

CORPORATE AFFAIRS GROUP

HO/CAG/RAU/2024/42
October 30, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Transmission of Quarterly Report for the period ended September 30, 2024**

Dear Sir,

We have to inform you that the Quarterly Report of Allied Bank Limited for the period ended September 30, 2024 has been transmitted through PUCARS and is also available on Bank's Website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,



Adeel Javaid
Company Secretary &
Chief Corporate Affairs Group

Encl: As above

SCALING DIGITAL GROWTH



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Corporate Information

Vision

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

Mission

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

Core Values

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

Board of Directors

Mohammad Naeem Mukhtar
 Sheikh Mukhtar Ahmad
 Muhammad Waseem Mukhtar
 Zafar Iqbal
 Nazrat Bashir
 Muhammad Kamran Shehzad
 Mian Ikram Ul Haq
 Aizid Razzaq Gill

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

Audit Committee of the Board

Muhammad Kamran Shehzad (Chairman)
 Nazrat Bashir
 Mian Ikram Ul Haq

e-Vision Committee

Mohammad Naeem Mukhtar (Chairman)
 Muhammad Waseem Mukhtar
 Muhammad Kamran Shehzad
 Aizid Razzaq Gill

Board Risk Management Committee

Sheikh Mukhtar Ahmad (Chairman)
 Zafar Iqbal
 Nazrat Bashir
 Aizid Razzaq Gill

Strategic Planning & Monitoring Committee

Muhammad Waseem Mukhtar (Chairman)
 Zafar Iqbal
 Nazrat Bashir
 Aizid Razzaq Gill

Human Resource & Remuneration Committee

Mian Ikram Ul Haq (Chairman)
 Muhammad Waseem Mukhtar
 Zafar Iqbal
 Aizid Razzaq Gill (Permanent Invitee)

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

3 Tipu Block, New Garden Town,
Lahore 54000,
Pakistan

Contact Detail




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Directors' Review

Dear Shareholders,

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

| | Nine Month Ended September 30, | | Growth |
|--|-----------------------------------|----------------|-----------|
| | 2024 | 2023 | |
| | (Rupees in million) | | % |
| Profit after tax for the period | 35,691 | 28,662 | 25 |
| Accumulated profits brought forward | 102,080 | 79,653 | 28 |
| Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax | 3 | 1 | 172 |
| Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax | 140 | 52 | 169 |
| Re-measurement on defined benefit obligation – net of tax | - | 43 | (100) |
| Transfer of surplus on account of disposal of equity investments - net of tax | 1,423 | - | 100 |
| Profit available for appropriation | 139,337 | 108,410 | 29 |
| Final cash dividend for the year ended December 31, 2023: Rs. 4.00 per share (2023: Year ended December 31, 2022: Rs. 2.50 per share) | (4,580) | (2,863) | 60 |
| First interim cash dividend for the year ending at December 31, 2024: Rs. 4.00 per share (2023: year ended December 31, 2023: Rs. 2.50 per share) | (4,580) | (2,863) | 60 |
| Second interim cash dividend for the year ending at December 31, 2024: Rs. 4.00 per share (2023: year ended December 31, 2023: Rs. 2.50 per share) | (4,580) | (2,863) | 60 |
| Transfer to Statutory Reserves | (3,569) | (2,866) | 25 |
| Accumulated profits carried forward | 122,027 | 96,956 | 26 |
| Earnings Per Share (EPS) (Rs.) | 31.17 | 25.03 | 25 |

The Board is pleased to announce an interim cash dividend of Rs. 4.00 per share in addition to first and second interim cash dividends of Rs. 4.00 per share each, which have already been paid. Interim cash dividend for the nine months ended September 30, 2024 is Rs. 12.00 per share (September 30, 2023: Rs. 8.00 per share).

Economic Review

The global economy is stabilizing with a more positive outlook, as inflation, high policy rates and lingering post pandemic effects are gradually subsiding. However, geopolitical tensions may continue to weigh on these positive economic developments. In October 2024 World Economic Outlook (WEO), the International Monetary Fund (IMF) has maintained its global growth forecast at 3.2% for 2024 and revised the projection to 3.2% for 2025 with slight decrease of 0.1% as compared to its previous projection made in July 2024 WEO.

Global inflation is gradually coming down; however, the slower-than-expected pace presents challenges for central banks and policymakers. Inflation in emerging markets and developing economies is expected to remain higher than in advanced economies. The IMF projected the Global inflation at 3.5% by the end of 2025, below the average level of 3.6% between 2000 and 2019.

Despite political volatility and ongoing structural challenges, Pakistan's economy has been recovering gradually. In its recent staff report on Pakistan, the IMF noted positive

developments such as easing fiscal pressure, the consistent implementation of reforms and improving financial conditions and business confidence. Based on these developments, the IMF has revised its GDP growth projection at 3.2% for FY'25 and 4.0% for FY'26, in the July 2024 World Economic Outlook. The IMF also estimates a sharp decline in domestic average inflation, from 23.4% in 2024 to 9.5% in 2025, as mentioned in its staff report on Pakistan.

The large-scale manufacturing (LSM) sector regained momentum after a period of contraction. LSM output increased by 2.4% in July 2024, compared to a contraction of 5.4% in July 2023. During this period, 14 out of 22 sectors experienced positive growth, including Textiles, Food, Beverages, Wearing Apparel, Coke and Petroleum Products, Chemicals, Automobiles and Paper & Board. Furthermore, vehicle production and sales rose by 19.5% and 16.3%, respectively, during Jul-Aug FY'25.

The agriculture sector is undergoing transition towards upgrading and innovating farming practices, thereby improving productivity. During Jul-Aug FY'25, the import of agricultural machinery and implements increased by 105.6% reaching US\$ 17.6 million, compared to the same period last year.

On the external front, the current account showed significant improvement during Jul-Sep FY'25, posting a deficit of US\$ 0.1 billion compared to deficit of US\$ 1.2 billion in the same period last year. Additionally, the current account posted a surplus of US\$ 0.1 billion in September 2024, compared to a deficit of US\$ 0.2 billion in September 2023.

Exports of goods and services improved during Jul-Sep FY'25, reaching US\$ 9.4 billion compared to US\$ 8.8 billion in the same period last year, showing a growth of 7.4%. According to the Pakistan Bureau of Statistics (PBS), the commodities that registered positive growth include rice, fruits & vegetables, knitwear, bedwear, readymade garments, and chemicals & pharma products. Additionally, IT exports grew to reach at US\$ 0.6 billion, up from US\$ 0.4 billion last year.

During Jul-Sep FY'25, imports were recorded at US\$ 16.8 billion, compared to US\$ 15.0 billion during the same period last year, reflecting a growth of 12%. According to the PBS, major imports showing an upward trend include petroleum crude, liquified natural gas, fertilizer, machinery, and iron & steel scrap.

Consequently, due to increase in imports partially offset by a surge in exports, the trade deficit stood at US\$ 7.4 billion during Jul-Sep FY'25, compared to US\$ 6.2 billion in the same period last year, reflecting a 19.1% increase.

Workers' remittances increased by 38.8%, reaching US\$ 8.8 billion during Jul-Sep FY'25, compared to US\$ 6.3 billion during the same period last year.

Foreign Direct Investment (FDI) registered net inflow at US\$ 771.1 million during Jul-Sep FY'25, compared to US\$ 520.2 million during the same period last year, marking a 48% increase. Private sector Foreign Portfolio Investment (FPI) recorded a net outflow of US\$ 22.8 million during Jul-Sep FY'25, compared to inflow of US\$ 9.6 million in the previous year. In contrast, Public FPI saw a significant net inflow of US\$ 155.3 million during Jul-Sep FY'25, compared to inflow of US\$ 0.2 million in the same period last year. Total Foreign Investment recorded inflow of US\$ 903.5 million during Jul-Sep FY'25 as compared to inflow of US\$ 530.1 million in FY'24.

Total Foreign Exchange reserves and Net reserves held by the State Bank of Pakistan (SBP) were recorded at US\$ 15,983 million and US\$ 10,702 million, respectively, as of September 27, 2024, in contrast with US\$ 12,393 million and US\$ 7,616 million, respectively, as of September 28, 2023.

Money supply (M2) was recorded at Rs. 36,263 billion as of September 30, 2024, compared to Rs. 31,525 billion as of September 30, 2023, reflecting a 15% increase. Currency in circulation (CIC) stood at Rs. 8,817 billion in September 30, 2024, up from Rs. 8,288 billion in September 30, 2023, representing a growth of 6%.

The stock market continues to trend upward, closing at 78,488 points at the end of August 2024. As of August 31, 2024, the KSE-100 index gained 601 points, while market capitalization increased by Rs. 117 billion, settling at Rs. 10,485 billion.

The US\$-PKR parity has shown a slight downward trend since September 2023, appreciating by 4% to stand at Rs. 277.71 as of September 30, 2024, compared to Rs. 287.74 on September 30, 2023.

According to the SBP, inflation has decreased during the first nine months of 2024, owing to delay in implementation of planned increases in energy prices and favorable movements in global oil and energy prices. The Monetary Policy Committee of SBP decided to lower the policy rate by 200 basis points, bringing it to 17.50% in its recent meeting.

The Consumer Price Index (CPI) inflation has declined sharply to 6.9% in September 2024, compared to 31.4% in September 2023. This decrease is attributed to several factors, including a drop in global oil prices, and enhanced business confidence.

Financial Review

The banking sector maintained its soundness during the first nine months of 2024. The asset base expanded by 11%, reaching Rs. 49,942 billion as of September 30, 2024, compared to Rs. 45,067 billion on December 31, 2023. Investments made significant growth of 20% to stand at Rs. 30,694 billion as of September 30, 2024 up from Rs. 25,541 billion on December 31, 2023. Gross advances were Rs. 12,069 billion as of September 30, 2024 as compared to Rs. 12,347 billion as on December 31, 2023, declining by 2%. On the liabilities side, total deposits closed at Rs. 30,793 billion as of September 30, 2024 as compared to Rs. 27,679 billion as on December 31, 2023, reflecting a growth of 11%.

Allied Bank's steadfast commitment to providing world class, digitally integrated solutions for customers, along with its passion for innovative thinking, mission to create sustainable value for all stakeholders and enthusiasm to support the community and society continues with even greater zeal.

Your Bank performed robustly during the nine months ended September 30, 2024. Positive volumetric growth in average earning assets, supported by improving spreads and effective duration management of investments, enabled the Bank to post higher markup income of Rs. 291,215 million for the nine months ended September 30, 2024, compared to Rs. 264,341 million for the same period in 2023. This represents an increase of 10% or Rs. 26,874 million.

Markup/interest expense of Your Bank during the nine months ended September 30, 2024 increased to Rs. 201,058 million, up from Rs. 183,356 million for the same period in 2023, representing an increase of 10%. This rise is attributed to higher cost of deposits and increased interest on Right of use Assets, partially offset by lower borrowing expense.

Consequently, the net markup and interest income of Your Bank reached Rs. 90,157 million for the nine months ended September 30, 2024, compared to Rs. 80,985 million for the same period last year, showing an increase of 11%.

Fee income of Your Bank registered at Rs. 10,095 million as of September 30, 2024, compared to Rs. 7,714 million as of September 30, 2023, improving by 13%. This is mainly attributable to higher card-related fee, commission on remittances, branch banking customer fee and commission on trade.

Robust growth has been observed in capital gains, which surged to reach at Rs. 1,353 million during the nine months ended September 30, 2024, compared to Rs. 10 million in the previous year. This increase is mainly due to higher gains on Federal government securities and Eurobonds. Dividend income for the same period stood at Rs. 2,278 million, reflecting a decrease of 12% compared to Rs. 2,574 million as of September 30, 2023.

Foreign exchange income of Your Bank recorded at Rs. 5,447 million for the nine months ended September 30, 2024, compared to Rs. 5,781 million for the corresponding period in 2023, making a decrease of 6%. Other income stood at Rs. 672 million as of September 30, 2024, up from Rs. 93 million as of September 30, 2023.

As a result, non-markup income grew significantly by 23% reaching Rs. 19,845 million for the nine months ended September 30, 2024, compared to Rs. 16,171 million for the same period in 2023.

Your Bank's prudent expenditure control approach has effectively curtailed overall administrative expenses at Rs. 42,852 million as of September 30, 2024, compared to

Director's Review

Rs. 36,799 million as of September 30, 2023, reflecting an increase of 16%. This rise is attributed to higher salaries and benefits, IT expenses, card related costs, repair and maintenance expenses, security service charges and utilities.

Profit generating indicators, such as net interest income and non-interest income have shown improvement. Consequently, profit before taxation (PBT) recorded at Rs. 70,115 million for the nine months ended September 30, 2024 as compared to Rs. 57,824 million for the corresponding period last year.

Your Bank posted a significant increase of 25% in profit after tax (PAT), closing at Rs. 35,691 million for the nine months ended September 30, 2024, compared to Rs. 28,662 million for the same period in 2023. In line with the increase in PAT, earnings per share (EPS) of Your Bank also rose by 25%, reaching Rs. 31.17 as of September 30, 2024, compared to Rs. 25.03 as of September 30, 2023.

Allied Bank is fostering digitization by offering more convenient and flexible banking solutions. This transformation is shifting traditional banking towards a futuristic model, enabling easier access to financial services through mobile banking, digital wallets and online platforms, which makes transactions faster and more efficient.

Allied Bank has expanded its outreach, achieving a milestone of over 1,500 branches, with a total of 1,506 branches, including 1,351 Conventional branches, 141 Islamic branches and 14 Digital branches. The Bank operates with large ATM network of 1,577 machines consisting of 1,330 onsite machines, 241 off-site machines and 6 mobile banking units (MBU).

Total assets of Your Bank stood at Rs. 2,623,822 million as of September 30, 2024, depicting a growth of 13% compared to Rs. 2,329,014 million as of December 30, 2023. This increase was driven by Lendings to Financial Institutions, Investments and Other assets. Additionally, net assets of Your Bank increased by 19% reaching Rs. 230,088 million as of September 30, 2024, compared to Rs. 194,254 million as of December 31, 2023.

Investments of Your Bank stood at Rs. 1,333,149 million as of September 30, 2024, reflecting robust growth of 16% compared to Rs. 1,150,318 million as of December 31, 2023. The increase in investments mainly pertains to increase in Treasury bills and Pakistan Investment Bonds.

Gross advances and net advances of Your Bank registered at Rs. 861,507 million and Rs. 847,637 million, respectively, as of September 30, 2024, compared to Rs. 794,138 million and Rs. 781,597 million, respectively, as of December 31, 2023.

The Bank's prudent Risk Management System resulted in a 1% reduction in the Non-performing Loans (NPLs), with the NPLs portfolio standing at Rs. 12,927 million as of September 30, 2024, compared to Rs. 13,039 million as of December 31, 2023.

Your Bank has continued its efforts to maintain a low infection ratio and a high overall coverage ratio, which

stood at 1.50% and 107%, respectively, as of September 30, 2024. No forced sale value (FSV) benefit was availed while determining provisions against non-performing loans, as permitted under guidelines of SBP.

Deposits of Your Bank reached at Rs. 1,926,440 million as of September 30, 2024, compared to Rs. 1,676,623 million as of December 31, 2023, registering a deposit growth of 15%.

Lending to Financial Institutions stood at Rs. 11,490 million as of September 30, 2024, compared to Rs. 9,418 million as of December 31, 2023, reflecting a growth of 22% mainly due to increase in Musharakah lending which was partially offset by lower Repo lending.

Return on Assets (ROA) of Your Bank registered at 1.93% as of September 30, 2024, compared to 1.79% as of December 31, 2023. Return on Equity (ROE) stood at 29.0% as of September 30, 2024. Capital Adequacy Ratio of Your Bank was 32.43% as of September 30, 2024, compared to 26.21% as of December 31, 2023 depicting a strong capital positioning.

Future Outlook

The IMF has projected world real GDP growth at average of 3.2% for 2026 to 2029. On the domestic front, SBP has projected the real GDP growth in the range of 2.5% to 3.5% for FY'25. Whereas; IMF has anticipated the GDP growth of Pakistan at 3.2% for FY'25.

The Monetary Policy Committee (MPC) aims to achieve the medium-term inflation target of 5%-7%. The IMF has projected CPI of Pakistan at 7.8% for FY'26 and 6.5% for FY'29 on the back of continued tight monetary and fiscal policies.

Entity Ratings

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

Corporate Governance Rating

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

Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report. Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board of Directors and its committees' meetings. This remuneration is not at a level that could be perceived to

compromise independence and is within the prescribed threshold defined by SBP. No fee is paid to the Directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Acknowledgement

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

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

For and on behalf of the Board of Directors.

Aizid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Date: October 30, 2024

ڈائریکٹرز کا تجزیہ

معزز شیئر ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کے عرصہ کے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تجزیہ مندرجہ ذیل جدول میں درج ہے:

| نو ماہ مختتمہ 30 ستمبر | | | |
|------------------------|-----------|---------|--|
| نمبر | 2023 | 2024 | |
| % | ملین روپے | | |
| 25 | 28,662 | 35,691 | رواں مدت کا منافع بعد از ٹیکس |
| 28 | 79,653 | 102,080 | گزشتہ جمع شدہ منافع |
| 172 | 1 | 3 | غیر بینکاری اثاثہ جات کی قدر دہنیائش سے غیر تصرف شدہ منافع میں منتقلی خالص از ٹیکس |
| 169 | 52 | 140 | معمین اثاثہ جات کی قدر دہنیائش سے غیر تصرف شدہ منافع میں منتقلی خالص از ٹیکس |
| (100) | 43 | - | متعین فوائمی ذمہ داری کی دوبارہ پیمانہ سے حاصل شدہ آمدنی۔ خالص از ٹیکس |
| 100 | - | 1,423 | ایجوٹی سرمایہ کاری کی فروخت سے سرپلس میں منتقلی۔ خالص از ٹیکس |
| 29 | 108,410 | 139,337 | تصرف کے لیے دستیاب منافع |
| | | | حقیقی کیش ڈیویڈنڈ برائے سال مختتمہ 31 دسمبر 2023 - 4.00 روپے فی حصص (سال مختتمہ 31 دسمبر 2022 - 2.50 روپے فی حصص) |
| 60 | (2,863) | (4,580) | |
| | | | پہلا عبوری کیش ڈیویڈنڈ برائے سال مختتمہ 31 دسمبر 2024 - 4.00 روپے فی حصص (2023: سال مختتمہ 31 دسمبر 2023 - 2.50 روپے فی حصص) |
| 60 | (2,863) | (4,580) | |
| | | | دوسرا عبوری کیش ڈیویڈنڈ برائے سال مختتمہ 31 دسمبر 2024 - 4.00 روپے فی حصص (2023: سال مختتمہ 31 دسمبر 2023 - 2.50 روپے فی حصص) |
| 60 | (2,863) | (4,580) | |
| 25 | (2,866) | (3,569) | ضوابطی ریورس میں منتقلی |
| 26 | 96,956 | 122,027 | آگے منتقل کیا گیا جمع شدہ منافع |
| 25 | 25.03 | 31.17 | فی حصص آمدنی (EPS) روپے |

بورڈ نہایت مسرت کے ساتھ 4 روپے فی حصص کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے جو پہلے سے ادا شدہ 4 روپے فی حصص فی ڈیویڈنڈ کے پہلے اور دوسرے عبوری ڈیویڈنڈ کے علاوہ ہے۔ 30 ستمبر 2024 کو اختتام پذیر نو ماہ کے مدت کے لیے عبوری کیش ڈیویڈنڈ کی سطح 12 روپے فی حصص رہی۔ (30 ستمبر 2023: 8.00 روپے فی حصص)

معاشی تجزیہ:

مہنگائی، بلند پالیسی ریش اور عالمگیر دہاؤ کے بعد کے دیرپا اثرات میں بتدریج کمی کے باعث عالمی معیشت مزید رغبت پیش بینی کے ساتھ استحکام کی جانب گامزن ہے۔ تاہم، جغرافیائی و سیاسی تناؤ ان مثبت معاشی پیش رفتوں پر مسلسل اثر انداز ہوتے رہیں گے۔ اکتوبر 2024ء کی ورلڈ اکنامک آؤٹ لوک (World Economic Outlook) میں بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے سال 2024ء کے لیے عالمی نمو کی پیش گوئی کو 3.2 فیصد کی شرح پر برقرار رکھا ہے۔ جبکہ، سال 2025ء کے لیے، جولائی 2024ء کی ورلڈ

اکاسک آؤٹ لک میں تخمینہ کی گئی 3.2 فیصد کی شرح میں 0.1 فیصد کی معمولی تخفیف کے ساتھ اپنے تخمینے پر نظر ثانی کی ہے۔

عالمی افراط زر بتدریج کم ہو رہا ہے۔ تاہم، اس کی رفتار میں توقع سے زیادہ سست روی مرکزی بینکوں اور پالیسی سازوں کے لیے مشکلات کھڑی کر رہی ہے۔ ابھرتی منڈیوں اور ترقی پذیر مہینوں میں افراط زر کی شرح ترقی یافتہ مہینوں کی نسبتاً بلند رہنے کی توقع ہے۔ آئی ایم ایف کی پیش بینی کے مطابق عالمی افراط زر کی شرح سال 2025ء کے اختتام تک 3.5 فیصد رہے گی جو کہ سال 2020ء اور 2019ء کے مابین کی 3.6 فیصدی اوسط شرح سے بھی کم کی سطح ہے۔

سیاسی عدم استحکام اور جاری اصلاحاتی چیلنجز کے باوجود پاکستان کی مصمیت بتدریج بحال ہو رہی ہے۔ پاکستان کے بارے میں اپنی حالیہ رپورٹ میں آئی ایم ایف نے ان مثبت پیش رفتوں کا اظہار کیا ہے، جن میں مالیاتی دباؤ میں آسانی، اصلاحات کا مسلسل نفاذ اور بہتر مالی صورتحال و کاروباری اعتماد شامل ہیں۔ ان پیش رفتوں کے تناظر میں، آئی ایم ایف کے جولائی 2024ء کی ورلڈ ایکسچینج رٹس لک میں جی ڈی پی کی نمو کے بارے میں اپنے تخمینے میں نظر ثانی کرتے ہوئے اسکی شرح مالی سال 2025 - 2024ء کے لیے 3.2 فیصد اور مالی سال 2026 - 2025ء کے لیے 4 فیصد پر تجویز کی ہے۔ آئی ایم ایف نے پاکستان پر اپنی سٹاف رپورٹ میں درج کیے گئے اندازے کے مطابق داخلی اوسط افراط زر کی شرح میں تیزی کی پیش گوئی کی ہے جو سال 2024ء کی 23.4 فیصدی شرح کی نسبت سال 2025ء میں 9.5 فیصد تک آسکتا ہے۔

بڑے پیمانے کی پیداواری صنعت نے سکڑاؤ کی ایک مدت گزارنے کے بعد دوبارہ تحریک پکڑی ہے۔ بڑے پیمانے کی صنعت کی پیداوار میں جولائی 2023ء میں 5.4 کے سکڑاؤ کے تناسب میں، جولائی 2024ء کے دوران، 2.4 فیصد کا اضافہ دیکھا گیا۔ اس مدت کے دوران 22 میں 12 مہینوں جن میں ٹیکسٹائل، خوراک، مشروبات، لمبوسات، کوئلے اور پٹرولیم پراڈکٹس، ٹیکسٹائل، آٹوموبائل اور کانڈو پورڈ کے شعبے شامل ہیں، میں مثبت ترقی دیکھی گئی ہے۔ مزید برآں، مالی سال 2025ء کے جولائی تا اگست کے عرصہ میں گاڑیوں کی پیداوار اور فروخت میں بالترتیب 19.5 فیصد اور 16.3 فیصد کا اضافہ ہوا۔

زراعت کا شعبہ جدید اور اختراعی فارمنگ کے طریقوں کے استعمال اور نفاذ کے مراحل سے گزر رہا ہے، جس سے پیداوار میں اضافہ ہوگا۔ مالی سال 2025ء کے جولائی تا اگست کے عرصے میں زرعی مشینری اور آلات کی درآمدات میں گزشتہ سال کے مقابلے میں 105.6 فیصد کا اضافہ ہوا جس کا حجم 17.6 بلین امریکی ڈالرز پر پہنچ گیا۔

بیرونی قازد پر، کرنٹ اکاؤنٹ میں مالی سال 2025ء کے جولائی تا ستمبر کی مدت میں نمایاں بہتری درج ہوئی جو کہ گزشتہ سال کے مماثلہ عرصے کے 1.2 بلین امریکی ڈالرز کے خسارے کی نسبت 0.1 بلین امریکی ڈالرز کے خسارے پر رپورٹ ہوا۔ علاوہ ازیں، کرنٹ اکاؤنٹ کی مد میں ستمبر 2023ء میں درج شدہ 0.2 بلین امریکی ڈالرز کے خسارے کے مقابلے میں ستمبر 2024ء میں 0.1 بلین امریکی ڈالرز کا سرپلس ریکارڈ ہوا۔

مالی سال 2025ء کے جولائی تا ستمبر کے عرصے میں برآمدات گزشتہ سال کے 8.8 بلین امریکی ڈالرز کے حجم سے 7.4 فیصد کا اضافہ کا اندراج کرتے ہوئے، 9.4 بلین امریکی ڈالرز پر شمار ہوئیں۔ پاکستان کے ادارہ شماریات کے مطابق جن اشیاء میں بہتری کا رجحان دیکھا گیا ان میں چاول، پھل اور سبزیاں، نئے ہونے پھڑے (ڈٹ ڈیئر)، بیڈ ویئر، تیار شدہ لمبوسات اور ٹیکسٹائل و فارما پراڈکٹس شامل ہیں، علاوہ ازیں، آئی ٹی کی برآمدات گزشتہ سال کے 0.4 بلین امریکی ڈالرز سے بڑھ کر 0.6 بلین امریکی ڈالرز پر پہنچ گئیں۔

مالی سال 2025ء کے جولائی تا ستمبر کی مدت میں درآمدات گزشتہ سال کے مماثلہ عرصہ کے 15 بلین امریکی ڈالرز کے حجم کے مقابلے میں 12 فیصدی نمو کے ساتھ 16.8 بلین امریکی ڈالرز پر ریکارڈ ہوئیں۔ پاکستان کے ادارہ شماریات کے مطابق خام تیل، مائع قدرتی گیس، کھاد، مشینری اور لوہے و اسٹیل کے اسکرپ کی درآمدات میں نمایاں طور پر بڑھوتی کا رجحان دیکھا گیا۔

چنانچہ، درآمدات میں اضافے کے باعث، جسے برآمدات میں ہونے والی بہتری نے قدرے زائل کیا، مالی سال 2025ء کے جولائی تا ستمبر کے عرصے کے دوران، تجارتی خسارہ گزشتہ سال کی مماثلہ مدت کے 6.2 بلین امریکی ڈالرز کے حجم کی نسبت 19.1 فیصد کے اضافہ ظاہر کرتے ہوئے 7.4 بلین امریکی ڈالرز پر درج ہوا۔

کارکنوں کی ترسیلات زر مالی سال 2025ء کے جولائی تا ستمبر کے دوران 8.8 بلین امریکی ڈالرز پر پہنچ گئیں جو کہ گزشتہ سال کے مماثلہ عرصہ کے 6.3 بلین ڈالرز کے حجم سے 38.8 فیصد کے اضافے کی مظہر ہیں۔

غیر ملکی براہ راست سرمایہ کاری کا خالص بہاؤ مالی سال 2025ء کے جولائی تا ستمبر کے دوران 771.1 بلین امریکی ڈالرز پر پہنچ گیا جو کہ گزشتہ سال کے مماثلہ عرصہ کے 520.2 بلین ڈالرز کے حجم سے 48 فیصد کے اضافے کو ظاہر کرتا ہے۔

نئی شعبے کی فیرنگلی پورٹ فولیو سرمایہ کاری کا خالص بہاؤ گزشتہ سال کے مماثل عرصہ کے 9.60 ملین ڈالرز کے حجم کی نسبت مالی سال 2025ء کے جولائی تا ستمبر کے دوران 22.8 ملین امریکی ڈالرز پر درج ہوا۔ اس کے مقابل میں پبلک فیرنگلی پورٹ فولیو سرمایہ کاری میں مالی سال 2025ء کے جولائی تا ستمبر کے عرصے میں 155.3 ملین امریکی ڈالرز کا قابل ذکر خالص بہاؤ دیکھا گیا جبکہ گزشتہ سال کی اسی مدت میں اس کا بہاؤ 0.2 ملین امریکی ڈالرز تھا۔ کل فیرنگلی سرمایہ کاری میں مالی سال 2025ء کے جولائی تا ستمبر کے عرصے کے دوران مالی سال 2024ء کے 530.1 ملین امریکی ڈالرز کے مقابلے میں 903.5 ملین امریکی ڈالرز کا بہاؤ دیکھا گیا۔

غیر ملکی ذمہ داریوں کے ذخائر اور اسٹیٹ بینک آف پاکستان کے پاس دستیاب ذخائر 27 ستمبر 2024ء تک بالترتیب 15,983 ملین امریکی ڈالرز اور 10,702 ملین امریکی ڈالرز پر درج ہوئے جبکہ اس کے تناسب میں 28 ستمبر 2023ء تک ان کا حجم بالترتیب 12,393 ملین امریکی ڈالرز اور 7,616 ملین امریکی ڈالرز پر درج ہوا تھا۔

مٹی سپلائی (ایم۔ 2) 30 ستمبر 2023ء کی 31,525 ملین روپے کی سطح سے 15 فیصد کے ساتھ 30 ستمبر 2024ء تک 36,263 ملین روپے پر ریکارڈ ہوئی۔ کرنسی کی سرکولیشن 30 ستمبر 2023ء کی 8,288 ملین روپے کی سطح سے 6 فیصد کے اضافے کے ساتھ 30 ستمبر 2024ء تک 8,817 ملین روپے پر ریکارڈ ہوئی۔

اسٹاک مارکیٹ کی بلند پروازی کا عمل جاری ہے جو کہ اگست 2024ء تک 78,488 پوائنٹس پر بند ہوئی۔ 31 اگست 2024ء کو کے ایس ای - 100 انڈیکس میں 601 میسر پوائنٹس کا اضافہ ہوا جبکہ مارکیٹ کپولا ٹریژن 117 ملین کے اضافے کے ساتھ 10,485 ملین روپے پر شمار ہوئی۔

امریکی ڈالر اور پاکستان روپے کی شرح تبادلہ میں ستمبر 2023ء سے کمی کا رجحان دیکھا جا رہا ہے۔ 4 فیصد کے اضافے کے ساتھ یہ شرح 30 ستمبر 2023ء کی 287.74 روپے فی ڈالر کی سطح کے مقابلے میں 30 ستمبر 2024ء تک 277.71 روپے فی ڈالر پر آگئی۔

اسٹیٹ بینک آف پاکستان کے مطابق سال 2024ء کے ابتدائی نو ماہ کے دوران افراط زر میں توانائی کی قیمتوں میں متوقع اضافے میں تاخیر اور عالمی سطح پر تیل و توانائی کی قیمتوں میں مثبت رجحان کے باعث، کمی واقع ہوئی۔ اسٹیٹ بینک آف پاکستان کی ماہی پالیسی کمیٹی نے اپنے حالیہ منصفہ اجلاس میں پالیسی ریٹ میں 200 میسر پوائنٹس کمی کی کا فیصلہ کرتے ہوئے اس کی شرح کو 17.50 فیصد پر مقرر کیا۔

کنزیومر پرائس انڈیکس افراط زر ستمبر 2023ء کی 31.4 فیصد کی شرح کی نسبت ستمبر 2024ء کے دوران تیز ترین کمی کے ساتھ 6.9 فیصد کی شرح پر آ گیا۔ اس کی میں بہت سے عوامل کا فرما تھے جن میں تیل کی عالمی قیمتوں میں کمی اور کاروباری اتحاد میں اضافہ شامل ہے۔

مالیاتی تجزیہ :

سال 2024ء کے ابتدائی نو ماہ کے دوران بنیادی کے شعبے نے اپنی مضبوطی کو برقرار رکھا۔ اثاثہ جات کی اساس 31 دسمبر 2023ء کے 45,067 ملین روپے کے مقابلے میں 11 فیصد کی وسعت پاتے ہوئے 30 ستمبر 2024ء تک 49,942 ملین روپے پر درج ہوئی۔ سرمایہ کاری 31 دسمبر 2023ء کے 25,541 ملین روپے کے مقابلے میں 20 فیصد کمی نمایاں ہو کے ساتھ 30 ستمبر 2024ء تک 30,694 ملین روپے پر درج ہوئی۔ کل قرضہ جات 31 دسمبر 2023ء کے 12,347 ملین روپے کے مقابلے میں 2 فیصد کمی کے ساتھ 30 ستمبر 2024ء تک 12,069 ملین روپے پر ریکارڈ ہوئے۔ واجبات کے حوالے سے کل ڈیپازٹس دسمبر 2023ء کے 27,679 ملین روپے کے تناسب میں 11 فیصد کمی کے اندراج کے ساتھ 30 ستمبر 2024ء تک 30,793 ملین روپے پر جا پہنچے۔

الائبرج بینک اپنے صارفین کو عالمی معیار کی ڈیجیٹل مہارتوں، خدمات و سہولیات کی فراہمی، اور اسکے ساتھ اپنے جدید اور انفرادی سوچ کے جذبے، اپنے تمام اسٹیک ہولڈرز کے لیے پائیدار قدر کی فراہمی کے مشن اور اپنی کمیونٹی اور معاشرے کی خدمت کو پھیلنے سے کہیں زیادہ اولے اور جوش سے سرانجام دینے کے لیے عزم اور کار بند ہے۔

30 ستمبر 2024ء کو اختتام پذیر نو ماہ کے عرصہ کے دوران، آپ کے بینک نے مضبوط کارکردگی کا مظاہرہ کیا ہے۔ اوسط پیداواری اثاثوں میں مقداری نمو، جسے بہتر ہوتے سپریڈز اور سرمایہ کاری کے موزوں مدتی نظام کا تعاون بھی حاصل رہا، کی بدولت آپ کا بینک 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت کے دوران سال 2023ء کے مماثل عرصہ کے 264,341 ملین روپے کے حجم کی نسبت 291,215 ملین روپے کی بلند مارک اپ آمدنی حاصل کرنے کا اہل ہوا۔ یہ 10 فیصد یا 26,874 ملین روپے تک کے اضافے کا مظہر ہے۔

30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت کے دوران آپ کے بینک کے مارک اپ انٹرنسٹ اخراجات سال 2023ء کے مماثل عرصہ کے 183,356 ملین روپے کے حجم کی نسبت 10 فیصد کے اضافے کے ساتھ 201,058 ملین روپے پر درج ہوئے۔ اس اضافے میں ڈیپازٹس کی بلند لاگت اور استعمال کے حق سے متعلقہ اثاثہ جات کے انٹرنسٹ

کے اضافے کا بنیادی کردار تھا جس کو حاصل کردہ قرضوں کے اخراجات میں کیے نے جزوی طور پر زائل بھی کیا۔

چنانچہ آپ کے بینک کی خالص مارک اپ اور انٹرسٹ آمدنی سال 2023 کے مابین عرصہ کے 80,985 ملین روپے کی سطح کی تقابل میں 11 فیصد کے اضافے کے ساتھ 90,157 ملین روپے پر درج ہوئی۔

آپ کے بینک کی فیس آمدنی 30 ستمبر 2023 کے 7,714 ملین روپے کے حجم سے 13 فیصد کی بہتری کے ساتھ 30 ستمبر 2024ء تک 10,095 ملین روپے پر رجسٹر کی گئی۔ اس اضافے میں کارڈ سے متعلقہ بلڈنس، ترسیلات کے کمیشن، برانچ بینکنگ کے صارفین کی فیس اور تجارت پر کمیشن کی آمدنی کا بنیادی کردار تھا۔

کمپیوٹرائزڈ گیزر کی مدد میں مضبوط نمو کا مشاہدہ کیا گیا جو کہ 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کے عرصہ کے دوران پچھلے سال کی 10 ملین روپے کی آمدنی کے مقابلے میں بڑھتے ہوئے 1,353 ملین روپے کی سطح پر جا پہنچے، اس اضافے کی بنیادی وجہ وفاقی حکومت کے تسکات اور یورو بانڈز سے حاصل ہونے والے بلنڈ گیزر تھے۔ ڈیویڈنڈ آمدنی اس مابین مدت میں 2,278 ملین روپے رہی جو کہ 30 ستمبر 2023ء تک کی درج شدہ 2,574 ملین روپے کی آمدنی کی نسبت 12 فیصد کی کمی کا اظہار ہے۔

آپ کے بینک کی فارن ایکسیچ آمدنی 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت کے دوران، سال 2023 کے تقابلی عرصہ کے 5,781 ملین روپے کے حجم سے 6 فیصد کی کمی ظاہر کرتے ہوئے 5,447 ملین روپے پر درج ہوئی۔ دیگر آمدنی 30 ستمبر 2023ء کی 93 ملین روپے کی سطح سے بڑھ کر 30 ستمبر 2024ء تک 672 ملین روپے پر ریکارڈ ہوئی۔

جس کے نتیجے میں نان مارک آمدنی 23 فیصد کے قابل ذکر اضافے کے ساتھ 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت کے دوران 19,845 ملین روپے پر جا پہنچی جبکہ اس کے تناسب میں سال 2023ء کے مابین عرصے میں اس کا حجم 16,171 ملین روپے تھا۔

آپ کے بینک کی اپنے اخراجات کی کڑی نگرانی کی دائرہ نشاندہ حکمت عملی کی بدولت مجموعی انتظامی اخراجات میں موثرگی کے ساتھ ان کو 30 ستمبر 2024ء تک 42,852 ملین روپے پر شمار کیا گیا۔ جو کہ ستمبر 2023 تک کی 36,799 ملین روپے سے 16 فیصد کے اضافے ہے۔ اخراجات میں اس اضافے میں تنخواہوں اور دیگر سہولیات، آئی ٹی اخراجات، کارڈ سے متعلقہ لاگوں، مرمت اور دیکھ بھال کے اخراجات، سکیورٹی سروسز کے اخراجات اور پمپنگ کے اخراجات کی بڑھتی کامنیاں کردار رہا۔

منافع پیدا کرنے والے اثاریے جیسا کہ خالص انٹرسٹ آمدنی اور نان انٹرسٹ آمدنی میں بہتری دیکھی گئی ہے۔ چنانچہ، منافع قبل از ٹیکس گزشتہ سال کی تقابلی مدت کی 57,824 ملین روپے کی سطح کی نسبت 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کی مدت میں 70,115 ملین روپے پر درج ہوا۔

آپ کے بینک کے منافع بعد از ٹیکس میں 25 فیصد کی نمایاں بڑھتی ریکارڈ ہوئی جو کہ سال 2023ء کی تقابلی مدت میں حاصل شدہ 28,662 ملین روپے کی آمدنی سے 30 ستمبر 2024ء کو اختتام پذیر نو ماہ کے عرصہ میں 35,691 ملین روپے پر شمار ہوا۔

منافع بعد از ٹیکس میں ہونے والے اضافے کی مطابقت میں آپ کے بینک کی فی حصص آمدنی بھی 30 ستمبر 2023ء کی 25.03 روپے فی حصص کے تناسب میں 25 فیصد کے اضافے کے اندراج کے ساتھ 30 ستمبر 2024ء تک 31.17 روپے فی حصص پر رجسٹر ہوئی۔

الائڈ بینک مزید آسان اور پیکار سہولتوں کی فراہمی کے ذریعے ڈیجیٹلائزیشن کے عمل کو فروغ دے رہا ہے۔ اس ہیئت سازی سے روایتی بینکنگ کو مستقبل کے ماڈلز میں منتقل کیا جا رہا ہے۔ تاکہ موبائل بینکنگ، ڈیجیٹل وائٹ اور آن لائن پلٹ فارم کے ذریعے مالیاتی خدمات تک رسائی کو سہل بنایا جاسکے۔

الائڈ بینک نے اپنی پہنچ اور وسعت میں مزید اضافہ کرتے ہوئے 1,500 سے زائد برانچوں کا سگنل میل عبور کیا ہے جس کے بعد اس کی کل برانچوں کی تعداد 1,506 تک پہنچ گئی ہے۔ جس میں 1,351 روایتی برانچیں، 1141 سلاک برانچیں اور 14 ڈیجیٹل برانچیں شامل ہیں۔ بینک 1,577 اے ٹی ایف کے ایک ڈسٹری بیوٹڈ درک سے مستفید ہے جس میں 1,330 آن سائٹ مشینیں، 241 آف سائٹ مشینیں اور 6 موبائل بینکنگ پلٹس شامل ہیں۔

آپ کے بینک کے کل اثاذات 31 دسمبر 2023ء کے 2,329,014 ملین روپے کے حجم کے مقابلے میں 30 ستمبر 2024ء تک 13 فیصد کی نمو کے ساتھ 2,623,822 ملین روپے پر درج ہوئے۔ اس اضافے کی بنیادی عوامل میں مالیاتی اداروں کو فراہم کیے گئے قرضوں، سرمایہ کاری اور دیگر اثاذوں میں ہونے والے اضافہ تھا۔ مزید برآں، آپ کے بینک کے خالص اثاذات 31 دسمبر 2023ء تک کی 194,254 ملین روپے کی سطح کے مقابلے میں 30 ستمبر 2024ء تک 19 فیصد کے اضافے کے ساتھ 230,088 ملین

روپے پر درج ہوئے۔

آپ کے بینک کی سرمایہ کاری کا حجم 31 دسمبر 2023ء کی 1,150,318 ملین روپے کی سطح سے 16 فیصد کی توانا مضبوط نمو کے ساتھ 30 ستمبر 2024ء تک 1,333,149 ملین روپے پر درج ہوا۔ اس اضافے میں زیادہ کردار ٹریڈری ہلز اور پاکستان انویسٹمنٹ بانڈز میں کی جانے والی سرمایہ کاری کی بڑھتی کا رہا۔

آپ کے بینک کے کل قرضجات اور خالص قرضجات، 31 دسمبر 2023ء کی 794,138 ملین روپے اور 781,597 ملین روپے کی بالترتیب سطح کے مقابلے میں 30 ستمبر 2024ء تک بالترتیب 861,507 ملین روپے اور 847,637 ملین روپے پر ریکارڈ ہوئے۔

بینک کو اپنے خدشات کے تدارک کے دانشمندانہ نظام کے باعث غیر فعال قرضوں میں 1 فیصد کی کمی حاصل ہوئی جس کے بعد اس پورٹ فولیو کا حجم 31 دسمبر 2023ء تک 13,039 ملین روپے سے کم ہوتا ہوا 30 ستمبر 2024ء تک 12,927 ملین روپے پر شمار کیا گیا۔

آپ کا بینک اپنی کم انکیشن تناسب اور بلند مجموعی کوئیج کی شرح کو برقرار رکھنے کے لیے اپنی کاوشوں کو جاری رکھے ہوئے ہے۔ جو کہ 30 ستمبر 2024ء تک بالترتیب 1.50 فیصد اور 107 فیصد کی شرح پر ریکارڈ کی گئیں۔ اسٹیٹ بینک آف پاکستان کی گائیڈ لائنز میں اجازت کے باوجود، غیر فعال قرضجات کے لیے مخصوص اخراجات (پروویژن) کا شمار کرتے وقت جبری فروخت کے فوائد کو مثال نہیں کیا گیا ہے۔

آپ کے بینک کے ڈیپازٹس 31 دسمبر 2023ء کی 1,676,623 ملین روپے کی سطح کی نسبت 15 فیصد کے اضافے کے اندراج کے ساتھ 30 ستمبر 2024ء تک 1,926,440 ملین روپے پر درج ہوئے۔ مالیاتی اداروں کو فراہم کیے گئے قرضوں میں 31 دسمبر 2023ء کی 9,418 ملین روپے کے حجم کے مقابلے میں 22 فیصد کی نمو کے ساتھ 30 ستمبر 2024ء تک 11,490 ملین روپے کی سطح کا اندراج ہوا۔ جس کی بنیادی وجہ مشارق قرضجات میں اضافہ تھا جو کہ ریپولینڈنگ (Repo Lending) میں کمی سے کسی قدر زائل بھی ہوا۔

آپ کے بینک کے اثاثہ جات پر آمدنی کی شرح 31 دسمبر 2023ء کی 1.79 فیصد کی سطح کے مقابلے میں 30 ستمبر 2024ء تک 1.93 فیصد پر رپورٹ ہوئی۔ ایکویٹی کی آمدنی کی شرح 30 ستمبر 2024ء تک 29.0 فیصد پر درج ہوئی۔ آپ کے بینک کے سرمائے کی مطابقت کی شرح 31 دسمبر 2023ء کی درج شدہ 26.21 فیصد کی سطح کے تناسب میں 30 ستمبر 2024ء تک 32.43 فیصد پر جا پہنچی جو کہ سرمائے کی مضبوط اور توانا صورتحال کی عکاسی ہے۔

مستقبل کی پیش بینی :

آئی ایم ایف نے عالمی ہی ڈی پی پی کی حقیقی نمو کی شرح سال 2026ء سے سال 2029ء تک 3.2 فیصد کی اوسط سطح پر تخمینہ کی ہے۔ داخلی ماہڈر، اسٹیٹ بینک آف پاکستان نے مالی سال 2025ء کے لیے ہی ڈی پی پی کی حقیقی نمو 2.5 فیصد سے 3.5 فیصد کی شرح تک رہنے کا اندازہ کیا ہے۔ جبکہ، آئی ایم ایف نے مالی سال 2025ء کے لیے پاکستان کے ہی ڈی پی پی کی عمومی شرح 3.2 فیصد پر رہنے کی پیش گوئی کی ہے۔

ماہی گیری پالیسی کمیٹی (ایم پی سی) درمیانی مدت میں افراط زر کی شرح کو 5 فیصد تا 7 فیصد کے ہدف تک لانے کا ارادہ رکھتی ہے۔ مسلسل جاری کڑی مالیاتی اور انضامی پالیسیوں کے نفاذ کی بنیاد پر، آئی ایم ایف نے پاکستان کے سی پی آئی کی شرح کو مالی سال 2026ء کے لیے 7.8 فیصد اور مالی سال 2029ء کے لیے 6.5 فیصد پر تخمینہ کی ہیں۔

اسٹیٹ بینک:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کی طویل المدتی اور قلیل المدتی ریٹنگ کو بالترتیب "AAA" فریل اے اور "A1+" (اے وٹن پلس) کی اعلیٰ سطح پر برقرار رکھا ہے۔ یہ درجہ بندی بینک کے قرضجات کے اعلیٰ معیار اور اپنی مالیاتی ذمہ داریوں کی ادائیگیوں کی انتہائی مضبوط صلاحیتوں کی عکاس ہیں۔ آپ کے بینک نے، ملک کے مالیاتی ادارے جو بلند ترین کریڈٹ ریٹنگ کے حامل ہیں، کے اپنی نوعیت کے مخصوص گروپ میں اپنی مثبت کوزیڈ حکم کیا ہے۔

کارپوریٹ گورننس ریٹنگ:

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

بورڈ آف ڈائریکٹرز:

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

تسلیم و تحسین:

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

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

مخائبہ و برائے بورڈ آف ڈائریکٹرز

محمد ضم مختار
چیئرمین بورڈ آف ڈائریکٹرز

ایزد رزاق گل
چیف ایگزیکٹو آفیسر

لاہور

30 اکتوبر 2024ء

UNCONSOLIDATED FINANCIAL STATEMENTS

for the nine months ended September 30, 2024

Unconsolidated Statement of Financial Position

(Un-audited) as at September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|---|------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 173,140,143 | 156,136,308 |
| Balances with other banks | 8 | 1,699,980 | 2,455,601 |
| Lendings to financial institutions - net | 9 | 11,461,542 | 9,418,003 |
| Investments - net | 10 | 1,333,148,852 | 1,150,318,089 |
| Advances - net | 11 | 847,636,989 | 781,597,230 |
| Property and equipment | 12 | 124,050,954 | 113,778,667 |
| Right-of-use assets | 13 | 7,792,317 | 8,287,055 |
| Intangible assets | 14 | 3,666,004 | 3,409,291 |
| Deferred tax assets | | - | 3,821,594 |
| Other assets - net | 15 | 121,224,752 | 100,094,817 |
| | | <u>2,623,821,533</u> | <u>2,329,316,655</u> |
| LIABILITIES | | | |
| Bills payable | 17 | 8,527,430 | 9,322,405 |
| Borrowings | 18 | 342,018,723 | 373,674,042 |
| Deposits and other accounts | 19 | 1,926,439,908 | 1,676,623,075 |
| Lease liabilities | 20 | 10,278,950 | 10,632,854 |
| Sub-ordinated debt | | - | - |
| Deferred tax liabilities - net | 21 | 8,604,216 | - |
| Other liabilities | 22 | 97,865,558 | 64,809,815 |
| | | <u>2,393,734,785</u> | <u>2,135,062,191</u> |
| NET ASSETS | | <u>230,086,748</u> | <u>194,254,464</u> |
| REPRESENTED BY | | | |
| Share capital | 23 | 11,450,739 | 11,450,739 |
| Reserves | | 41,226,026 | 37,961,636 |
| Surplus on revaluation of assets - net of tax | 24 | 55,383,298 | 40,039,632 |
| Unappropriated profit | | 122,026,685 | 104,802,457 |
| | | <u>230,086,748</u> | <u>194,254,464</u> |
| CONTINGENCIES AND COMMITMENTS | 25 | | |

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2024

| | Note | Nine Months Ended | | Quarter Ended | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | | |
| Mark-up / return / interest earned | 27 | 291,214,999 | 264,340,533 | 98,863,021 | 95,209,785 |
| Mark-up / return / interest expensed | 28 | 201,058,376 | 183,355,620 | 67,187,656 | 65,127,284 |
| Net mark-up / interest income | | 90,156,623 | 80,984,913 | 31,675,365 | 30,082,501 |
| NON MARK-UP / INTEREST INCOME | | | | | |
| Fee and commission income | 29 | 10,095,246 | 7,713,579 | 3,617,234 | 2,658,433 |
| Dividend income | | 2,277,653 | 2,573,872 | 635,218 | 940,240 |
| Foreign exchange income | | 5,447,057 | 5,780,773 | 1,372,339 | 1,420,976 |
| Income from derivatives | | - | - | - | - |
| Gain on securities - net | 30 | 1,352,662 | 9,727 | 514,403 | (201,379) |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | - | - | - | - |
| Other income | 31 | 672,215 | 93,252 | 335,545 | 44,894 |
| Total non mark-up / interest income | | 19,844,833 | 16,171,203 | 6,474,739 | 4,863,164 |
| Total income | | 110,001,456 | 97,156,116 | 38,150,104 | 34,945,665 |
| NON MARK-UP / INTEREST EXPENSES | | | | | |
| Operating expenses | 32 | 41,228,612 | 35,336,258 | 14,000,607 | 11,965,807 |
| Workers welfare fund | | 1,402,296 | 1,195,719 | 472,104 | 461,574 |
| Other charges | 33 | 221,386 | 267,453 | (10,383) | 108,781 |
| Total non mark-up / interest expenses | | 42,852,294 | 36,799,430 | 14,462,328 | 12,536,162 |
| Profit before credit loss allowance | | 67,149,162 | 60,356,686 | 23,687,776 | 22,409,503 |
| Credit loss allowance / Provisions and write offs - net | 34 | (2,965,620) | 2,532,240 | 82,609 | (211,384) |
| Extra-ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION | | 70,114,782 | 57,824,446 | 23,605,167 | 22,620,887 |
| Taxation | 35 | 34,423,970 | 29,162,869 | 11,555,076 | 11,402,342 |
| PROFIT AFTER TAXATION | | 35,690,812 | 28,661,577 | 12,050,091 | 11,218,545 |
| In Rupees | | | | | |
| Basic and Diluted earnings per share | 36 | 31.17 | 25.03 | 10.52 | 9.80 |

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2024

| | Nine Months Ended | | Quarter Ended | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | |
| Profit after taxation for the period | 35,690,812 | 28,661,577 | 12,050,091 | 11,218,545 |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified to profit and loss account in subsequent periods:</i> | | | | |
| Effect of translation of net investment in foreign branches | (304,691) | 2,790,695 | (73,446) | (302,406) |
| Movement in surplus on revaluation of investments - net of tax | - | 90,234 | - | 5,854,295 |
| Movement in surplus on revaluation of debt investments through FVOCI - net of tax | 5,737,824 | - | 3,384,279 | - |
| | 5,433,133 | 2,880,929 | 3,310,833 | 5,551,889 |
| <i>Items that will not be reclassified to profit and loss account in subsequent periods:</i> | | | | |
| Movement in surplus on revaluation of equity investments through FVOCI - net of tax | 3,347,891 | - | 2,679,721 | - |
| | 3,347,891 | - | 2,679,721 | - |
| Total comprehensive income | 44,471,836 | 31,542,506 | 18,040,645 | 16,770,434 |

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2024

| | Share capital | Capital (reserves) Exchange transition reserve | Statutory reserve | Revenue reserve General reserve | Investments | Surplus on revaluation of Property and equipment | Non-banking assets | Un-appropriated profit | Total |
|--|----------------|--|-------------------|---------------------------------|--------------|--|--------------------|------------------------|--------------|
| | Rupees in '000 | | | | | | | | |
| Balance as at January 01, 2023 (Audited) | 11,450,739 | 5,333,240 | 26,096,213 | 6,000 | (18,133,865) | 22,523,816 | 882,450 | 79,652,815 | 127,811,408 |
| Profit after taxation for the nine months ended September 30, 2023 | - | - | - | - | - | - | - | 28,661,577 | 28,661,577 |
| Other Comprehensive Income - net of tax | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of investments - net of tax | - | - | - | - | 90,234 | - | - | - | 90,234 |
| Effect of change in tax rate on revaluation surplus of fixed assets - net of tax | - | - | - | - | - | (248,344) | - | - | (248,344) |
| Effect of change in tax rate on revaluation surplus of non banking assets - net of tax | - | - | - | - | - | - | (2,700) | - | (2,700) |
| Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax | - | - | - | - | - | - | - | 42,981 | 42,981 |
| Effect of translation of net investment in foreign branches | - | 2,700,695 | - | - | - | - | - | - | 2,700,695 |
| Transfer to statutory reserve | - | 2,700,695 | - | - | 90,234 | (248,344) | (2,700) | 42,981 | 2,672,866 |
| Transfer of revaluation surplus on change in use - net of tax | - | - | 2,866,158 | - | - | - | - | (2,866,158) | - |
| Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax | - | - | - | - | - | 100,467 | (100,467) | - | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | (52,110) | - | 52,110 | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | - | (965) | 965 | - |
| Transactions with owners recognized directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share) | - | - | - | - | - | - | - | (2,862,685) | (2,862,685) |
| First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share) | - | - | - | - | - | - | - | (2,862,685) | (2,862,685) |
| Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share) | - | - | - | - | - | - | - | (2,862,685) | (2,862,685) |
| | - | - | - | - | - | - | - | (8,588,055) | (8,588,055) |
| Balance as at September 30, 2023 (Un-audited) | 11,450,739 | 8,123,935 | 28,962,371 | 6,000 | (18,043,831) | 22,223,362 | 878,785 | 96,956,235 | 150,557,796 |
| Profit after taxation for the three months ended December 31, 2023 | - | - | - | - | - | - | - | 12,021,410 | 12,021,410 |
| Other Comprehensive Income - net of tax | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of investments - net of tax | - | - | - | - | 11,165,883 | - | - | - | 11,165,883 |
| Surplus on revaluation of fixed assets - net of tax | - | - | - | - | - | 23,733,750 | - | - | 23,733,750 |
| Surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 98,788 | - | 98,788 |
| Re-measurement gain on defined benefit obligation - net of tax | - | - | - | - | - | - | - | 444,869 | 444,869 |
| Effect of translation of net investment in foreign branches | - | (332,811) | - | - | - | - | - | - | (332,811) |
| Transfer to statutory reserve | - | (332,811) | - | - | 11,165,883 | 23,733,750 | 98,788 | 444,869 | 35,110,479 |
| Transfer of revaluation surplus on change in use - net of tax | - | - | 1,202,141 | - | - | - | - | (1,202,141) | - |
| Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax | - | - | - | - | - | (16,983) | - | 16,983 | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | - | (322) | 322 | - |
| Transactions with owners, recognized directly in equity | | | | | | | | | |
| Third interim cash dividend for the year ended December 31, 2023 (Rs. 3 per ordinary share) | - | - | - | - | - | - | - | (3,435,221) | (3,435,221) |
| Balance as at December 31, 2023 (Audited) | 11,450,739 | 7,791,124 | 30,164,512 | 6,000 | (6,877,748) | 45,940,129 | 977,251 | 104,802,457 | 194,254,464 |
| Effect of adoption of IFRS 9 - Note 3.2.5 | - | - | - | - | 7,824,133 | - | - | (2,722,800) | 5,101,333 |
| Balance as at January 01, 2024 - as restated | 11,450,739 | 7,791,124 | 30,164,512 | 6,000 | 946,385 | 45,940,129 | 977,251 | 102,079,657 | 199,355,797 |
| Profit after taxation for the nine months ended September 30, 2024 | - | - | - | - | - | - | - | 35,690,812 | 35,690,812 |
| Other Comprehensive Income - net of tax | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of debt investments - net of tax | - | - | - | - | 5,737,824 | - | - | - | 5,737,824 |
| Surplus on revaluation of equity investments - net of tax | - | - | - | - | 3,347,891 | - | - | - | 3,347,891 |
| Effect of translation of net investment in foreign branches | - | (304,691) | - | - | - | - | - | - | (304,691) |
| Transfer to statutory reserve | - | (304,691) | - | - | 9,085,715 | - | - | - | 8,781,024 |
| Transfer of revaluation surplus on change in use - net of tax | - | - | 3,569,081 | - | - | - | - | (3,569,081) | - |
| Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax | - | - | - | - | - | 17,034 | (17,034) | - | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | (135,465) | - | 135,465 | - |
| Surplus realized on disposal of revalued fixed assets - net of tax | - | - | - | - | - | (4,624) | - | 4,624 | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | - | (2,620) | 2,620 | - |
| Transfer of surplus on account of disposal of equity investments - net of tax | - | - | - | - | (1,423,393) | - | - | 1,423,393 | - |
| Transactions with owners, recognized directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2023 (Rs. 4 per ordinary share) | - | - | - | - | - | - | - | (4,580,295) | (4,580,295) |
| First interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share) | - | - | - | - | - | - | - | (4,580,295) | (4,580,295) |
| Second interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share) | - | - | - | - | - | - | - | (4,580,295) | (4,580,295) |
| | - | - | - | - | - | - | - | (13,740,885) | (13,740,885) |
| Balance as at September 30, 2024 | 11,450,739 | 7,486,433 | 33,733,593 | 6,000 | 8,608,707 | 45,616,994 | 957,597 | 122,026,665 | 230,086,745 |

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzqa Gill
President and Chief Executive

Mian Ikrum Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | September 30, 2023 |
|---|------|-----------------------|-----------------------|
| Rupees in '000 | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 70,114,782 | 57,824,446 |
| Less: Dividend income | | (2,277,653) | (2,573,872) |
| | | 67,837,129 | 55,250,574 |
| Adjustments: | | | |
| Net mark-up / interest income | | (90,156,623) | (80,984,913) |
| Depreciation - Operating Fixed Assets | | 4,766,740 | 3,429,033 |
| Depreciation - Non Banking Assets | | 19,549 | 7,504 |
| Depreciation on right of use assets | | 1,389,671 | 1,320,040 |
| Finance charges on leased assets | | 1,006,027 | 865,729 |
| Amortization | | 468,590 | 435,191 |
| Credit loss allowance and write offs | 34 | (2,957,928) | 2,537,829 |
| Unrealized (gain) / loss on revaluation of securities measured at FVTPL | | (4,713) | 358 |
| Provision for workers welfare fund | | 1,402,296 | 1,195,719 |
| Charge for defined benefit plans | | 111,018 | 355,257 |
| Loss / (gain) on sale / disposal of property and equipment | | (573,205) | 2,112 |
| | | (84,528,578) | (70,836,141) |
| | | (16,691,449) | (15,585,567) |
| (Increase) / Decrease in operating assets | | | |
| Lendings to financial institutions | | (2,043,539) | (70,898,666) |
| Securities classified as FVTPL | | 19,268,955 | 51,146 |
| Advances | | (64,540,406) | 87,187,946 |
| Other assets (excluding advance taxation) | | 11,450,882 | (23,328,671) |
| | | (35,864,110) | (6,988,245) |
| Increase / (Decrease) in operating liabilities | | | |
| Bills payable | | (794,975) | (4,400,510) |
| Borrowings from financial institutions | | (31,663,697) | (221,047,457) |
| Deposits | | 249,816,833 | 182,181,291 |
| Other liabilities (excluding current taxation) | | 3,743,835 | 8,831,932 |
| | | 221,101,996 | (34,434,744) |
| | | 188,546,437 | (57,008,556) |
| Income tax paid | | (41,587,416) | (25,820,292) |
| Mark-up / interest received | | 264,098,879 | 231,576,549 |
| Mark-up / interest paid | | (175,086,175) | (161,077,699) |
| Defined benefits paid | | (620,678) | (524,015) |
| Net cash flow generated from / (used in) operating activities | | 215,351,047 | (12,854,013) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net investments in securities classified as FVOCI | | (110,073,688) | 71,856,343 |
| Net investments in amortised cost securities | | (58,909,607) | (285,929) |
| Investments in subsidiary | | (1,000,000) | - |
| Dividend received | | 2,159,285 | 2,154,130 |
| Investments in property and equipment and intangible assets | | (17,713,050) | (10,670,089) |
| Disposals of property and equipment | | 2,521,925 | 26,267 |
| Effect of translation of net investment in foreign branches | | (304,691) | 2,790,694 |
| Net cash flow (used in) / generated from investing activities | | (183,319,826) | 65,871,416 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Payments of lease obligations against right of use assets | | (2,094,597) | (1,882,974) |
| Dividend paid | | (13,689,984) | (8,559,745) |
| Net cash flow used in financing activities | | (15,784,581) | (10,442,719) |
| Increase in cash and cash equivalents during the period | | | |
| | | 16,246,640 | 42,574,684 |
| Cash and cash equivalents at beginning of the period | | 158,089,053 | 91,600,842 |
| Effect of exchange rate changes on opening cash and cash equivalents | | 310,501 | (683,219) |
| | | 158,399,554 | 90,917,623 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | 174,646,194 | 133,492,307 |

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,504 (December 31, 2023: 1,481) branches in Pakistan including 140 (December 31, 2023: 127) Islamic banking branches, 1 branch (December 31, 2023: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2023: 1) in Bahrain.

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

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

The Bank is the holding company of ABL Asset Management Company Limited and ABL Exchange Company (Pvt.) Limited.

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

2. BASIS OF PRESENTATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

- 2.1.2 The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.
- 2.1.3 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.
- 2.1.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 2 dated February 09, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited unconsolidated financial statements of the Bank for the year ended December 31, 2023.
- 2.1.5 **Standards, interpretations and amendments to accounting standards that are effective in the current period**

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

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

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

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Changes in reporting format

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

3.2 IFRS 9 - Financial Instruments

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

3.2.1 Scope of IFRS 9 application

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

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

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

3.2.2.1 Classification of financial assets

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

3.2.2.2 Impairment of debt investments and loans and advances

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

3.2.2.3 Impairment of equity investments

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

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

3.2.3.1 Financial assets – initial recognition

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

3.2.3.2 Classification and subsequent measurement of financial assets

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

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

3.2.3.3 Financial assets at amortised cost

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

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

a) Business model assessment

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

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

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

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

b) The SPPI test

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

3.2.3.4 Debt instruments at FVOCI

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

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

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

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

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

3.2.3.5 Equity instruments at FVOCI

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

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

3.2.3.6 Financial assets and financial liabilities at FVTPL

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

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

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

3.2.3.7 Financial liabilities at amortised cost

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

3.2.3.8 Derecognition of financial assets

3.2.3.8.1 Derecognition due to substantial modification of terms and conditions

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

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

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

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

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

3.2.3.9 Derecognition of financial liabilities

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

3.2.3.10 Impairment of financial assets

3.2.3.10.1 Overview of the ECL principles

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

3.2.3.10.2 The calculation of ECLs

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

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

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

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

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

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

The key elements of ECL calculations are as follows:

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

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

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

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

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

3.2.3.10.3 Forward looking information

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

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

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

| | Carrying amount as per accounting policy as at December 31, 2023 | Classification under IFRS-09 | | | | | IFRS 9 carrying amount as at January 01, 2024 |
|--|--|------------------------------|--------------------------|-----------------------------|-------------------|----------------------------|---|
| | | AT FVTPL | At FVOCI- with recycling | At FVOCI- without recycling | At Amortised Cost | Remeasurement under IFRS 9 | |
| Rupees in '000 | | | | | | | |
| Cash and cash equivalents | 158,591,909 | - | - | - | 158,591,909 | (704) | 158,591,205 |
| Lendings to financial institutions | 9,418,003 | - | - | - | 9,418,003 | (3) | 9,418,000 |
| Advances | 781,597,230 | - | - | - | 781,597,230 | (2,830,487) | 778,766,743 |
| Investments in financial assets | | | | | | | |
| Held for trading | 20,049,848 | 20,049,848 | - | - | - | - | 20,049,848 |
| Held to maturity | 59,797,669 | - | - | - | 59,797,669 | 120,334,806 | 180,132,475 |
| Available for sale | 1,069,970,572 | 34,454 | 946,914,037 | 18,798,989 | 104,223,092 | (107,301,672) | 962,668,900 |
| Other financial assets | | | | | | | |
| Other financial assets | 88,096,252 | - | - | - | 88,096,252 | (48,085) | 88,048,167 |
| Other liabilities | | | | | | | |
| Other liabilities | 75,442,669 | - | - | - | 75,442,669 | (151,241) | 75,291,428 |
| | 2,262,964,152 | 20,084,302 | 946,914,037 | 18,798,989 | 1,277,166,824 | 10,002,614 | 2,272,966,766 |

3.2.5 Impact on equity on adoption of IFRS 9

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

Opening unappropriated profits

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

Opening surplus on revaluation of assets

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

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

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

The Bank holds a portfolio of mutual funds investments which was earlier classified as available for sale (AFS) investments. However, these investments do not meet the definition of equity investment from holders perspective, therefore IFRS 9 classification requirements of debt instruments have been applied to these financial assets. The business model of this portfolio is hold to collect and sell, however contractual cash flows failed to meet the 'solely payments of principal and interest' (SPP) test requirement for classification

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as FVOCI under IFRS 9. Therefore, these financial assets having a carrying value of Rs. 34.454 million have been reclassified mandatorily as FVTPL.

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

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

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

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

(d) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate equity investments of Rs. 18,798.989 million in listed and unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. Upon disposal, the surplus or deficit of such securities previously recognized in Other Comprehensive Income is reclassified from equity to Unappropriated Profit and is never recycled to Profit and Loss account.

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Bank

Notes to the Unconsolidated Condensed Interim Financial Statements

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for the year ended December 31, 2023, except for the adoption of IFRS 9 w.e.f January 01, 2024. These are disclosed in Note 4.1.

4.1 Impairment losses on financial assets

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

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

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

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

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(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|--|------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 7 CASH AND BALANCES WITH TREASURY BANKS | | | |
| In hand | | | |
| Local currency | | 39,467,023 | 34,864,260 |
| Foreign currencies | | 2,265,882 | 3,877,058 |
| | | 41,732,905 | 38,741,318 |
| With State Bank of Pakistan (SBP) in | | | |
| Local currency current accounts | | 85,691,546 | 73,799,188 |
| Foreign currency current accounts | | 51,928 | 149,569 |
| Foreign currency deposit accounts (non-remunerative) | | 6,151,968 | 5,580,842 |
| Foreign currency deposit accounts (remunerative) | | 12,338,865 | 11,695,327 |
| | | 104,234,307 | 91,224,926 |
| With National Bank of Pakistan in | | | |
| Local currency current accounts | | 26,524,140 | 25,519,660 |
| Prize Bonds | | 648,791 | 650,404 |
| Credit loss allowance held against cash and balances with treasury banks | | - | - |
| Cash and balances with treasury banks - net of credit loss allowance | | 173,140,143 | 156,136,308 |
| 8 BALANCES WITH OTHER BANKS | | | |
| In Pakistan | | | |
| In current accounts | | 7,500 | 7,500 |
| Outside Pakistan | | | |
| In current accounts | | 1,038,087 | 1,931,547 |
| In deposit accounts | | 661,197 | 516,554 |
| | | 1,699,284 | 2,448,101 |
| Credit loss allowance held against balances with other banks | | (6,804) | - |
| Balances with other banks - net of credit loss allowance | | 1,699,980 | 2,455,601 |
| 9 LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Call money lendings - local currency | | 300,000 | 1,000,000 |
| Call money lendings - foreign currency | | 1,194,166 | - |
| Repurchase agreement lendings (Reverse Repo) | | - | 8,418,003 |
| Musharaka lendings | | 10,000,000 | - |
| Certificates of investment | | 70,000 | 70,000 |
| | | 11,564,166 | 9,488,003 |
| Less: Credit loss allowance held against lendings to financial institutions | 9.1 | (102,624) | (70,000) |
| Lendings to financial institutions - net of credit loss allowance | | 11,461,542 | 9,418,003 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | | (Audited) December 31, 2023 | |
|---------------------------------------|--------------------|----------------------------|--------------------------------|----------------|
| | Lending | Credit loss allowance held | Lending | Provision Held |
| Rupees in '000 | | | | |
| 9.1 Category of classification | | | | |
| Domestic | | | | |
| Performing - Stage 1 | 10,300,000 | 4,016 | - | - |
| Under performing - Stage 2 | 1,194,166 | 28,608 | - | - |
| Non-performing - Stage 3 | 70,000 | 70,000 | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | 70,000 | 70,000 | 70,000 | 70,000 |
| Total | 11,564,166 | 102,624 | 70,000 | 70,000 |

| | September 30, 2024 | | | | (Audited) December 31, 2023 | | | |
|----------------------------------|-----------------------|-----------------------|---------------------|----------------------|------------------------------------|--------------------------|---------------------|----------------------|
| | Cost / Amortised cost | Credit loss allowance | Surplus / (Deficit) | Carrying Value | Cost / Amortised cost | Provision for diminution | Surplus / (Deficit) | Carrying Value |
| Rupees in '000 | | | | | | | | |
| 10 INVESTMENTS | | | | | | | | |
| 10.1 Investments by type: | | | | | | | | |
| FVTPL | | | | | Held-for-trading securities | | | |
| Federal Government Securities | 820,494 | - | 6,291 | 826,785 | 20,114,447 | - | (64,599) | 20,049,848 |
| Open Ended Mutual Funds | 25,000 | - | (1,578) | 23,422 | - | - | - | - |
| | 845,494 | - | 4,713 | 850,207 | 20,114,447 | - | (64,599) | 20,049,848 |
| FVOCI | | | | | Available for sale | | | |
| Federal Government Securities | 1,167,239,033 | (3,411,985) | 7,587,062 | 1,171,414,110 | 1,047,943,332 | (2,452,459) | (19,702,262) | 1,025,788,611 |
| Shares | 10,447,820 | - | 9,241,444 | 19,689,264 | 13,329,302 | (760,822) | 6,228,739 | 18,797,219 |
| Non Government Debt Securities | 21,371,049 | (471,712) | 51,312 | 20,950,649 | 25,391,300 | (21,071) | (21,711) | 25,348,518 |
| Foreign Securities | 1,770 | - | - | 1,770 | 1,770 | - | - | 1,770 |
| Open Ended Mutual Funds | - | - | - | - | 25,000 | - | 9,454 | 34,454 |
| | 1,199,059,672 | (3,883,697) | 16,879,818 | 1,212,055,793 | 1,086,690,704 | (3,234,352) | (13,485,780) | 1,069,970,572 |
| Amortised cost | | | | | Held to maturity | | | |
| Federal Government Securities | 116,467,948 | - | - | 116,467,948 | 59,797,669 | - | - | 59,797,669 |
| Non Government Debt Securities | 2,559,963 | (285,059) | - | 2,274,904 | 302,920 | (302,920) | - | - |
| | 119,027,911 | (285,059) | - | 118,742,852 | 60,100,589 | (302,920) | - | 59,797,669 |
| Subsidiaries | 1,500,000 | - | - | 1,500,000 | 500,000 | - | - | 500,000 |
| Total Investments | 1,320,433,077 | (4,168,756) | 16,884,531 | 1,333,148,852 | 1,167,405,740 | (3,537,272) | (13,550,379) | 1,150,318,089 |

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

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(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | (Audited) December 31, 2023 |
|--|-----------------------|-----------------------------------|
| Rupees in '000 | | |
| 10.1.2 Investments given as collateral - at market value | | |
| Market Treasury Bills | 9,939,140 | - |
| Pakistan Investment Bonds | 260,194,855 | 268,646,617 |
| Total Investments given as collateral | 270,133,995 | 268,646,617 |
| 10.2 Credit loss allowance for diminution in value of investments | | |
| 10.2.1 Opening balance | 3,537,272 | 2,321,414 |
| Impact of adoption of IFRS 9 | 2,317,757 | - |
| Exchange adjustments | (22,623) | 69,221 |
| Charge / (reversals) | | |
| Charge for the period / year | 1,405,513 | 2,082,408 |
| Reversals for the period / year | (2,207,525) | (17,717) |
| Reversal on disposals | (861,638) | - |
| | (1,663,650) | 2,064,691 |
| Reversal on disposals | - | (918,054) |
| Closing Balance | 4,168,756 | 3,537,272 |

| | September 30, 2024 | | (Audited) December 31, 2023 | |
|--|-----------------------|----------------------------------|--------------------------------|-------------------|
| | Outstanding amount | Credit loss allowance Held | Outstanding amount | Provision Held |
| Rupees in '000 | | | | |
| 10.2.2 Particulars of credit loss allowance / provision against debt securities | | | | |
| Category of Classification | | | | |
| Domestic | | | | |
| Performing - Stage 1 | 1,283,481,010 | 2,703 | - | - |
| Underperforming - Stage 2 | 10,665,888 | 2,103,452 | - | - |
| Non-performing - Stage 3 | 946,468 | 746,788 | - | - |
| Substandard | 640,338 | 440,658 | - | - |
| Doubtful | - | - | - | - |
| Loss | 306,130 | 306,130 | 323,991 | 323,991 |
| | 1,295,093,366 | 2,852,943 | 323,991 | 323,991 |
| Overseas | | | | |
| Performing - Stage 1 | - | - | - | - |
| Underperforming - Stage 2 | 12,528,015 | 1,315,813 | - | - |
| Non-performing - Stage 3 | - | - | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | - | - | - | - |
| | - | - | - | - |
| Total | 1,307,621,381 | 4,168,756 | 323,991 | 323,991 |

10.3 The market value of Pakistan Investment Bonds classified as amortised cost as at September 30, 2024 amounted to Rs. 110,319.785 million (December 31, 2023: Rs. 51,778 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | Performing | | Non Performing | | Total | |
|--|---|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | | (Audited) | | (Audited) | | (Audited) | |
| | | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| Rupees in '000 | | | | | | | |
| 11 | ADVANCES | | | | | | |
| | Loans, cash credits, running finances, etc. | 762,411,320 | 699,211,949 | 11,653,932 | 11,713,507 | 774,065,252 | 710,925,456 |
| | Islamic financing and related assets | 39.3 82,237,694 | 79,621,981 | 260,650 | 5,729 | 82,498,344 | 79,627,710 |
| | Bills discounted and purchased | 3,929,402 | 2,284,978 | 1,013,913 | 1,319,793 | 4,943,315 | 3,584,771 |
| | Advances - gross | 11.1 848,578,416 | 781,098,908 | 12,928,495 | 13,039,029 | 861,506,911 | 794,137,937 |
| Credit loss allowance / Provision against advances | | | | | | | |
| | Stage 1 | 11.3 (435,519) | - | - | - | (435,519) | - |
| | Stage 2 | 11.3 (1,298,516) | - | - | - | (1,298,516) | - |
| | Stage 3 | 11.3 - | - | (12,135,887) | - | (12,135,887) | - |
| | Specific | 11.2 & 11.3 - | - | - | (12,335,688) | - | (12,335,688) |
| | General | 11.3 - | (205,019) | - | - | - | (205,019) |
| | | (1,734,035) | (205,019) | (12,135,887) | (12,335,688) | (13,869,922) | (12,540,707) |
| | Advances - net of credit loss allowance | 846,844,381 | 780,893,889 | 792,608 | 703,341 | 847,636,989 | 781,597,230 |

(Audited)

September 30, December 31,
2024 2023

Rupees in '000

11.1 Particulars of advances (Gross)

| | | |
|-----------------------|-------------|-------------|
| In local currency | 833,928,316 | 753,527,904 |
| In foreign currencies | 27,578,595 | 40,610,033 |
| | 861,506,911 | 794,137,937 |

11.2 Advances include Rs. 12,928.495 million (December 31, 2023: Rs. 13,039.029 million) which have been placed under non-performing / Stage 3 status as detailed below:

| | (Audited) | | | |
|-----------------------------------|----------------------|-----------------------|----------------------|----------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Non Performing Loans | Credit loss allowance | Non Performing Loans | Provision held |
| Rupees in '000 | | | | |
| Category of Classification: | | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned | 74,983 | 35,119 | 31,765 | 250 |
| Substandard - Stage 3 | 676,434 | 429,067 | 361,480 | 90,154 |
| Doubtful - Stage 3 | 384,503 | 256,154 | 46,947 | 23,473 |
| Loss - Stage 3 | 11,792,575 | 11,415,547 | 12,598,837 | 12,221,811 |
| Total | 12,928,495 | 12,135,887 | 13,039,029 | 12,335,688 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

11.3 Particulars of credit loss allowance against advances

| | (Audited) | | | | | | |
|---------------------------------|--------------------|-----------|-----------|-------------|-------------------|-----------|-------------|
| | September 30, 2024 | | | | December 31, 2023 | | |
| | Stage 3 | Stage 2 | Stage 1 | Total | Specific | General | Total |
| Rupees in '000 | | | | | | | |
| Opening balance | 12,335,688 | 144,558 | 60,461 | 12,540,707 | 11,738,558 | 109,603 | 11,848,161 |
| Impact of adoption of IFRS 9 | 165,416 | 1,691,141 | 973,930 | 2,830,487 | - | - | - |
| Exchange adjustments | - | (1,919) | - | (1,919) | - | 9,497 | 9,497 |
| Charge for the period / year | 856,381 | 430,579 | 133,135 | 1,420,095 | 1,694,691 | 241,205 | 1,935,896 |
| Reversals for the period / year | (1,221,598) | (965,843) | (732,007) | (2,919,448) | (1,097,561) | (155,286) | (1,252,847) |
| | (365,217) | (535,264) | (598,872) | (1,499,353) | 597,130 | 85,919 | 683,049 |
| Amounts written off | - | - | - | - | - | - | - |
| Closing balance | 12,135,887 | 1,298,516 | 435,519 | 13,869,922 | 12,335,688 | 205,019 | 12,540,707 |

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

| | September 30, 2024 | | | | |
|-----------------------------------|--------------------|------------|-----------|-----------|-------------|
| | Stage 3 | Stage 2 | Stage 1 | Total | |
| | Rupees in '000 | | | | |
| Opening balance | | 12,501,104 | 1,835,699 | 1,034,391 | 15,371,194 |
| New Advances | | 302,778 | 30,734 | 126,015 | 459,527 |
| Advances derecognised or repaid | | (940,782) | (738,582) | (639,135) | (2,318,499) |
| Transfer to stage 1 | | (691) | (200,258) | 7,120 | (193,829) |
| Transfer to stage 2 | | (280,125) | 399,845 | (89,695) | 30,025 |
| Transfer to stage 3 | | 553,603 | (28,922) | (3,177) | 521,504 |
| | | (365,217) | (537,183) | (598,872) | (1,501,272) |
| Amounts written off / charged off | | - | - | - | - |
| Changes in risk parameters | | - | - | - | - |
| Other changes (to be specific) | | - | - | - | - |
| Closing balance | | 12,135,887 | 1,298,516 | 435,519 | 13,869,922 |

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | | December 31, 2023 | |
|---|--------------------|----------------------------|--------------------|----------------------------|
| | Outstanding amount | Credit loss allowance Held | Outstanding amount | Credit loss allowance Held |
| Rupees in '000 | | | | |
| 11.5 Advances - Category of classification | | | | |
| Domestic | | | | |
| Performing - Stage 1 | 787,168,263 | 435,519 | - | - |
| Underperforming - Stage 2 | 60,808,441 | 1,283,863 | - | - |
| Non-Performing - Stage 3 | 12,928,495 | 12,135,887 | - | - |
| Other impaired | 1,522 | 1,088 | - | - |
| Other Assets Especially Mentioned | 73,461 | 34,031 | - | - |
| Substandard | 676,434 | 429,067 | - | - |
| Doubtful | 384,503 | 256,154 | - | - |
| Loss | 11,792,575 | 11,415,547 | - | - |
| | 860,905,199 | 13,855,269 | - | - |
| Overseas | | | | |
| Performing - Stage 1 | - | - | - | - |
| Underperforming - Stage 2 | 601,712 | 14,653 | 1,221,396 | 144,558 |
| Non-Performing - Stage 3 | - | - | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | - | - | - | - |
| | 601,712 | 14,653 | 1,221,396 | 144,558 |
| Total | 861,506,911 | 13,869,922 | - | - |

| | Note | (Audited) | |
|--------------------------------------|------|--------------------|--------------------|
| | | September 30, 2024 | December 31, 2023 |
| Rupees in '000 | | | |
| 12 PROPERTY AND EQUIPMENT | | | |
| Capital work-in-progress | 12.1 | 9,389,617 | 9,779,743 |
| Property and equipment | | 114,661,337 | 103,998,924 |
| | | 124,050,954 | 113,778,667 |
| 12.1 Capital work-in-progress | | | |
| Civil works | | 7,957,392 | 7,759,247 |
| Equipment | | - | 89,246 |
| Advances to suppliers | | 1,432,225 | 1,931,250 |
| | | 9,389,617 | 9,779,743 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

12.2 Additions to property and equipment

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

| | September 30, 2024 | September 30, 2023 |
|--|-----------------------|-----------------------|
| Rupees in '000 | | |
| Capital work-in-progress | 10,182,231 | 5,620,804 |
| Property and equipment | | |
| Freehold land | 1,356,836 | 810,785 |
| Leasehold land | 4,875,131 | 10 |
| Building on freehold land | 3,773,618 | 514,566 |
| Building on leasehold land | 293,650 | 45,753 |
| Furniture and fixture | 430,708 | 319,446 |
| Electrical office and computer equipment | 4,706,380 | 3,472,394 |
| Vehicles | 708,609 | 287,935 |
| Others-building improvements | 1,360,068 | 507,952 |
| | 17,505,000 | 5,958,841 |
| Total | 27,687,231 | 11,579,645 |

12.3 Disposal of property and equipment

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

| | September 30, 2024 | September 30, 2023 |
|--|-----------------------|-----------------------|
| Rupees in '000 | | |
| Furniture and fixture | 2,833 | 1,314 |
| Electrical office and computer equipment | 20,029 | 6,669 |
| Vehicles | 2,066 | 132 |
| Freehold land | 1,670,225 | - |
| Leasehold land | 354,614 | - |
| Building on freehold land | 21,923 | - |
| Building on leasehold land | 3,979 | - |
| Total | 2,075,669 | 8,115 |

| | (Audited) | | | |
|--|--------------------|------------------|-------------------|------------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Rupees in '000 | | | |
| | Buildings | Total | Buildings | Total |
| 13 RIGHT-OF-USE ASSETS | | | | |
| At January 01 | | | | |
| Cost | 8,323,181 | 8,323,181 | 13,610,540 | 13,610,540 |
| Accumulated Depreciation | (36,126) | (36,126) | (5,787,146) | (5,787,146) |
| Net carrying amount at January 01, 2024 | 8,287,055 | 8,287,055 | 7,823,394 | 7,823,394 |
| Additions during the year | 1,382,359 | 1,382,359 | 2,457,404 | 2,457,404 |
| Deletions during the year | (487,037) | (487,037) | (235,706) | (235,706) |
| Depreciation charge during the year | (1,389,130) | (1,389,130) | (1,764,838) | (1,764,838) |
| Exchange difference | (930) | (930) | 6,801 | 6,801 |
| Net carrying amount at September 30, 2024 | 7,792,317 | 7,792,317 | 8,287,055 | 8,287,055 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | | (Audited) | |
|-----------|--------------------------|-----------------------|----------------------|
| | | September 30, 2024 | December 31, 2023 |
| | | Rupees in '000 | |
| 14 | INTANGIBLE ASSETS | | |
| | Capital work-in-progress | 14.1 | 906,000 |
| | Intangible Assets | 2,760,004 | 2,630,420 |
| | | <u>3,666,004</u> | <u>3,409,291</u> |

14.1 Capital work-in-progress

| | | | |
|--|-----------------------|----------------|----------------|
| | Software | 903,126 | 775,996 |
| | Advances to suppliers | 2,874 | 2,875 |
| | | <u>906,000</u> | <u>778,871</u> |

| | | September 30, 2024 | September 30, 2023 |
|--|--|-----------------------|-----------------------|
| | | Rupees in '000 | |

14.2 Additions to intangible assets

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

| | | | |
|--|--------------------------|----------------|----------------|
| | Capital work-in-progress | 158,710 | 261,675 |
| | Software | 439,019 | 184,279 |
| | Total | <u>597,729</u> | <u>445,954</u> |

14.3 Disposals of intangible assets

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | (Audited) December 31, 2023 |
|---|-----------------------|-----------------------------------|
| | Rupees in '000 | |
| 15 OTHER ASSETS | | |
| Income / Mark-up accrued in local currency | 97,205,684 | 69,602,045 |
| Income / Mark-up accrued in foreign currency | 584,262 | 953,413 |
| Advances, deposits, advance rent and other prepayments | 7,306,381 | 3,081,606 |
| Non-banking assets acquired in satisfaction of claims | 685,249 | 1,038,270 |
| Branches adjustment account | - | 1,701,578 |
| Mark to market gain on forward foreign exchange contracts | - | 80,674 |
| Acceptances | 4,624,805 | 8,444,550 |
| Due from the employees' retirement benefit schemes | | |
| Pension fund | 6,837,249 | 6,185,041 |
| Fraud and forgeries | 524,453 | 544,824 |
| Stationery and stamps in hand | 1,278,158 | 863,475 |
| Home Remittance Cell agent receivable | 4,288 | 1,749 |
| Receivable from State Bank of Pakistan | 5,843 | 4,375 |
| Charges receivable | 29,728 | 29,873 |
| ATM / Point of Sale settlement account | 1,836,286 | 7,075,342 |
| Suspense Account | 13,506 | 295 |
| Others | 494,123 | 440,225 |
| | <u>121,430,015</u> | <u>100,047,335</u> |
| Less: Credit loss allowance / Provision held against other assets | 15.1 (1,210,229) | (996,020) |
| Other assets (net of credit loss allowance) | 120,219,786 | 99,051,315 |
| Surplus on revaluation of non-banking assets | | |
| acquired in satisfaction of claims | 1,004,966 | 1,043,502 |
| Other Assets - Total | <u>121,224,752</u> | <u>100,094,817</u> |

15.1 Credit loss allowance / Provision held against other assets

| | | |
|--|------------------|----------------|
| Advances, deposits, advance rent and other prepayments | 231,042 | 213,329 |
| Fraud and forgeries | 423,911 | 444,282 |
| Charges receivable | 29,728 | 29,840 |
| Others | 525,548 | 308,569 |
| | <u>1,210,229</u> | <u>996,020</u> |

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

| | | |
|------------------------------|------------------|----------------|
| Opening balance | 996,020 | 755,808 |
| Impact of adoption of IFRS 9 | 48,085 | - |
| Charge for the period / year | 261,524 | 505,416 |
| Reversals | (90,518) | (259,078) |
| Net charge | 171,006 | 246,338 |
| Amounts written off | (4,882) | (6,126) |
| Closing balance | <u>1,210,229</u> | <u>996,020</u> |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | | (Audited) | |
|--|--|-----------------------|----------------------|
| | | September 30, 2024 | December 31, 2023 |
| | | Rupees in '000 | |

16 CONTINGENT ASSETS

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

| | | (Audited) | |
|--|--|-----------------------|----------------------|
| | | September 30, 2024 | December 31, 2023 |
| | | Rupees in '000 | |

17 BILLS PAYABLE

| | | |
|------------------|------------------|------------------|
| In Pakistan | 8,501,458 | 9,296,223 |
| Outside Pakistan | 25,972 | 26,182 |
| | <u>8,527,430</u> | <u>9,322,405</u> |

| | | (Audited) | |
|--|--|-----------------------|----------------------|
| | | September 30, 2024 | December 31, 2023 |
| | | Rupees in '000 | |

18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan

| | | |
|---|--------------------|--------------------|
| Repurchase agreement borrowings | 195,000,000 | 270,000,000 |
| Under export refinance scheme | 15,586,042 | 28,652,901 |
| Under long term financing facility | 26,850,634 | 28,265,781 |
| Under financing scheme for renewable energy | 4,777,461 | 7,253,956 |
| Under temporary economic refinance scheme | 11,695,511 | 12,741,909 |
| Under refinance scheme for modernization of SMEs | 16,045 | 8,182 |
| Under refinance scheme for SME Asaan Finance (SAAF) | 68,049 | - |
| Refinance and credit guarantee scheme for women entrepreneurs | 21,120 | 13,517 |
| Under refinance scheme for combating COVID-19 | 94,093 | 133,325 |
| | <u>254,108,955</u> | <u>347,069,571</u> |

Repurchase agreement borrowings from Financial Institutions

| | | |
|-------------------|--------------------|--------------------|
| | 72,513,830 | 1,843,392 |
| Trading liability | - | 7,541,047 |
| | <u>326,622,785</u> | <u>356,454,010</u> |

Unsecured

| | | |
|---------------------------|--------------------|--------------------|
| Call borrowings | 3,195,205 | 2,677,677 |
| Overdrawn nostro accounts | 200,733 | 192,355 |
| Musharaka borrowing | 12,000,000 | 14,350,000 |
| | <u>15,395,938</u> | <u>17,220,032</u> |
| | <u>342,018,723</u> | <u>373,674,042</u> |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | (Audited) | | | | | |
|---------------------------------------|----------------------|--------------------------|---------------|----------------------|--------------------------|---------------|
| | September 30, 2024 | | | December 31, 2023 | | |
| | In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |
| | Rupees in '000 | | | | | |
| 19 DEPOSITS AND OTHER ACCOUNTS | | | | | | |
| Customers | | | | | | |
| Current deposits | 637,078,223 | 36,688,231 | 673,766,454 | 616,041,518 | 44,460,629 | 660,502,147 |
| Savings deposits | 802,567,104 | 18,784,746 | 821,351,850 | 652,715,228 | 19,697,405 | 672,412,633 |
| Term deposits | 265,080,610 | 70,006,253 | 335,086,863 | 201,318,101 | 51,084,504 | 252,402,605 |
| Others | 34,350,943 | 45,025 | 34,395,968 | 30,467,120 | 61,278 | 30,528,398 |
| | 1,739,076,880 | 125,524,255 | 1,864,601,135 | 1,500,541,967 | 115,303,816 | 1,615,845,783 |
| Financial Institutions | | | | | | |
| Current deposits | 15,599,662 | 1,527,496 | 17,127,158 | 14,062,494 | 853,715 | 14,916,209 |
| Savings deposits | 38,631,253 | - | 38,631,253 | 44,978,314 | - | 44,978,314 |
| Term deposits | 1,319,350 | 4,760,912 | 6,080,262 | 819,350 | 63,419 | 882,769 |
| Others | 100 | - | 100 | - | - | - |
| | 55,550,365 | 6,288,408 | 61,838,773 | 59,860,158 | 917,134 | 60,777,292 |
| | 1,794,627,245 | 131,812,663 | 1,926,439,908 | 1,560,402,125 | 116,220,950 | 1,676,623,075 |

- 19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,270,042 million for September 30, 2024 (December 31, 2023: Rs. 1,138,708 million).

| | (Audited) | |
|---|----------------|----------------------------|
| | Note | September 30, December 31, |
| | | 2024 2023 |
| | Rupees in '000 | |
| 20 LEASE LIABILITIES | | |
| Outstanding amount at the start of the year | 10,632,853 | 9,787,443 |
| Additions during the year | 1,382,360 | 2,457,404 |
| Deletions during the year | (647,281) | (232,906) |
| Lease payments including interest | (2,094,597) | (2,580,364) |
| Interest expense | 1,006,027 | 1,189,825 |
| Exchange difference | (412) | 11,452 |
| Outstanding amount at the end of the period | 10,278,950 | 10,632,854 |
| 20.1 Liabilities outstanding | | |
| Not later than one year | 252,898 | 154,152 |
| Later than one year and upto five years | 3,865,089 | 5,325,576 |
| Over five years | 6,160,963 | 5,153,126 |
| | 10,278,950 | 10,632,854 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|--|--|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 21 | DEFERRED TAX LIABILITIES / ASSETS | | |
| Deductible Temporary Differences on | | | |
| Credit loss allowance against advances, off balance sheet etc. | | 2,078,298 | 492,469 |
| Workers welfare fund | | 3,344,573 | 2,657,448 |
| Others | | 102,650 | 102,650 |
| | | 5,525,521 | 3,252,567 |
| Taxable Temporary Differences on | | | |
| Surplus on revaluation of property and equipment | | (4,086,394) | (4,200,202) |
| Surplus on revaluation of non-banking assets | | (47,369) | (66,251) |
| Surplus on revaluation of investments | | (8,271,111) | 6,608,032 |
| Accelerated tax depreciation or amortization | | (1,648,450) | (1,696,139) |
| Actuarial gains | | (76,413) | (76,413) |
| | | (14,129,737) | 569,027 |
| | | (8,604,216) | 3,821,594 |

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|---|--------------------------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 22 | OTHER LIABILITIES | | |
| Mark-up / return / interest payable in local currency | | 40,611,820 | 14,143,930 |
| Mark-up / return / interest payable in foreign currencies | | 1,266,318 | 1,762,006 |
| Accrued expenses | | 3,127,740 | 3,920,388 |
| Provision for taxation (provisions less payments) | | 1,771,464 | 7,730,026 |
| Retention money payable | | 1,042,864 | 679,647 |
| Deferred income | | 1,237,697 | 855,132 |
| Unearned commission and income on bills discounted | | 1,641,499 | 759,785 |
| Acceptances | | 4,624,805 | 8,444,550 |
| Unclaimed dividends | | 481,293 | 442,049 |
| Dividend payable | | 38,000 | 26,343 |
| Branch adjustment account | | 757,025 | - |
| Unrealized loss on forward foreign exchange contracts | | 1,781,607 | - |
| Unrealized loss on forward government securities transactions | | 261 | 13,812 |
| Provision for: | | | |
| Gratuity | | 806,365 | 806,365 |
| Employees' medical benefits | | 1,538,753 | 1,473,496 |
| Employees' compensated absences | | 1,277,608 | 1,200,318 |
| Payable to defined contribution plan | | 124,052 | 117,158 |
| Credit loss allowance against off-balance sheet obligations | 22.1 | 445,516 | 298,904 |
| Security deposits against lease | | 1,045,806 | 941,987 |
| ATM / Point of Sale settlement account | | 17,108,098 | - |
| Charity fund balance | | 4,204 | 1,000 |
| Home Remittance Cell overdraft | | 273,105 | 794,027 |
| With-holding tax payable | | 1,804,897 | 8,608,289 |
| Sundry deposits | | 4,513,136 | 4,162,588 |
| Workers welfare fund payable | | 6,825,659 | 5,423,363 |
| Others | | 3,715,966 | 2,204,652 |
| | | 97,865,558 | 64,809,815 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|---|------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 22.1 Credit loss allowance / Provision against off-balance sheet obligations | | | |
| Opening balance | | 298,904 | 298,904 |
| Impact of adoption of IFRS 9 | | 151,241 | - |
| Charge for the period / year | | 29,544 | - |
| Reversals for the period / year | | (34,173) | - |
| | | (4,629) | - |
| Closing balance | | 445,516 | 298,904 |

23 SHARE CAPITAL

23.1 Authorized capital

| | (Audited) | | | (Audited) | |
|--|-----------------------|----------------------|---|-----------------------|----------------------|
| | September 30, 2024 | December 31, 2023 | | September 30, 2024 | December 31, 2023 |
| | No. of shares | | | Rupees in '000 | |
| | 1,500,000,000 | 1,500,000,000 | Ordinary shares of Rs.10/- each | 15,000,000 | 15,000,000 |
| 23.2 Issued, subscribed and paid-up capital | | | | | |
| Fully paid-up Ordinary shares of Rs. 10/- each | | | | | |
| | 406,780,094 | 406,780,094 | Fully paid in cash | 4,067,801 | 4,067,801 |
| | 720,745,186 | 720,745,186 | Issued as bonus shares | 7,207,452 | 7,207,452 |
| | 1,127,525,280 | 1,127,525,280 | | 11,275,253 | 11,275,253 |
| | 9,148,550 | 9,148,550 | 18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004) | 91,486 | 91,486 |
| | 8,400,000 | 8,400,000 | 8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein. | 84,000 | 84,000 |
| | 1,145,073,830 | 1,145,073,830 | | 11,450,739 | 11,450,739 |

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|--|--|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 24 | SURPLUS ON REVALUATION OF ASSETS - NET OF TAX | | |
| Surplus / (deficit) arising on revaluation of: | | | |
| Property and equipment | | 49,903,388 | 50,140,331 |
| Non-banking assets acquired in satisfaction of claims | | 1,004,966 | 1,043,502 |
| Available-for-sale securities | | - | (13,485,780) |
| Securities measured at FVOCI - Debt | | 7,638,374 | - |
| Securities measured at FVOCI - Equity | | 9,241,444 | - |
| | | 67,788,172 | 37,698,053 |
| Deferred tax on (surplus) / deficit on revaluation of: | | | |
| Property and equipment | | (4,086,394) | (4,200,202) |
| Non-banking assets acquired in satisfaction of claims | | (47,369) | (66,251) |
| Available-for-sale securities | | - | 6,608,032 |
| Securities measured at FVOCI - Debt | | (3,742,803) | - |
| Securities measured at FVOCI - Equity | | (4,528,308) | - |
| | | (12,404,874) | 2,341,579 |
| Surplus on revaluation of assets - net of tax | | 55,383,298 | 40,039,632 |

25 CONTINGENCIES AND COMMITMENTS

| | | | |
|------------------------------|------|-------------|-------------|
| Guarantees | 25.1 | 62,624,573 | 66,315,450 |
| Commitments | 25.2 | 529,392,009 | 495,953,754 |
| Other contingent liabilities | 25.3 | 7,064,403 | 6,987,410 |
| | | 599,080,985 | 569,256,614 |

25.1 Guarantees

| | | | |
|------------------------|--|------------|------------|
| Financial guarantees | | 5,696,675 | 5,603,283 |
| Performance guarantees | | 14,394,498 | 13,503,642 |
| Other guarantees | | 42,533,400 | 47,208,525 |
| | | 62,624,573 | 66,315,450 |

25.2 Commitments

| | | | |
|---|--------|-------------|-------------|
| Documentary credits and short term trade related transactions: | | | |
| letters of credit | | 88,591,014 | 153,136,140 |
| Commitments in respect of: | | | |
| forward foreign exchange contracts | 25.2.1 | 395,822,613 | 322,127,301 |
| forward government securities transactions | 25.2.2 | 34,013,335 | 11,439,221 |
| operating leases | 25.2.3 | 230,638 | 298,754 |
| Commitments for acquisition of: | | | |
| property and equipment | | 9,831,193 | 8,054,382 |
| intangible assets | | 903,216 | 897,956 |
| | | 529,392,009 | 495,953,754 |

25.2.1 Commitments in respect of forward foreign exchange contracts

| | | | |
|----------|--|-------------|-------------|
| Purchase | | 235,537,592 | 180,292,360 |
| Sale | | 160,285,021 | 141,834,941 |
| | | 395,822,613 | 322,127,301 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | (Audited) | |
|--|-----------------------|----------------------|
| | September 30, 2024 | December 31, 2023 |
| | Rupees in '000 | |
| 25.2.2 Commitments in respect of forward government securities transactions | | |
| Purchase | 32,001,677 | 10,053,843 |
| Sale | 2,011,658 | 1,385,378 |
| | <u>34,013,335</u> | <u>11,439,221</u> |
| 25.2.3 Commitments in respect of operating leases | | |
| Not later than one year | 107,424 | 112,416 |
| Later than one year and not later than five years | 105,002 | 162,545 |
| Later than five years | 18,212 | 23,793 |
| | <u>230,638</u> | <u>298,754</u> |
| 25.3 Other contingent liabilities | | |
| 25.3.1 Claims against the Bank not acknowledged as debt | 7,064,403 | 6,987,410 |

25.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2023 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2023 income tax authorities made certain add backs with aggregate tax impact of Rs. 35,086 million (2023: 34,841 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals/references before higher forums against unfavorable decisions. Pending finalization of appeals/references no provision has been made by the Bank on aggregate sum of Rs. 35,086 million (2023: 34,841 million). The management is confident that the outcome of these appeals/references will be in favor of the Bank.

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

26 DERIVATIVE INSTRUMENTS

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

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

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

| | Note | Nine Months Ended | | Quarter Ended | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | | |
| 27 MARK-UP / RETURN / INTEREST EARNED | | | | | |
| On: | | | | | |
| Loans and advances | | 104,537,918 | 104,415,954 | 34,346,274 | 37,443,392 |
| Investments | | 183,038,599 | 154,853,768 | 63,243,398 | 55,168,229 |
| Lendings to financial institutions | | 2,840,412 | 4,114,994 | 1,009,158 | 2,292,442 |
| Balances with banks | | 798,070 | 955,817 | 264,191 | 305,722 |
| | | 291,214,999 | 264,340,533 | 98,863,021 | 95,209,785 |
| 28 MARK-UP / RETURN / INTEREST EXPENSED | | | | | |
| On: | | | | | |
| Deposits | | 148,523,161 | 121,308,690 | 52,458,965 | 48,554,918 |
| Borrowings | | 47,018,618 | 57,308,137 | 12,403,605 | 14,270,798 |
| Cost of foreign currency swaps against | | | | | |
| foreign currency deposits | | 4,510,570 | 3,873,064 | 1,962,586 | 1,992,489 |
| Interest expense on lease liability | | 1,006,027 | 865,729 | 362,500 | 309,079 |
| | | 201,058,376 | 183,355,620 | 67,187,656 | 65,127,284 |
| 29 FEE AND COMMISSION INCOME | | | | | |
| Branch banking customer fees | | 1,894,938 | 1,713,114 | 658,648 | 655,495 |
| Consumer finance related fees | | 17,574 | 21,761 | 5,991 | 5,194 |
| Card related fees (debit and credit cards) | | 5,368,722 | 3,907,178 | 1,863,945 | 1,454,025 |
| Credit related fees | | 17,012 | 28,683 | 4,690 | 10,143 |
| Investment banking fees | | 589,788 | 562,469 | 82,991 | 12,472 |
| Commission on trade | | 541,755 | 446,864 | 189,622 | 164,128 |
| Commission on guarantees | | 136,615 | 137,448 | 44,376 | 41,295 |
| Commission on cash management | | 287,588 | 297,222 | 95,155 | 104,807 |
| Commission on remittances including home remittances | | 1,153,770 | 583,781 | 620,178 | 201,573 |
| Commission on bancassurance | | 6,972 | 15,059 | 260 | 9,301 |
| Card acquiring business | | 80,512 | - | 51,378 | - |
| | | 10,095,246 | 7,713,579 | 3,617,234 | 2,658,433 |
| 30 GAIN / (LOSS) ON SECURITIES | | | | | |
| Realised - net | 30.1 | 1,343,852 | (77,709) | 434,375 | (285,219) |
| Unrealised - held for trading | | - | (358) | - | 9,988 |
| Unrealised - measured at FVTPL | | (4,741) | - | (6,336) | - |
| Unrealised - forward government securities | | 13,551 | 87,794 | 86,364 | 73,852 |
| | | 1,352,662 | 9,727 | 514,403 | (201,379) |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Nine Months Ended | | Quarter Ended | | |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|
| | Note | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | | |
| 30.1 Realised gain / (loss) on: | | | | | |
| Federal government securities | | 1,343,852 | 187,399 | 434,375 | 31,159 |
| Shares | | - | (265,108) | - | (316,378) |
| | | <u>1,343,852</u> | <u>(77,709)</u> | <u>434,375</u> | <u>(285,219)</u> |
| 31 OTHER INCOME | | | | | |
| Rent on property | | 24,452 | 16,141 | 8,174 | 5,376 |
| (Loss) / Gain on sale of property and equipment - net | | 573,205 | (2,112) | 306,117 | (2,273) |
| Other assets disposal | | 51,305 | 34,026 | 14,348 | 22,594 |
| Recovery of written off mark-up and charges | | 68 | 3,200 | 12 | 2,289 |
| Fee for attending Board meetings | | 869 | 1,432 | 438 | 274 |
| Income from data centre hosting service | | 13,287 | 13,287 | 4,429 | 4,429 |
| Gain on sale of islamic financing and related assets | | 9,029 | 27,278 | 2,027 | 12,205 |
| | | <u>672,215</u> | <u>93,252</u> | <u>335,545</u> | <u>44,894</u> |
| 32 OPERATING EXPENSES | | | | | |
| Total compensation expense | | 15,483,944 | 13,989,284 | 5,048,936 | 4,684,322 |
| Property expense: | | | | | |
| Rent and taxes | | 304,721 | 285,084 | 99,254 | 93,922 |
| Insurance | | 106,886 | 82,891 | 38,135 | 30,726 |
| Utilities cost | | 2,293,452 | 1,992,213 | 916,934 | 805,098 |
| Security (including guards) | | 1,423,762 | 1,362,196 | 466,246 | 454,256 |
| Repair and maintenance (including janitorial charges) | | 1,282,103 | 1,145,837 | 392,135 | 408,116 |
| Depreciation | | 4,689,285 | 3,701,266 | 1,635,219 | 1,278,773 |
| | | <u>10,100,209</u> | <u>8,569,487</u> | <u>3,547,923</u> | <u>3,070,891</u> |
| Information technology expenses: | | | | | |
| Software maintenance | | 1,637,143 | 1,850,569 | 506,554 | 616,477 |
| Hardware maintenance | | 369,204 | 446,760 | 76,109 | 149,194 |
| Depreciation | | 1,151,820 | 820,377 | 413,658 | 297,487 |
| Amortization | | 468,590 | 435,191 | 161,710 | 149,603 |
| Network charges | | 731,600 | 646,931 | 279,234 | 225,809 |
| Others | | 3,946 | 3,062 | 1,491 | 1,276 |
| | | <u>4,362,303</u> | <u>4,202,890</u> | <u>1,438,756</u> | <u>1,439,846</u> |
| Other operating expenses: | | | | | |
| Directors' fees and allowances | | 59,266 | 50,141 | 24,316 | 16,834 |
| Fees and allowances to Shariah Board | | 7,261 | 6,761 | 2,376 | 2,150 |
| Legal & professional charges | | 209,591 | 149,696 | 68,357 | 33,427 |
| Outsourced service cost | | 1,239,231 | 970,453 | 470,493 | 335,192 |
| Travelling & conveyance | | 324,751 | 270,213 | 115,516 | 100,923 |
| NIFT clearing charges | | 158,677 | 152,515 | 49,003 | 52,310 |
| Depreciation | | 315,307 | 227,430 | 105,753 | 80,621 |
| Training and development | | 165,811 | 121,544 | 82,509 | 57,581 |
| Postage & courier charges | | 154,571 | 163,607 | 37,766 | 13,295 |
| Communication | | 1,031,635 | 766,310 | 377,238 | 259,610 |
| Stationery & printing | | 593,502 | 506,689 | 180,873 | 193,034 |
| Marketing, advertisement & publicity | | 2,333,614 | 1,071,685 | 855,595 | 313,942 |
| Donations | | 90,835 | 45,770 | 3,395 | 28,430 |
| Auditors Remuneration | | 22,506 | 21,449 | 7,402 | 11,768 |
| Brokerage expenses | | 88,896 | 46,674 | 35,375 | 12,959 |
| Card related expenses | | 1,827,605 | 1,697,503 | 686,574 | 493,550 |
| CNIC verification | | 140,585 | 122,778 | 35,607 | 35,890 |
| Entertainment | | 315,892 | 236,346 | 128,655 | 76,110 |
| Clearing and settlement | | 205,986 | 164,313 | 75,829 | 65,052 |
| Insurance | | 1,562,455 | 1,317,994 | 525,909 | 441,201 |
| Cash In Transit Service Charge | | 357,454 | 387,854 | 136,237 | 123,478 |
| Others | | 76,725 | 76,872 | (39,786) | 23,391 |
| | | <u>11,282,156</u> | <u>8,574,597</u> | <u>3,964,992</u> | <u>2,770,748</u> |
| | | <u>41,228,612</u> | <u>35,336,258</u> | <u>14,000,607</u> | <u>11,965,807</u> |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| Note | Nine Months Ended | | Quarter Ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | |
| 33 OTHER CHARGES | | | | |
| Penalties imposed by State Bank of Pakistan | 19,327 | 39,100 | 1,123 | 35,444 |
| Education cess | 37,500 | 33,336 | 12,501 | 8,334 |
| Depreciation - non-banking assets | 19,549 | 7,504 | 5,985 | 2,488 |
| Others | 144,981 | 187,513 | (30,021) | 62,515 |
| Other assets written off | 29 | - | 29 | - |
| | <u>221,386</u> | <u>267,453</u> | <u>(10,383)</u> | <u>108,781</u> |
| 34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET | | | | |
| Credit loss allowance against lendings to financial institutions | 32,622 | - | 32,624 | - |
| Credit loss allowance against nostro accounts | 6,076 | - | 3,009 | - |
| Credit loss allowance / Provision for diminution in value of investments | 10.2.1 | (1,663,650) | 957,507 | (186,212) |
| Credit loss allowance / Provision against loans & advances | 11.3 | (1,499,353) | 1,226,648 | 156,598 |
| Credit loss allowance / Provision against other assets | 15.1.1 | 171,006 | 353,674 | 52,438 |
| Credit loss allowance against off-balance sheet obligations | 22.1 | (4,629) | - | 29,544 |
| | | <u>(2,957,928)</u> | <u>2,537,829</u> | <u>88,001</u> |
| Recovery of written off bad debts | | <u>(7,692)</u> | <u>(5,589)</u> | <u>(5,392)</u> |
| | | <u>(2,965,620)</u> | <u>2,532,240</u> | <u>82,609</u> |
| | | | | <u>(211,384)</u> |

35 TAXATION

| | | | | | |
|--------------------------|------|-------------------|-------------------|-------------------|-------------------|
| Current - for the period | 35.1 | 34,256,647 | 30,030,114 | 11,691,761 | 11,553,553 |
| - for prior year | | - | - | - | - |
| | | <u>34,256,647</u> | <u>30,030,114</u> | <u>11,691,761</u> | <u>11,553,553</u> |
| Deferred - current | | 167,323 | (867,245) | (136,685) | (151,211) |
| | | <u>34,423,970</u> | <u>29,162,869</u> | <u>11,555,076</u> | <u>11,402,342</u> |

35.1 This also includes proportionate super tax on high earning persons of Rs. 6,991.152 million (September 30, 2023: Rs. 6,128.595 million).

| | Nine Months Ended | | Quarter Ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | |
| 36 EARNINGS PER SHARE - BASIC AND DILUTED | | | | |
| Profit after taxation | 35,690,812 | 28,661,577 | 12,050,091 | 11,218,545 |
| Number of Shares | | | | |
| Weighted average number of ordinary shares outstanding during the year | 1,145,073,830 | 1,145,073,830 | 1,145,073,830 | 1,145,073,830 |
| Rupees | | | | |
| Earnings per share - basic and diluted | 31.17 | 25.03 | 10.52 | 9.80 |

There is no dilution effect on basic earnings per share.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2024

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 Fair value of financial assets

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

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

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

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

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

September 30, 2024

| | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|------------|---------------|---------|---------------|
| Rupees in '000 | | | | | |
| On balance sheet financial instruments | | | | | |
| Financial assets - measured at fair value | | | | | |
| Investments | | | | | |
| Federal Government Securities | 1,171,273,257 | - | 1,171,273,257 | - | 1,171,273,257 |
| Shares | 19,372,143 | 19,348,721 | 23,422 | - | 19,372,143 |
| Non-Government Debt Securities | 13,316,299 | - | 13,316,299 | - | 13,316,299 |
| Financial assets - disclosed but not measured at fair value | | | | | |
| Investments | | | | | |
| Cash and balances with treasury banks | 173,140,143 | - | - | - | - |
| Balances with other banks | 1,699,980 | - | - | - | - |
| Lendings | 11,461,542 | - | - | - | - |
| Advances | 847,636,989 | - | - | - | - |
| Other assets | 104,343,791 | - | - | - | - |
| Non - Financial Assets measured at fair value | | | | | |
| Property and equipment | 97,687,975 | - | 97,687,975 | - | 97,687,975 |
| Non-banking assets | 1,690,215 | - | 1,690,215 | - | 1,690,215 |
| Off-balance sheet financial instruments - measured at fair value | | | | | |
| Forward purchase of foreign exchange | 235,537,592 | - | 235,537,592 | - | 235,537,592 |
| Forward sale of foreign exchange | 160,285,021 | - | 160,285,021 | - | 160,285,021 |
| Forward purchase of government securities transactions | 32,001,677 | - | 32,001,677 | - | 32,001,677 |
| Forward sale of government securities transactions | 2,011,658 | - | 2,011,658 | - | 2,011,658 |

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2024

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | | | | | |
|---|--------------------------------|-----------------------------|---------------------------|--------------------|---------------------|----------------------|
| | Corporate & Investment Banking | Commercial & Retail Banking | Trading & Sale (Treasury) | Islamic Banking | Others | Total |
| | Rupees in '000 | | | | | |
| 38 SEGMENT INFORMATION | | | | | | |
| 38.1 Segment Details with respect to Business Activities | | | | | | |
| Profit & Loss | | | | | | |
| Net mark-up/return/profit | 88,535,106 | (138,046,484) | 130,683,975 | 8,561,492 | 422,534 | 90,156,623 |
| Inter segment revenue - net | (79,764,671) | 221,017,234 | (128,899,246) | - | (12,353,317) | - |
| Non mark-up / return / interest income | 4,785,287 | 6,996,368 | 6,555,839 | 529,109 | 978,230 | 19,844,833 |
| Total Income | 13,555,722 | 89,967,118 | 8,340,568 | 9,090,601 | (10,952,553) | 110,001,456 |
| Segment direct expenses | 917,165 | 18,653,615 | 275,493 | 1,673,422 | 21,332,599 | 42,852,294 |
| Total expenses | 917,165 | 18,653,615 | 275,493 | 1,673,422 | 21,332,599 | 42,852,294 |
| Credit loss allowance | (2,401,700) | (212,905) | 4,026 | 474,882 | (829,923) | (2,965,620) |
| Profit before tax | 15,040,257 | 71,526,408 | 8,061,049 | 6,942,297 | (31,455,229) | 70,114,782 |
| Balance Sheet | | | | | | |
| Cash & Bank balances | 65,026 | 58,649,802 | 98,786,565 | 9,515,552 | 7,823,178 | 174,840,123 |
| Investments | 52,042,986 | - | 1,234,843,671 | 44,762,382 | 1,499,813 | 1,333,148,852 |
| Net inter segment lending | (730,762,544) | 1,689,330,399 | (1,122,119,244) | - | 163,551,389 | - |
| Lendings to financial institutions | 1,194,166 | - | 383,314 | 9,996,279 | (112,217) | 11,461,542 |
| Advances - performing | 733,246,353 | 21,990,696 | - | 82,237,694 | 11,103,673 | 848,578,416 |
| Advances - non-performing | 724,601 | 327,346 | - | 260,650 | 11,615,898 | 12,928,495 |
| Credit loss allowance against advances | (1,975,786) | (580,259) | - | (228,637) | (11,085,240) | (13,869,922) |
| Advances - net | 731,995,168 | 21,737,783 | - | 82,269,707 | 11,634,331 | 847,636,989 |
| Operating fixed assets | 168,385 | 83,255,793 | 59,417 | 2,097,761 | 49,927,919 | 135,509,275 |
| Others | 8,555,838 | 18,181,557 | 58,709,220 | 6,850,632 | 28,927,505 | 121,224,752 |
| Total Assets | 63,259,025 | 1,871,155,334 | 270,662,943 | 155,492,313 | 263,251,918 | 2,623,821,533 |
| Borrowings | 57,754,629 | 1,969,187 | 268,624,563 | 28,753,659 | (15,083,315) | 342,018,723 |
| Deposits & other accounts | 3,408,939 | 1,825,418,824 | - | 92,834,280 | 4,777,865 | 1,926,439,908 |
| Net inter segment borrowing | - | - | - | - | - | - |
| Others | 2,095,457 | 43,767,323 | 2,038,380 | 11,724,540 | 65,650,454 | 125,276,154 |
| Total liabilities | 63,259,025 | 1,871,155,334 | 270,662,943 | 133,312,479 | 55,345,004 | 2,393,734,785 |
| Equity / Reserves | - | - | - | 22,179,834 | 207,906,914 | 230,086,748 |
| Total Equity and liabilities | 63,259,025 | 1,871,155,334 | 270,662,943 | 155,492,313 | 263,251,918 | 2,623,821,533 |
| Contingencies and commitments | 122,756,744 | 20,507,835 | 425,225,632 | 7,901,328 | 18,079,130 | 594,470,669 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2023 | | | | | |
|--|--------------------------------|-----------------------------|---------------------------|--------------------|---------------------|----------------------|
| | Corporate & Investment Banking | Commercial & Retail Banking | Trading & Sale (Treasury) | Islamic Banking | Others | Total |
| Rupees in '000 | | | | | | |
| Profit & Loss | | | | | | |
| Net mark-up/return/profit | 90,041,873 | (111,992,350) | 96,313,992 | 6,081,644 | 539,754 | 80,984,913 |
| Inter segment revenue - net | (91,137,110) | 207,734,858 | (104,566,897) | - | (12,030,851) | - |
| Non mark-up / return / interest income | 3,918,050 | 5,443,733 | 5,946,875 | 478,435 | 384,110 | 16,171,203 |
| Total Income | 2,822,813 | 101,186,241 | (2,306,030) | 6,560,079 | (11,106,987) | 97,156,116 |
| Segment direct expenses | 613,366 | 16,552,880 | 186,860 | 1,380,957 | 18,065,367 | 36,799,430 |
| Total expenses | 613,366 | 16,552,880 | 186,860 | 1,380,957 | 18,065,367 | 36,799,430 |
| Provisions | (2,090,334) | (534,513) | (287,719) | (3,476) | 383,802 | (2,532,240) |
| Profit before tax | 119,113 | 84,098,848 | (2,780,609) | 5,175,646 | (28,788,552) | 57,824,446 |
| December 31, 2023 (Audited) | | | | | | |
| | Corporate & Investment Banking | Commercial & Retail Banking | Trading & Sale (Treasury) | Islamic Banking | Others | Total |
| Rupees in '000 | | | | | | |
| Balance Sheet | | | | | | |
| Cash & Bank balances | 63,911 | 52,567,988 | 87,420,356 | 7,981,515 | 10,558,139 | 158,591,909 |
| Investments | 56,323,830 | - | 1,055,128,295 | 38,360,057 | 505,907 | 1,150,318,089 |
| Net inter segment lending | (637,179,804) | 1,431,073,958 | (920,483,266) | (427,931) | 127,017,043 | - |
| Lendings to financial institutions | - | - | 16,191,116 | - | (6,773,113) | 9,418,003 |
| Advances - performing | 658,585,879 | 32,393,352 | - | 79,621,981 | 10,497,696 | 781,098,908 |
| Advances - non-performing | 296,254 | 174,347 | - | 5,729 | 12,562,699 | 13,039,029 |
| Provision against advances | (226,742) | (129,247) | - | (7,338) | (12,177,380) | (12,540,707) |
| Advances - net | 658,655,391 | 32,438,452 | - | 79,620,372 | 10,883,015 | 781,597,230 |
| Operating fixed assets | 152,919 | 74,579,541 | 5,707 | 887,783 | 49,849,063 | 125,475,013 |
| Others | 8,271,993 | 15,956,021 | 40,787,167 | 5,126,241 | 33,774,989 | 103,916,411 |
| Total Assets | 86,288,240 | 1,606,615,960 | 279,049,375 | 131,548,037 | 225,815,043 | 2,329,316,655 |
| Borrowings | 80,418,586 | 3,160,687 | 279,576,794 | 17,276,361 | (6,758,386) | 373,674,042 |
| Deposits & other accounts | 3,332,467 | 1,573,043,102 | - | 95,333,605 | 4,913,901 | 1,676,623,075 |
| Others | 2,537,187 | 30,412,171 | (527,419) | 3,904,191 | 48,438,944 | 84,765,074 |
| Total liabilities | 86,288,240 | 1,606,615,960 | 279,049,375 | 116,514,157 | 46,594,459 | 2,135,062,191 |
| Equity / Reserves | - | - | - | 15,033,880 | 179,220,584 | 194,254,464 |
| Total Equity and liabilities | 86,288,240 | 1,606,615,960 | 279,049,375 | 131,548,037 | 225,815,043 | 2,329,316,655 |
| Contingencies and commitments | 192,589,491 | 20,824,987 | 333,566,522 | 5,984,115 | 16,291,499 | 569,256,614 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | | | | December 31, 2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------|-------------|--------------------------|--------------|-------------------|-----------------------|--------------|-----------|--------------------------|--------------|--------------|-----------------------|--|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|--|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|--|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|--|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|----------------------------------|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|----------------------------------|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|----------------------------------|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|----------------------------------|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|----------------------------------|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|----------------------------------|--------------|-------------|-------------|--------------|--------------|---------------|--------------|-----------|-------------|--------------|--------------|---------------|-------------------------------|-------|--------|--------|---------|---------|-----------|--------|--------|--------|--------|-----------|-----------|-------------------------------|---|---|---|---|---------|---|---|---|---|---|-----------|---|-------------------------------|---|---|---|---|---------|---|---|---|---|---|-----------|---|-------------------------------|---|---|---|---|---------|---|---|---|---|---|-----------|---|---------------------|---|---|---|---|---------|---|---|---|---|---|-----------|---|
| | Parent | Directors | Key management personnel | Subsidiaries | Associates* | Other related parties | Parent | Directors | Key management personnel | Subsidiaries | Associates* | Other related parties | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Rupees in '000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Assets | | | | | | | | | | | | | Interest / mark-up accrued | - | 23,437 | 105,564 | - | 2,604 | - | - | 13,464 | 94,881 | 3,616 | 8,660 | - | Receivable from staff retirement fund | - | - | - | - | 5,855,524 | - | - | - | - | - | - | 5,238,086 | Other receivable | - | - | - | 187,781 | - | - | - | - | - | 66,547 | - | - | Credit loss allowance against other assets | - | - | - | - | - | - | - | - | - | - | - | - | Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - |
| Interest / mark-up accrued | - | 23,437 | 105,564 | - | 2,604 | - | - | 13,464 | 94,881 | 3,616 | 8,660 | - | Receivable from staff retirement fund | - | - | - | - | 5,855,524 | - | - | - | - | - | - | 5,238,086 | Other receivable | - | - | - | 187,781 | - | - | - | - | - | 66,547 | - | - | Credit loss allowance against other assets | - | - | - | - | - | - | - | - | - | - | - | - | Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | |
| Receivable from staff retirement fund | - | - | - | - | 5,855,524 | - | - | - | - | - | - | 5,238,086 | Other receivable | - | - | - | 187,781 | - | - | - | - | - | 66,547 | - | - | Credit loss allowance against other assets | - | - | - | - | - | - | - | - | - | - | - | - | Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other receivable | - | - | - | 187,781 | - | - | - | - | - | 66,547 | - | - | Credit loss allowance against other assets | - | - | - | - | - | - | - | - | - | - | - | - | Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Credit loss allowance against other assets | - | - | - | - | - | - | - | - | - | - | - | - | Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - | Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subordinated debt | - | - | - | - | - | - | - | - | - | - | - | - | Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deposits and other accounts | | | | | | | | | | | | | Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Opening balance | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | 1,716 | 53,731 | 51,333 | 21,629 | 111,965 | 2,128,234 | Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Received during the period/year | 13,882,984 | 1,952,421 | 1,256,074 | 19,711,393 | 10,119,425 | 360,908,916 | 21,582,782 | 510,082 | 1,116,106 | 10,686,205 | 9,933,381 | 292,682,647 | Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Withdrawn during the period/year | (13,390,502) | (1,982,596) | (1,230,966) | (19,426,238) | (10,143,763) | (381,041,252) | (21,571,535) | (516,899) | (1,132,330) | (10,674,436) | (10,008,221) | (286,951,418) | Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Closing balance | 5,455 | 16,720 | 60,208 | 318,555 | 12,787 | 7,707,126 | 12,963 | 46,895 | 35,100 | 33,398 | 37,125 | 7,839,462 | Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Liabilities | | | | | | | | | | | | | Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest / mark-up payable | - | - | - | - | - | - | - | - | - | - | - | - | Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contingencies and Commitments | - | - | - | - | - | - | - | - | - | - | - | - | Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other contingencies | - | - | - | - | 332,791 | - | - | - | - | - | 1,842,309 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

39.1 RELATED PARTY TRANSACTIONS

| | September 30, 2024 | | | | | December 31, 2023 | | | | | | |
|---|--------------------|-----------|--------------------------|--------------|-------------|-----------------------|--------|-----------|--------------------------|--------------|-------------|-----------------------|
| | Parent | Directors | Key management personnel | Subsidiaries | Associates* | Other related parties | Parent | Directors | Key management personnel | Subsidiaries | Associates* | Other related parties |
| | Rupees in '000 | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| Mark-up/return/interest earned | - | 10,072 | 12,917 | 5,380 | 209,791 | 234 | - | 8,243 | 13,706 | 303,426 | 24,835 | 104 |
| Fee and commission income | 0 | 95 | 224 | 15,747 | 695 | 1,024 | 4 | 69 | 146 | 4,174 | 3,113 | 773 |
| Dividend income | - | - | - | - | - | 19,077 | - | - | - | - | - | - |
| Net (loss) / gain on sale of securities | - | - | 189 | (51) | - | 51 | - | - | (94) | - | - | 9,327 |
| Rental income | - | - | - | 27,927 | - | - | - | - | - | - | 16,141 | - |
| Other income | - | - | 16 | 14,145 | - | 14 | - | - | - | - | 13,287 | - |
| Expense | | | | | | | | | | | | |
| Mark-up/return/interest paid | 912 | 5,667 | 4,846 | 31,557 | 130 | 1,161,387 | - | 7,518 | 3,028 | 7,151 | 1,140 | 607,458 |
| Directors meeting fee | - | 57,600 | - | - | - | - | - | 49,800 | - | - | - | - |
| Remuneration | - | 157,213 | 540,648 | - | - | - | - | 80,856 | 417,588 | - | - | - |
| Charge for defined benefit plans | - | 3,985 | 20,942 | - | - | - | - | 1,966 | 17,657 | - | - | - |
| Contribution to defined contribution plan | - | 3,749 | 10,460 | - | - | - | - | 1,874 | 7,551 | - | - | - |
| Other expenses | - | 1,200 | - | - | 34,487 | - | - | - | - | - | 6,590 | - |
| Rent expense** | - | - | - | - | 17,290 | - | - | - | - | - | 15,163 | - |
| Charge in respect of staff retirement benefit funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance premium paid | - | 310 | 1,003 | - | - | 98,756 | - | 394 | 1,250 | - | - | 234,102 |
| Others Transaction** | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of Government securities | - | - | 351,949 | - | - | 19,515 | - | - | - | - | - | - |
| Sale of Government securities | - | - | 416,030 | 1,620,136 | - | 23,496 | - | - | - | - | - | - |
| Purchase of foreign currencies | - | - | 13,448 | 679,489 | - | - | - | - | - | - | - | - |
| Sale of foreign currencies | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance claims settled | - | - | - | - | - | - | - | - | - | - | - | - |

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

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

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

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

During the period ended September 30, 2024, certain moveable assets having cumulative net book value of Rs. 525,207 to the Key Management Personnel of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | (Audited) December 31, 2023 |
|---|-----------------------|-----------------------------------|
| Rupees in '000 | | |
| 40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS | | |
| Minimum Capital Requirement (MCR): | | |
| Paid-up capital (net of losses) | 11,450,739 | 11,450,739 |
| Capital Adequacy Ratio (CAR): | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | 156,131,688 | 136,415,747 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 156,131,688 | 136,415,747 |
| Eligible Tier 2 Capital | 60,872,789 | 44,340,488 |
| Total Eligible Capital (Tier 1 + Tier 2) | 217,004,477 | 180,756,235 |
| Risk Weighted Assets (RWAs): | | |
| Credit Risk | 439,727,202 | 473,684,877 |
| Market Risk | 54,097,522 | 40,606,084 |
| Operational Risk | 175,308,026 | 175,308,026 |
| Total | 669,132,750 | 689,598,987 |
| Common Equity Tier 1 Capital Adequacy ratio | 23.33% | 19.78% |
| Tier 1 Capital Adequacy Ratio | 23.33% | 19.78% |
| Total Capital Adequacy Ratio | 32.43% | 26.21% |
| Leverage Ratio (LR): | | |
| Eligible Tier-1 Capital | 156,131,688 | 136,415,747 |
| Total Exposures | 2,786,323,635 | 2,470,110,831 |
| Leverage Ratio | 5.60% | 5.52% |
| Liquidity Coverage Ratio (LCR): | | |
| Total High Quality Liquid Assets | 880,250,105 | 673,797,912 |
| Total Net Cash Outflow | 431,768,898 | 371,108,564 |
| Liquidity Coverage Ratio | 203.87% | 181.56% |
| Net Stable Funding Ratio (NSFR): | | |
| Total Available Stable Funding | 1,716,984,795 | 1,679,029,185 |
| Total Required Stable Funding | 1,122,924,928 | 1,042,804,071 |
| Net Stable Funding Ratio | 152.90% | 161.01% |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

41. ISLAMIC BANKING BUSINESS

The Bank is operating 140 (December 31, 2023: 127 and September 30, 2023: 122) Islamic Banking Branches and 308 (December 31, 2023: 162 and September 30, 2023: 160) Islamic Banking Windows at the end of the period.

| | | (Audited) |
|--|------|--------------------------------|
| | | September 30, December 31, |
| | | 2024 2023 |
| Rupees in '000 | | |
| ASSETS | | |
| Cash and balances with treasury banks | | 9,212,298 7,728,461 |
| Balances with other banks | | 303,254 253,054 |
| Due from financial institutions | 41.1 | 9,996,279 - |
| Investments | 41.2 | 44,762,382 38,360,057 |
| Islamic financing and related assets - net | 41.3 | 82,269,707 79,620,372 |
| Property and equipment | | 1,034,054 420,710 |
| Right-of-use assets | | 1,061,337 963,821 |
| Intangible assets | | 2,370 1,378 |
| Due from Head Office | | - - |
| Other assets | | 6,850,632 5,126,241 |
| | | <u>155,492,313 132,474,094</u> |
| LIABILITIES | | |
| Bills payable | | 439,034 363,436 |
| Due to financial institutions | | 28,753,659 17,276,361 |
| Deposits and other accounts | 41.4 | 92,834,280 95,333,605 |
| Due to Head Office | | 7,540,336 427,931 |
| Lease liabilities | | 1,348,879 1,178,259 |
| Subordinated debt | | - - |
| Other liabilities | | 2,396,291 2,860,622 |
| | | <u>133,312,479 117,440,214</u> |
| NET ASSETS | | |
| | | <u>22,179,834 15,033,880</u> |
| REPRESENTED BY | | |
| Islamic Banking Fund | | 4,100,000 4,100,000 |
| Reserves | | - - |
| Surplus on revaluation of assets | | 791,940 351,709 |
| Unappropriated profit | 41.8 | 17,287,894 10,582,171 |
| | | <u>22,179,834 15,033,880</u> |
| CONTINGENCIES AND COMMITMENTS | | |
| | 41.5 | |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

September 30, 2024 September 30, 2023

Rupees in '000

| The profit and loss account of the Bank's Islamic Banking Branches for the period ended September 30, 2024 is as follows: | | | |
|---|------|------------------|------------------|
| Profit / return earned | 41.6 | 18,812,449 | 13,877,616 |
| Profit / return expensed | 41.7 | 10,250,957 | 7,795,972 |
| Net Profit / return | | 8,561,492 | 6,081,644 |
| OTHER INCOME | | | |
| Fee and commission income | | 447,715 | 288,275 |
| Dividend income | | - | - |
| Foreign exchange income | | 69,103 | 163,517 |
| Gain / (loss) on securities | | 4,472 | 15 |
| Other income | | 7,819 | 26,628 |
| Total other income | | 529,109 | 478,435 |
| Total income | | 9,090,601 | 6,560,079 |
| OTHER EXPENSES | | | |
| Operating expenses | | 1,673,297 | 1,380,688 |
| Workers Welfare Fund | | - | - |
| Other charges | | 125 | 269 |
| Total other expenses | | 1,673,422 | 1,380,957 |
| Profit before credit loss allowance | | 7,417,179 | 5,179,122 |
| Credit loss allowance and write offs - net | | 474,882 | 3,476 |
| PROFIT BEFORE TAXATION | | 6,942,297 | 5,175,646 |
| Taxation | | - | - |
| PROFIT AFTER TAXATION | | 6,942,297 | 5,175,646 |

(Audited)

| | September 30, 2024 | | | December 31, 2023 | | |
|--|--------------------|-----------------------|------------|-------------------|-----------------------|-------|
| | In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |
| Rupees in '000 | | | | | | |
| 41.1 Due from Financial Institutions | | | | | | |
| Bai Muajjal Receivable from other Financial Institutions | - | - | - | - | - | - |
| Bai Muajjal Receivable from State Bank of Pakistan | - | - | - | - | - | - |
| Musharakah Lending | 10,000,000 | - | 10,000,000 | - | - | - |
| | 10,000,000 | - | 10,000,000 | - | - | - |
| Less: Credit loss allowance | | | | | | |
| Stage 1 | 3,721 | - | 3,721 | - | - | - |
| Stage 2 | - | - | - | - | - | - |
| Stage 3 | - | - | - | - | - | - |
| | 3,721 | - | 3,721 | - | - | - |
| Due from financial institutions - net of credit loss allowance | 9,996,279 | - | 9,996,279 | - | - | - |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | (Audited) | | | | | | | |
|------------------------------------|-----------------------|--------------------------------------|---------------------|----------------|-----------------------|--------------------------|---------------------|----------------|
| | September 30, 2024 | | | | December 31, 2023 | | | |
| | Cost / Amortised cost | Credit loss allowance for diminution | Surplus / (Deficit) | Carrying Value | Cost / Amortised cost | Provision for diminution | Surplus / (Deficit) | Carrying Value |
| Rupees in '000 | | | | | | | | |
| 41.2 Investments by Segments | | | | | | | | |
| Debt Instruments | | | | | | | | |
| Classified at FVOCI | | | | | | | | |
| Federal Government Securities: | | | | | | | | |
| -Ijarah Sukuks | 31,977,787 | - | 640,362 | 32,618,149 | 24,141,346 | - | 273,079 | 24,414,425 |
| -Islamic Naya Pakistan Certificate | 1,011,681 | (44,042) | - | 967,639 | 1,555,196 | - | - | 1,555,196 |
| Non Government Debt Securities | 11,535,339 | (440,979) | 82,234 | 11,176,594 | 12,381,149 | - | 9,287 | 12,390,436 |
| Total Investments | 44,524,807 | (485,021) | 722,596 | 44,762,382 | 38,077,691 | - | 282,366 | 38,360,057 |

| | (Audited) | | | | | | |
|---|--------------------|---------|---------|---------|-------------------|---------|---------|
| | September 30, 2024 | | | | December 31, 2023 | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 |
| Rupees in '000 | | | | | | | |
| 41.2.1 Particulars of credit loss allowance | | | | | | | |
| Federal Government securities | - | 44,042 | - | 44,042 | - | - | - |
| Non Government debt securities | 321 | - | 440,658 | 440,979 | - | - | - |
| | 321 | 44,042 | 440,658 | 485,021 | - | - | - |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | December 31, 2023 |
|--|-----------------------|----------------------|
| | Rupees in '000 | |
| 41.3 Islamic financing and related assets | | |
| Ijarah Financing | 247,209 | 344,512 |
| Murabaha Financing | 262,826 | 155,607 |
| Diminishing Musharakah | 15,696,632 | 14,886,737 |
| Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy | 36,000 | 466,733 |
| Advance Against Diminishing Musharakah | 1,487,206 | 42,130 |
| Business Musharakah Financing | 61,031,220 | 59,298,890 |
| Business Musharakah - Islamic Export Re-Finance | 1,388,000 | 1,230,000 |
| Istisna - Financing Under Islamic Export Re-Finance | 500,000 | 407,268 |
| Advance Against Istisna | 75,363 | - |
| Advance Against Istisna - Financing Under Islamic Export Re-Finance | - | 1,200,000 |
| Musawamah Financing | 16,228 | 136,708 |
| Advance Against Musawamah | - | 42,147 |
| Salam Financing | 108,656 | 40,933 |
| Advance Against Salam | 55,770 | 127,474 |
| Ijarah Financing - Staff | 918,418 | 677,652 |
| Diminishing Musharakah Financing - Staff | 504,649 | 442,928 |
| Advance Against Ijarah - Staff | 99,998 | 83,114 |
| Advance Against Diminishing Musharakah - Staff | 70,169 | 44,877 |
| Gross Islamic financing and related assets | 82,498,344 | 79,627,710 |
| Less: Credit loss allowance against Islamic financings | | |
| - Stage 1 | 31,096 | - |
| - Stage 2 | 15,872 | - |
| - Stage 3 | 181,669 | - |
| | 228,637 | - |
| Less: provision against Islamic financings | | |
| - Specific | - | 5,729 |
| - General | - | 1,609 |
| | - | 7,338 |
| Islamic financing and related assets - net of credit loss allowance | 82,269,707 | 79,620,372 |
| 41.4 Deposits | | |
| Customers | | |
| Current deposits | 24,639,055 | 25,024,904 |
| Savings deposits | 27,653,784 | 23,534,617 |
| Term deposits | 5,524,308 | 4,703,796 |
| Other deposits | 2,067,352 | 2,664,074 |
| | 59,884,499 | 55,927,391 |
| Financial Institutions | | |
| Current deposits | 442,937 | 459,525 |
| Savings deposits | 32,506,844 | 38,946,689 |
| Term deposits | - | - |
| Other deposits | - | - |
| | 32,949,781 | 39,406,214 |
| | 92,834,280 | 95,333,605 |

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | (Audited) December 31, 2023 |
|---|-----------------------|-----------------------------------|
| | Rupees in '000 | |
| 41.5 Contingencies and Commitments | | |
| -Guarantees | 2,328,606 | 2,278,575 |
| -Commitments | 5,569,276 | 2,989,376 |
| -Other contingencies | 3,446 | 716,164 |
| | <u>7,901,328</u> | <u>5,984,115</u> |

| | September 30, 2024 | September 30, 2023 |
|--|-----------------------|-----------------------|
| | Rupees in '000 | |
| 41.6 Profit / Return Earned on Financing, Investments and Placement | | |
| Profit earned on: | | |
| Financing | 12,111,415 | 9,781,176 |
| Investments | 6,590,510 | 3,988,079 |
| Placements | 110,524 | 108,361 |
| | <u>18,812,449</u> | <u>13,877,616</u> |

| | | |
|--|-------------------|------------------|
| 41.7 Profit on Deposits and other Dues Expensed | | |
| Deposits and other accounts | 8,153,755 | 5,956,126 |
| Due to Financial Institutions | 1,958,136 | 1,735,465 |
| Other Expenses (IFRS-16) | 139,066 | 104,381 |
| | <u>10,250,957</u> | <u>7,795,972</u> |

| | September 30, 2024 | December 31, 2023 |
|--|-----------------------|----------------------|
| | Rupees in '000 | |
| 41.8 Islamic banking business unappropriated profit | | |
| Opening Balance | 10,582,171 | 3,199,155 |
| ECL Adjustment as per IFRS-9 | (236,574) | |
| Add: Islamic Banking profit for the period | 6,942,297 | 7,383,016 |
| Less: Taxation | - | - |
| Less: Reserves | - | - |
| Less: Transferred / Remitted to Head Office | - | - |
| Closing Balance | <u>17,287,894</u> | <u>10,582,171</u> |

42 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 42.1 The Board of Directors of the Bank in its meeting held on October 30, 2024 has proposed an interim cash dividend for the quarter ended September 30, 2024 of Rs. 4.00 per share (September 30, 2023: cash dividend of Rs. 3.00 per share). The unconsolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

43 GENERAL

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

44 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 30, 2024 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the nine months ended September 30, 2024

Consolidated Statement of Financial Position

(Un-audited) as at September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|---|------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 173,084,719 | 156,124,352 |
| Balances with other banks | 8 | 1,699,980 | 2,455,601 |
| Lendings to financial institutions - net | 9 | 11,461,542 | 9,418,003 |
| Investments - net | 10 | 1,337,298,354 | 1,154,597,203 |
| Advances - net | 11 | 846,362,634 | 780,296,455 |
| Property and equipment | 12 | 124,794,215 | 114,065,779 |
| Right-of-use assets | 13 | 7,860,594 | 8,329,462 |
| Intangible assets | 14 | 3,870,184 | 3,416,652 |
| Deferred tax assets | | - | 3,781,881 |
| Other assets - net | 15 | 122,016,424 | 100,564,585 |
| | | <u>2,628,448,646</u> | <u>2,333,049,973</u> |
| LIABILITIES | | | |
| Bills payable | 17 | 8,527,430 | 9,322,405 |
| Borrowings | 18 | 342,018,723 | 373,674,042 |
| Deposits and other accounts | 19 | 1,926,121,354 | 1,676,589,677 |
| Lease liabilities | 20 | 10,360,620 | 10,686,438 |
| Sub-ordinated debt | | - | - |
| Deferred tax liabilities - net | 21 | 8,514,007 | - |
| Other liabilities | 22 | 98,939,806 | 65,451,373 |
| | | <u>2,394,481,940</u> | <u>2,135,723,935</u> |
| NET ASSETS | | <u>233,966,706</u> | <u>197,326,038</u> |
| REPRESENTED BY | | | |
| Share capital | 23 | 11,450,739 | 11,450,739 |
| Reserves | | 41,226,026 | 37,961,636 |
| Surplus on revaluation of assets - net of tax | 24 | 55,389,258 | 40,086,369 |
| Unappropriated profit | | 125,900,683 | 107,827,294 |
| | | <u>233,966,706</u> | <u>197,326,038</u> |
| CONTINGENCIES AND COMMITMENTS | 25 | | |

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2024

| | Note | Nine Months Ended | | Quarter Ended | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | | |
| Mark-up / return / interest earned | 27 | 291,323,188 | 264,045,939 | 98,908,407 | 95,143,550 |
| Mark-up / return / interest expensed | 28 | 201,073,979 | 183,384,668 | 67,182,111 | 65,130,248 |
| Net mark-up / interest income | | 90,249,209 | 80,661,271 | 31,726,296 | 30,013,302 |
| NON MARK-UP / INTEREST INCOME | | | | | |
| Fee and commission income | 29 | 11,510,031 | 8,518,587 | 4,157,806 | 2,979,184 |
| Dividend income | | 2,277,653 | 2,573,872 | 635,218 | 940,240 |
| Foreign exchange income | | 5,452,961 | 5,780,773 | 1,377,264 | 1,420,976 |
| Income from derivatives | | - | - | - | - |
| Gain on securities - net | 30 | 1,352,662 | 9,727 | 514,403 | (201,379) |
| Net gain / (loss) on derecognition of financial assets measured at amortised cost | | - | - | - | - |
| Other income | 31 | 861,732 | 63,824 | 550,383 | 35,089 |
| Total non mark-up / interest income | | 21,455,039 | 16,946,783 | 7,235,074 | 5,174,110 |
| Total income | | 111,704,248 | 97,608,054 | 38,961,370 | 35,187,412 |
| NON MARK-UP / INTEREST EXPENSES | | | | | |
| Operating expenses | 32 | 42,284,350 | 35,806,553 | 14,532,963 | 12,129,606 |
| Workers welfare fund | | 1,426,251 | 1,208,627 | 482,001 | 468,157 |
| Other charges | 33 | 221,386 | 267,453 | (10,383) | 108,781 |
| Total non mark-up / interest expenses | | 43,931,987 | 37,282,633 | 15,004,581 | 12,706,544 |
| Share of profit of associates | | 525,037 | 663,753 | 172,083 | 251,189 |
| Profit before credit loss allowance | | 68,297,298 | 60,989,174 | 24,128,872 | 22,732,057 |
| Credit loss allowance / Provisions and write offs - net | 34 | (2,965,620) | 2,532,240 | 82,609 | (211,384) |
| Extra-ordinary / unusual items | | - | - | - | - |
| PROFIT BEFORE TAXATION | | 71,262,918 | 58,456,934 | 24,046,263 | 22,620,887 |
| Taxation | 35 | 34,769,682 | 29,425,489 | 11,630,952 | 11,548,417 |
| PROFIT AFTER TAXATION | | 36,493,236 | 29,031,445 | 12,415,311 | 11,395,024 |
| In Rupees | | | | | |
| Basic and Diluted earnings per share | 36 | 31.87 | 25.35 | 10.84 | 9.95 |

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2024

| | Nine Months Ended | | Quarter Ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| | Rupees in '000 | | | |
| Profit after taxation for the period | 36,493,236 | 29,031,445 | 12,415,311 | 11,395,024 |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified to profit and loss account in subsequent periods:</i> | | | | |
| Effect of translation of net investment | | | | |
| in foreign branches | (304,691) | 2,790,695 | (73,446) | (302,406) |
| Movement in (deficit) / surplus on revaluation of investments - net of tax | - | 90,234 | - | 5,854,295 |
| Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax | 5,743,784 | - | 3,390,239 | - |
| | 5,439,093 | 2,880,929 | 3,316,793 | 5,551,889 |
| <i>Items that will not be reclassified to profit and loss account in subsequent periods:</i> | | | | |
| Movement in surplus on revaluation of equity investments through FVOCI - net of tax | 3,347,891 | - | 2,679,721 | - |
| | 3,347,891 | - | 2,679,721 | - |
| Total comprehensive income | 45,280,220 | 31,912,374 | 18,411,825 | 16,946,913 |

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes in Equity

(Un-audited) for the nine months ended September 30, 2024

| | Share capital | Capital (reserves) Exchange transition reserve | Statutory reserve | Revenue reserve General reserve | Investments | Surplus on revaluation of Property and equipment | Non-banking assets | Un-appropriated profit | Total |
|--|----------------|--|-------------------|---------------------------------|--------------|--|--------------------|------------------------|--------------|
| | Rupees in '000 | | | | | | | | |
| Balance as at January 01, 2023 (Audited) | 11,450,739 | 5,333,240 | 26,096,213 | 6,000 | (18,133,865) | 22,570,552 | 882,450 | 82,058,979 | 130,264,308 |
| Profit after taxation for the nine months ended September 30, 2023 | - | - | - | - | - | - | - | 29,031,445 | 29,031,445 |
| Other Comprehensive Income - net of tax | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of investments - net of tax | - | - | - | - | 90,234 | - | - | - | 90,234 |
| Effect of change in tax rate on revaluation surplus of fixed assets - net of tax | - | - | - | - | - | (248,344) | - | - | (248,344) |
| Effect of change in tax rate on revaluation surplus of non banking assets - net of tax | - | - | - | - | - | - | (2,700) | - | (2,700) |
| Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax | - | - | - | - | - | - | - | 42,981 | 42,981 |
| Effect of translation of net investment in foreign branches | - | 2,790,695 | - | - | - | - | - | - | 2,790,695 |
| Transfer to statutory reserve | - | - | 2,866,158 | - | - | - | - | (2,866,158) | - |
| Transfer of revaluation surplus on change in use - net of tax | - | - | - | - | - | 100,467 | (100,467) | - | - |
| Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax | - | - | - | - | - | (52,110) | - | 52,110 | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | - | (965) | 965 | - |
| Transactions with owners recognized directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share) | - | - | - | - | - | - | - | (2,862,685) | (2,862,685) |
| First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share) | - | - | - | - | - | - | - | (2,862,685) | (2,862,685) |
| Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share) | - | - | - | - | - | - | - | (2,862,685) | (2,862,685) |
| | - | - | - | - | - | - | - | (8,588,055) | (8,588,055) |
| Balance as at September 30, 2023 (Un-audited) | 11,450,739 | 8,123,935 | 28,962,371 | 6,000 | (18,043,831) | 22,270,098 | 878,785 | 99,732,267 | 153,380,564 |
| Profit after taxation for the three months ended December 31, 2023 | - | - | - | - | - | - | - | 12,269,919 | 12,269,919 |
| Other Comprehensive Income - net of tax | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of investments - net of tax | - | - | - | - | 11,165,883 | - | - | - | 11,165,883 |
| Surplus on revaluation of fixed assets - net of tax | - | - | - | - | - | 23,733,750 | - | - | 23,733,750 |
| Surplus on revaluation of non-banking assets - net of tax | - | - | - | - | - | - | 98,788 | - | 98,788 |
| Re-measurement gain on defined benefit obligation - net of tax | - | - | - | - | - | - | - | 445,166 | 445,166 |
| Effect of translation of net investment in foreign branches | - | (332,811) | - | - | - | - | - | - | (332,811) |
| | - | (332,811) | - | - | 11,165,883 | 23,733,750 | 98,788 | 445,166 | 35,110,776 |
| Transfer to statutory reserve | - | - | 1,202,141 | - | - | - | - | (1,202,141) | - |
| Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax | - | - | - | - | - | (16,982) | - | 16,982 | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | - | (322) | 322 | - |
| Transactions with owners, recognized directly in equity | | | | | | | | | |
| Third interim cash dividend for the year ended December 31, 2023 (Rs. 3 per ordinary share) | - | - | - | - | - | - | - | (3,435,221) | (3,435,221) |
| Balance as at December 31, 2023 (Audited) | 11,450,739 | 7,791,124 | 30,164,512 | 6,000 | (6,877,748) | 45,986,866 | 977,251 | 107,827,294 | 197,326,038 |
| Effect of adoption of IFRS 9 - Note 3.2.5 | - | - | - | - | 7,824,133 | - | - | (2,722,800) | 5,101,333 |
| Balance as at January 01, 2024 - as restated | 11,450,739 | 7,791,124 | 30,164,512 | 6,000 | 946,385 | 45,986,866 | 977,251 | 105,104,494 | 202,427,371 |
| Profit after taxation for the nine months ended September 30, 2024 | - | - | - | - | - | - | - | 36,493,236 | 36,493,236 |
| Other Comprehensive Income - net of tax | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of debt investments - net of tax | - | - | - | - | 5,743,784 | - | - | - | 5,743,784 |
| Surplus on revaluation of equity investments - net of tax | - | - | - | - | 3,347,891 | - | - | - | 3,347,891 |
| Effect of translation of net investment in foreign branches | - | (304,691) | - | - | - | - | - | - | (304,691) |
| | - | (304,691) | - | - | 9,091,675 | - | - | - | 8,786,984 |
| Transfer to statutory reserve | - | - | 3,569,081 | - | - | - | - | (3,569,081) | - |
| Transfer of revaluation surplus on change in use - net of tax | - | - | - | - | - | 17,034 | (17,034) | - | - |
| Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax | - | - | - | - | - | (135,485) | - | 135,485 | - |
| Surplus realized on disposal of revalued fixed assets - net of tax | - | - | - | - | - | (51,421) | - | 51,421 | - |
| Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax | - | - | - | - | - | - | (2,620) | 2,620 | - |
| Transfer of surplus on account of disposal of equity investments - net of tax | - | - | - | - | (1,423,393) | - | - | 1,423,393 | - |
| Transactions with owners, recognized directly in equity | | | | | | | | | |
| Final cash dividend for the year ended December 31, 2023 (Rs. 4 per ordinary share) | - | - | - | - | - | - | - | (4,580,295) | (4,580,295) |
| First interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share) | - | - | - | - | - | - | - | (4,580,295) | (4,580,295) |
| Second interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share) | - | - | - | - | - | - | - | (4,580,295) | (4,580,295) |
| | - | - | - | - | - | - | - | (13,740,885) | (13,740,885) |
| Balance as at September 30, 2024 | 11,450,739 | 7,486,433 | 33,733,593 | 6,000 | 8,614,667 | 45,616,994 | 957,597 | 125,900,683 | 233,966,706 |

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

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzqa Gill
President and Chief Executive

Mian Ikrum Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | September 30, 2023 |
|--|------|-----------------------|-----------------------|
| Rupees in '000 | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 71,262,918 | 58,456,934 |
| Less: Dividend income and Share of Profit of associates | | (2,802,690) | (3,237,625) |
| | | 68,460,228 | 55,219,309 |
| Adjustments: | | | |
| Net mark-up / interest income | | (90,249,209) | (80,661,271) |
| Depreciation - Operating Fixed Assets | | 4,814,937 | 3,435,607 |
| Depreciation - Non Banking Assets | | 19,549 | 7,504 |
| Depreciation on right of use assets | | 1,389,671 | 1,320,040 |
| Finance charges on leased assets | | 1,006,027 | 870,244 |
| Amortization | | 471,503 | 435,191 |
| Credit loss allowance and write offs | 34 | (2,957,928) | 2,537,829 |
| Unrealized loss on revaluation of securities measured at FVTPL | | (6,291) | 358 |
| Provision for workers welfare fund | | 1,426,251 | 1,208,627 |
| Charge for defined benefit plans | | 111,018 | 355,257 |
| Loss / (gain) on sale / disposal of property and equipment | | (800,461) | 2,112 |
| | | (84,774,933) | (70,488,502) |
| | | (16,314,705) | (15,269,193) |
| (Increase) / Decrease in operating assets | | | |
| Lendings to financial institutions | | (2,043,539) | (70,898,666) |
| Securities classified as FVTPL | | 19,293,952 | 51,146 |
| Advances | | (64,566,826) | 87,953,520 |
| Other assets (excluding advance taxation) | | 11,245,773 | (23,775,977) |
| | | (36,070,640) | (6,669,977) |
| Increase / (Decrease) in operating liabilities | | | |
| Bills payable | | (794,975) | (4,400,510) |
| Borrowings from financial institutions | | (31,663,697) | (221,047,457) |
| Deposits | | 249,531,677 | 182,052,953 |
| Other liabilities (excluding current taxation) | | 4,118,029 | 8,739,125 |
| | | 221,191,034 | (34,655,889) |
| | | 168,805,689 | (56,595,059) |
| Income tax paid | | (41,604,809) | (26,010,374) |
| Mark-up / interest received | | 264,188,396 | 231,576,549 |
| Mark-up / interest paid | | (175,101,778) | (161,077,699) |
| Defined benefits paid | | (584,633) | (498,359) |
| Net cash flow generated from / (used in) operating activities | | 215,702,865 | (12,604,942) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net investments in securities classified as FVOCI | | (110,970,616) | 71,856,343 |
| Net investments in amortised cost securities | | (58,909,607) | (285,929) |
| Dividend received | | 2,159,285 | 2,296,573 |
| Investments in property and equipment and intangible assets | | (18,185,538) | (11,059,451) |
| Disposals of property and equipment | | 2,521,925 | 26,267 |
| Effect of translation of net investment in foreign branches | | (304,691) | 2,790,694 |
| Net cash flow (used in) / generated from investing activities | | (183,689,242) | 65,624,497 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Payment of lease liability against right of use assets | | (2,120,467) | (1,876,240) |
| Dividend paid | | (13,689,984) | (8,559,745) |
| Net cash flow used in financing activities | | (15,810,451) | (10,435,985) |
| Increase in cash and cash equivalents during the period | | 16,203,172 | 42,583,570 |
| Cash and cash equivalents at beginning of the period | | 158,077,097 | 91,592,279 |
| Effect of exchange rate changes on opening cash and cash equivalents | | 310,501 | (683,219) |
| | | 158,387,598 | 90,909,060 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | 174,590,770 | 133,492,630 |

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

Muhammad Atif Mirza
Chief Financial Officer

Azid Razaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

1 STATUS AND NATURE OF BUSINESS

The "Group" consist of:

Holding Company

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,504 (December 31, 2023: 1,481) branches in Pakistan including 140 (December 31, 2023: 127) Islamic banking branches, 1 branch (December 31, 2023: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2023: 1) in Bahrain.

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

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

The Bank is the holding company of ABL Asset Management Company Limited and ABL Exchange Company (Pvt.) Limited.

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

Subsidiaries

ABL Asset Management Company Limited

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

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

ABL Asset Management Company is managing the following funds:

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

ABL Exchange Private Limited

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

2 BASIS OF PRESENTATION

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

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

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements.

2.1.3 The SECP vide its notification SRO 633 (I)/2014 dated July 10, 2014, adopted IFRS 10 effective from the periods starting from September 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

Notes to the Consolidated Condensed Interim Financial Statements

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES

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

3.1 Changes in reporting format

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

3.2 IFRS 9 - Financial Instruments

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

3.2.1 Scope of IFRS 9 application

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

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

3.2.2.1 Classification of financial assets

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

3.2.2.2 Impairment of debt investments and loans and advances

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

3.2.2.3 Impairment of equity investments

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

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

3.2.3.1 Financial assets – initial recognition

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

3.2.3.2 Classification and subsequent measurement of financial assets

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

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

3.2.3.3 Financial assets at amortised cost

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

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

a) Business model assessment

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

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

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

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

b) The SPPI test

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

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

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

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

3.2.3.4 Debt instruments at FVOCI

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

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

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

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

3.2.3.5 Equity instruments at FVOCI

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

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

3.2.3.6 Financial assets and financial liabilities at FVTPL

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

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

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

3.2.3.7 Financial liabilities at amortised cost

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

3.2.3.8 Derecognition of financial assets

3.2.3.8.1 Derecognition due to substantial modification of terms and conditions

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

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

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

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

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

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(Un-audited) for the nine months ended September 30, 2024

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

3.2.3.9 Derecognition of financial liabilities

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

3.2.3.10 Impairment of financial assets

3.2.3.10.1 Overview of the ECL principles

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

3.2.3.10.2 The calculation of ECLs

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

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

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

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

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

The key elements of ECL calculations are as follows:

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

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

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

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

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

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

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

3.2.3.10.3 Forward looking information

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

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2024

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

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

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

| | Classification under IFRS-09 | | | | | | IFRS 9 carrying amount as at January 01, 2024 |
|--|--|------------|--------------------------|-----------------------------|-------------------|----------------------------|---|
| | Carrying amount as per accounting policy as at December 31, 2023 | AT FVPL | At FVOCI- with recycling | At FVOCI- without recycling | At Amortised Cost | Remeasurement under IFRS 9 | |
| | Rupees in '000 | | | | | | |
| Cash and cash equivalents | 158,591,909 | - | - | - | 158,591,909 | (704) | 158,591,205 |
| Lendings to financial institutions | 9,418,003 | - | - | - | 9,418,003 | (3) | 9,418,000 |
| Advances | 781,597,230 | - | - | - | 781,597,230 | (2,830,487) | 778,766,743 |
| Investments in financial assets | | | | | | | |
| Held for trading | 20,049,848 | 20,049,848 | - | - | - | - | 20,049,848 |
| Held to maturity | 59,797,669 | - | - | - | 59,797,669 | 120,334,806 | 180,132,475 |
| Available for sale | 1,069,970,572 | 34,454 | 946,914,037 | 18,798,989 | 104,223,092 | (107,301,672) | 962,668,900 |
| Other financial assets | 88,096,252 | - | - | - | 88,096,252 | (48,085) | 88,048,167 |
| Other liabilities | 75,442,669 | - | - | - | 75,442,669 | (151,241) | 75,291,428 |
| | 2,262,964,152 | 20,084,302 | 946,914,037 | 18,798,989 | 1,277,166,824 | 10,002,614 | 2,272,966,766 |

3.2.5 Impact on equity on adoption of IFRS 9

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

Opening unappropriated profits

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

Opening surplus on revaluation of assets

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

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

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

The Bank holds a portfolio of mutual funds investments which was earlier classified as available for sale (AFS) investments. However, these investments do not meet the definition of equity investment from holders perspective, therefore IFRS 9 classification requirements of debt instruments have been applied to these financial assets. The business model of this portfolio is hold to collect and sell, however contractual cash flows failed to meet the 'solely payments of principal and interest' (SPP) test requirement for classification as FVOCI under IFRS 9. Therefore, these financial assets having a carrying value of Rs. 34.454 million have been reclassified mandatorily as FVTPL.

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

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

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

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

(d) Designation of equity instruments at FVOCI

The Bank has elected to irrevocably designate equity investments of Rs. 18,798.989 million in listed and unquoted securities as permitted under IFRS 9. These securities were previously classified as available for sale. Upon disposal, the surplus or deficit of such securities previously recognized in Other Comprehensive Income is reclassified from equity to Unappropriated Profit and is never recycled to Profit and Loss account.

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

4.1 Impairment losses on financial assets

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

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

5. BASIS OF MEASUREMENT

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

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

6. FINANCIAL RISK MANAGEMENT

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | (Audited) | |
|---|-----------------------|-----------------------|
| | September 30, 2024 | December 31, 2023 |
| | Rupees in '000 | |
| 7 CASH AND BALANCES WITH TREASURY BANKS | | |
| In hand | | |
| Local currency | 39,411,599 | 34,852,304 |
| Foreign currencies | 2,265,882 | 3,877,058 |
| | <u>41,677,481</u> | <u>38,729,362</u> |
| With State Bank of Pakistan (SBP) in | | |
| Local currency current accounts | 85,691,546 | 73,799,188 |
| Foreign currency current account | 51,928 | 149,569 |
| Foreign currency deposit accounts (non-remunerative) | 6,151,968 | 5,580,842 |
| Foreign currency deposit accounts (remunerative) | 12,338,865 | 11,695,327 |
| | <u>104,234,307</u> | <u>91,224,926</u> |
| With National Bank of Pakistan in | | |
| Local currency current accounts | 26,524,140 | 25,519,660 |
| Prize Bonds | 648,791 | 650,404 |
| Credit loss allowance held against cash and balances with treasury banks | - | - |
| Cash and balances with treasury banks - net of credit loss allowance | <u>173,084,719</u> | <u>156,124,352</u> |
| 8 BALANCES WITH OTHER BANKS | | |
| In Pakistan | | |
| In current accounts | 7,500 | 7,500 |
| Outside Pakistan | | |
| In current accounts | 1,038,087 | 1,931,547 |
| In deposit accounts | 661,197 | 516,554 |
| | <u>1,699,284</u> | <u>2,448,101</u> |
| Credit loss allowance held against balances with other banks | (6,804) | - |
| Balances with other banks - net of credit loss allowance | <u>1,699,980</u> | <u>2,455,601</u> |
| | | (Audited) |
| | Note | September 30, 2024 |
| | | December 31, 2023 |
| | | Rupees in '000 |
| 9 LENDINGS TO FINANCIAL INSTITUTIONS | | |
| Call money lendings - local currency | | 1,000,000 |
| Call money lendings - foreign currency | | - |
| Repurchase agreement lendings (Reverse Repo) | | 8,418,003 |
| Musharaka lendings | | - |
| Certificates of investment | | 70,000 |
| | | <u>11,564,166</u> |
| Less: Credit loss allowance held against lendings | | |
| to financial institutions | 9.1 | (70,000) |
| Lendings to financial institutions - net of credit loss allowance | | <u>9,418,003</u> |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

(Audited)

September 30, 2024

December 31, 2023

| | September 30, 2024 | | December 31, 2023 | |
|---------------------------------------|--------------------|----------------------------|-------------------|----------------|
| | Lending | Credit loss allowance held | Lending | Provision held |
| Rupees in '000 | | | | |
| 9.1 Category of classification | | | | |
| Domestic | | | | |
| Performing - Stage 1 | 10,300,000 | 4,016 | - | - |
| Under performing - Stage 2 | 1,194,166 | 28,608 | - | - |
| Non-performing - Stage 3 | 70,000 | 70,000 | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | 70,000 | 70,000 | 70,000 | 70,000 |
| Total | 11,564,166 | 102,624 | 70,000 | 70,000 |

(Audited)

| | September 30, 2024 | | | | December 31, 2023 | | | |
|----------------------------------|-----------------------|-----------------------|---------------------|----------------------|-----------------------|--------------------------|---------------------|-----------------------------|
| | Cost / Amortised cost | Credit loss allowance | Surplus / (Deficit) | Carrying Value | Cost / Amortised cost | Provision for diminution | Surplus / (Deficit) | Carrying Value |
| Rupees in '000 | | | | | | | | |
| 10 INVESTMENTS | | | | | | | | |
| 10.1 Investments by type: | | | | | | | | |
| FVTPL | | | | | | | | |
| | | | | | | | | Held-for-trading securities |
| Federal Government Securities | 820,494 | - | 6,291 | 826,785 | 20,114,446 | - | (64,599) | 20,049,847 |
| | 820,494 | - | 6,291 | 826,785 | 20,114,446 | - | (64,599) | 20,049,847 |
| FVOCI | | | | | | | | Available for sale |
| Federal Government Securities | 1,168,110,962 | (3,411,985) | 7,587,062 | 1,172,286,039 | 1,047,943,333 | (2,452,459) | (19,702,262) | 1,025,788,612 |
| Shares | 10,447,820 | - | 9,241,444 | 19,689,264 | 13,329,302 | (760,822) | 6,228,739 | 18,797,219 |
| Non Government Debt Securities | 21,371,049 | (471,712) | 51,312 | 20,950,649 | 25,391,300 | (21,071) | (21,711) | 25,348,518 |
| Foreign Securities | 1,770 | - | - | 1,770 | 1,770 | - | - | 1,770 |
| | 1,199,931,601 | (3,883,697) | 16,879,818 | 1,212,927,722 | 1,086,665,705 | (3,234,352) | (13,495,234) | 1,069,936,119 |
| Amortised cost | | | | | | | | Held to maturity |
| Federal Government Securities | 116,467,948 | - | - | 116,467,948 | 59,797,669 | - | - | 59,797,669 |
| Non Government Debt Securities | 2,559,963 | (285,059) | - | 2,274,904 | 302,920 | (302,920) | - | - |
| | 119,027,911 | (285,059) | - | 118,742,852 | 60,100,589 | (302,920) | - | 59,797,669 |
| Associates | 4,800,995 | - | - | 4,800,995 | 4,813,568 | - | - | 4,813,568 |
| Total Investments | 1,324,581,001 | (4,168,756) | 16,886,109 | 1,337,298,354 | 1,171,694,308 | (3,537,272) | (13,559,833) | 1,154,597,203 |

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | | (Audited) | |
|---------------|---|-----------------------|----------------------|
| | | September 30, 2024 | December 31, 2023 |
| | | Rupees in '000 | |
| 10.1.2 | Investments given as collateral - at market value | | |
| | Pakistan Investment Bonds | 9,939,140 | - |
| | Market Treasury Bills | 260,194,855 | 268,646,617 |
| | Total Investments given as collateral | 270,133,995 | 268,646,617 |
| 10.2 | Credit loss allowance for diminution in value of investments | | |
| 10.2.1 | Opening balance | 3,537,272 | 2,321,414 |
| | Impact of adoption of IFRS 9 | 2,317,757 | - |
| | Exchange adjustments | (22,623) | 69,221 |
| | Charge / (reversals) | | |
| | Charge for the period / year | 1,405,513 | 2,082,408 |
| | Reversals for the period / year | (2,207,525) | - |
| | Reversal on disposals | (861,638) | (17,717) |
| | | (1,663,650) | 2,064,691 |
| | Reversal on disposals | - | (918,054) |
| | Closing Balance | 4,168,756 | 3,537,272 |

| | | September 30, 2024 | | (Audited) December 31, 2023 | |
|---------------|---|-------------------------|----------------------------------|--------------------------------|-------------------|
| | | Outstand- ing amount | Credit loss allowance Held | Out- stand- ing amount | Provision Held |
| | | Rupees in '000 | | | |
| 10.2.2 | Particulars of credit loss allowance against debt securities | | | | |
| | Category of Classification | | | | |
| | Domestic | | | | |
| | Performing - Stage 1 | 1,283,481,010 | 2,703 | - | - |
| | Underperforming - Stage 2 | 10,665,888 | 2,103,452 | - | - |
| | Non-performing - Stage 3 | 946,468 | 746,788 | - | - |
| | Substandard | 640,338 | 440,658 | - | - |
| | Doubtful | - | - | - | - |
| | Loss | 306,130 | 306,130 | 323,991 | 323,991 |
| | | 1,295,093,366 | 2,852,943 | 323,991 | 323,991 |
| | Overseas | | | | |
| | Performing - Stage 1 | - | - | - | - |
| | Underperforming - Stage 2 | 12,528,015 | 1,315,813 | - | - |
| | Non-performing - Stage 3 | - | - | - | - |
| | Substandard | - | - | - | - |
| | Doubtful | - | - | - | - |
| | Loss | - | - | - | - |
| | Total | 1,307,621,381 | 4,168,756 | 323,991 | 323,991 |

10.3 The market value of Pakistan Investment Bonds classified as amortised cost as at September 30, 2024 amounted to Rs. 110,319.785 million (December 31, 2023: Rs. 51,778 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| 11 | ADVANCES | Note | Performing | | Non Performing | | Total | |
|--|---|-------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|
| | | | (Audited) | | (Audited) | | (Audited) | |
| | | | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| Rupees in '000 | | | | | | | | |
| | Loans, cash credits, running finances, etc. | | 761,886,552 | 699,230,728 | 11,665,043 | 11,713,507 | 773,551,595 | 710,944,235 |
| | Islamic financing and related assets | | 82,030,295 | 79,621,981 | 249,539 | 5,729 | 82,279,834 | 79,627,710 |
| | Bills discounted and purchased | | 3,387,214 | 945,424 | 1,019,913 | 1,319,793 | 4,401,127 | 2,265,217 |
| | Advances - gross | 11.1 | 847,304,061 | 779,798,133 | 12,928,495 | 13,039,029 | 860,232,556 | 792,837,162 |
| Credit loss allowance / Provision against advances | | | | | | | | |
| | Stage 1 | 11.3 | (435,519) | - | - | - | (435,519) | - |
| | Stage 2 | 11.3 | (1,298,516) | - | - | - | (1,298,516) | - |
| | Stage 3 | 11.3 | - | - | (12,135,887) | - | (12,135,887) | - |
| | Specific | 11.2 & 11.3 | - | - | - | (12,335,688) | - | (12,335,688) |
| | General | 11.3 | - | (205,019) | - | - | - | (205,019) |
| | | | (1,734,035) | (205,019) | (12,135,887) | (12,335,688) | (13,869,922) | (12,540,707) |
| | Advances - net of credit loss allowance | | 845,570,026 | 779,593,114 | 792,608 | 703,341 | 846,362,634 | 780,296,455 |

(Audited)
September 30, 2024 December 31, 2023

Rupees in '000

| 11.1 | Particulars of advances (Gross) | | |
|------|---------------------------------|--|-------------|
| | In local currency | | 832,653,961 |
| | In foreign currencies | | 27,578,595 |
| | | | 860,232,556 |

11.2 Advances include Rs. 12,928.495 million (December 31, 2023: Rs. 13,039.029 million) which have been placed under non-performing / Stage 3 status as detailed below:

| Category of Classification: | (Audited) | | | |
|-----------------------------------|----------------------|-----------------------|----------------------|-------------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Non Performing Loans | Credit loss allowance | Non Performing Loans | Provision held |
| Rupees in '000 | | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned | 74,983 | 35,119 | 31,765 | 250 |
| Substandard - Stage 3 | 676,434 | 429,067 | 361,480 | 90,154 |
| Doubtful - Stage 3 | 384,503 | 256,154 | 46,947 | 23,473 |
| Loss - Stage 3 | 11,792,575 | 11,415,547 | 12,598,837 | 12,221,811 |
| Total | 12,928,495 | 12,135,887 | 13,039,029 | 12,335,688 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

11.3 Particulars of credit loss allowance against advances

| | (Audited) | | | | | | |
|---------------------------------|--------------------|-----------|-----------|-------------------|-------------|-----------|-------------|
| | September 30, 2024 | | | December 31, 2023 | | | |
| | Stage 3 | Stage 2 | Stage 1 | Total | Specific | General | Total |
| Rupees in '000 | | | | | | | |
| Opening balance | 12,335,688 | 144,558 | 60,461 | 12,540,707 | 11,738,558 | 109,603 | 11,848,161 |
| Impact of adoption of IFRS 9 | 165,416 | 1,691,141 | 973,930 | 2,830,487 | - | - | - |
| Exchange adjustments | - | (1,919) | - | (1,919) | - | 9,497 | 9,497 |
| Charge for the period / year | 856,381 | 430,579 | 133,135 | 1,420,095 | 1,694,691 | 241,205 | 1,935,896 |
| Reversals for the period / year | (1,221,598) | (965,843) | (732,007) | (2,919,448) | (1,097,561) | (155,286) | (1,252,847) |
| | (365,217) | (535,264) | (598,872) | (1,499,353) | 597,130 | 85,919 | 683,049 |
| Amounts written off | - | - | - | - | - | - | - |
| Closing balance | 12,135,887 | 1,298,516 | 435,519 | 13,869,922 | 12,335,688 | 205,019 | 12,540,707 |

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

| | September 30, 2024 | | | |
|-----------------------------------|--------------------|-----------|-----------|-------------|
| | Stage 3 | Stage 2 | Stage 1 | Total |
| | Rupees in '000 | | | |
| Opening balance | 12,501,104 | 1,835,699 | 1,034,391 | 15,371,194 |
| New Advances | 302,778 | 30,734 | 126,015 | 459,527 |
| Advances derecognised or repaid | (940,782) | (738,582) | (639,135) | (2,318,499) |
| Transfer to stage 1 | (691) | (200,258) | 7,120 | (193,829) |
| Transfer to stage 2 | (280,125) | 399,845 | (89,695) | 30,025 |
| Transfer to stage 3 | 553,603 | (28,922) | (3,177) | 521,504 |
| | (365,217) | (537,183) | (598,872) | (1,501,272) |
| Amounts written off / charged off | - | - | - | - |
| Changes in risk parameters | - | - | - | - |
| Other changes (to be specific) | - | - | - | - |
| Closing balance | 12,135,887 | 1,298,516 | 435,519 | 13,869,922 |

11.4 Advances - Particulars of credit loss allowance

| | September 30, 2024 | | | |
|-----------------------------------|--------------------|-----------|-----------|-------------|
| | Stage 3 | Stage 2 | Stage 1 | Total |
| | Rupees in '000 | | | |
| Opening balance | 12,501,104 | 1,835,699 | 1,034,391 | 15,371,194 |
| New Advances | 302,778 | 30,734 | 126,015 | 459,527 |
| Advances derecognised or repaid | (940,782) | (738,582) | (639,135) | (2,318,499) |
| Transfer to stage 1 | (691) | (200,258) | 7,120 | (193,829) |
| Transfer to stage 2 | (280,125) | 399,845 | (89,695) | 30,025 |
| Transfer to stage 3 | 553,603 | (28,922) | (3,177) | 521,504 |
| | (365,217) | (537,183) | (598,872) | (1,501,272) |
| Amounts written off / charged off | - | - | - | - |
| Changes in risk parameters | - | - | - | - |
| Other changes (to be specific) | - | - | - | - |
| Closing balance | 12,135,887 | 1,298,516 | 435,519 | 13,869,922 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | | December 31, 2023 | |
|---|--------------------|----------------------------|--------------------|----------------------------|
| | Outstanding amount | Credit loss allowance Held | Outstanding amount | Credit loss allowance Held |
| Rupees in '000 | | | | |
| 11.5 Advances - Category of classification | | | | |
| Domestic | | | | |
| Performing - Stage 1 | 787,168,263 | 435,519 | - | - |
| Underperforming - Stage 2 | 60,808,441 | 1,283,863 | - | - |
| Non-Performing - Stage 3 | 12,928,495 | 12,135,887 | - | - |
| Other impaired | 1,522 | 1,088 | - | - |
| Other Assets Especially Mentioned | 73,461 | 34,031 | - | - |
| Substandard | 676,434 | 429,067 | - | - |
| Doubtful | 384,503 | 256,154 | - | - |
| Loss | 11,792,575 | 11,415,547 | - | - |
| | 860,905,199 | 13,855,269 | - | - |
| Overseas | | | | |
| Performing - Stage 1 | - | - | - | - |
| Underperforming - Stage 2 | 601,712 | 14,653 | 1,221,396 | 144,558 |
| Non-Performing - Stage 3 | - | - | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | - | - | - | - |
| | 601,712 | 14,653 | 1,221,396 | 144,558 |
| Total | 861,506,911 | 13,869,922 | - | - |

| | Note | (Audited) | |
|--------------------------------------|------|--------------------|-------------------|
| | | September 30, 2024 | December 31, 2023 |
| Rupees in '000 | | | |
| 12 PROPERTY AND EQUIPMENT | | | |
| Capital work-in-progress | 12.1 | 9,389,617 | 9,779,743 |
| Property and equipment | | 115,404,598 | 104,286,036 |
| | | 124,794,215 | 114,065,779 |
| 12.1 Capital work-in-progress | | | |
| Civil works | | 7,957,392 | 7,759,247 |
| Equipment | | - | 89,246 |
| Advances to suppliers | | 1,432,225 | 1,931,250 |
| | | 9,389,617 | 9,779,743 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

12.2 Additions to property and equipment

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

| | September 30, 2024 | September 30, 2023 |
|--|-----------------------|-----------------------|
| Rupees in '000 | | |
| Capital work-in-progress | 10,182,231 | 5,620,804 |
| Property and equipment | | |
| Freehold land | 1,356,836 | 810,785 |
| Leasehold land | 4,875,131 | 10 |
| Building on freehold land | 3,773,618 | 514,566 |
| Building on leasehold land | 293,650 | 45,753 |
| Furniture and fixture | 430,708 | 319,446 |
| Electrical office and computer equipment | 4,727,797 | 3,487,659 |
| Vehicles | 842,679 | 287,935 |
| Others-building improvements | 1,360,068 | 507,952 |
| | 17,660,487 | 5,974,106 |
| Total | 27,842,718 | 11,594,910 |

12.3 Disposal of property and equipment

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

| | September 30, 2024 | September 30, 2023 |
|--|-----------------------|-----------------------|
| Rupees in '000 | | |
| Furniture and fixture | 2,833 | 1,314 |
| Electrical office and computer equipment | 20,094 | 6,823 |
| Vehicles | 2,066 | 132 |
| Freehold land | 1,670,225 | - |
| Leasehold land | 354,614 | - |
| Building on freehold land | 21,923 | - |
| Building on leasehold land | 3,979 | - |
| Total | 2,075,734 | 8,269 |

| | (Audited) | | | |
|--|--------------------|------------------|-------------------|------------------|
| | September 30, 2024 | | December 31, 2023 | |
| | Rupees in '000 | | | |
| | Buildings | Total | Buildings | Total |
| 13 RIGHT-OF-USE ASSETS | | | | |
| At January 01 | | | | |
| Cost | 8,365,588 | 8,365,588 | 13,610,540 | 13,610,540 |
| Accumulated Depreciation | (36,126) | (36,126) | (5,728,559) | (5,728,559) |
| Net carrying amount at January 01, 2024 | 8,329,462 | 8,329,462 | 7,881,981 | 7,881,981 |
| Additions during the year | 1,408,229 | 1,408,229 | 2,457,404 | 2,457,404 |
| Deletions during the year | (487,037) | (487,037) | (235,706) | (235,706) |
| Depreciation charge during the year | (1,389,130) | (1,389,130) | (1,774,217) | (1,774,217) |
| Exchange difference | (930) | (930) | - | - |
| Net carrying amount at September 30, 2024 | 7,860,594 | 7,860,594 | 8,329,462 | 8,329,462 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|----------------|---------------------------------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 14 | INTANGIBLE ASSETS | | |
| | Capital work-in-progress | 14.1 906,000 | 778,871 |
| | Intangible Assets | 2,964,184 | 2,637,781 |
| | | 3,870,184 | 3,416,652 |
| 14.1 | Capital work-in-progress | | |
| | Software | 903,126 | 775,996 |
| | Advances to suppliers | 2,874 | 2,875 |
| | | 906,000 | 778,871 |

14.2 Additions to intangible assets

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

| | September 30, 2024 | September 30, 2023 |
|--------------------------|-----------------------|-----------------------|
| Rupees in '000 | | |
| Capital work-in-progress | 158,710 | 261,675 |
| Software | 439,019 | 184,279 |
| Total | 597,729 | 445,954 |

14.3 Disposals of intangible assets

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | | (Audited) | |
|-----------|---|--------------------|--------------------|
| | | September 30, | December 31, |
| | | 2024 | 2023 |
| | | Rupees in '000 | |
| 15 | OTHER ASSETS | | |
| | Income / Mark-up accrued in local currency | 97,224,356 | 69,598,428 |
| | Income / Mark-up accrued in foreign currency | 584,262 | 953,413 |
| | Advances, deposits, advance rent and other prepayments | 8,079,381 | 3,554,991 |
| | Non-banking assets acquired in satisfaction of claims | 685,249 | 1,038,270 |
| | Branches adjustment account | - | 1,701,578 |
| | Mark to market gain on forward foreign exchange contracts | - | 80,674 |
| | Acceptances | 4,624,805 | 8,444,550 |
| | Due from the employees' retirement benefit schemes | | |
| | Pension fund | 6,837,249 | 6,185,041 |
| | Fraud and forgeries | 524,453 | 544,824 |
| | Stationery and stamps in hand | 1,278,158 | 863,475 |
| | Home Remittance Cell agent receivable | 4,288 | 1,749 |
| | Receivable from State Bank of Pakistan | 5,843 | 4,375 |
| | Charges receivable | 29,728 | 29,873 |
| | ATM / Point of Sale settlement account | 1,836,286 | 7,075,342 |
| | Suspense Account | 13,506 | 295 |
| | Others | 494,123 | 440,225 |
| | | <u>122,221,687</u> | <u>100,517,103</u> |
| | Less: Credit loss allowance / Provision held against other assets | 15.1 (1,210,229) | (996,020) |
| | Other assets (net of credit loss allowance) | <u>121,011,458</u> | <u>99,521,083</u> |
| | Surplus on revaluation of non-banking assets | | |
| | acquired in satisfaction of claims | 1,004,966 | 1,043,502 |
| | Other Assets - Total | <u>122,016,424</u> | <u>100,564,585</u> |

| | | (Audited) | |
|---------------|--|------------------|----------------|
| | | September 30, | December 31, |
| | | 2024 | 2023 |
| | | Rupees in '000 | |
| 15.1 | Credit loss allowance / Provision held against other assets | | |
| | Advances, deposits, advance rent and other prepayments | 231,042 | 213,329 |
| | Fraud and forgeries | 423,911 | 444,282 |
| | Charges receivable | 29,728 | 29,840 |
| | Others | 525,548 | 308,569 |
| | | <u>1,210,229</u> | <u>996,020</u> |
| 15.1.1 | Movement in credit loss allowance / provision held against other assets | | |
| | Opening balance | 996,020 | 755,808 |
| | Impact of adoption of IFRS 9 | 48,085 | - |
| | Charge for the period / year | 261,524 | 505,416 |
| | Reversals | (90,518) | (259,078) |
| | Net charge | 171,006 | 246,338 |
| | Amounts written off | (4,882) | (6,126) |
| | Closing balance | <u>1,210,229</u> | <u>996,020</u> |

16 CONTINGENT ASSETS

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|----------------|---|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 17 | BILLS PAYABLE | | |
| | In Pakistan | 8,501,458 | 9,296,223 |
| | Outside Pakistan | 25,972 | 26,182 |
| | | 8,527,430 | 9,322,405 |
| 18 | BORROWINGS | | |
| | Secured | | |
| | Borrowings from State Bank of Pakistan | | |
| | Repurchase agreement borrowings | 195,000,000 | 270,000,000 |
| | Under export refinance scheme | 15,586,042 | 28,652,901 |
| | Under long term financing facility | 26,850,634 | 31,977,200 |
| | Under financing scheme for renewable energy | 4,777,461 | 3,542,537 |
| | Under temporary economic refinance scheme | 11,695,511 | 12,741,909 |
| | Under refinance scheme for modernization of SMEs | 16,045 | 8,182 |
| | Under refinance scheme for SME Asaan Finance (SAAF) | 68,049 | - |
| | Refinance and credit guarantee scheme for women entrepreneurs | 21,120 | 13,517 |
| | Under refinance scheme for combating COVID-19 | 94,093 | 133,325 |
| | | 254,108,955 | 347,069,571 |
| | Repurchase agreement borrowings from Financial Institutions | 72,513,830 | 1,843,392 |
| | Trading liability | - | 7,541,047 |
| | | 326,622,785 | 356,454,010 |
| | Unsecured | | |
| | Call borrowings | 3,195,205 | 2,677,677 |
| | Overdrawn nostro accounts | 200,733 | 192,355 |
| | Musharaka borrowing | 12,000,000 | 14,350,000 |
| | | 15,395,938 | 17,220,032 |
| | | 342,018,723 | 373,674,042 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | | September 30, 2024 | | | (Audited) December 31, 2023 | | |
|-------------------------------|------------------------------------|----------------------|--------------------------|---------------|--------------------------------|--------------------------|---------------|
| | | In Local Currency | In Foreign Currencies | Total | In Local Currency | In Foreign Currencies | Total |
| Rupees in '000 | | | | | | | |
| 19 | DEPOSITS AND OTHER ACCOUNTS | | | | | | |
| Customers | | | | | | | |
| | Current deposits | 637,078,223 | 36,688,231 | 673,766,454 | 616,041,518 | 44,460,629 | 660,502,147 |
| | Savings deposits | 802,248,550 | 18,784,746 | 821,033,296 | 652,681,830 | 19,697,405 | 672,379,235 |
| | Term deposits | 265,080,610 | 70,006,253 | 335,086,863 | 201,318,101 | 51,084,504 | 252,402,605 |
| | Others | 34,350,943 | 45,025 | 34,395,968 | 30,467,120 | 61,278 | 30,528,398 |
| | | 1,738,758,326 | 125,524,255 | 1,864,282,581 | 1,500,508,569 | 115,303,816 | 1,615,812,385 |
| Financial Institutions | | | | | | | |
| | Current deposits | 15,599,662 | 1,527,496 | 17,127,158 | 14,062,494 | 853,715 | 14,916,209 |
| | Savings deposits | 38,631,253 | - | 38,631,253 | 44,978,314 | - | 44,978,314 |
| | Term deposits | 1,319,350 | 4,760,912 | 6,080,262 | 819,350 | 63,419 | 882,769 |
| | Others | 100 | - | 100 | - | - | - |
| | | 55,550,365 | 6,288,408 | 61,838,773 | 59,860,158 | 917,134 | 60,777,292 |
| | | 1,794,308,691 | 131,812,663 | 1,926,121,354 | 1,560,368,727 | 116,220,950 | 1,676,589,677 |

- 19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,270,042 million for September 30, 2024 (December 31, 2023: Rs. 1,138,708 million).

| | | Note | September 30, 2024 | (Audited) December 31, 2023 |
|-----------------------|---|------|-----------------------|-----------------------------------|
| Rupees in '000 | | | | |
| 20 | LEASE LIABILITIES | | | |
| | Outstanding amount at the start of the year | | 10,686,438 | 9,841,027 |
| | Additions during the year | | 1,410,445 | 2,457,404 |
| | Deletions during the year | | (647,281) | (232,906) |
| | Lease payments including interest | | (2,094,597) | (2,580,364) |
| | Interest expense | | 1,006,027 | 1,189,825 |
| | Exchange difference | | (412) | 11,452 |
| | Outstanding amount at the end of the period | | 10,360,620 | 10,686,438 |
| 20.1 | Liabilities outstanding | | | |
| | Not later than one year | | 252,898 | 2,199,222 |
| | Later than one year and upto five years | | 3,865,089 | 2,286,105 |
| | Over five years | | 6,160,963 | 6,201,111 |
| | | | 10,278,950 | 10,686,438 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|--|---------------------------------|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 21 | DEFERRED TAX LIABILITIES | | |
| Deductible Temporary Differences on | | | |
| Credit loss allowance against advances, off balance sheet etc. | | 2,078,298 | 507,293 |
| Investments in associated undertaking | | 94,157 | - |
| Workers welfare fund | | 3,344,573 | 2,657,448 |
| Others | | 102,650 | 110,222 |
| | | 5,619,678 | 3,274,963 |
| Taxable Temporary Differences on | | | |
| Surplus on revaluation of property and equipment | | (4,086,394) | (4,212,352) |
| Surplus on revaluation of non-banking assets | | (47,369) | (66,251) |
| Investments in associated undertaking | | - | (59,763) |
| Surplus on revaluation of investments | | (8,271,111) | 6,608,032 |
| Accelerated tax depreciation or amortization | | (1,652,398) | (1,689,137) |
| Actuarial gains | | (76,413) | (73,611) |
| | | (14,133,685) | 506,918 |
| | | (8,514,007) | 3,781,881 |
| | | | |
| | Note | September 30, 2024 | (Audited) December 31, 2023 |
| Rupees in '000 | | | |
| 22 | OTHER LIABILITIES | | |
| Mark-up / return / interest payable in local currency | | 40,611,820 | 14,143,930 |
| Mark-up / return / interest payable in foreign currencies | | 1,266,318 | 1,762,006 |
| Accrued expenses | | 3,696,536 | 4,127,256 |
| Provision for taxation (provisions less payments) | | 2,099,783 | 7,915,956 |
| Retention money payable | | 1,042,864 | 679,647 |
| Deferred income | | 1,237,697 | 855,132 |
| Unearned commission and income on bills discounted | | 1,641,499 | 759,785 |
| Acceptances | | 4,624,805 | 8,444,550 |
| Unclaimed dividends | | 481,293 | 442,049 |
| Dividend payable | | 38,000 | 26,343 |
| Branch adjustment account | | 757,025 | - |
| Unrealized loss on forward foreign exchange contracts | | 1,781,607 | - |
| Unrealized loss on forward government securities transactions | | 261 | 13,812 |
| Provision for: | | | |
| Gratuity | | 806,365 | 806,365 |
| Employees' medical benefits | | 1,574,799 | 1,500,971 |
| Employees' compensated absences | | 1,277,608 | 1,200,318 |
| Payable to defined contribution plan | | 124,052 | 117,158 |
| Credit loss allowance against off-balance sheet obligations | 22.1 | 445,516 | 298,904 |
| Security deposits against lease | | 1,045,806 | 941,987 |
| ATM / Point of Sale settlement account | | 17,108,098 | - |
| Charity fund balance | | 4,204 | 1,000 |
| Home Remittance Cell overdraft | | 273,105 | 794,027 |
| With-holding tax payable | | 1,812,079 | 8,610,249 |
| Sundry deposits | | 4,513,136 | 4,162,588 |
| Workers welfare fund payable | | 6,904,584 | 5,478,333 |
| Others | | 3,770,946 | 2,369,007 |
| | | 98,939,806 | 65,451,373 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | (Audited) | |
|---|-----------------------|----------------------|
| | September 30, 2024 | December 31, 2023 |
| | Rupees in '000 | |
| 22.1 Credit loss allowance against off-balance sheet obligations | | |
| Opening balance | 298,904 | 298,904 |
| Impact of adoption of IFRS 9 | 151,241 | - |
| Charge for the period / year | 29,544 | - |
| Reversals for the period / year | (34,173) | - |
| | (4,629) | - |
| Closing balance | 445,516 | 298,904 |

23 SHARE CAPITAL

23.1 Authorized capital

| | (Audited) | | (Audited) | |
|--|-----------------------|----------------------|-----------------------|----------------------|
| | September 30, 2024 | December 31, 2023 | September 30, 2024 | December 31, 2023 |
| | No. of shares | | Rupees in '000 | |
| | 1,500,000,000 | 1,500,000,000 | 15,000,000 | 15,000,000 |
| 23.2 Issued, subscribed and paid-up capital | | | | |
| Fully paid-up Ordinary shares of Rs. 10/- each | | | | |
| 406,780,094 | 406,780,094 | 406,780,094 | 4,067,801 | 4,067,801 |
| 720,745,186 | 720,745,186 | 720,745,186 | 7,207,452 | 7,207,452 |
| 1,127,525,280 | 1,127,525,280 | 1,127,525,280 | 11,275,253 | 11,275,253 |
| | | | | |
| 9,148,550 | 9,148,550 | 9,148,550 | 91,486 | 91,486 |
| | | | | |
| 8,400,000 | 8,400,000 | 8,400,000 | 84,000 | 84,000 |
| 1,145,073,830 | 1,145,073,830 | 1,145,073,830 | 11,450,739 | 11,450,739 |

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 | |
|----------------|---|-----------------------|-----------------------------------|-------------|
| Rupees in '000 | | | | |
| 24 | SURPLUS ON REVALUATION OF ASSETS - NET OF TAX | | | |
| | Surplus / (deficit) arising on revaluation of: | | | |
| | Property and equipment | 49,903,388 | 50,187,068 | |
| | Non-banking assets acquired in satisfaction of claims | 1,004,966 | 1,043,502 | |
| | Available-for-sale securities | - | (13,485,780) | |
| | Securities measured at FVOCI - Debt | 7,644,335 | - | |
| | Securities measured at FVOCI - Equity | 9,241,444 | - | |
| | | 67,794,133 | 37,744,790 | |
| | Deferred tax on (surplus) / deficit on revaluation of: | | | |
| | Property and equipment | (4,086,394) | (4,200,202) | |
| | Non-banking assets acquired in satisfaction of claims | (47,369) | (66,251) | |
| | Available-for-sale securities | - | 6,608,032 | |
| | Securities measured at FVOCI - Debt | (3,742,804) | - | |
| | Securities measured at FVOCI - Equity | (4,528,308) | - | |
| | | (12,404,875) | 2,341,579 | |
| | Surplus on revaluation of assets - net of tax | 55,389,258 | 40,086,369 | |
| 25 | CONTINGENCIES AND COMMITMENTS | | | |
| | Guarantees | 25.1 | 62,624,573 | 66,315,450 |
| | Commitments | 25.2 | 529,392,009 | 495,953,754 |
| | Other contingent liabilities | 25.3 | 7,064,403 | 6,987,410 |
| | | | 599,080,985 | 569,256,614 |
| 25.1 | Guarantees | | | |
| | Financial guarantees | | 5,696,675 | 5,603,283 |
| | Performance guarantees | | 14,394,498 | 13,503,642 |
| | Other guarantees | | 42,533,400 | 47,208,525 |
| | | | 62,624,573 | 66,315,450 |
| 25.2 | Commitments | | | |
| | Documentary credits and short term trade related transactions: | | | |
| | Letters of Credit | | 88,591,014 | 153,136,140 |
| | Commitments in respect of: | | | |
| | Forward foreign exchange contracts | 25.2.1 | 395,822,613 | 322,127,301 |
| | Forward government securities transactions | 25.2.2 | 34,013,335 | 11,439,221 |
| | Operating leases | 25.2.3 | 230,638 | 298,754 |
| | Commitments for acquisition of: | | | |
| | Property and equipment | | 9,831,193 | 8,054,382 |
| | Intangible assets | | 903,216 | 897,956 |
| | | | 529,392,009 | 495,953,754 |
| 25.2.1 | Commitments in respect of forward foreign exchange contracts | | | |
| | Purchase | | 235,537,592 | 180,292,360 |
| | Sale | | 160,285,021 | 141,834,941 |
| | | | 395,822,613 | 322,127,301 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Note | September 30, 2024 | (Audited) December 31, 2023 |
|----------------|---|-----------------------|-----------------------------------|
| Rupees in '000 | | | |
| 25.2.2 | Commitments in respect of forward government securities transactions | | |
| | Purchase | 32,001,677 | 10,053,843 |
| | Sale | 2,011,658 | 1,385,378 |
| | | <u>34,013,335</u> | <u>11,439,221</u> |
| 25.2.3 | Commitments in respect of operating leases | | |
| | Not later than one year | 107,424 | 112,416 |
| | Later than one year and not later than five years | 105,002 | 162,545 |
| | Later than five years | 18,212 | 23,793 |
| | | <u>230,638</u> | <u>298,754</u> |
| 25.3 | Other contingent liabilities | | |
| 25.3.1 | Claims against the Bank not acknowledged as debt | 7,064,403 | 6,987,410 |

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

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

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

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

26 DERIVATIVE INSTRUMENTS

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

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

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

| | Note | Nine Months Ended | | Quarter Ended | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | | |
| 27 MARK-UP / RETURN / INTEREST EARNED | | | | | |
| On: | | | | | |
| Loans and advances | | 104,543,794 | 104,121,360 | 34,347,780 | 37,377,157 |
| Investments | | 183,129,031 | 154,853,768 | 63,275,397 | 55,168,229 |
| Lendings to financial institutions | | 2,840,412 | 4,114,994 | 1,009,158 | 2,292,442 |
| Balances with banks | | 809,951 | 955,817 | 276,072 | 305,722 |
| | | 291,323,188 | 264,045,939 | 98,908,407 | 95,143,550 |
| 28 MARK-UP / RETURN / INTEREST EXPENSED | | | | | |
| On: | | | | | |
| Deposits | | 148,491,604 | 121,301,539 | 52,412,021 | 48,552,000 |
| Borrowings | | 47,065,778 | 57,339,821 | 12,450,765 | 14,275,496 |
| Cost of foreign currency swaps against foreign currency deposits | | 4,510,570 | 3,873,064 | 1,962,586 | 1,992,489 |
| Interest expense on lease liability | | 1,006,027 | 870,244 | 356,739 | 310,263 |
| | | 201,073,979 | 183,384,668 | 67,182,111 | 65,130,248 |
| 29 FEE AND COMMISSION INCOME | | | | | |
| Branch banking customer fees | | 3,309,723 | 2,518,122 | 1,199,220 | 976,246 |
| Consumer finance related fees | | 17,574 | 21,761 | 5,991 | 5,194 |
| Card related fees (debit and credit cards) | | 5,368,722 | 3,907,178 | 1,863,945 | 1,454,025 |
| Credit related fees | | 17,012 | 28,683 | 4,690 | 10,143 |
| Investment banking fees | | 589,788 | 562,469 | 82,991 | 12,472 |
| Commission on trade | | 541,755 | 446,864 | 189,622 | 164,128 |
| Commission on guarantees | | 136,615 | 137,448 | 44,376 | 41,295 |
| Commission on cash management | | 287,588 | 297,222 | 95,155 | 104,807 |
| Commission on remittances including home remittances | | 1,153,770 | 583,781 | 620,178 | 201,573 |
| Commission on bancassurance | | 6,972 | 15,059 | 260 | 9,301 |
| Card acquiring business | | 80,512 | - | 51,378 | - |
| | | 11,510,031 | 8,518,587 | 4,157,806 | 2,979,184 |
| 30 GAIN / (LOSS) ON SECURITIES | | | | | |
| Realised - net | 30.1 | 1,343,852 | (77,709) | 434,375 | (285,219) |
| Unrealised - held for trading | | - | (358) | - | 9,988 |
| Unrealised - measured at FVTPL | | (4,741) | - | (6,336) | - |
| Unrealised - forward government securities | | 13,551 | 87,794 | 86,364 | 73,852 |
| | | 1,352,662 | 9,727 | 514,403 | (201,379) |
| 30.1 Realised gain / (loss) on: | | | | | |
| Federal government securities | | 1,343,852 | 187,399 | 434,375 | 31,159 |
| Shares | | - | (265,108) | - | (316,378) |
| | | 1,343,852 | (77,709) | 434,375 | (285,219) |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | Nine Months Ended | | Quarter Ended | | |
|--|-------------------|--------------------|--------------------|--------------------|--------------------|
| | Note | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| | | Rupees in '000 | | | |
| 31 OTHER INCOME | | | | | |
| (Loss) / Gain on sale of property and equipment - net | | 800,461 | (2,112) | 533,373 | (2,273) |
| Other assets disposal | | 51,305 | 34,026 | 14,533 | 22,594 |
| Recovery of written off mark-up and charges | | 68 | 3,200 | 12 | 2,289 |
| Fee for attending Board meetings | | 869 | 1,432 | 438 | 274 |
| Gain on sale of Islamic financing and related assets | | 9,029 | 27,278 | 2,027 | 12,205 |
| | | 861,732 | 63,824 | 550,383 | 35,089 |
| 32 OPERATING EXPENSES | | | | | |
| Total compensation expense | | 16,125,923 | 14,346,302 | 5,337,455 | 4,805,218 |
| Property expense: | | | | | |
| Rent & taxes | | 280,113 | 269,167 | 88,671 | 88,656 |
| Insurance | | 117,774 | 87,857 | 42,417 | 32,616 |
| Utilities cost | | 2,306,752 | 2,001,735 | 922,920 | 809,857 |
| Security (including guards) | | 1,423,762 | 1,362,196 | 466,246 | 454,256 |
| Repair and maintenance (including janitorial charges) | | 1,316,981 | 1,169,152 | 414,452 | 416,816 |
| Depreciation | | 4,725,831 | 3,701,266 | 1,651,633 | 1,267,556 |
| | | 10,171,213 | 8,591,373 | 3,586,339 | 3,069,757 |
| Information technology expenses: | | | | | |
| Software maintenance | | 1,637,143 | 1,850,569 | 506,554 | 616,477 |
| Hardware maintenance | | 369,204 | 446,760 | 76,109 | 149,194 |
| Depreciation | | 1,151,820 | 820,377 | 413,658 | 297,487 |
| Amortization | | 471,503 | 453,899 | 162,726 | 167,280 |
| Network charges | | 731,600 | 646,931 | 279,234 | 225,809 |
| Others | | 3,946 | 3,062 | 1,491 | 1,276 |
| | | 4,365,216 | 4,221,598 | 1,439,772 | 1,457,523 |
| Other operating expenses: | | | | | |
| Directors' fees and allowances | | 62,466 | 52,341 | 25,516 | 17,834 |
| Fees and allowances to Shariah Board | | 7,261 | 6,761 | 2,376 | 2,150 |
| Legal & professional charges | | 211,248 | 151,328 | 69,075 | 60,726 |
| Outsourced service cost | | 1,239,231 | 970,453 | 470,493 | 335,192 |
| Travelling & conveyance | | 329,604 | 273,882 | 117,008 | 102,423 |
| NIFT clearing charges | | 158,677 | 152,515 | 49,003 | 52,310 |
| Depreciation | | 326,958 | 234,003 | 107,577 | 81,154 |
| Training and development | | 165,811 | 121,544 | 82,509 | 57,581 |
| Postage & courier charges | | 154,571 | 163,607 | 37,766 | (1,509) |
| Communication | | 1,039,086 | 766,310 | 379,439 | 681,189 |
| Stationery & printing | | 597,357 | 508,694 | 182,479 | 193,791 |
| Marketing, advertisement & publicity | | 2,352,090 | 1,082,183 | 859,120 | 319,677 |
| Donations | | 90,835 | 45,770 | 3,395 | 28,430 |
| Auditors Remuneration | | 28,981 | 22,250 | 10,535 | 12,021 |
| Brokerage expenses | | 88,896 | 46,674 | 35,375 | 12,959 |
| Card related expenses | | 1,827,605 | 1,697,503 | 686,574 | 472,252 |
| CNIC verification | | 140,585 | 122,778 | 35,607 | 35,890 |
| Entertainment | | 323,246 | 236,346 | 131,454 | 76,109 |
| Clearing and settlement | | 205,986 | 164,313 | 75,829 | 65,052 |
| Insurance | | 1,562,455 | 1,317,994 | 525,909 | 441,200 |
| Cash In Transit Service Charge | | 357,454 | 387,854 | 136,237 | 123,478 |
| Others | | 351,595 | 122,177 | 146,121 | (372,801) |
| | | 11,621,998 | 8,647,280 | 4,169,397 | 2,797,108 |
| | | 42,284,350 | 35,806,553 | 14,532,963 | 12,129,606 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| Note | Nine Months Ended | | Quarter Ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | |
| 33 OTHER CHARGES | | | | |
| Penalties imposed by State Bank of Pakistan | 19,327 | 39,100 | 1,123 | 35,444 |
| Education cess | 37,500 | 33,336 | 12,501 | 8,334 |
| Depreciation - non-banking assets | 19,549 | 7,503 | 5,985 | 2,487 |
| Others | 144,981 | 187,514 | (30,021) | 62,516 |
| Other assets written off | 29 | - | 29 | - |
| | <u>221,386</u> | <u>267,453</u> | <u>(10,383)</u> | <u>108,781</u> |
| 34 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET | | | | |
| Credit loss allowance against lendings to financial institutions | 32,622 | - | 32,624 | - |
| Credit loss allowance against nostro accounts | 6,076 | - | 3,009 | - |
| Credit loss allowance / Provision for diminution in value of investments | 10.2.1 (1,663,650) | 957,507 | (186,212) | 3,524 |
| Credit loss allowance / Provision against loans & advances | 11.3 (1,499,353) | 1,226,648 | 156,598 | (234,152) |
| Credit loss allowance / Provision against other assets | 15.1.1 171,006 | 353,674 | 52,438 | 21,885 |
| Credit loss allowance against off-balance sheet obligations | 22.1 (4,629) | - | 29,544 | - |
| | <u>(2,957,928)</u> | <u>2,537,829</u> | <u>88,001</u> | <u>(208,743)</u> |
| Recovery of written off bad debts | (7,692) | (5,589) | (5,392) | (2,641) |
| | <u>(2,965,620)</u> | <u>2,532,240</u> | <u>82,609</u> | <u>(211,384)</u> |

35 TAXATION

| | | | | | |
|--------------------------|------|-------------------|-------------------|-------------------|-------------------|
| Current - for the period | 33.1 | 34,602,359 | 30,141,523 | 12,037,473 | 11,664,962 |
| - for prior year | | - | - | - | - |
| | | <u>34,602,359</u> | <u>30,141,523</u> | <u>12,037,473</u> | <u>11,664,962</u> |
| Deferred - current | | 167,323 | (716,034) | (136,685) | - |
| | | <u>34,769,682</u> | <u>29,425,489</u> | <u>11,900,788</u> | <u>11,664,962</u> |

35.1 This also includes proportionate super tax on high earning persons of Rs. 6,991.152 million (September 30, 2023: Rs. 6,128.595 million).

| | Nine Months Ended | | Quarter Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | September 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 |
| Rupees in '000 | | | | |
| 36 EARNINGS PER SHARE - BASIC AND DILUTED | | | | |
| Profit after taxation | <u>36,493,236</u> | <u>29,031,445</u> | <u>12,415,311</u> | <u>11,395,024</u> |
| Number of Shares | | | | |
| Weighted average number of ordinary shares outstanding during the year | <u>1,145,073,830</u> | <u>1,145,073,830</u> | <u>1,145,073,830</u> | <u>1,145,073,830</u> |
| Rupees | | | | |
| Earnings per share - basic and diluted | <u>31.87</u> | <u>25.35</u> | <u>10.84</u> | <u>9.95</u> |

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

37.1 Fair value of financial assets

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

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

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

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

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

| | September 30, 2024 | | | | Total |
|---|--------------------|------------|---------------|---------|---------------|
| | Carrying Value | Level 1 | Level 2 | Level 3 | |
| Rupees in '000 | | | | | |
| On balance sheet financial instruments | | | | | |
| Financial assets - measured at fair value | | | | | |
| Investments | | | | | |
| Federal Government Securities | 1,172,145,185 | - | 1,172,145,185 | - | 1,172,145,185 |
| Shares | 24,149,716 | 24,126,294 | 23,422 | - | 24,149,716 |
| Non-Government Debt Securities | 13,316,299 | - | 13,316,299 | - | 13,316,299 |
| Financial assets - disclosed but not measured at fair value | | | | | |
| Investments | 127,687,153 | - | - | - | - |
| Cash and balances with treasury banks | 173,084,719 | - | - | - | - |
| Balances with other banks | 1,699,980 | - | - | - | - |
| Lendings | 11,461,542 | - | - | - | - |
| Advances | 846,362,634 | - | - | - | - |
| Other assets | 104,362,463 | - | - | - | - |
| Non - Financial Assets measured at fair value | | | | | |
| Property and equipment | 97,687,975 | - | 97,687,975 | - | 97,687,975 |
| Non-banking assets | 1,690,215 | - | 1,690,215 | - | 1,690,215 |
| Off-balance sheet financial instruments - measured at fair value | | | | | |
| Forward purchase of foreign exchange | 235,537,592 | - | 235,537,592 | - | 235,537,592 |
| Forward sale of foreign exchange | 160,285,021 | - | 160,285,021 | - | 160,285,021 |
| Forward purchase of government securities transactions | | | | | |
| Forward purchase of government securities transactions | 32,001,677 | - | 32,001,677 | - | 32,001,677 |
| Forward sale of government securities transactions | | | | | |
| Forward sale of government securities transactions | 2,011,658 | - | 2,011,658 | - | 2,011,658 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

September 30, 2024

| | Corporate & Investment Banking | Commercial & Retail Banking | Trading & Sale (Treasury) | Islamic Banking | Asset Management Company | ABL Exchange | Others | Total |
|--|--|-----------------------------|---------------------------|--------------------|--------------------------|------------------|---------------------|----------------------|
| Rupees in '000 | | | | | | | | |
| 38 | SEGMENT INFORMATION | | | | | | | |
| 38.1 | Segment Details with respect to Business Activities | | | | | | | |
| Profit & Loss | | | | | | | | |
| Net mark-up/return/profit | 88,535,106 | (138,046,484) | 130,683,975 | 8,561,492 | (30,161) | 122,748 | 422,533 | 90,249,209 |
| Inter segment revenue - net | (79,764,671) | 221,017,234 | (128,899,246) | - | - | - | (12,353,317) | - |
| Non mark-up / return / interest income | 4,785,287 | 6,996,368 | 6,555,839 | 529,109 | 2,187,107 | 5,904 | 920,462 | 21,980,076 |
| Total Income | 13,555,722 | 89,967,118 | 8,340,568 | 9,090,601 | 2,156,946 | 128,652 | (11,010,322) | 112,229,285 |
| Segment direct expenses | | | | | | | | |
| Segment direct expenses | 917,165 | 18,653,615 | 275,493 | 1,673,422 | 1,035,684 | 101,777 | 21,274,831 | 43,931,987 |
| Total expenses | 917,165 | 18,653,615 | 275,493 | 1,673,422 | 1,035,684 | 101,777 | 21,274,831 | 43,931,987 |
| Credit loss allowance | (2,401,700) | (212,905) | 4,026 | 474,882 | - | - | (829,923) | (2,965,620) |
| Profit before tax | 15,040,257 | 71,526,408 | 8,061,049 | 6,942,297 | 1,121,262 | 26,875 | (31,455,230) | 71,262,918 |
| Balance Sheet | | | | | | | | |
| Cash & Bank balances | 65,026 | 58,649,802 | 98,786,565 | 9,515,552 | 53,556 | 209,574 | 7,504,624 | 174,784,699 |
| Investments | 52,042,986 | - | 1,234,843,671 | 44,762,382 | 4,777,573 | 871,928 | (186) | 1,337,298,354 |
| Net inter segment lending | (730,762,544) | 1,689,330,399 | (1,122,119,244) | - | - | - | 163,551,389 | - |
| Lendings to financial institutions | 1,194,166 | - | 383,314 | 9,996,279 | - | - | (112,217) | 11,461,542 |
| Advances - performing | 733,246,353 | 21,990,696 | - | 82,237,694 | 225,645 | - | 9,603,673 | 847,304,061 |
| Advances - non-performing | 724,601 | 327,346 | - | 260,650 | - | - | 11,615,898 | 12,928,495 |
| Credit loss allowance against advances | (1,975,786) | (580,259) | - | (228,637) | - | - | (11,085,240) | (13,869,922) |
| Advances - net | 731,995,168 | 21,737,783 | - | 82,269,707 | 225,645 | - | 10,134,331 | 846,362,634 |
| Operating fixed assets | 168,385 | 83,255,793 | 59,417 | 2,097,761 | 964,567 | 51,153 | 49,927,917 | 136,524,993 |
| Others | 8,555,838 | 18,181,557 | 58,709,220 | 6,850,632 | 1,128,110 | 27,331 | 28,563,736 | 122,016,424 |
| Total Assets | 63,259,025 | 1,871,155,334 | 270,662,943 | 155,492,313 | 7,149,451 | 1,159,986 | 259,569,594 | 2,628,448,646 |
| Borrowings | | | | | | | | |
| Borrowings | 57,754,629 | 1,969,187 | 268,624,563 | 28,753,659 | - | - | (15,083,315) | 342,018,723 |
| Deposits & other accounts | 3,408,939 | 1,825,418,824 | - | 92,834,280 | - | - | 4,459,311 | 1,926,121,354 |
| Net inter segment borrowing | - | - | - | - | - | - | - | - |
| Others | 2,095,457 | 43,767,323 | 2,038,380 | 11,724,540 | 2,719,967 | 140,335 | 63,855,861 | 126,341,863 |
| Total liabilities | 63,259,025 | 1,871,155,334 | 270,662,943 | 133,312,479 | 2,719,967 | 140,335 | 53,231,857 | 2,394,481,940 |
| Equity / Reserves | - | - | - | 22,179,834 | 4,429,484 | 1,019,651 | 206,337,737 | 233,966,706 |
| Total Equity and liabilities | 63,259,025 | 1,871,155,334 | 270,662,943 | 155,492,313 | 7,149,451 | 1,159,986 | 259,569,594 | 2,628,448,646 |
| Contingencies and commitments | 122,756,744 | 20,507,835 | 425,225,632 | 7,901,328 | - | - | 18,079,130 | 594,470,669 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

September 30, 2023

| | Corporate & Investment Banking | Commercial & Retail Banking | Trading & Sale (Treasury) | Islamic Banking | Asset Management Company | Others | Total |
|--|--------------------------------|-----------------------------|---------------------------|------------------|--------------------------|---------------------|-------------------|
| Rupees in '000 | | | | | | | |
| Profit & Loss | | | | | | | |
| Net mark-up/return/profit | 90,041,873 | (111,992,350) | 96,313,992 | 6,081,644 | (323,642) | 539,754 | 80,661,271 |
| Inter segment revenue - net | (91,137,110) | 207,734,858 | (104,566,897) | - | - | (12,030,851) | - |
| Non mark-up / return / interest income | 3,918,050 | 5,443,733 | 5,946,875 | 478,435 | 1,472,934 | 350,509 | 17,610,536 |
| Total Income | 2,822,813 | 101,186,241 | (2,306,030) | 6,560,079 | 1,149,292 | (11,140,588) | 98,271,807 |
| Segment direct expenses | 613,366 | 16,552,880 | 186,860 | 1,380,957 | 516,804 | 18,031,766 | 37,282,633 |
| Total expenses | 613,366 | 16,552,880 | 186,860 | 1,380,957 | 516,804 | 18,031,766 | 37,282,633 |
| Provisions | (2,090,334) | (534,513) | (287,719) | (3,476) | - | 383,802 | (2,532,240) |
| Profit before tax | 119,113 | 84,098,848 | (2,780,609) | 5,175,646 | 632,488 | (28,788,552) | 58,456,934 |

December 31, 2023 (Audited)

| | Corporate & Investment Banking | Commercial & Retail Banking | Trading & Sale (Treasury) | Islamic Banking | Asset Management Company | Others | Total |
|-------------------------------------|--------------------------------|-----------------------------|---------------------------|--------------------|--------------------------|--------------------|----------------------|
| Rupees in '000 | | | | | | | |
| Balance Sheet | | | | | | | |
| Cash & Bank balances | 63,911 | 52,567,988 | 87,420,356 | 7,981,515 | 21,442 | 10,524,741 | 158,579,953 |
| Investments | 56,323,830 | - | 1,055,128,295 | 38,360,057 | 4,779,114 | 5,907 | 1,154,597,203 |
| Net inter segment lending | (637,179,804) | 1,431,073,958 | (920,483,266) | (427,931) | - | 127,017,043 | - |
| Lendings to financial institutions | - | - | 16,191,116 | - | - | (6,773,113) | 9,418,003 |
| Advances - performing | 658,585,879 | 32,393,352 | - | 79,621,981 | 199,225 | 8,997,696 | 779,798,133 |
| Advances - non-performing | 296,254 | 174,347 | - | 5,729 | - | 12,562,699 | 13,039,029 |
| Provision against advances | (226,742) | (129,247) | - | (7,338) | - | (12,177,380) | (12,540,707) |
| Advances - net | 658,655,391 | 32,438,452 | - | 79,620,372 | 199,225 | 9,383,015 | 780,296,455 |
| Operating fixed assets | 152,919 | 74,579,541 | 5,707 | 887,783 | 412,017 | 49,773,926 | 125,811,893 |
| Others | 8,271,993 | 15,956,021 | 40,787,167 | 5,126,241 | 530,232 | 33,674,812 | 104,346,466 |
| Total Assets | 86,288,240 | 1,606,615,960 | 279,049,375 | 131,548,037 | 5,942,030 | 223,606,331 | 2,333,049,973 |
| Borrowings | 80,418,586 | 3,160,687 | 279,576,794 | 17,276,361 | - | (6,758,386) | 373,674,042 |
| Deposits & other accounts | 3,332,467 | 1,573,043,102 | - | 95,333,605 | - | 4,880,503 | 1,676,589,677 |
| Others | 2,537,187 | 30,412,171 | (527,419) | 3,904,191 | 2,295,319 | 46,838,767 | 85,460,216 |
| Total liabilities | 86,288,240 | 1,606,615,960 | 279,049,375 | 116,514,157 | 2,295,319 | 44,960,884 | 2,135,723,935 |
| Equity / Reserves | - | - | - | 15,033,880 | 3,646,711 | 178,645,447 | 197,326,038 |
| Total Equity and liabilities | 86,288,240 | 1,606,615,960 | 279,049,375 | 131,548,037 | 5,942,030 | 223,606,331 | 2,333,049,973 |
| Contingencies and commitments | 192,589,491 | 20,824,987 | 333,566,522 | 5,984,115 | - | 16,291,499 | 569,256,614 |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | September 30, 2024 | | | December 31, 2023 (Audited) | | | | | | |
|--|--------------------|-------------|--------------------------|-----------------------------|-----------------------|--------------|-----------|--------------------------|--------------|-----------------------|
| | Parent | Directors | Key management personnel | Associates* | Other related parties | Parent | Directors | Key management personnel | Associates* | Other related parties |
| | Rupees in '000 | | | | | | | | | |
| Other Assets | | | | | | | | | | |
| Interest / mark-up accrued | - | 23,537 | 105,564 | 2,604 | - | - | 13,464 | 94,681 | 8,660 | - |
| Receivable from staff retirement fund | - | - | - | - | 5,855,524 | - | - | - | - | 5,238,086 |
| Other receivable | - | - | - | - | - | - | - | - | - | 222,164 |
| Credit loss allowance against other assets | - | - | - | - | - | - | - | - | - | - |
| Borrowings | - | - | - | - | - | - | - | - | - | - |
| Subordinated debt | - | - | - | - | - | - | - | - | - | - |
| Deposits and other accounts | | | | | | | | | | |
| Opening balance | 12,963 | 46,804 | 35,100 | 37,125 | 7,839,463 | 1,716 | 53,731 | 51,333 | 11,965 | 2,128,234 |
| Received during the period/year | 13,382,994 | 1,932,421 | 1,296,074 | 10,119,425 | 360,308,916 | 21,582,782 | 510,062 | 1,116,106 | 9,933,381 | 292,662,647 |
| Withdrawn during the period/year | (13,390,502) | (1,982,696) | (1,230,967) | (10,143,762) | (361,041,251) | (21,577,535) | (516,899) | (1,132,339) | (10,008,221) | (286,951,418) |
| Closing balance | 5,455 | 16,719 | 60,207 | 12,788 | 7,707,128 | 12,963 | 46,894 | 35,100 | 37,125 | 7,839,463 |
| Other Liabilities | | | | | | | | | | |
| Interest / mark-up payable | - | - | - | - | - | - | 2,165 | 1,069 | 50 | 209,873 |
| Payable to staff retirement fund | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | - | - | - | - | 81,670 | - | - | - | - | - |
| Contingencies and Commitments | | | | | | | | | | |
| Other contingencies | - | - | - | 332,791 | - | - | - | - | 1,842,309 | - |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

39.1 RELATED PARTY TRANSACTIONS

| | September 30, 2024 | | | | September 30, 2023 | | | |
|---|--------------------|-----------|--------------------------|--------------------------------------|--------------------|-----------|--------------------------|--------------------------------------|
| | Parent | Directors | Key management personnel | Associates* Other related parties | Parent | Directors | Key management personnel | Associates* Other related parties |
| | Rupees in '000 | | | | | | | |
| Income | | | | | | | | |
| Mark-up/return/interest earned | 10,072 | - | 12,917 | 209,791 | - | 8,243 | 13,706 | 29,785 |
| Sales Commission | - | - | - | 67,693 | - | - | - | 44,310 |
| Fee and commission income | 95 | - | 224 | 695 | 4 | 69 | 146 | 3,113 |
| Share of profit from associates | - | - | - | 525,037 | - | - | - | 410,068 |
| Net (loss) / gain on sale of securities | - | - | 189 | (51) | - | - | (94) | 142,443 |
| Rental income | - | - | - | - | - | - | - | 9,327 |
| Other Income | - | - | 16 | - | - | - | - | - |
| Expense | | | | | | | | |
| Mark-up/return/interest paid | 912 | 5,667 | 4,846 | 130 | 1,161,387 | 7,518 | 3,028 | 1,140 |
| Directors meeting fee | - | 57,600 | - | - | - | 52,000 | - | 607,498 |
| Remuneration | - | 157,213 | 540,948 | - | - | 82,056 | 427,728 | - |
| Charge for defined benefit plans | - | 3,985 | 20,942 | - | - | 1,996 | 17,657 | - |
| Contribution to defined contribution plan | - | 3,749 | 10,460 | - | - | 1,874 | 7,531 | - |
| Other expenses | - | - | - | 34,487 | - | - | - | 6,590 |
| Rent expense*** | - | - | - | 17,290 | - | - | - | 15,153 |
| Charge in respect of staff retirement benefit funds | - | - | - | - | - | - | - | - |
| Insurance premium paid | 310 | - | 1,003 | - | - | 394 | 1,250 | 234,102 |
| Others transaction** | - | - | - | - | - | - | - | - |
| Purchase of Government securities | - | - | 351,949 | - | - | - | - | - |
| Sale of Government securities | - | - | 416,000 | 1,620,135 | - | - | - | - |
| Purchase of foreign currencies | - | - | 13,448 | 679,469 | - | - | - | - |
| Sale of foreign currencies | - | - | - | - | - | - | - | - |
| Insurance claims settled | - | - | - | - | - | - | - | - |

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

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

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

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

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

| | | (Audited) | |
|-----------|--|-----------------------|----------------------|
| | | September 30, 2024 | December 31, 2023 |
| | | Rupees in '000 | |
| 40 | CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS | | |
| | Minimum Capital Requirement (MCR): | | |
| | Paid-up capital (net of losses) | 11,450,739 | 11,450,739 |
| | Capital Adequacy Ratio (CAR): | | |
| | Eligible Common Equity Tier 1 (CET 1) Capital | 158,155,940 | 137,272,038 |
| | Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| | Total Eligible Tier 1 Capital | 158,155,940 | 137,272,038 |
| | Eligible Tier 2 Capital | 61,544,487 | 44,070,701 |
| | Total Eligible Capital (Tier 1 + Tier 2) | 219,700,427 | 181,342,739 |
| | Risk Weighted Assets (RWAs): | | |
| | Credit Risk | 437,449,643 | 472,828,682 |
| | Market Risk | 55,773,215 | 41,288,208 |
| | Operational Risk | 177,359,474 | 177,359,474 |
| | Total | 670,582,332 | 691,476,364 |
| | Common Equity Tier 1 Capital Adequacy ratio | 23.58% | 19.85% |
| | Tier 1 Capital Adequacy Ratio | 23.58% | 19.85% |
| | Total Capital Adequacy Ratio | 32.76% | 26.23% |
| | Leverage Ratio (LR): | | |
| | Eligible Tier-1 Capital | 158,155,940 | 137,272,038 |
| | Total Exposures | 2,790,156,952 | 2,473,204,725 |
| | Leverage Ratio | 5.67% | 5.55% |
| | Liquidity Coverage Ratio (LCR): | | |
| | Total High Quality Liquid Assets | 888,370,953 | 729,610,915 |
| | Total Net Cash Outflow | 421,257,965 | 395,703,808 |
| | Liquidity Coverage Ratio | 210.89% | 184.38% |
| | Net Stable Funding Ratio (NSFR): | | |
| | Total Available Stable Funding | 1,721,036,216 | 1,682,223,313 |
| | Total Required Stable Funding | 1,125,972,085 | 1,046,798,062 |
| | Net Stable Funding Ratio | 152.85% | 160.70% |

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2024

41 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 41.1 The Board of Directors of the Bank in its meeting held on October 30, 2024 has proposed an interim cash dividend for the quarter ended September 30, 2024 of Rs. 4.00 per share (September 30, 2023: cash dividend of Rs. 3.00 per share). The consolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

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

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 30, 2024 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Nazrat Bashir
Director

Mohammad Naeem Mukhtar
Chairman



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