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)		
	Classified Lending	Provision Held	Classified Lending	Provision Held
8.1 Category of classification	(Rupees in '000)			
Domestic				
Loss	148,606	148,606	148,606	148,606



**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**9. INVESTMENTS**

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
(Rupees in '000)								
<b>9.1 Investments by type:</b>								
<i><b>Held for trading securities</b></i>								
Fully paid ordinary shares	150,329	-	-	150,329	-	-	-	-
Units of open end mutual funds	-	-	-	-	-	-	-	-
	150,329	-	-	150,329	-	-	-	-
<i><b>Available for sale securities</b></i>								
Federal Government Securities	489,484,788	(47,404)	(10,733,720)	478,703,664	482,298,535	(50,489)	(8,400,351)	473,847,695
Shares	4,570,181	(560,954)	220,593	4,229,820	4,874,699	(432,993)	87,745	4,529,451
Units of open end mutual funds	799,800	(140,558)	117,571	776,813	1,510,609	(140,558)	140,194	1,510,245
Fully paid preference shares	27,314	(11,914)	651	16,051	27,314	(11,914)	651	16,051
Non Government Debt Securities	13,852,764	(1,374,427)	107,332	12,585,669	13,316,295	(1,386,785)	62,687	11,992,197
Foreign securities	551,046	(1,912)	3,737	552,871	530,691	(3,965)	5,469	532,195
	509,285,893	(2,137,169)	(10,283,836)	496,864,888	502,558,143	(2,026,704)	(8,103,605)	492,427,834
<i><b>Held to maturity securities</b></i>								
Federal Government Securities	116,954,122	(114,173)	-	116,839,949	120,213,557	(136,355)	-	120,077,202
Non Government Debt Securities	110,000	(110,000)	-	-	110,000	(110,000)	-	-
Foreign securities	1,436,494	(15,143)	-	1,421,351	3,757,721	(31,585)	-	3,726,136
	118,500,616	(239,316)	-	118,261,300	124,081,278	(277,940)	-	123,803,338
<b>Total investments</b>	<b>627,936,838</b>	<b>(2,376,485)</b>	<b>(10,283,836)</b>	<b>615,276,517</b>	<b>626,639,421</b>	<b>(2,304,644)</b>	<b>(8,103,605)</b>	<b>616,231,172</b>

**9.1.1 Investments given as collateral**

The market value of investment given as collateral is as follows

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
Market Treasury Bills	-	9,967,040
Pakistan Investment Bonds	59,760,000	31,984,000
Euro Bonds	3,964,085	7,386,911
Bahrain International Bonds	554,783	-
Turkish Euro Bonds	1,429,662	596,977
Sukuk	4,245,711	4,372,827
Shares	155,482	161,829
	<u>70,109,723</u>	<u>54,469,584</u>

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
<b>9.2 Provision for diminution in value of investments</b>	(Rupees in '000)	
9.2.1 Opening balance	2,304,644	2,082,515
Exchange adjustments	7,556	21,836
Charge / (reversals)		
Charge for the period / year	142,085	277,764
Reversal of provision under IFRS 9 related to WBB for the period / year	(51,318)	(38,547)
Reversals for the period / year	(12,358)	(35,919)
Net charge	78,409	203,298
Reversal on disposals	(14,124)	(3,005)
Closing balance	<u>2,376,485</u>	<u>2,304,644</u>

**9.2.2 Particulars of provision against debt securities**

	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
<b>Category of classification</b>	(Rupees in '000)			
<b>Domestic</b>				
Loss	<u>1,484,427</u>	<u>1,484,427</u>	<u>1,496,785</u>	<u>1,496,785</u>

9.2.3 In addition to the above, Group's Bahrain branch holds general provision of Rs 178,632 thousand (December 31, 2020: Rs 222,394 thousand) against investments in accordance with ECL requirement of IFRS 9.

9.3 The market value of securities classified as held to maturity as at March 31, 2022 is 113,690,139 thousand (2021: Rs. 122,430,448 thousand).

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For the quarter ended March 31, 2022

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	368,260,436	383,805,556	26,363,309	25,413,635	394,623,745	409,219,191
Islamic financing and related assets	73,551,457	69,979,661	2,871,627	2,885,460	76,423,084	72,865,121
Bills discounted and purchased	23,375,941	22,950,694	1,790,081	2,866,232	25,166,022	25,816,926
Advances - gross	465,187,834	476,735,911	31,025,017	31,165,327	496,212,851	507,901,238
Provision against advances						
- Specific	-	-	(28,696,223)	(28,518,930)	(28,696,223)	(28,518,930)
- General	(1,707,070)	(1,709,286)	-	-	(1,707,070)	(1,709,286)
	(1,707,070)	(1,709,286)	(28,696,223)	(28,518,930)	(30,403,293)	(30,228,216)
Advances - net of provision	463,480,764	475,026,625	2,328,794	2,646,397	465,809,558	477,673,022
					(Un-audited)	(Audited)
					March 31, 2022	December 31, 2021
					(Rupees in '000)	
10.1 Particulars of advances (Gross)					457,111,276	465,288,344
In local currency					39,101,575	42,612,894
In foreign currencies					496,212,851	507,901,238

10.2 Advances include Rs. 31,025,017 thousand (2021: Rs. 31,165,327 thousand) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing	Provision	Non Performing	Provision
	Loans			
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	162,890	1,758	140,824	445
Substandard	1,603,864	319,258	1,576,529	308,449
Doubtful	596,363	274,527	1,223,288	570,556
Loss	28,441,154	28,076,394	28,012,320	27,616,118
	30,804,271	28,671,937	30,952,961	28,495,568
Overseas				
Not past due but Impaired	220746	24,286	212,366	23,362
Overdue by				
181 to 365 days	-	-	-	-
	220,746	24,286	212,366	23,362
	31,025,017	28,696,223	31,165,327	28,518,930

10.3	Particulars of provision against advances	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
		Specific	General	Consumer	Total	Specific	General	Consumer	Total
			(note 10.3.1)	financing-General				financing-General	
		(Rupees in '000)							
Opening balance	28,518,930	974,026	735,260	30,228,216	24,842,078	887,946	716,026	26,446,050	
Exchange adjustment	921	6,545	-	7,466	2,207	15,826	-	18,033	
Charge for the period / year	871,515	4,043	5,958	881,516	6,382,786	76,663	93,912	6,553,361	
Provision under IFRS 9 related to WBB	-	(771)	-	(771)	-	(5,555)	-	(5,555)	
Reversal for the period / year	(694,945)	(15,482)	(2,509)	(712,936)	(2,597,059)	(854)	(74,678)	(2,672,591)	
	176,570	(12,210)	3,449	167,809	3,785,727	70,254	19,234	3,875,215	
Amounts written off	(198)	-	-	(198)	(55,851)	-	-	(55,851)	
Amounts charged off- agriculture financing	-	-	-	-	(55,231)	-	-	(55,231)	
Closing balance	28,696,223	968,361	738,709	30,403,293	28,518,930	974,026	735,260	30,228,216	

10.3.1 General provision includes Rs 374,851 thousand (December 31, 2021: Rs 374,851 thousand) due to deferment / restructuring & rescheduling relief allowed by SBP.

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

- 10.3.2 The net FSV benefit already availed has been reduced by Rs. 268,941 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. 268,941 thousand (March 31, 2021: Rs. 14,395 thousand) and Rs.164,054 thousand (March 31, 2021: Rs. 8,781 thousand) respectively. Further, at March 31, 2022, cumulative net of tax benefit availed for Forced Saled Value (FSV) was Rs. 290,511 thousand (December 31, 2021: Rs.320,002 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.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>11. FIXED ASSETS</b>		
Capital work-in-progress - note 11.1	157,491	111,038
Property and equipment	13,507,975	13,613,907
Right of use asset - IFRS 16	<u>6,703,171</u>	<u>6,454,277</u>
	<u>20,368,637</u>	<u>20,179,222</u>

- 11.1 This represents advances to suppliers and contractors.

	(Un-audited) Quarter ended March 31, 2022	Quarter ended March 31, 2021
	(Rupees in '000)	
<b>11.2 Additions to fixed assets</b>		

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

Capital work-in-progress	50,220	25,579
<b>Property and equipment</b>		
Renovation of premises	24,437	58,070
Furniture, fixtures and office equipment	26,739	17,754
Carpets	1,096	4,677
Machine and equipments	32,859	54,799
Computer equipments	32,589	49,908
Vehicles	13,448	9,494
	131,168	194,702
Right of use assets under IFRS 16	257,455	223,235
Total	<u>438,843</u>	<u>443,516</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	59	-
Furniture, fixtures and office equipment	1,690	462
Carpets	2,196	1,225
Machine and equipments	1,793	284
Computer equipments	93	567
Vehicles	5,124	47
Total	<u>10,955</u>	<u>2,585</u>

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>12. INTANGIBLE ASSETS</b>		

Computer software	940,269	949,243
Pakistan Mercantile Exchange - Membership Card	2,500	2,500
Trading Right Entitlement Certificates	2,500	12,426
Less: Provision against intangibles	-	(11,151)
	945,269	953,018
Capital work in progress	317,894	235,967
	<u>1,263,163</u>	<u>1,188,985</u>

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For the quarter ended March 31, 2022

		(Un-audited)	
		Quarter ended March 31, 2022	Quarter ended March 31, 2021
		(Rupees in '000)	
<b>12.1 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress		82,767	29,022
Directly purchased		23,264	38,533
		<u>106,031</u>	<u>67,555</u>
		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
		(Rupees in '000)	
<b>13. DEFERRED TAX ASSETS</b>			
Deductible temporary differences on			
- Post retirement employee benefits		25,845	24,663
- Accelerated tax depreciation		113,333	101,121
- Deficit on revaluation of investments		4,016,066	3,165,776
- Provision against advances, off balance sheet		1,874,353	1,870,137
		<u>6,029,597</u>	<u>5,161,697</u>
<b>14. OTHER ASSETS</b>			
Income / mark-up accrued in local currency - net of provision		20,640,184	18,861,858
Income / mark-up accrued in foreign currencies		1,008,074	694,389
Advances, deposits, advance rent and other prepayments		708,519	547,562
Advance taxation (payments less provisions)		5,852,663	6,226,607
Non-banking assets acquired in satisfaction of claims		1,443,006	1,446,968
Due from State Bank of Pakistan		865,581	667,793
Mark to market gain on forward foreign exchange contracts - net		948,428	341,824
Stationary and stamps in hand		95,200	74,065
Dividend receivable		13,475	1,221
Acceptances		14,830,037	14,601,271
Clearing and settlement accounts		-	359,687
Others		572,165	538,764
		<u>46,977,332</u>	<u>44,362,009</u>
Provision held against other assets - note 14.1		(175,794)	(175,846)
Other assets - net of provision		46,801,538	44,186,163
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		1,719,890	1,719,889
Other assets - total		<u>48,521,428</u>	<u>45,906,052</u>
<b>14.1 Provision held against other assets</b>			
Advances, deposits, advance rent and other prepayments		4,838	4,838
Others		170,956	171,008
		<u>175,794</u>	<u>175,846</u>

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For the quarter ended March 31, 2022

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

**18. SUBORDINATED DEBTS**

	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
	(Rupees in '000)	
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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For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
<b>19. OTHER LIABILITIES</b>		
Mark-up / return / interest payable in local currency	5,777,922	4,528,899
Mark-up / return / interest payable in foreign currencies	155,500	275,197
Unearned commission and income on bills discounted	2,272,207	2,293,929
Accrued expenses - note 19.1	1,359,577	2,960,239
Advance payments	414,859	396,609
Acceptances	14,830,037	14,601,271
Dividends payable	202,682	204,537
Branch adjustment account	2,278,158	361,638
Payable to defined benefit plan	85,560	282,866
Provision for employees compensated absences	637,811	703,222
Security deposit against lease / Ijarah financing	4,402,972	4,395,134
Levies and taxes payable	356,320	353,223
Workers' Welfare Fund	516,443	428,583
Clearing and settlement accounts	2,267,410	-
Provision against off-balance sheet obligations - note 19.2	740,278	1,143,768
Lease liability against ROU assets as per IFRS - 16 Leases	7,780,707	7,393,878
Islamic pool management reserve	-	51,630
Others	<u>2,932,600</u>	<u>1,951,735</u>
	<u>47,011,043</u>	<u>42,326,358</u>

19.1 This includes provision against severance cost and related charges amounting to Rs. 101,076 thousand (2021: Rs.1,246,395 thousand).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
<b>19.2 Provision against off-balance sheet obligations</b>		
Opening balance	1,143,768	100,356
Exchange adjustment	36	163
Charge for the period / year	-	1,043,249
Reversal for the period / year	(403,526)	-
Net (reversal) / charge	(403,526)	1,043,249
Closing balance	<u>740,278</u>	<u>1,143,768</u>

**20. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (deficit) on revaluation of:

- Available for sale securities	(10,283,836)	(8,103,605)
- Fixed Assets	5,205,916	5,205,916
- Non-banking assets acquired in satisfaction of claims	1,719,890	1,719,889
	(3,358,030)	(1,177,800)

Deferred tax on deficit / (surplus) on revaluation of:

- Available for sale securities	4,016,066	3,165,776
	<u>658,036</u>	<u>1,987,976</u>



**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
(Rupees in '000)		
<b>21. CONTINGENCIES AND COMMITMENTS</b>		
- Guarantees - note 21.1	276,575,349	274,886,748
- Commitments - note 21.2	467,467,202	396,110,413
- Other contingent liabilities - note 21.3	<u>1,117,328</u>	<u>1,095,098</u>
	<u>745,159,879</u>	<u>672,092,259</u>
<b>21.1 Guarantees</b>		
Financial guarantees	5,655,582	6,015,847
Performance guarantees	160,251,088	155,588,123
Other guarantees	<u>110,668,679</u>	<u>113,282,778</u>
	<u>276,575,349</u>	<u>274,886,748</u>
<b>21.2 Commitments</b>		
Documentary credits and short-term trade-related transactions		
- letters of credit	209,762,345	190,672,407
Commitments in respect of:		
- foreign exchange contracts - note 21.2.1	252,867,563	201,560,195
- non government securities transactions - note 21.2.2	4,557,091	3,639,700
Commitments for acquisition of:		
- operating fixed assets	46,206	31,295
- intangible assets	207,791	100,444
Commitments in respect of outstanding future contract transactions of equity securities	26,206	106,372
	<u>467,467,202</u>	<u>396,110,413</u>
<b>21.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	139,482,672	117,506,977
Sale	<u>113,384,891</u>	<u>84,053,218</u>
	<u>252,867,563</u>	<u>201,560,195</u>
The above commitments have maturities falling within one year.		
<b>21.2.2 Commitments in respect of non government securities transactions</b>		
Purchase	<u>4,557,091</u>	<u>3,639,700</u>
<b>21.3 Other contingent liabilities</b>		
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>1,117,328</u>	<u>1,095,098</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**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).

**23. MARK-UP / RETURN / INTEREST EARNED**

(Un-audited)	
Quarter ended March 31, 2022	Quarter ended March 31, 2021

(Rupees in '000)

On:

Loans and advances	10,997,936	7,524,527
Investments	15,681,166	9,434,742
Lendings to financial institutions	30,272	18,275
Balances with banks	1,933	2,543
Securities purchased under resale agreements	37,264	86,578
	<u>26,748,571</u>	<u>17,066,665</u>

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

On:

Deposits	13,752,738	7,906,167
Borrowings	3,193,870	446,047
Subordinated debts	369,579	257,145
Cost of foreign currency swaps against foreign currency deposits / borrowings	751,606	615,913
Interest expense on lease liability against ROU assets	223,331	226,927
	<u>18,291,124</u>	<u>9,452,199</u>

**25. FEE AND COMMISSION INCOME**

Branch banking customer fees	202,472	144,760
Consumer finance related fees	28,391	28,529
Card related fees (debit and credit cards)	269,769	291,304
Credit related fees	71,893	86,606
Investment banking fees	74,481	20,783
Commission on trade	237,964	203,295
Commission on guarantees	215,940	173,036
Commission on remittances including home remittances	52,474	14,249
Commission on bancassurance	12,665	34,880
Others	30,213	78,069
	<u>1,196,262</u>	<u>1,075,511</u>

**26. GAIN ON SECURITIES**

Realised - note 26.1	<u>90,187</u>	<u>742,443</u>
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**26.1 Realised gain on:**

Federal Government Securities	5,364	645,078
Shares	71,665	94,365
Non Government Debt Securities	300	3,000
Mutual Funds	12,858	-
	<u>90,187</u>	<u>742,443</u>

**ASKARI BANK LIMITED**

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For the quarter ended March 31, 2022

		(Un-audited)	
		Quarter ended March 31, 2022	Quarter ended March 31, 2021
27.	<b>OTHER INCOME</b>	(Rupees in '000)	
	Gain on sale of fixed assets	36,040	1,744
	Rent of lockers	12,506	13,824
	Recovery of expenses from customers	73,505	79,231
	Termination of lease contracts under IFRS - 16 Leases	13,700	2,792
		<u>135,751</u>	<u>97,591</u>
28.	<b>OPERATING EXPENSES</b>		
	Total compensation expenses - note 28.1	2,764,329	4,040,510
	<b>Property expense</b>		
	Rent and taxes	43,945	23,938
	Insurance	20,975	23,956
	Utilities cost	135,066	90,506
	Security (including guards)	141,462	124,697
	Repair & maintenance (including janitorial charges)	75,834	67,618
	Depreciation on ROU assets	384,181	382,237
	Depreciation	71,598	88,014
		873,061	800,965
	<b>Information technology expenses</b>		
	Software maintenance	105,087	102,744
	Hardware maintenance	16,177	8,175
	Depreciation	42,758	44,939
	Amortisation	34,480	59,611
	Network charges	50,488	29,967
		248,990	245,436
	<b>Other operating expenses</b>		
	Directors' fees, allowances	10,800	26,062
	Fees and allowances to shariah board	2,257	1,466
	Rates, taxes, insurance etc.	54,382	48,596
	Legal and professional charges	24,638	35,214
	Brokerage and commission	33,351	33,259
	NIFT clearing charges	24,128	24,168
	Repair and maintenance	77,483	64,115
	Communications	129,730	97,319
	Stationery and printing	68,465	47,997
	Marketing, advertisement and publicity	21,445	466
	Donations	-	6,904
	Auditors' remuneration	9,457	3,651
	Travelling, conveyance and entertainment	65,892	38,649
	Depreciation	113,089	125,124
	Security service charges	92,566	50,702
	Training and development	6,874	2,174
	Deposit premium expense	177,043	115,784
	Outsourced service cost	14,256	
	Other expenditure	98,838	95,513
		1,024,694	817,162
		<u>4,911,074</u>	<u>5,904,074</u>
28.1	<b>Total compensation expense</b>		
	Managerial remuneration	2,317,004	2,358,439
	Charge for defined benefit / contribution plan	182,986	203,950
	Other staff cost - note 28.1.1	403,339	1,478,121
		<u>2,903,329</u>	<u>4,040,510</u>

28.1.1 Other staff cost includes incentive to consumer sales staff, dearness allowance, cash handling allowance, staff group insurance etc.

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

		(Un-audited)	
		Quarter ended March 31, 2022	Quarter ended March 31, 2021
<b>30. PROVISIONS AND WRITE OFFS - NET</b>		(Rupees in '000)	
Provision / (reversal of provision) for diminution in value of investments		78,409	(23,164)
Provision / (reversal of provision) against loans and advances		167,809	(121,447)
Reversal of provision against other assets		(51)	(92)
Reversal of provision against off-balance sheet obligations		(403,526)	(337)
Provision against cash and bank balances		49	12
Reversal of provision against intangible assets		(1,225)	
Recovery of written off / charged off bad debts		(13,483)	(25,232)
		<u>(172,018)</u>	<u>(170,260)</u>

**31. TAXATION**

Current	2,509,814	1,721,745
Deferred	(17,697)	34,527
	<u>2,492,117</u>	<u>1,756,272</u>

31.1 There are no changes to tax related contingencies from those disclosed in note 32.2 of the audited annual consolidated financial statements for the year ended December 31, 2021.

		(Un-audited)	
		Quarter ended March 31, 2022	Quarter ended March 31, 2021
<b>32. BASIC EARNINGS PER SHARE</b>			
Profit for the period - Rupees in '000		<u>3,608,431</u>	<u>2,769,435</u>
average number of Ordinary Shares - numbers		<u>1,260,260,180</u>	<u>1,260,260,180</u>
earnings per share - Rupees		<u>2.86</u>	<u>2.20</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.

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**33. FAIR VALUE MEASUREMENTS**

The fair values of traded investments are based on quoted market prices. The fair values of unquoted equity investments are estimated using the break-up value of the investee company.

The fair value of unquoted debt securities, fixed term advances, fixed term deposits and borrowings, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances, deposits and certain long term borrowings, are frequently repriced.

All assets and liabilities for which fair value is measured or disclosed in these consolidated financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

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 and Reuters page.

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.
Forward foreign exchange contracts and Forward Government securities transactions	The fair values of forward foreign exchange contracts and forward Government securities transactions are determined using forward pricing calculations.
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. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated condensed interim financial statements.

**ASKARI BANK LIMITED**

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

The following table provides the fair values of those of the Group's financial assets and liabilities that are recognized or disclosed at fair value in these consolidated condensed interim financial statements:

March 31, 2022 (Un-audited)					
Carrying / Notional	Level 1	Level 2	Level 3	Total	
Value					
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	478,703,664	3,797,079	474,906,585	-	478,703,664
Shares	3,994,516	3,994,516	35,633	-	4,030,149
Units of open end mutual funds	776,813	-	776,813	-	776,813
Fully paid preference shares	16,051	16,051	-	-	16,051
Non Government Debt Securities	12,585,669	-	12,585,669	-	12,585,669
Foreign securities	552,871	552,871	-	-	552,871
	<b>496,629,584</b>	<b>8,360,517</b>	<b>488,304,700</b>	<b>-</b>	<b>496,665,217</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Unlisted shares	350,000	-	-	-	-
Federal Government Securities	116,839,949	10,883,817	101,391,803	-	112,275,620
Foreign Securities	1,421,351	1,414,519	-	-	1,414,519
Cash and balances with treasury banks	90,495,797	-	-	-	-
Balances with other banks	8,479,659	-	-	-	-
Advances	465,774,103	-	-	-	-
Other assets	38,664,772	-	-	-	-
	<b>722,025,631</b>	<b>12,298,336</b>	<b>101,391,803</b>	<b>-</b>	<b>113,690,139</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	<b>139,482,672</b>	<b>-</b>	<b>3,604,105</b>	<b>-</b>	<b>3,604,105</b>
Forward Sale of foreign exchange	<b>113,384,891</b>	<b>-</b>	<b>(2,655,679)</b>	<b>-</b>	<b>(2,655,679)</b>
December 31, 2021 (Audited)					
Carrying / Notional	Level 1	Level 2	Level 3	Total	
Value					
(Rupees in '000)					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities	473,847,695	4,382,885	469,464,810	-	473,847,695
Shares	4,179,451	4,143,818	35,633	-	4,179,451
Units of open end mutual funds	1,510,245	-	1,510,245	-	1,510,245
Fully paid preference shares	16,051	16,051	-	-	16,051
Non Government Debt Securities	11,992,197	-	11,992,197	-	11,992,197
Foreign securities	532,195	532,195	-	-	532,195
	<b>492,077,834</b>	<b>9,074,949</b>	<b>483,002,885</b>	<b>-</b>	<b>492,077,834</b>
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Unlisted shares	350,000	-	-	-	-
Federal Government Securities	120,077,202	12,393,260	106,453,893	-	118,847,153
Foreign Securities	3,726,136	3,583,295	-	-	3,583,295
Cash and balances with treasury banks	89,432,245	-	-	-	-
Balances with other banks	3,556,215	-	-	-	-
Advances	477,673,022	-	-	-	-
Other assets	35,895,799	-	-	-	-
	<b>730,710,619</b>	<b>15,976,555</b>	<b>106,453,893</b>	<b>-</b>	<b>122,430,448</b>
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Forward purchase of foreign exchange	<b>117,506,977</b>	<b>-</b>	<b>736,508</b>	<b>-</b>	<b>736,508</b>
Forward Sale of foreign exchange	<b>84,053,218</b>	<b>-</b>	<b>(394,684)</b>	<b>-</b>	<b>(394,684)</b>

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, 2022	December 31, 2021
		(Rupees in '000)	
		Level 3	Level 3
<b>33.2 Fair value of non-financial assets</b>			
Fixed assets			
Property and equipment (freehold and leasehold land)		9,689,980	9,689,979
Other assets			
Non-banking assets acquired in satisfaction of claims		4,865,461	3,166,857

### 34. Segment Information

#### 34.1 Segment details with respect to Business Activities

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

	Branch banking	March 31, 2022 (Un-audited)						Total
		Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
				(Rupees in '000)				
<b>Profit and loss</b>								
Net mark-up / return / profit	(9,094,347)	4,348,273	11,431,725	865,785	941,605	382,506	(418,100)	8,457,447
Inter segment revenue - net	14,966,950	(3,578,414)	(12,199,402)	(566,325)	-	(27,343)	1,404,534	-
Non mark-up / return / interest income	493,218	682,574	1,053,425	125,189	102,642	4,856	88,653	2,550,557
<b>Total income</b>	<b>6,365,821</b>	<b>1,452,433</b>	<b>285,748</b>	<b>424,649</b>	<b>1,044,247</b>	<b>360,019</b>	<b>1,075,087</b>	<b>11,008,004</b>
Segment direct expenses	2,902,745	218,387	73,822	266,746	601,705	28,558	987,511	5,079,474
Inter segment expense allocation	205,172	230,995	2,743	35,956	-	-	(474,866)	-
<b>Total expenses</b>	<b>3,107,917</b>	<b>449,382</b>	<b>76,565</b>	<b>302,702</b>	<b>601,705</b>	<b>28,558</b>	<b>512,645</b>	<b>5,079,474</b>
Provisions	15,418	(259,337)	142,085	(961)	(6,080)	(50,482)	(12,661)	(172,018)
<b>Profit before tax</b>	<b>3,242,486</b>	<b>1,262,388</b>	<b>67,098</b>	<b>122,908</b>	<b>448,622</b>	<b>381,943</b>	<b>575,103</b>	<b>6,100,548</b>

	Branch banking	March 31, 2022 (Un-audited)						Total
		Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
				(Rupees in '000)				
<b>Statement of financial position</b>								
Cash and bank balances	38,483,427	3,013,241	49,575,638	244,548	6,493,459	1,164,744	152,377	99,127,434
Investments	-	8,127,142	555,647,218	-	32,727,676	18,339,048	435,433	615,276,517
Lendings to financial institutions	-	-	6,524,816	-	-	-	-	6,524,816
Advances - performing - net of provision	12,434,368	335,117,177	-	20,744,735	73,505,307	15,431,147	6,244,640	463,477,374
Advances - non-performing - net of provision	405,771	327,123	-	227,555	1,175,273	196,462	-	2,332,184
Others	570,881	20,489,122	11,904,072	546,916	5,053,513	636,502	36,981,819	76,182,825
<b>Total Assets</b>	<b>51,894,447</b>	<b>367,073,805</b>	<b>623,651,744</b>	<b>21,763,754</b>	<b>118,955,228</b>	<b>35,767,903</b>	<b>43,814,269</b>	<b>1,262,921,150</b>
Borrowings	1,881,358	42,115,772	60,343,284	2,289,053	16,051,069	12,335,325	-	135,015,861
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	723,416,658	198,479,142	-	3,499	74,596,185	746,891	82,065	997,324,440
Net inter segment balances - net	(691,069,886)	105,619,444	562,983,410	18,817,211	13,222,782	19,999,124	(29,572,085)	(0)
Others	17,666,317	20,859,447	325,050	653,991	6,747,598	2,686,563	11,185,009	60,123,975
<b>Total liabilities</b>	<b>51,894,447</b>	<b>367,073,805</b>	<b>623,651,744</b>	<b>21,763,754</b>	<b>110,617,634</b>	<b>35,767,903</b>	<b>(6,305,011)</b>	<b>1,204,464,276</b>
Equity	-	-	-	-	8,337,594	-	50,119,280	58,456,874
<b>Total Equity and liabilities</b>	<b>51,894,447</b>	<b>367,073,805</b>	<b>623,651,744</b>	<b>21,763,754</b>	<b>118,955,228</b>	<b>35,767,903</b>	<b>43,814,269</b>	<b>1,262,921,150</b>
<b>Contingencies and commitments</b>	<b>6,086,413</b>	<b>465,749,822</b>	<b>257,424,654</b>	<b>278,270</b>	<b>14,223,000</b>	<b>7,171</b>	<b>1,390,549</b>	<b>745,159,879</b>

	Branch banking	March 31, 2021 (Un-audited)						Total
		Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
				(Rupees in '000)				
<b>Profit and loss</b>								
Net mark-up / return / profit	(5,508,090)	3,701,918	8,018,342	613,436	826,981	322,393	(360,514)	7,614,466
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	2,653,509
<b>Total income</b>	<b>3,717,250</b>	<b>1,521,603</b>	<b>2,804,428</b>	<b>402,479</b>	<b>938,223</b>	<b>301,825</b>	<b>582,167</b>	<b>10,267,975</b>
Segment direct expenses	2,762,124	203,838	83,857	236,027	536,641	27,874	2,062,167	5,912,528
Inter segment expense allocation	247,895	301,187	877	51,064	-	-	(601,023)	-
<b>Total expenses</b>	<b>3,010,019</b>	<b>505,025</b>	<b>84,734</b>	<b>287,091</b>	<b>536,641</b>	<b>27,874</b>	<b>1,461,144</b>	<b>5,912,528</b>
Provisions	(4,497)	(171,241)	-	16,635	16,366	(45,177)	17,654	(170,260)
<b>Profit before tax</b>	<b>711,728</b>	<b>1,187,819</b>	<b>2,719,694</b>	<b>98,753</b>	<b>385,216</b>	<b>319,128</b>	<b>(896,631)</b>	<b>4,525,707</b>

	Branch banking	December 31, 2021 (Audited)						Total
		Corporate banking	Treasury	Consumer banking	Islamic banking	Foreign operations	Head Office / others	
				(Rupees in '000)				
<b>Statement of financial position</b>								
Cash and bank balances	38,294,869	3,233,876	43,286,336	151,401	7,797,848	122,302	101,828	92,988,460
Investments	-	8,521,775	555,083,246	-	31,274,749	20,725,609	625,793	616,231,172
Advances - performing - net of provision	15,233,937	346,926,181	-	21,054,155	69,933,549	14,986,172	6,892,631	475,026,625
Advances - non-performing - net of provision	463,099	563,226	-	248,084	1,182,984	189,004	-	2,646,397
Others	538,831	19,513,936	8,897,467	541,821	5,537,167	436,039	36,970,695	72,435,956
<b>Total Assets</b>	<b>54,530,736</b>	<b>378,758,994</b>	<b>607,267,049</b>	<b>21,995,461</b>	<b>115,726,297</b>	<b>36,459,126</b>	<b>44,590,947</b>	<b>1,259,328,610</b>
Borrowings	1,904,256	40,118,695	42,309,124	2,372,387	16,529,289	20,330,010	-	123,563,761
Subordinated debts	-	-	-	-	-	-	12,000,000	12,000,000
Deposits and other accounts	683,963,786	257,131,733	-	4,042	73,585,947	646,139	(169,393)	1,015,162,254
Net inter segment balances - net	(642,233,536)	61,032,726	564,466,433	18,886,136	11,291,769	12,386,371	(25,829,899)	-
Others	10,896,230	20,475,840	491,492	732,896	6,452,020	3,096,606	10,416,648	52,561,732
<b>Total liabilities</b>	<b>54,530,736</b>	<b>378,758,994</b>	<b>607,267,049</b>	<b>21,995,461</b>	<b>107,859,025</b>	<b>36,459,126</b>	<b>(3,582,644)</b>	<b>1,203,287,747</b>
Equity	-	-	-	-	7,867,272	-	48,173,591	56,040,863
<b>Total Equity and liabilities</b>	<b>54,530,736</b>	<b>378,758,994</b>	<b>607,267,049</b>	<b>21,995,461</b>	<b>115,726,297</b>	<b>36,459,126</b>	<b>44,590,947</b>	<b>1,259,328,610</b>
<b>Contingencies and commitments</b>	<b>5,956,056</b>	<b>446,725,804</b>	<b>204,173,657</b>	<b>16,278</b>	<b>13,885,398</b>	<b>6,859</b>	<b>1,328,207</b>	<b>672,092,259</b>

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Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

**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

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

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

	As at March 31, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	Rupees in '000							
<b>Investments</b>								
Opening balance	-	-	-	689,341	-	-	-	800,478
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(18,449)
Transfer in / (out) - net	-	-	-	-	-	-	-	(92,688)
Closing balance	-	-	-	689,341	-	-	-	689,341
<b>Advances</b>								
Opening balance	4,523,915	43	441,248	10,521,710	2,805,786	28,671	423,764	4,766,042
Addition during the period / year	26,901,713	701	8,297	4,690,673	85,548,230	438	237,240	12,098,633
Repaid during the period / year	(28,972,767)	(270)	(83,856)	(1,250,445)	(83,830,101)	(420)	(150,992)	(9,424,006)
Transfer in / (out) - net	-	-	(15,473)	(2,622,997)	-	(28,646)	(68,764)	3,081,041
Closing balance	2,452,861	474	350,216	11,338,941	4,523,915	43	441,248	10,521,710
Provision held against advances	-	-	-	-	-	-	-	-
<b>Other Assets</b>								
Interest / mark-up receivable	68,647	-	86,276	388,612	70,227	-	92,634	492,285
Advance rent	725	-	-	-	1,144	-	-	-
<b>Borrowings</b>								
Opening balance	-	-	-	2,372,387	-	-	-	1,923,886
Borrowings during the period	-	-	-	-	-	-	-	1,500,000
Settled during the period	-	-	-	(83,333)	-	-	-	(1,051,499)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	-	2,289,054	-	-	-	2,372,387
<b>Deposits and other accounts</b>								
Opening balance	56,224,390	24,009	211,259	42,288,735	8,018,104	19,379	186,617	17,017,129
Received during the period / year	184,984,796	88,033	624,813	125,273,180	768,812,177	84,099	1,971,951	404,528,295
Withdrawn during the period / year	(195,958,791)	(51,721)	(558,841)	(134,325,126)	(720,605,891)	(76,565)	(1,957,873)	(379,499,670)
Transfer in / (out) - net	-	11,553	(32,015)	30,000	-	(2,904)	10,564	242,803
Closing balance	45,250,395	71,874	245,216	33,266,789	56,224,390	24,009	211,259	42,288,557
<b>Other Liabilities</b>								
Interest / mark-up payable	174,309	-	3,544	559,942	87,473	-	3,413	136,012
Payable to staff retirement fund	-	-	-	85,060	-	-	-	282,866
Security deposits payable	-	-	-	365,365	-	-	-	308,299
Others	-	-	20,263	-	110,128	-	5,884	-
<b>Contingencies and Commitments</b>								
Contingencies and Commitments	1,212,840	-	-	3,855,041	1,233,702	-	42,122	7,649,153
Undrawn Commitments	-	-	25,828	1,831,532	-	-	-	-
<b>Others</b>								
Securities held as custodian	4,590,000	-	-	12,500	6,790,000	-	-	1,219,500
Securities given as collateral	-	-	-	188,936	-	-	-	188,963



**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

or the quarter ended March 31, 2022 (Un-Audite					For the quarter ended March 31, 2021 (Un-Audited)			
Parent	Directors	Key management personnel	Other related parties		Parent	Directors	Key management personnel	Other related parties
Rupees in '000								
<b>Income</b>								
Mark-up / return / interest earned	64,332	-	6,805	173,367	37,507	533	5,086	86,955
Fee and commission received	147	-	-	41,098	-	-	-	3,341
Dividend income	-	-	-	27,517	-	-	-	-
Gain on sale of fixed assets	-	-	7,250	-	-	-	-	-
<b>Expense</b>								
Mark-up / return / interest expensed	807,057	96	2,863	811,209	271,148	80	1,473	224,276
Charge to defined benefit plan	-	-	5,734	79,325	-	-	-	92,478
Contribution to defined contribution plan	-	-	4,934	67,946	-	-	-	81,472
Remuneration and allownces	-	-	196,041	2,257	-	-	156,908	1,466
Rent	419	-	-	-	425	-	-	-
Communications	-	-	-	15,243	-	-	-	7,977
Brokerage and Commission	-	-	-	18,895	-	-	-	5,931
Directors' Fee, Allowances	3,100	7,700	-	-	-	26,063	-	-
Donations	110,128	-	-	-	-	-	-	-

In addition to above, rent free sub-branchs 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.

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>12,602,602</u>	<u>12,602,602</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	53,874,520	51,760,746
Eligible Additional Tier 1 (ADT 1) Capital	5,984,723	5,886,339
Total Eligible Tier 1 Capital	59,859,243	57,647,085
Eligible Tier 2 Capital	8,384,323	8,526,893
Total Eligible Capital (Tier 1 + Tier 2)	68,243,566	66,173,978
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	403,271,575	397,474,330
Market Risk	23,249,376	28,800,513
Operational Risk	67,104,701	67,104,701
Total	<u>493,625,651</u>	<u>493,379,544</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>10.91%</u>	<u>10.49%</u>
Tier 1 Capital Adequacy Ratio	<u>12.13%</u>	<u>11.68%</u>
Total Capital Adequacy Ratio	<u>13.82%</u>	<u>13.41%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	59,859,243	57,647,085
Total Exposures	1,848,978,164	1,749,233,676
Leverage Ratio	<u>3.24%</u>	<u>3.30%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	496,442,200	459,883,554
Total Net Cash Outflow	274,258,069	250,932,186
Liquidity Coverage Ratio	<u>181.01%</u>	<u>183.27%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	993,291,002	986,776,859
Total Required Stable Funding	505,866,417	512,679,784
Net Stable Funding Ratio	<u>196.35%</u>	<u>192.47%</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

**37. Islamic Banking Business**

The Group is operating 105 Islamic banking branches including 3 sub-branches at quarter ended March 31, 2022 as compared to 101 Islamic banking branches including 3 sub-branches at year ended December 31, 2021.

		(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		6,099,534	7,149,581
Balances with other banks		393,925	648,268
Investments	37.1	32,727,676	31,274,749
Islamic financing and related assets - net	37.2	74,679,844	71,116,539
Fixed assets		1,774,939	1,477,974
Intangible assets		-	-
Due from Head Office		-	-
Other assets		3,529,647	4,769,976
Total assets		119,205,565	116,437,087
<b>LIABILITIES</b>			
Bills payable		1,638,410	1,769,395
Due to financial institutions		16,051,069	16,529,289
Deposits and other accounts	37.3	74,596,185	73,585,947
Due to head office		13,400,000	12,000,000
Sub-ordinated debt		-	-
Other liabilities		5,182,305	4,659,368
		110,867,969	108,543,999
<b>NET ASSETS</b>			
		8,337,596	7,893,088
<b>REPRESENTED BY</b>			
Islamic Banking Fund		4,600,000	4,600,000
Reserves	37.4	-	25,815
Deficit on revaluation of assets		(363,186)	(385,624)
Unappropriated profit	37.5	4,100,782	3,652,897
		8,337,596	7,893,088
<b>CONTINGENCIES AND COMMITMENTS</b>			
	37.6	14,288,451	13,885,398

The profit and loss account of the Group's Islamic banking branches for the quarter ended March 31, 2022 is as follows:

		(Un-audited)	
		Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Note	(Rupees in '000)	
Profit / return earned	37.8	2,425,031	1,407,957
Profit / return expensed	37.9	1,483,426	580,975
Net Profit / return		941,605	826,982
Other income			
Fee and Commission Income		62,164	65,383
Dividend Income		2,363	-
Foreign Exchange Income		20,454	18,388
Gain / (loss) on securities		-	-
Other Income		17,660	27,471
Total other income		102,641	111,242
Total Income		1,044,246	938,224
Other expenses			
Operating expenses		601,705	536,535
Workers' Welfare Fund		-	-
Other charges		-	106
Total other expenses		601,705	536,641
Profit before provisions		442,541	401,583
Provisions and write offs - net		(5,344)	16,367
Profit before taxation		447,885	385,216

The profit and loss account of the Group's Islamic banking branches for the quarter ended March 31, 2022 is as follows:

		(Un-audited) Quarter ended March 31, 2022	Quarter ended March 31, 2021
	Note	(Rupees in '000)	
Profit / return earned	37.8	2,425,031	1,407,957
Profit / return expensed	37.9	1,483,426	580,975
Net Profit / return		941,605	826,982
<b>Other income</b>			
Fee and Commission Income		62,164	65,383
Dividend Income		2,363	-
Foreign Exchange Income		20,454	18,388
Gain / (loss) on securities		-	-
Other Income		17,660	27,471
Total other income		102,641	111,242
Total Income		1,044,246	938,224
<b>Other expenses</b>			
Operating expenses		601,705	536,535
Workers' Welfare Fund		-	-
Other charges		-	106
Total other expenses		601,705	536,641
Profit before provisions		442,541	401,583
Provisions and write offs - net		(5,344)	16,367
Profit before taxation		447,885	385,216

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
<b>37.1 Investments by segments:</b>	(Rupees in '000)							
Federal Government Securities:								
- Ijarah Sukuks	28,532,336	-	(364,044)	28,168,292	23,560,581	-	(385,792)	23,174,789
- Islamic Naya Pakistan Certificates	673,826	-	-	673,826	-	-	-	-
- GOP Bai Muajjal	-	-	-	-	4,215,092	-	-	4,215,092
	29,206,162	-	(364,044)	28,842,118	27,775,673	-	(385,792)	27,389,881
Units of Open end Mutual Fund	100,000	-	858	100,858	100,000		168	100,168
Non Government Debt Securities:								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	4,344,663	(559,963)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
	4,344,663	(559,963)	-	3,784,700	4,344,663	(559,963)	-	3,784,700
Total investments	<u>33,650,825</u>	<u>(559,963)</u>	<u>(363,186)</u>	<u>32,727,676</u>	<u>32,220,336</u>	<u>(559,963)</u>	<u>(385,624)</u>	<u>31,274,749</u>

**ASKARI BANK LIMITED**

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
<b>37.2 ISLAMIC FINANCING AND RELATED ASSETS</b>	(Rupees in '000)	
Ijarah	5,386,675	5,443,351
Murabaha - note 37.2.1	6,093,749	6,496,482
Musharakah	28,421,929	29,064,976
Diminishing Musharakah	14,126,013	14,096,303
Salam	9,579,585	6,207,801
Istisna	3,858,210	4,287,613
Receivable against sale of Istisna / Salam Inventory	1,456,792	1,511,039
Service Ijarah	2,052,176	1,652,175
Other Islamic Modes (Executive Car Finance -Qarz-e-Hasana)	90,347	102,193
Advances against Islamic assets - note 37.2.2	3,208,437	2,618,817
Inventory related to Islamic financing - note 37.2.3	2,149,170	1,384,372
Gross Islamic financing and related assets	76,423,083	72,865,122
Less: provision against Islamic financings		
- Specific	1,697,089	1,702,470
- General	46,150	46,113
	1,743,239	1,748,583
Islamic financing and related assets - net of provision	<u>74,679,844</u>	<u>71,116,539</u>

37.2.1 Includes advance against Murabaha of Rs.860,629 thousand (December 31, 2021: Rs.949,535 thousand).

**37.2.2 Advance against Islamic assets**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2022 (Un-audited)	1,665,028	-	1,543,409	-	-	<u>3,208,437</u>
December 31, 2021 (Audited)	1,356,711	-	1,262,106	-	-	<u>2,618,817</u>

**37.2.3 Inventory related to Islamic financing**

	Ijarah	Musharakah	Diminishing Musharakah	Salam	Istisna	Total
	(Rupees in '000)					
March 31, 2022 (Un-audited)	-	-	-	356,570	1,792,600	<u>2,149,170</u>
December 31, 2021 (Audited)	-	-	-	139,095	1,245,277	<u>1,384,372</u>

**ASKARI BANK LIMITED**

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)  
For the quarter ended March 31, 2022

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>37.3 DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Current deposits - non remunerative	30,455,827	32,221,831
Current deposits - remunerative	1,041,628	939,863
Savings deposits	21,503,342	22,006,695
Term deposits	17,146,452	15,152,962
Others	1,106,476	837,139
	<u>71,253,725</u>	<u>71,158,490</u>
<b>Financial Institutions</b>		
Current deposits - non remunerative	62,822	5,714
Current deposits - remunerative	50,003	50,001
Savings deposits	297,746	370,033
Term deposits	2,931,889	2,001,709
	<u>3,342,460</u>	<u>2,427,457</u>
	<u>74,596,185</u>	<u>73,585,947</u>
<b>37.4 PROFIT EQUALISATION RESERVE</b>		
The profit equalisation reserve at the end of current period is Nil (December 31, 2021: Rs. 25,815 thousand) which is classified in other liabilities in note 19.		
	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>37.5 ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT</b>		
Opening balance	3,652,897	2,454,381
Add: Islamic banking profit for the period	447,885	1,198,516
Closing Balance	<u>4,100,782</u>	<u>3,652,897</u>
<b>37.6 CONTINGENCIES AND COMMITMENTS</b>		
-Guarantees	6,702,025	6,325,748
-Commitments	7,586,426	7,559,650
-Other contingent liabilities	-	-
	<u>14,288,451</u>	<u>13,885,398</u>
<b>37.7 CHARITY FUND</b>		
Opening balance	24,292	20,529
Additions during the period		
- Received from customers on delayed payments	6,792	29,765
- Profit on charity account	2	8
- Others	68	377
	6,862	30,150
Payments / utilization during the period		
- Education	-	(1,519)
- Health	-	(19,447)
- Orphanage	-	(5,421)
	-	(26,387)
Closing balance	<u>31,154</u>	<u>24,292</u>

**ASKARI BANK LIMITED**

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

For the quarter ended March 31, 2022

		(Un-audited)	
		Quarter ended	Quarter ended
		March 31,	March 31,
		2022	2021
		(Rupees in '000)	
<b>37.8</b>	<b>PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS</b>		
	Profit earned on:		
	Financing	1,658,294	1,089,792
	Investments	765,920	311,426
	Placements	817	6,739
	Lendings	-	-
		<u>2,425,031</u>	<u>1,407,957</u>

**37.9 PROFIT ON DEPOSITS AND OTHER DUES EXPENSED**

Deposits and other accounts	816,806	434,899
Due to financial institutions	175,566	86,470
Due to head office	496,468	253
Profit Equalization Reserve	(51,919)	13,411
Lease liability against right-of-use assets	46,505	45,942
	<u>1,483,426</u>	<u>580,975</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 consolidated condensed interim financial statements were authorized for issue by the Board of Directors on April 20, 2022.

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



**ASKARI BANK LIMITED**