

CORPORATE AFFAIRS GROUP

HO/CAG/CAU/2023/84
October 30, 2023

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, 2023**

Dear Sir,

We have to inform you that Quarterly Report of Allied Bank Limited for the period ended September 30, 2023 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

Encl: **As above**

NAVIGATING DIGITAL TRANSFORMATION



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Corporate Information

Vision

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

Mission

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

Core Values

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

Board of Directors

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

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

Audit Committee of the Board

Zafar Iqbal (Chairman)
 Nazrat Bashir
 Mubashir A. Akhtar

e-Vision Committee

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

Board Risk Management Committee

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

Strategic Planning & Monitoring Committee

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

Human Resource & Remuneration Committee

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

Shariah Board

Mufti Muhammad Iftikhar Baig
(Chairman)

Mufti Mahmood Ahmad
Mufti Tayyab Amin

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

EY Ford Rhodes
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

3 Tipu Block, New Garden Town,
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Pakistan

Contact Detail



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Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the nine months ended September 30, 2023. The operating results and appropriations as recommended by the Board are included in the appended table:

	Nine Months ended September 30,		Growth
	2023	2022	
	(Rupees in million)		%
Profit after tax for the period	28,662	12,628	127
Accumulated profits brought forward	79,653	69,471	15
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	1	27	(96)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	52	93	(44)
Re-measurement on defined benefit obligation-net of tax	43	34	26
Profit available for appropriation	108,411	82,253	32
Final cash dividend for the year ended December 31, 2022: Rs. 2.50 per share (2022: Year ended December 31, 2021: Rs. 2.00 per share)	(2,863)	(2,290)	25
First interim cash dividend for the year ending at December 31, 2023: Rs. 2.50 per share (2022: year ended December 31, 2022: Rs. 2.00 per share)	(2,863)	(2,290)	25
Second interim cash dividend for the year ending at December 31, 2023: Rs. 2.50 per share (2022: year ended December 31, 2022: Rs. 2.00 per share)	(2,863)	(2,290)	25
Transfer to Statutory Reserves	(2,866)	(1,263)	127
Accumulated profits carried forward	96,956	74,120	31
Earnings Per Share (EPS) (Rs.)	25.03	11.03	127

The Board is pleased to announce an interim cash dividend of Rs. 3.00 per share in addition to first and second interim cash dividend of Rs. 2.50 per share each, which has already been paid. Interim cash dividend for the nine months ended September 30, 2023 is Rs. 8.00 per share (September 30, 2022: Rs. 6.00 per share)

Economic Review

Global economic recovery remained subdued especially in emerging markets and developing economies amid geopolitical conflicts and post pandemic challenges. Disruptions in energy and food markets, driven by global uncertainties, along with efforts to contain inflation through tightened monetary policies, have impacted the global economic recovery process. However, measures taken by most of the economies in the world to pacify inflation, decelerated headline inflation. Resultantly, International Monetary Fund (IMF) has revised projection of headline inflation to 5.9% in 2023 and 4.8% in 2024 in October 2023, against earlier estimates of 6.8% and 5.2% in July 2023 respectively, whereas IMF has maintained earlier projection of Global GDP growth at 3.0% for 2023.

Pakistan's economy is struggling against stressed macroeconomic environment, lingering effects of severe floods, global price shocks and political instability. Accordingly, in October 2023 update, IMF has maintained July 2023 projection of GDP growth at negative 0.5% which was revised from earlier projection of positive 0.5% in April 2023.

Inflation has decreased to 31.4% in September 2023 after reaching peak at 38.0% in May 2023 as the result of administrative measures and tight monetary policy stance adopted by State Bank of Pakistan (SBP). IMF has estimated the domestic Consumer Price Index (CPI) at 29.2% in 2023 and 23.6% in 2024.

Large Scale Manufacturing (LSM) witnessed negative growth due to buildup of macroeconomic stress. On year on year (YoY) basis, LSM declined by 1.09% in the month of July 2023, while on Month on Month (MoM) basis, it decreased by 3.62%. During the period, 9 out of 22 sectors witnessed growth including Food, Tobacco, Wearing Apparel, Chemicals, Pharmaceuticals, Rubber Products, Non-Metallic Mineral Products, Machinery and Equipment and others (Football).

According to the Pakistan Cotton Ginner's Association (PCGA), a remarkable growth of 80% as of 15th September 2023, has been observed in arrival of Cotton bales. During July 2023, the agriculture credit disbursement was recorded at Rs. 151 billion as compared to Rs. 112 billion last year showing an increase of 35.1%.

A significant improvement has been seen in current account balance emanating from improved trade balance. Current account posted a deficit of US\$ 947 million for Jul-Sep FY24 as against deficit of US\$ 2,258 million for Jul-Sep FY23.

Exports declined by 4.1% to reach at US\$ 8,726 million during Jul-Sep FY24 as against US\$ 9,103 million in the comparative period last year. Whereas on MoM basis, exports improved by 0.6% to reach at US\$ 3,045 million in the month of September

2023 as compared to US\$ 3,026 million in August 2023. As per Pakistan Bureau of Statistics (PBS), during the period under review the export commodities that registered positive growth included Fish & Fish Preparation, Fruits, Cotton Yarn, Towel, and Plastic Materials.

Imports declined by 19.2% to reach at US\$ 14,856 million during Jul-Sep FY24 as compared to US\$ 18,383 million during Jul-Sep FY23. Whereas on MoM basis, imports declined by 5.9% to stand at US\$ 4,773 million during the month of September 2023 as compared to US\$ 5,074 million during August 2023. Main imported commodities were Petroleum Products, Petroleum Crude, Liquefied Natural Gas, Palm Oil, Plastic materials, Iron & Steel and Medicinal products.

The higher decline in Imports as compared to reduction in Exports resulted in reduced Trade deficit. Trade deficit during Jul-Sep FY24 stood at US\$ 6,130 million as compared to US\$ 9,280 million in the comparative period last year, depicting a decrease by 33.9%.

During Jul-Sep FY24, Workers' remittances decreased by 19.8% to reach at US\$ 6,330 million as compared to US\$ 7,897 million during Jul-Sep FY23. Monthly remittances in September 2023, increased by 5.3% on MoM basis, whereas on YoY basis it declined by 11.3%. Major sources of remittances were from Saudi Arabia, UAE, UK, USA, other GCC countries, EU and Canada.

Total foreign investment recorded an inflow of US\$ 412.0 million during Jul-Sep FY24 as against an inflow of US\$ 319.7 million during Jul-Sep FY23. Foreign Direct Investment reached US\$ 402.3 million during Jul-Sep FY24 as compared to US\$ 349.8 million in comparative period last year. The total foreign Portfolio Investment has registered an inflow of US\$ 9.8 million during Jul-Sep FY24 as against an outflow of US\$ 30.0 million last year.

Pakistan's Net Foreign Reserves and Net Foreign Reserves with SBP stood at US\$ 13,031 million and US\$ 7,615 million respectively as on 28th September, 2023.

Money Supply (M2) recorded a growth of 12.9% on YoY basis and reached at Rs. 31,524 billion as on September 30, 2023. Whereas, Currency in Circulation (CIC) stood at Rs. 8,288 billion as on September 30, 2023, depicting a growth of 8.3%.

Headline Inflation was observed on YoY basis at 31.4% in September 2023 as compared to 27.4% in August 2023 and 23.2% in September 2022. On MoM basis, it increased to 2.0% in September 2023 as compared to an increase of 1.7% in the previous month and a decrease of 1.2% in September 2022. Accordingly, State Bank of Pakistan continued with strict monetary policy stance to pacify demand, ensure external account stability and check inflation and has raised policy rate by 600 basis points since November 2022 to stand at 22% in September 2023.

The performance of Pakistan Stock Exchange (PSX) remained volatile and KSE-100 index closed at 46,233 as on September 28, 2023. The market capitalization recorded at Rs. 6,716 billion as of August 31, 2023.

Financial Review

The Banking Sector remained resilient against challenging operating environment and relatively subdued economic activity throughout the first nine months of 2023.

As of September 30, 2023, total assets of the industry amounted to Rs. 41,823 billion, reflecting a 21% increase compared to Rs. 34,530 billion as of December 31, 2022. This growth was primarily driven by a 26% improvement in investments and a significant 64% increase in cash and balances. In contrast, advances experienced a decline of 0.5%.

On the liability side, deposits improved by 17% to stand at Rs.26,318 billion as on September 30, 2023 as compared to Rs. 22,467 billion as on December 31, 2022.

Amidst challenging operating environment marked by macro-economic bottlenecks and the ongoing digital transformation, Your Bank diligently focused on enhancing all facets of its banking operations. This included improvements in customer offerings, enrichment of technological platforms and proactive transition towards digital enhancements.

Markup income of Your Bank reached at Rs. 264,341 million during the nine months ended September 30, 2023 against Rs. 147,552 million in corresponding period ended September 30, 2022 showing 79% growth on the basis of higher volumetric growth and positive rate variance. The positive rate variance is mainly due to higher yield on Investments, Advances and Bank placements.

Similarly, Markup expense of Your Bank increased by 80% to reach at Rs. 183,356 million during the captioned period, as compared to Rs. 102,110 million in corresponding period, mainly attributable to higher cost of deposit and borrowing expense. Resultantly, Net Interest income increased by 78% and stood at Rs. 80,985 million during the current period as compared to Rs. 45,442 million in corresponding period last year.

With regard to Non-Markup income, upward trend has been observed in Fee & Commission income and Dividend income, which increased by Rs. 1,738 million or 20% and Rs. 591 million or 30% respectively, during the nine months ended September 30, 2023.

Foreign exchange income declined by 19% to Rs. 5,781 million during the nine months ended September 30, 2023 as compared to Rs. 7,142 million in the corresponding period last year.

Gain on securities and other income showed a downward movement with the decrease of 99% and 9% to stand at Rs.10 million and Rs. 93 million respectively during the nine months ended September 30, 2023.

Resultantly, total non-Markup income declined by 1% to reach at Rs. 16,171 million during the nine months ended September 30, 2023 as compared to Rs. 16,328 million in the corresponding period last year.

Directors' Review

Non markup expenses of Your Bank increased by 25% to be recorded at Rs. 36,799 million during the nine months ended September 30, 2023 as compared to Rs. 29,442 million in the corresponding period last year. Branch expansion, investment in human resource, US\$-PKR parity and higher inflation were the main contributors in increase in administrative expenses. Worker's Welfare fund increased by 73% to reach at Rs. 1,196 million in the current period as compared to Rs. 692 million in the same period last year.

Profitability indicators witnessed improvements mainly on the back of growth in net interest income. Therefore, Profit before tax reached at Rs. 57,827 million during the nine months ended September 30, 2023 comparing with Rs. 33,024 million during the same period last year.

Profit after tax (PAT) made a significant growth of Rs. 16,033 million or 127% during the nine months ended September 30, 2023 as compared to the same period last year. Your Bank closed its nine months profit at Rs. 28,662 million as compared to Rs. 12,628 million in the corresponding period last year. In line with PAT, earnings per share (EPS) of Your Bank also increased by 127% to stand at Rs. 25.03 for the nine months ended September 30, 2023 as against Rs. 11.03 during the same period ended September 30, 2022.

Allied Bank's outreach stood at 1,474 branches including 1,345 conventional, 122 Islamic and 7 Digital branches as of September 30, 2023. ATM network reached at 1,569 machines consisting of 1,316 on-site, 248 off-site and 5 Mobile Banking Units (MBU). Average ATM uptime was registered at 95.47% for the nine-months ended September 30, 2023.

Total Asset base of Your Bank reached at Rs. 2,263 billion as on September 30, 2023 as against Rs. 2,251 billion as on December 31, 2022, depicting a growth of 1%. This was achieved mainly on the back of increase of 251% in Lending to financial institutions, 46% in Cash and balances and 39% in other assets. While investments declined by 7% to record at Rs. 1,047 billion as on September 30, 2023 as against Rs. 1,123 billion as on December 31, 2022.

Total Advances of Your Bank showed decline of 10% due to tight economic conditions and rising interest rate scenario and reached at Rs. 757 billion as on September 30, 2023 as compared to Rs. 846 billion as on December 31, 2022. Non-Performing Loans (NPL) remained relatively muted and closed at Rs.13.3 billion as on September 30, 2023 as against 13.1 billion as on December 31, 2022, increasing by 2%.

On the funding side, total Deposits of Your Bank increased by 12% to reach at Rs. 1,704 billion as on September 30, 2023 as compared to Rs. 1,522 billion as on December 31, 2022. Your Bank focused its concentration on low-cost deposits which can be witnessed from 15% increase in current deposits during the period under review. Whereas, current deposit to total deposits (CA) and current deposits saving deposits to total deposits (CASA) maintained at 41% and 81% respectively as on September 30, 2023.

Total Equity of Your Bank stood at Rs. 151 billion as on September 30, 2023 as compared to Rs. 128 billion as on December 31, 2022 showing a healthy growth of 18%.

Return on Assets (ROA) and return on Equity (ROE) of Your Bank were recorded at 1.7% and 28.6% as on September 30, 2023 respectively as against 1.0% and 18.4% as on December 31, 2022. Capital Adequacy Ratio (CAR) of Your Bank remained resilient at 22.61% as on September 30, 2023 much higher than the statutory requirement of 11.5%.

Future Outlook:

The risks to global economic recovery remain elevated. Challenges and drawbacks stemming from international conflicts, slower economic rebound in China and inflationary pressures continued to weigh on the global economy. Hence, IMF has projected the global growth at 2.9% in 2024 against 3.0% projected in July 2023 and 3.1% in 2028.

On the domestic front, SBP has projected the real GDP growth in the range of 2.0% to 3.0% for FY24. However, IMF has anticipated the GDP growth of Pakistan at 2.5% in 2024 and 5.0% in 2028.

Recent administrative measures aimed at improving the availability of essential food commodities, expected ease in supply constraints, aggressive monetary policy stance and regulatory action for curbing illegal activities in the foreign exchange market have improved the inflation outlook. Accordingly, IMF has projected the annual average consumer prices in Pakistan at 23.6% in 2024 and 6.5% in 2028.

Allied Bank being a responsible citizen, has always been in forefront in supporting and participating in National cause. In line with its "Corporate Social Responsibility" policy, Allied Bank organized "Cleanliness Drive" in collaboration with Forests, Parks & Wildlife authorities of Gilgit Baltistan (GB), at Deosai National Park contributing towards "Neat, Clean and Green Pakistan". Your Bank's staff along with the local community participated in the cleanliness drive by picking and disposing off waste materials with objective of raising awareness about environmental conservation, reducing litter and promoting responsible tourism.

Your Bank's commitment towards providing global standard seamless financial services and integrated solutions with highest level of focus on digital innovations, conducive work environment complemented by best human resource practices has been acknowledged at international and domestic forums. During the period, Your Bank has received following prestigious awards:

- Best Domestic Bank in Pakistan 2023 – by FinanceAsia Country Awards.
- Best Bank for Diversity and Inclusion in Pakistan 2023 – by Asiamoney.
- Best of the Best Company 2023 Award in Pakistan.
- Best Place to Work – “Number 1 in Large Organizations Category”.
- Best Place to Work – “Winner” in Banking Industry.
- App & web-Enabled Market Awards-myABL Digital Banking App - by Pakistan Digital Awards.
- Runner-Up in Best ESG Bank Category by CFA Society Pakistan.

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 (ABL) at “CGR-9+” out of maximum scale of 10. This Corporate Governance Rating of CGR-9++ indicates strong commitment of the Bank towards governance framework.

Board of Directors

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

Acknowledgement

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

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

For and on behalf of the Board of Directors.

Aizid Razzaq Gill
Chief Executive Officer

Sheikh Mukhtar Ahmad
*Chairman Board of Directors

Lahore
Date: October 26, 2023

* Mr. Mohammad Naeem Mukhtar, Chairman of the Board was not present in the meeting.

ڈائریکٹرز کا تجزیہ

معروضیہ ہولڈرز:

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2023ء کو اختتام پذیر ہونے والے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تخصیص مندرجہ ذیل جدول میں درج ہے:

نوادہ تختہ 30 ستمبر			
نمبر%	2022	2023	
ملین روپے			
127	12,628	28,662	رواں مت کا منافع بعد از ٹیکس
15	69,471	79,653	گزشتہ مع شدہ منافع
(96)	27	1	غیر یکبارگی اثاثہ کی قدر دیکھائی سے غیر تصرف شدہ منافع میں منتقلی خالص از ٹیکس
(44)	93	52	مضمین اثاثہ کی قدر دیکھائی سے غیر تصرف شدہ منافع میں منتقلی خالص از ٹیکس
26	34	43	مضمین فوائے کی مدداری کی دوبارہ دیکھائی سے حاصل شدہ آمدنی۔ خالص از ٹیکس
32	82,253	108,411	تصرف کے لیے دستیاب منافع
			حتیٰ کیش ڈیویڈنڈ برائے سال تختہ 31 دسمبر 2022 - 2.50 روپے
25	(2,290)	(2,863)	نی حصص (2022): سال تختہ 31 دسمبر 2021 - 2.00 روپے فی حصص
			پہلا کیش ڈیویڈنڈ برائے سال تختہ 31 دسمبر 2023 - 2.50 روپے
25	(2,290)	(2,863)	نی حصص (2022): سال تختہ 31 دسمبر 2022 - 2.00 روپے فی حصص
			دوسرا کیش ڈیویڈنڈ برائے سال تختہ 31 دسمبر 2023 - 2.50 روپے
25	(2,290)	(2,863)	نی حصص (2022): سال تختہ 1 دسمبر 2022 - 2.00 روپے فی حصص
127	(1,263)	(2,866)	شواہلی ریزرو میں منتقلی
31	74,120	96,956	آگے منتقل کیا گیا مع شدہ منافع
127	11.03	25.03	نی حصص آمدنی (EPS) روپے

بورڈ نہایت مسرت سے 3.00 روپے فی شیئر کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے جو کہ 2.50 روپے فی شیئر نی مت کے پہلے اور دوسرے عبوری ڈیویڈنڈ، جس کی پیشتر ادائیگی کی جا چکی ہے، کے علاوہ ہے۔ 30 ستمبر 2023ء کو اختتام پذیر ہونے والے سال کے دوران عبوری کیش ڈیویڈنڈ کی سطح 8 روپے، نی حصص رہی (30 ستمبر 2022ء، 6.00 روپے فی حصص)

معاشی جائزہ:

جغرافیائی و سیاسی تنازعات اور عالمی دہائے کے بعد رونما ہونے والے پیچیدگی صومناح میں گھری عالمی معیشت خاص طور پر ایشیائی اور ترقی پذیر معیشتوں میں معاشی بحالی میں ناموافق برقرار رہی۔ توانائی اور اجناس کی منڈیوں میں تھقل اور ڈھاروں، جو کہ عالمی غیر یقینیوں کا شکار ہیں، اور اس کے ساتھ ساتھ سخت مانیٹری پالیسیوں کے ذریعے افراط زر پر قابو پانے کے اقدامات نے عالمی معاشی بحالی کے عمل کو متاثر کیا ہے۔ تاہم دنیا کی بیشتر معیشتوں کی جانب سے افراط زر کے سبب کے لیے اٹھائے گئے اقدامات سے سربمیل (نہاواں) افراط زر میں کمی دیکھی گئی ہے۔ چنانچہ عالمی مالیاتی فنڈ (آئی ایم ایف) نے سربمیل افراط زر کے بارے میں سال 2023ء اور سال 2024ء کے لیے جولائی 2023ء میں تخمینہ کی گئی بالترتیب 6.8 فیصد اور 5.2 فیصد کی شرح کے اپنے ساہبہ تخمینے پر نظر ثانی کرتے ہوئے، اکتوبر 2023ء کے دوران ان شرحوں کو 5.9 فیصد اور 4.8 فیصد پر توجیح کیا ہے۔ جبکہ آئی ایم ایف نے سال 2023ء کے لیے عالمی جی ڈی پی کی نمو کو 3.0 فیصد کے اپنے ساہبہ اندازے پر برقرار رکھا ہے۔

پاکستان کی معیشت، گھٹن زدہ کال معاشی ماحول، سلاب کی تباہ کاریوں کے دروس اور طویل مدتی اثرات، عالمی قیمتوں کے دوہروں اور سیاسی غیر یقینی جیسے عوامل سے تبراڑا ہے۔ لہذا، آئی ایم ایف نے اکتوبر 2023ء کے اپنے اپ ڈیٹ میں جی ڈی پی کی نمو کو جولائی 2023ء میں تخمینہ کی گئی تھی 0.0 فیصد کی شرح پر برقرار رکھا ہے۔ جو کہ اپریل 2023ء میں اپنے ساہبہ اندازے پر نظر ثانی کرتے ہوئے 0.5 فیصد کی مثبت سطح پر توجیح کی تھی۔

اسٹیٹ بینک آف پاکستان کی جانب سے کڑے مالیاتی پالیسی کو اختیار کرنے اور احتیاطی اقدامات کی بدولت افراط زر مئی 2023ء میں 38 فیصد کی بلند ترین شرح کو چھو لینے کے بعد ستمبر 2023ء میں کمی کے ساتھ 31.4 فیصد کی شرح پر درج ہوا۔ آئی ایم ایف نے صارف قیمتوں کے جدول (کنزیومر پرائس انڈیکس) کا تخمینہ سال 2023ء کے لیے 29.2 فیصد اور سال 2024ء کے لیے 23.6 فیصد پر توجیح کیا ہے۔

کلاس معاشی دباؤ کے اکتھا ہونے کے سبب بڑے پیمانے کی صنعت میں منفی نمو دیکھی گئی۔ سال پر سال کی بنیاد پر، بڑے پیمانے کی صنعت میں جولائی 2023ء کے دوران 1.09 فیصد کی کمی ہوئی جبکہ، ماہانہ بنیاد پر، اگلی شرح میں 3.62 فیصد کی کمی واقع ہوئی۔ اس مدت کے دوران 22 مئی سے 9 سبھوں میں ترقی دیکھی گئی جن میں خوراک، تہاکو، لمبوات، کیمیکلز، فارماسیوٹیکلز، بڑے تجارتی مصنوعات، غیر دھاتی معدنی اشیاء، مشینری آلات اور دیگر (فٹ بال) شامل ہیں۔

پاکستان کاٹن جینز ایسوسی ایشن (پی جی بی اے - PGGA) کے مطابق کپاس کی متوقع بیلیوں میں 15 ستمبر 2023ء تک 80 فیصد تک کی نہایت شاندار نمو واقع ہوئی۔ جولائی 2023ء کے دوران زرعی قرضہ جات کی تقسیم گزشتہ سال کی 112 بلین روپے کی نسبت 35.1 فیصد کے ساتھ 151 بلین روپے پر دیکھا ڈھائی۔

تجارتی بیلنس میں بہتری کی بدولت کرنٹ اکاؤنٹ کے توازن میں نمایاں بہتری نظر آئی۔ کرنٹ اکاؤنٹ کی مدد میں، سال 2023ء کے جولائی تا ستمبر کے عرصے کے 2,258 ملین امریکی ڈالر کے حجم کے مقابلے میں سال 2024ء کے جولائی تا ستمبر کی مدت میں 947 ملین امریکی ڈالر کا خسارہ درج ہوا۔

درآمدات، گزشتہ سال کی تقابلی مدت کی 9,103 بلین امریکی ڈالر کے حجم کی نسبت مالی سال 2024ء کے جولائی تا ستمبر کے عرصے کے دوران 4.1 فیصد کی کمی کے اندراج کے ساتھ 8,726 بلین امریکی ڈالر پر پہنچ گئیں۔ جبکہ، ماہانہ بنیاد پر، درآمدات اگست 2023ء کی 3,026 بلین امریکی ڈالر کے مقابلے میں ستمبر 2023ء کے دوران 0.5 فیصد کی بہتری کے ساتھ 3,045 بلین امریکی ڈالر پر پہنچ گئیں۔ پاکستان کے ادارہ کارپوریٹس کے مطابق اس زریعہ عرصے کے دوران جن اشیاء کی درآمد میں بہتری دیکھی گئی ان میں مچھلی اور مچھلی سے تیار شدہ اشیاء، پھل، کافیا، توتلیے اور پلاسٹک خام مال شامل ہیں۔

برآمدات، مالی سال 2023ء کے جولائی تا ستمبر کی مدت کے دوران 18,383 بلین امریکی ڈالر کی سطح کے مقابلے میں مالی سال 2024ء کے جولائی تا ستمبر کے عرصے میں 19.2 فیصد کی کمی کے ساتھ 14,856 بلین روپے پر جا پہنچیں۔ جبکہ ماہانہ بنیاد پر، برآمدات، اگست 2023ء کے 074.5 بلین امریکی ڈالر کے حجم کی نسبت ستمبر 2023ء کے دوران 5.9 فیصد کی کمی کے ساتھ 773.4 بلین امریکی ڈالر پر درج ہوئیں۔ نمایاں برآمدی اشیاء میں پٹرولیم پراڈکٹس، خام پٹرولیم، سیال قدرتی گیس، پام آئل، پلاسٹک خام مال، لوہے اور اسٹیل اور مٹی اشیاء شامل ہیں۔

برآمدات میں ہونے والی کمی کا حجم کی درآمدات کی کمی سے زیادہ ہونے کے باعث تجارتی خسارے میں بھی کمی واقع ہوئی۔ تجارتی خسارہ، گزشتہ سال کی تقابلی مدت کے 9,280 بلین امریکی ڈالر کے حجم سے مالی سال 2024ء کے جولائی تا ستمبر کے عرصے کے دوران 33.9 فیصد کی کمی کو ظاہر کرتے ہوئے 6,130 بلین امریکی ڈالر پر درج ہوا۔

مالی سال 2024ء کے جولائی تا ستمبر کے دوران بے مشغول افرادی ترسیلات زر مالی سال 2023ء کے جولائی تا ستمبر کی مدت کی 7,897 بلین امریکی ڈالر کی سطح کی نسبت 19.8 فیصد کی کمی کے ساتھ 6,330 بلین امریکی ڈالر تک جا پہنچیں۔ ستمبر 2023ء کی ماہانہ ترسیلات، ماہانہ بنیاد پر، 5.3 فیصد تک بڑھ گئیں جبکہ سال پر سال کی بنیاد پر، ان میں 11.3 فیصد کی رونا ہوئی۔ ترسیلات کے اہم ذرائع میں سعودی عرب، متحدہ عرب امارات، برطانیہ، امریکا اور دیگر جی سی (GCC) ممالک، یورپین یونین اور کینیڈا شامل تھے۔

کل غیر ملکی سرمایہ کاری مالی سال 2023ء جولائی تا ستمبر کے دوران بے مشغول افرادی ترسیلات زر مالی سال 2023ء کے جولائی تا ستمبر کے عرصے میں 412 بلین امریکی ڈالر پر رہا۔ کل غیر ملکی سرمایہ کاری براہ راست سرمایہ کاری گزشتہ سال کے تقابلی عرصے کے 349.8 بلین امریکی ڈالر کے حجم کی نسبت مالی سال 2024ء جولائی تا ستمبر کی مدت کے دوران 402.3 بلین امریکی ڈالر پر درج ہوئی۔ کل غیر ملکی پورٹ فولیو سرمایہ کاری میں گزشتہ سال کی 30 بلین امریکی ڈالر کے خروخ کے مقابلے میں مالی سال 2024ء جولائی تا ستمبر کے دوران بے مشغول 9.8 بلین امریکی ڈالر کے ان فلو (وصولیاں) حاصل ہوئے۔

پاکستان کے خالص غیر ملکی زرمبادلہ کے ذخائر اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے خالص ذخائر 28 ستمبر 2023ء تک بالترتیب 13,031 بلین امریکی ڈالر اور 7,615 بلین امریکی ڈالر رہے۔

مئی سلائی (20 اہم) 30 ستمبر 2023ء تک 12.9 فیصد کی، سال پر سال کی بنیاد پر، نمو کے ساتھ 31,524 بلین روپے پر پہنچ گئی۔ جبکہ کرنسی کی سرکلیشن 30 ستمبر 2023ء تک 8.3 فیصد کی نمو کے اندراج کے ساتھ 8,288 بلین روپے پر درج ہوئی۔

سرکاری اخراجات زر ستمبر 2022ء میں 23.2 فیصد اور اگست 2023ء میں 27.4 فیصد کی سطح کی نسبت ستمبر 2023ء میں، سال پر سال کی بنیاد پر، 31.4 فیصد کی شرح پر رہا۔ ماہانہ بنیاد پر، یہ گزشتہ مہینے میں 1.7 فیصد کے اضافے اور ستمبر 2022ء میں ہونے والی 1.2 فیصد کی کمی کے مقابلے میں ستمبر 2023ء میں 2.0 فیصد تک بڑھ گیا۔ لہذا، اسٹیٹ بینک آف پاکستان نے طلب کو معتدل رکھنے کے اپنے نعرے کو مایاتی بنانے کو جاری رکھتے ہوئے، بیرونی اکاؤنٹ کے انتظام کو یقینی بنانے اور افراط زر پر قابو پانے کے لیے، پالیسی ریٹ میں نومبر 2022ء سے 600 بیس پوائنٹس کا اضافہ کرتے ہوئے اسے ستمبر 2023ء تک 22 فیصد کی شرح پر مقرر کر دیا۔

پاکستان کی اسٹاک ایکسچینج کی کارکردگی میں اتنا دلچسپ حوالہ برقرار رہا اور کے ایس ای / 100 انڈیکس 28 ستمبر 2023ء کو 46,233 پوائنٹس پر بند ہوا۔ 31 اگست 2023ء تک مارکیٹ کی کل پیمائش 6,716 بلین روپے پر دیکھا ڈھائی۔

مالیاتی جائزہ :

بینکاری کا شعبہ سال 2023ء کے نو ماہ کے پورے عرصے کے دوران مشکل کاروباری ماحول اور قدرے ناموافق معاشی سرگرمی کے مقابلے میں بھرپور پلگ کا مظاہرہ کرتا رہا۔

30 ستمبر 2023 تک صنعت کے کل اثاثیات 31 دسمبر 2022ء کی 34,530 ملین روپے کی سطح سے 21 فیصد اضافے کو ظاہر کرتے ہوئے 41,823 ملین روپے تک جا پہنچے۔ اس نمونے میں سرمایہ کاری میں ہونے والی 26 فیصد کی بہتری اور کیش وینیکٹیلز میں 64 فیصد کے نمایاں اضافے کا بنیادی کردار رہا۔ اس کے مقابلے میں قرضہ جات میں 0.5 فیصد کمی دیکھی گئی۔

واجبات کے حوالے سے، ڈیپازٹس، 31 دسمبر 2022ء کے 22,467 ملین روپے کے حجم کی نسبت 17 فیصد کی نمو کے اندر ان کے ساتھ 30 ستمبر 2023 تک 26,318 ملین روپے پر درج کیے گئے۔

ایک مشکل کاروباری ماحول کے درمیان جہاں کلاں معاشی دشواریوں کے ساتھ ڈیجیٹل ہیٹ سازی کا عمل جاری ہو، آپ کے بینک نے اپنے کاروباری دائرہ کار کو برست میں فروغ دینے پر مستعدی سے توجہ مرکوز رکھی ہے۔ اس میں صارفین کے لیے فراہم کردہ خدمات میں مزید بہت، اپنے کلائنٹوں کی پلٹ فارمز میں فروغی اور اپنی ڈیجیٹل فروغ اور توسیع میں پیش قدمی کا اعادہ شامل ہے۔

آپ کے بینک کی مارک اپ آمدنی بلند مقدار میں ہو اور ریٹ کی مثبت تفاوت کی بنیاد پر 30 ستمبر 2023ء کو اختتام پزیر معاشی مدت کے 147,552 ملین روپے کے حجم سے 79 فیصد کے اضافے کے ساتھ 264,341 ملین روپے پر پہنچی گئی۔ اس مثبت تفاوت کی بنیاد پر سرمایہ کاری، قرضجات اور بینک پلیٹ فارمز پر زیادہ شرح آمدنی ہے۔

اس مہما میں آپ کے بینک کے مارک اپ اخراجات، ڈیپازٹس اور قرضجات کی زیادہ لاگت اور اخراجات کے بنیادی کردار کے سبب اپنی تقابلی مدت کے 102,110 ملین روپے کے حجم کے حساب میں مذکورہ دورانیے میں 80 فیصد کے اضافے کو ظاہر کرتے ہوئے 183,356 ملین روپے پر پہنچ گئے۔ جس کے نتیجے میں خالص انٹرسٹ آمدنی گزشتہ سال کی تقابلی مدت کی 45,442 ملین روپے کی سطح سے، 70 فیصد کی نمو کے ساتھ 8,985 ملین روپے پر یکپارہ ہوئی۔

نان مارک اپ آمدنی کے حوالے سے، فیس دیکھیں اور ڈیویڈنڈ کی آمدنیوں میں اضافے کا رخ دکھایا گیا۔ جن کا حجم 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت تک بالترتیب 17,38 ملین روپے یا 20 فیصد اور 591 ملین روپے یا 30 فیصد رہا۔

غیر ملکی شرح مبادلہ کی آمدنی 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت کے دوران گزشتہ سال کے تقابلی عرصہ کے 7,142 ملین روپے کے حجم کے تناسب میں 19 فیصد کی کمی کا شکار ہو کر 5,781 ملین روپے پر درج ہوئی۔

تسکات (سکیورٹیز) پر حاصل ہونے والے گین (Gain) اور دھما آمدنی 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت کے دوران تنزیلی کی طرف مائل رہیں اور 99 فیصد اور 9 ملین روپے کے ساتھ 10 ملین روپے اور 93 ملین روپے کے حجم پر پہنچ گئیں۔

جس کے نتیجے میں کل نان مارک اپ آمدنی 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت میں گزشتہ سال کے تقابلی عرصہ کے 16,328 ملین روپے کی سطح سے 1 فیصد کی کمی کو ظاہر کرتے ہوئے 16,171 ملین روپے پر جا پہنچی۔

آپ کے بینک کے نان مارک اپ اخراجات 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی عرصہ میں گزشتہ سال کی تقابلی مدت کے 29,442 ملین روپے کی سطح سے 25 فیصد کے اضافے کے ساتھ 36,799 ملین روپے پر درج ہوئے۔ برانچوں کی وسعت، افرادی وسائل میں سرمایہ کاری، امریکی ڈالر اور پاکستانی روپے کے مابین شرح تبادلہ اور افریٹا، انٹھائی اخراجات میں اضافے کا بنیادی سبب رہے۔ ورک ویٹیٹیوٹس اس دوران مدت میں گزشتہ سال کے معاشی عرصہ کے 692 ملین روپے کے مقابلے میں 7 فیصد کے اضافے کا اندازہ کرتے ہوئے 1,196 ملین روپے پر درج ہوا۔

خالص انٹرسٹ آمدنی میں ہونے والی نمو کی بنیاد پر وجہ سے منافع کے اشاریوں میں بہتری کے آثار دیکھے گئے۔ چنانچہ، منافع قبل ازنگس گزشتہ سال کے تقابلی مدت کے 33,024 ملین روپے کے حجم کی نسبت 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت میں 57,827 ملین روپے پر پہنچ گیا۔

منافع بعد ازنگس 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت میں پچھلے سال کی معاشی دورانیے میں حاصل شدہ 12,628 ملین روپے کی نسبت 28,662 ملین روپے پر درج ہوا۔ منافع بعد ازنگس کی مطابقت میں آپ کے بینک کی فی حصص آمدنی 30 ستمبر 2023ء کو اختتام پزیر نو ماہ کی مدت میں 25.03 روپے فی حصص رہی جبکہ اس کے مقابلے میں 30 ستمبر 2022ء کی معاشی مدت میں فی حصص آمدنی 11.03 روپے تھی۔

30 ستمبر 2023ء تک الاٹریٹ بینک کی برانچوں کی تعداد 1,474 پر پہنچی گئی جن میں 1,345 روایتی، 122 اسلامک اور 09 ڈیجیٹل برانچیں شامل ہیں۔ اے ٹی ایم کا نیٹ ورک 1,569

مشینوں پر پہنچ گیا جس میں 1,316 آف سائٹ، 248 آف سائٹ اور 05 موبائل بینکنگ یونٹس (MBV) شامل ہیں۔ 30 ستمبر 2023 کو اختتام پذیر نو ماہ کی مدت میں اوسط اے ٹی ایم اپ ٹائم 95.4 فیصد پر رجسٹر کیا گیا۔

آپ کے بینک کے کل اثاثہ جات کی اساس 31 دسمبر 2022ء کی 2,251 بلین روپے کے حجم کے مقابلے میں 1 فیصد کی نمو ظاہر کرتے ہوئے 30 ستمبر 2023ء تک 2,263 بلین روپے پر پہنچ گئی۔ اس کی بنیادی وجہ میں مالیاتی اداروں کو دینے گئے قرضوں میں 251 فیصد کے اضافے، کیسز اور بینک بیلنس میں 46 فیصد اور دیگر اثاثہ جات میں 39 فیصد کا اضافہ شامل ہے۔ یکدم بریکاری 31 دسمبر 2022ء تک کی 1,123 بلین روپے کی سطح کے تناسب میں 30 ستمبر 2023ء تک 17 فیصد کی کمی کے ساتھ، 1,047 بلین روپے پر ریکارڈ ہوئی۔

آپ کے بینک کے کل قرضہ جات کڑی معاشی صورتحال اور بڑھتے اثرو سربٹ کے مظاہرے کے تحت 31 دسمبر 2022ء تک کے 846 بلین روپے کے مقابلے میں 30 ستمبر 2023ء تک 10 فیصد کی کمی کے ساتھ 757 بلین روپے پر پہنچ گئے۔ غیر فعال قرضوں میں کمی قدر جمود عاری رہا اور 31 دسمبر 2022ء کے 13.1 بلین روپے کے حجم کے مقابلے میں یہ حصے 2 فیصد کے اضافے کے ساتھ 30 ستمبر 2023ء تک 13.3 بلین روپے پر درج ہوئے۔

واجبات کے حوالے سے، آپ کے بینک کے کل ذیلی اثاثہ 31 دسمبر 2022ء کے 1,522 بلین روپے کی نسبت 12 فیصد کی نمو کے ساتھ 30 ستمبر 2023ء تک 1,704 بلین روپے پر جا پہنچے۔ آپ کے بینک کی آمد کے ذیلی اثاثہ کے حصول پر مرکوز توجہ کا اظہار اس زیر تجزیہ مدت کے دوران کرنٹ ذیلی اثاثہ میں ہونے والی 15 فیصد کی بڑھوتی سے دیکھا جاسکتا ہے۔ یکدم کرنٹ ذیلی اثاثہ کی کل ذیلی اثاثہ اور کرنٹ اکاؤنٹ بینکنگ اکاؤنٹ کی کل ذیلی اثاثہ سے شرح 30 ستمبر 2023ء تک بالترتیب 41 فیصد اور 81 فیصد رہی۔

آپ کے بینک کی کل ایکٹیوٹی 31 دسمبر 2022ء کی 128 بلین روپے کی سطح سے 18 فیصد کی توانا شرح نمو کے ساتھ 30 ستمبر 2023ء تک 151 بلین روپے پر درج کی گئی۔

اثاثہ جات سے متعلق آمدنی اور ایکٹیوٹی کی آمدنی 31 دسمبر 2022ء کی بالترتیب 1.0 فیصد اور 18.4 فیصد کی شرح کے مقابلے میں 30 ستمبر 2023ء تک بالترتیب 1.9 فیصد اور 28.6 فیصد پر ریکارڈ ہوئی۔ آپ کے بینک کے سرمائے کی معقولیت کی شرح 30 ستمبر 2023ء تک بھری پورنگ کا مظاہرہ کرتے ہوئے 22.61 فیصد کی شرح پر رہی جو کہ 11.5 فیصد کی اپنی اہل طلبہ پر مشتمل شرح سے خاصی بلند ہے۔

مستقبل کی پیش بینی :

عالمی معیشت کی بحالی کو لاحق خطرات اب بھی غائب نہیں ہیں۔ عالمی تنازعات، چین میں رونما ہونے والی سخت معاشی بحالی اور افراط زر کے دباؤ سے پیدا ہونے والے خطرات اور پیچیدہ عالمی معیشت پر اپنا اثر برقرار رکھتے ہوئے ہیں۔ لہذا، آئی ایم ایف نے جولائی 2023ء میں کیے گئے اپنے عالمی نمو کے 3.0 فیصد کے تخمینے کے تناسب میں سال 2024ء کے لیے نمو کا اندازہ 2.9 فیصد اور سال 2028ء کے لیے 3.1 فیصد کیا ہے۔

داخلہ ماہی، اسٹیٹ بینک آف پاکستان نے مالی سال 2024ء کے لیے حقیقی بی ڈی پی کی نمو 3 تا 2 فیصد تک رہنے کی توقع کی ہے۔ آئی ایم ایف نے پاکستان کی بی ڈی پی کی نمو کا تخمینہ سال 2024ء کے لیے 2.5 فیصد اور سال 2028ء کے لیے 5 فیصد کی شرح پر کیا ہے۔

تمام ناگزیر اجناس کی دستیابی کو بہتر بنانے، رسد کی فراہمی میں متوقع آسانیوں، کڑے مالیاتی پالیسی بنیاد پر غیر ملکی کرنسی کے تبادلہ کی مارکیٹ میں غیر قانونی سرگرمیوں کی روک تھام کے لیے اٹھائے گئے انتظامی اقدامات نے افراط زر کی پیش بینی پر مثبت اثرات مرتب کیے ہیں؛ چنانچہ، آئی ایم ایف نے پاکستان میں سالانہ اوسط صارف قیمتوں کو سال 2029ء کے لیے 23.6 فیصد اور سال 2028ء کے لیے 6.5 فیصد پر توقع کیا ہے۔

الائیز بینک ایک ذمہ دار شہری کے طور پر قومی جذبہ خدمت سے سرشار ہے اور اس امر میں ہر طرح کی شمولیت کے لیے ہر اول دہنے کا کردار ادا کرتا ہے۔ اپنی کارپوریٹ سماجی ذمہ داری (کارپوریٹ سوشل ریسپانسیبلٹی) کی پالیسی کی مطابقت میں الائیز بینک نے گلگت بلتستان کی فارسٹ، پارکس اینڈ وائلڈ لائف اتھارٹیز (Forest, Park and Wild Life Authorities) کے ساتھ ملکر ریوسٹی بیٹھل پارک میں صفائی کی مہم کا انعقاد کیا۔ اس طرح صاف شفاف اور سبز پاکستان کی تحریک میں اپنا حصہ ڈالا۔ آپ کے بینک کے ملازمین، مقامی لوگوں کی شراکت سے صفائی کی مہم میں شامل ہونے اور کوڈ کرکٹ کو اٹھانے اور ان کی موثر طریقے سے عمل میں صدیلیا۔ اس عمل کا بنیادی مقصد حوالیاتی تحفظ، گندگی میں کمی اور ذمہ دارانہ سیاست کا فروغ اور آگاہی فراہم کرنا تھا۔

آپ کا بینک عالمی معیار کی بلاک کلاؤڈ مالیاتی خدمات، اس سے جڑی سہولیات، جس میں ڈیجیٹل انفرادیت پر اعلیٰ سطح کی توجہ، کام کے دوستانہ ماحول، جس میں انفرادی وسائل سے متعلق بہترین طریقہ کار درمیا ہوں، جیسے عوامل کی فراہمی کے لیے موزوم ہے۔ اور اس امر کا اعتراف بین الاقوامی اور اندرون ملک دونوں جگہ پر موجود پلیٹ فارمز کی طرف سے کیا جا رہا ہے۔ اس مدت کے دوران آپ کے بینک کو مندرجہ ذیل شاعرانہ ایوارڈز سے نوازا گیا:

- بہت ڈومیسٹک بینک ان پاکستان 2023 (Best Domestic Bank in Pakistan) ٹائٹلس اییشیاء سٹری ایوارڈز کی جانب سے

- بہت بینک فار ڈائورسٹی اینڈ انکلوژن ان پاکستان 2023 (Best Bank for Diversity and Inclusion) - اییشیاء میں کی جانب سے

- بیسٹ آف دی بیسٹ کمپنی 2023، کینی ایوارڈ ان پاکستان (Best of the Best Company 2023 Award)

- بیسٹ پلیس ٹو ورک (Best Place to work)۔ بڑے اداروں کی فہرست میں نمبر 1

- بیسٹ پلیس ٹو ورک (Best Place to work)۔ ٹیک کی صنعت میں ایوارڈ جیتنے والا

- ایپ اینڈ ویب ایسٹیبلڈ مارکیٹ ایوارڈ (App & Web - Enabled Market Award) مائی اے ٹی ایل ڈیجیٹل بینکنگ ایپ - پاکستان ڈیجیٹل ایوارڈز کی جانب سے

- بیسٹ ای ایس جی ٹیک کیٹیگری میں رن اپ (Runner up in Best ESG Category)۔ سی ایف اے سوسائٹی کی جانب سے۔

ابتدائی ریٹنگ:

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

کارپوریٹ گورننس ریٹنگ:

وی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی لیٹون نے ایٹھ لیٹون (اے ٹی ایل) کی کارپوریٹ گورننس کی درجہ بندی کو برقرار رکھتے ہوئے زیادہ سے زیادہ 10 کے پیمانے میں سے "CGR-9++" کی سطح پر یقین کیا ہے۔ کارپوریٹ گورننس کی "CGR-9++" کی یہ ریٹنگ ٹیک کے مضبوط اور مستحکم 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 جرد میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو بورڈ یا ادارہ اعلیٰ 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 سرکیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا ہے۔

تسلیم یقین:

بورڈ آف ڈائریکٹرز اور مینجمنٹ کی جانب سے، ہم اپنے معزز شیئرز ہولڈرز اور قابل قدر صارفین کے لائڈ بیگ پر اگے اہتمام، سکیورٹی اینڈ ایکنجنگ کمیٹی آف پاکستان، اسٹیٹ بینک آف پاکستان، اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور اعانت پر انتہائی خلوص سے فخر 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 ٹیک کے اخراجات و مقاصد کے حصول کے لیے اہلک محنت اور لگن کا بھی بھرپور طریقے سے اعتراف کرتے ہیں

منجانب وبراے بورڈ آف ڈائریکٹرز

شیخ مختار احمد
چیئرمین بورڈ آف ڈائریکٹرز

ایڈ ریڈ ذوق مجل
چیف ایگزیکٹو آفیسر

لاہور

26 اکتوبر، 2023

*محکم فہم، چیمبر، چیئرمین بورڈ آف ڈائریکٹرز اجلاس میں حاضر نہ تھے۔

UNCONSOLIDATED FINANCIAL STATEMENTS

for the nine months ended September 30, 2023

Unconsolidated Statement of Financial Position

(Un-audited) as at September 30, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	132,109,132	87,913,426
Balances with other banks	8	1,437,729	3,439,468
Lendings to financial institutions - net	9	99,120,861	28,222,195
Investments - net	10	1,046,971,926	1,123,117,088
Advances - net	11	757,225,582	845,640,176
Fixed assets	12	88,759,592	81,478,561
Intangible assets	13	3,133,182	2,963,902
Deferred tax assets	14	17,316,636	13,001,349
Other assets - net	15	117,138,089	65,196,693
		2,263,212,729	2,250,972,858
LIABILITIES			
Bills payable	17	9,759,133	14,159,643
Borrowings	18	308,986,319	530,414,493
Deposits and other accounts	19	1,704,478,770	1,522,297,479
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	89,430,711	56,289,835
		2,112,654,933	2,123,161,450
NET ASSETS			
		150,557,796	127,811,408
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		37,092,306	31,435,453
Surplus on revaluation of assets - net of tax	22	5,058,516	5,272,401
Unappropriated profit		96,956,235	79,652,815
		150,557,796	127,811,408

CONTINGENCIES AND COMMITMENTS

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2023

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000					
Mark-up / return / interest earned	25	264,340,533	147,551,613	95,209,785	59,984,524
Mark-up / return / interest expensed	26	183,355,620	102,109,538	65,127,284	42,057,835
Net mark-up / interest income		80,984,913	45,442,075	30,082,501	17,926,689
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	7,713,579	5,938,360	2,658,433	2,006,095
Dividend income		2,573,872	1,982,917	940,240	657,723
Foreign exchange income		5,780,773	7,141,783	1,420,976	2,845,872
Income from derivatives		-	-	-	-
Gain on securities - net	28	9,727	1,162,554	(201,379)	23,126
Other income	29	93,252	102,406	44,894	55,936
Total non mark-up / interest income		16,171,203	16,328,020	4,863,164	5,588,752
Total income		97,156,116	61,770,095	34,945,665	23,515,441
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	35,336,258	28,469,770	11,965,807	10,223,550
Workers welfare fund		1,195,719	692,288	461,574	268,395
Other charges	31	267,453	280,347	108,781	64,532
Total non mark-up / interest expenses		36,799,430	29,442,405	12,536,162	10,556,477
Profit before provisions		60,356,686	32,327,690	22,409,503	12,958,964
Provisions and write offs - net	32	2,532,240	(696,581)	(211,384)	52,611
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		57,824,446	33,024,271	22,620,887	12,906,353
Taxation	33	29,162,869	20,396,055	11,402,342	7,164,744
PROFIT AFTER TAXATION		28,661,577	12,628,216	11,218,545	5,741,609
In Rupees					
Basic and Diluted earnings per share	34	25.03	11.03	9.80	5.01

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2023

	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees in '000			
Profit after taxation for the period	28,661,577	12,628,216	11,218,545	5,741,609
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	2,790,695	2,640,685	(302,406)	1,213,395
Movement in surplus / (deficit) on revaluation of investments - net of tax	90,234	(10,856,951)	5,854,295	(5,420,910)
	2,880,929	(8,216,266)	5,551,889	(4,207,515)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	42,981	34,462	-	-
Revaluation of fixed assets	(248,344)	(174,267)	-	-
Revaluation of non-banking assets	(2,700)	(1,721)	-	-
	(208,063)	(141,526)	-	-
Total comprehensive income	31,334,443	4,270,424	16,770,434	1,534,094

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2023

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	(Deficit) / Surplus on revaluation of Investments	Fixed assets	Non-banking assets	Un-appropriated profit	Total
	Rupees in '000								
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,721,787	939,176	69,470,807	127,244,539
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	12,628,216	12,628,216
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,856,951)	-	-	-	(10,856,951)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	2,640,685	-	-	-	-	-	-	2,640,685
	-	2,640,685	-	-	(10,856,951)	(174,267)	(1,721)	34,462	(8,357,792)
Transfer to statutory reserve	-	-	1,262,822	-	-	-	-	(1,262,822)	-
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	-	-	-	-	83,128	-	-	83,128	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(900)	900	-
Surplus realized on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended	-	-	-	-	-	-	-	-	-
December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ending	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at September 30, 2022	11,450,739	5,441,920	25,239,653	6,000	(14,978,787)	22,554,859	810,313	74,119,822	124,844,519
Profit after taxation for the three months ended December 31, 2022	-	-	-	-	-	-	-	8,565,605	8,565,605
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,155,078)	-	-	-	(3,155,078)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	72,430	-	72,430	72,430
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	82,760	82,760
Effect of translation of net investment in foreign branches	-	(108,698)	-	-	-	-	-	-	(108,698)
	-	(108,698)	-	-	(3,155,078)	72,430	-	82,760	(3,108,566)
Transfer to statutory reserve	-	-	856,560	-	-	-	-	(856,560)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	(31,043)	-	-	31,043	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(293)	293	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Third interim cash dividend for the year ended	-	-	-	-	-	-	-	-	-
December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,523,816	862,450	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 re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	2,790,695	-	-	-	-	-	-	2,790,695
	-	2,790,695	-	-	90,234	(248,344)	(2,700)	42,981	2,672,866
Transfer to statutory reserve	-	-	2,895,158	-	-	-	-	(2,895,158)	-
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	-	-	-	-	82,110	-	-	82,110	-
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	11,450,739	8,123,935	28,962,371	6,000	(18,043,631)	22,223,362	878,785	90,956,235	150,557,796

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Unconsolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		57,824,446	33,024,271
Less: Dividend income		(2,573,872)	(1,982,917)
		55,250,574	31,041,354
Adjustments:			
Depreciation - Operating Fixed Assets		3,429,033	3,065,488
Depreciation - Non Banking Assets		7,504	5,701
Depreciation on right of use assets		1,320,040	1,280,706
Interest expense on lease liability		865,729	739,437
Amortization		435,191	385,737
Net provisions and write offs	32	2,537,829	(610,725)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		358	(1,905)
Provision for workers welfare fund		1,195,719	692,288
Charge for defined benefit plans		355,257	311,994
Loss / (gain) on sale of fixed assets		2,112	(3,898)
Loss / (gain) on sale of non-banking assets and other assets		-	3,063
		10,148,772	5,867,886
		65,399,346	36,909,240
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(70,898,666)	31,421,378
Held-for-trading securities		51,146	(4,936,420)
Advances		87,187,946	(20,246,281)
Other assets (excluding advance taxation)		(56,092,655)	(37,288,710)
		(39,752,229)	(31,050,033)
Increase / (Decrease) in operating liabilities			
Bills payable		(4,400,510)	(751,810)
Borrowings		(221,047,457)	(110,516,223)
Deposits and other accounts		182,181,291	137,934,329
Other liabilities (excluding current taxation)		31,109,853	25,572,278
		(12,156,823)	52,238,574
		13,490,294	58,097,781
Income tax paid		(25,820,292)	(13,447,286)
Defined benefits paid		(524,015)	(449,816)
Net cash flow (used in) / generated from operating activities		(12,854,013)	44,200,679
CASH FLOW FROM INVESTING ACTIVITIES			
Net realizations / (investments) in 'available-for-sale' securities		71,856,343	(35,958,033)
Net investments in 'held-to-maturity' securities		(285,929)	(2,807,460)
Dividend received		2,154,130	1,658,296
Investments in fixed assets and intangible assets		(10,670,089)	(5,858,272)
Proceeds from sale of fixed assets		26,267	33,803
Effect of translation of net investment in foreign branches		2,790,694	2,640,685
Net cash flow generated from / (used in) investing activities		65,871,416	(40,290,981)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,882,974)	(1,712,571)
Dividend paid		(8,559,745)	(6,857,464)
Net cash flow used in financing activities		(10,442,719)	(8,570,035)
Increase / (Decrease) in cash and cash equivalents during the period			
Cash and cash equivalents at beginning of the period		91,600,842	127,100,248
Effect of exchange rate changes on opening cash and cash equivalents		(683,219)	(1,982,059)
		90,917,623	125,118,189
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		133,492,307	120,457,852

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

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 1,472 (December 31, 2022: 1,451) branches in Pakistan including 122 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 1) in Bahrain.

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

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

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

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

2. BASIS OF PRESENTATION

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 39 to these unconsolidated condensed interim financial statements.

These unconsolidated condensed interim financial statements have been presented in Pakistan Rupees (PKR) which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank in that environment as well. The amounts are rounded to nearest thousand 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, 2023

- 2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.
- 2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by The Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFS).
- 2.1.5 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in preparing the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2022.

3.1 New Standards, Interpretations and amendments adopted by the Bank

Several amendments apply for the first time in 2023, but do not have an impact on the unconsolidated condensed interim financial statements of the Bank:

	Effective date (periods beginning on or after)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
- Amendments to IAS 12 Current Taxes - International Tax Reform: Pillar Two Model Rules - application of exception, disclosure of the fact and other disclosure requirements	January 01, 2023

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

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

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

	Effective date (periods beginning on or after)
- Amendments to IFRS 17 and IAS 7 - Qualitative and quantitative information about supplier finance arrangements	January 01, 2024
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	January 01, 2024

The above mentioned amendments are not likely to have a material impact on the Bank's financial statements.

- As per SBP's BPRD Circular Letter No. 7 dated April 13, 2023, the effective date of IFRS 9 for banks in Pakistan has been extended from January 01, 2023 to January 01, 2024, and accordingly the Standard will be applied in the Bank's financial statements for accounting periods beginning on or after January 01, 2024. As disclosed in note 4.1 to the unconsolidated annual financial statements of the Bank for the year ended December 31, 2022, the Bank had carried out an impact assessment based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual unconsolidated financial statements for the year ended December 31, 2022.

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, 2022.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		30,818,623	28,208,976
Foreign currencies		2,537,364	974,226
		33,355,987	29,183,202
Remittances in transit		711,324	1,102,799
With State Bank of Pakistan (SBP) in			
Local currency current accounts		57,661,275	56,627,616
Foreign currency current account		114,931	77,448
Foreign currency deposit accounts (non-remunerative)		7,750,234	36,908
Foreign currency deposit accounts (remunerative)		15,906,149	59,118
		81,432,589	56,801,090
With National Bank of Pakistan in			
Local currency current accounts		16,093,750	561,719
Prize Bonds		515,482	264,616
		132,109,132	87,913,426
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	7,500
Outside Pakistan			
In current accounts		1,197,434	3,209,391
In deposit accounts		232,795	222,577
		1,430,229	3,431,968
		1,437,729	3,439,468
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - foreign currency		3,452,861	3,622,894
Repurchase agreement lendings (Reverse Repo)		91,668,000	21,599,301
Musharaka lendings		4,000,000	3,000,000
Certificates of investment		70,000	70,000
		99,190,861	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		99,120,861	28,222,195

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	(Audited)			
	September 30, 2023		December 31, 2022	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

	(Audited)							
	September 30, 2023				December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	88,321	-	(358)	87,963	139,467	-	(134)	139,333
	88,321	-	(358)	87,963	139,467	-	(134)	139,333
Available-for-sale securities								
Federal Government Securities*	983,239,115	(1,367,161)	(38,300,789)	943,571,165	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987
Shares	15,395,655	(958,888)	2,955,980	17,392,747	18,642,536	(1,670,628)	573,308	17,545,216
Non Government Debt Securities	25,756,451	(21,071)	(36,381)	25,698,999	26,593,534	(21,071)	(34,153)	26,538,310
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	25,000	-	1,521	26,521	25,000	-	(2,549)	22,451
	1,024,417,991	(2,347,120)	(35,379,669)	986,691,202	1,096,897,309	(2,000,777)	(31,813,798)	1,063,082,734
Held-to-maturity securities								
Federal Government Securities	59,692,761	-	-	59,692,761	59,395,021	-	-	59,395,021
Non Government Debt Securities	308,826	(308,826)	-	-	320,637	(320,637)	-	-
	60,001,587	(308,826)	-	59,692,761	59,715,658	(320,637)	-	59,395,021
Subsidiaries								
	500,000	-	-	500,000	500,000	-	-	500,000
Total Investments	1,085,007,899	(2,655,946)	(35,380,027)	1,046,971,926	1,157,252,434	(2,321,414)	(31,813,932)	1,123,117,088

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

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023	(Audited) December 31, 2022
Rupees in '000		
10.1.1	Investments given as collateral - at market value	
Market Treasury Bills	-	9,885,340
Pakistan Investment Bonds	220,135,331	402,614,187
Total Investments given as collateral	220,135,331	412,499,527
10.2	Provision for diminution in value of investments	
10.2.1	2,321,414	2,093,298
Opening balance	2,321,414	2,093,298
Exchange adjustments	97,013	3,795
Charge / (reversals)		
Charge for the period / year	963,412	312,389
Reversals for the period / year	(5,905)	(23,622)
	957,507	288,767
Reversal on disposals	(719,988)	(64,446)
Closing Balance	2,655,946	2,321,414

	(Audited)			
	September 30, 2023		December 31, 2022	
	NPI*	Provision	NPI*	Provision
Rupees in '000				
10.2.2	Particulars of provision against debt securities			
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	329,897	329,897	341,708	341,708
	329,897	329,897	341,708	341,708
Overseas				
Not past due but impaired**	19,531,444	1,367,161	14,772,409	309,078
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	19,861,341	1,697,058	15,114,117	650,786

* NPI stands for Non-performing Investments.

** Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at September 30, 2023 amounted to Rs. 49,410 million (December 31, 2022: Rs. 51,708.9 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	Performing		Non Performing		Total		
	Audited		Audited		Audited		
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	
Rupees in '000							
11 ADVANCES							
Loans, cash credits, running finances, etc.	693,764,977	774,934,098	11,959,057	11,718,805	705,724,034	786,652,903	
Islamic financing and related assets	39.3	61,060,085	66,762,206	5,729	9,675	61,065,814	66,771,881
Bills discounted and purchased		2,151,888	2,688,351	1,372,761	1,375,202	3,524,649	4,063,553
Advances - gross	11.1	756,976,950	844,384,655	13,337,547	13,103,682	770,314,497	857,488,337
Provision against advances							
Specific	11.2 & 11.3	-	-	(12,802,501)	(11,738,558)	(12,802,501)	(11,738,558)
General	11.3	(286,414)	(109,603)	-	-	(286,414)	(109,603)
		(286,414)	(109,603)	(12,802,501)	(11,738,558)	(13,088,915)	(11,848,161)
Advances - net of provision		756,690,536	844,275,052	535,046	1,365,124	757,225,582	845,640,176

(Audited)
September 30, 2023
December 31, 2022
Rupees in '000

11.1 Particulars of advances (Gross)

In local currency	718,961,268	825,652,654
In foreign currencies	51,353,229	31,835,683
	770,314,497	857,488,337

11.2 Advances include Rs. 13,337.547 million (December 31, 2022: Rs. 13,103.682 million) which have been placed under non-performing status as detailed below:

Category of Classification:	(Audited)			
	September 30, 2023		December 31, 2022	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Domestic				
Other Assets Especially Mentioned	70,947	2,015	307,993	237
Substandard	55,381	13,503	133,674	33,222
Doubtful	94,420	47,210	1,159,780	579,890
Loss	13,116,799	12,739,773	11,502,235	11,125,209
Total	13,337,547	12,802,501	13,103,682	11,738,558

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023			(Audited) December 31, 2022		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
11.3 Particulars of provision against advances						
Opening balance	11,738,558	109,603	11,848,161	12,750,397	100,355	12,850,752
Exchange adjustments	-	14,106	14,106	-	13,589	13,589
Charge for the period / year	1,591,911	241,205	1,833,116	528,225	75,430	603,655
Reversals for the period / year	(527,968)	(78,500)	(606,468)	(998,280)	(79,771)	(1,078,051)
	1,063,943	162,705	1,226,648	(470,055)	(4,341)	(474,396)
Amounts written off	-	-	-	(541,784)	-	(541,784)
Closing balance	12,802,501	286,414	13,088,915	11,738,558	109,603	11,848,161

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.

11.3.2 The Bank maintains general reserve in accordance with the applicable requirements of the Prudential Regulations Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP. General provisions pertaining to overseas branch are made in accordance with the requirements of the regulatory authorities in which the overseas branch operates.

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
12 FIXED ASSETS			
Capital work-in-progress	12.1	8,439,801	4,317,914
Property and equipment		71,823,572	69,337,253
Right-of-Use of Assets		8,496,219	7,823,394
		88,759,592	81,478,561

12.1 Capital work-in-progress

Civil works	6,599,315	3,304,808
Equipment	95,171	44,592
Advances to suppliers	1,745,315	968,514
	8,439,801	4,317,914

12.2 Additions to fixed assets

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

	September 30, 2023	September 30, 2022
Rupees in '000		
Capital work-in-progress	5,620,804	2,700,542
Property and equipment		
Freehold land	810,785	1,079,542
Leasehold land	10	143,086
Building on freehold land	514,566	1,516,692
Building on leasehold land	45,753	168,968
Furniture and fixture	319,446	147,106
Electrical office and computer equipment	3,472,394	1,576,507
Vehicles	287,935	36,140
Others-building improvements	507,952	565,560
	5,958,841	5,233,601
Right-of-Use of Assets	2,138,862	1,652,201
Total	13,718,507	9,586,344

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2023

12.3 Disposal of fixed assets

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

	Note	September 30, 2023	September 30, 2022
Rupees in '000			
Furniture and fixture		1,314	560
Electrical office and computer equipment		6,669	8,647
Vehicles		132	1,396
Building on freehold land		-	12,290
Building improvements		-	6
Total		8,115	22,899

		(Audited) September 30, 2023	December 31, 2022
Rupees in '000			
13 INTANGIBLE ASSETS			
Capital work-in-progress	13.1	433,742	275,227
Computer Software		2,699,440	2,688,675
		3,133,182	2,963,902

13 INTANGIBLE ASSETS

Capital work-in-progress	13.1	433,742	275,227
Computer Software		2,699,440	2,688,675
		3,133,182	2,963,902

13.1 Capital work-in-progress

Software		430,868	272,353
Advances to suppliers		2,874	2,874
		433,742	275,227

13.2 Additions to intangible assets

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

		September 30, 2023	September 30, 2022
Rupees in '000			
Capital work-in-progress		261,675	147,651
Software		184,279	295,098
Total		445,954	442,749

13.3 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, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
14	DEFERRED TAX ASSETS		
Deductible Temporary Differences on			
Provision against investments		19,093	19,093
Provision against other assets		38,959	38,959
Provision against off-balance sheet obligations		14,824	14,824
Provision against advances		503,573	360,393
Deficit on revaluation of investments		17,336,038	13,679,933
Actuarial losses		351,010	308,029
Post retirement medical benefits		42,980	42,980
Workers welfare fund		2,384,738	1,578,570
		20,691,215	16,042,781
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		(1,978,079)	(1,779,800)
Surplus on revaluation of non-banking assets		(21,119)	(19,347)
Accelerated tax depreciation / amortization		(1,362,175)	(1,229,079)
Excess of investment in finance lease over written down value of leased assets		(13,206)	(13,206)
		(3,374,579)	(3,041,432)
		17,316,636	13,001,349
15	OTHER ASSETS		
Income / Mark-up accrued in local currency		83,171,433	49,451,768
Income / Mark-up accrued in foreign currency		832,685	1,368,623
Advances, deposits, advance rent and other prepayments		8,406,481	1,857,960
Non-banking assets acquired in satisfaction of claims		642,590	603,545
Branches adjustment account		8,613,165	22,909
Mark to market gain on forward foreign exchange contracts		-	88,177
Mark to market gain on forward government securities transactions		93,407	5,613
Acceptances		5,672,388	4,249,363
Due from the employees' retirement benefit schemes			
Pension fund		5,378,637	4,943,030
Fraud and forgeries		566,962	508,935
Stationery and stamps in hand		1,011,542	554,145
Overdue Foreign Bills Negotiated / Discounted		309,775	213,136
Home Remittance Cell agent receivable		1,427	3,511
Receivable from State Bank of Pakistan		33,799	29,684
Charges receivable		39,451	40,497
ATM / Point of Sale settlement account		2,456,009	1,041,549
Suspense Account		737	122
Others		115,903	68,137
		117,346,391	65,050,704
Less: Provision held against other assets	15.1	(1,108,205)	(755,808)
Other assets (net of provision)		116,238,186	64,294,896
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		899,903	901,797
Other Assets - Total		117,138,089	65,196,693

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
15.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	213,333	131,125
	Provision against fraud and forgeries	566,962	508,935
	Overdue Foreign Bills Negotiated / Discounted	212,014	24,295
	Charges receivable	39,451	39,600
	Others	76,445	51,853
		1,108,205	755,808

15.1.1 Movement in provision held against other assets

		September 30, 2023	December 31, 2022
	Opening balance	755,808	760,152
	Charge for the period / year	409,243	111,279
	Reversals	(55,569)	(101,280)
	Net charge	353,674	9,999
	Written off / adjusted	(1,277)	(14,343)
	Closing balance	1,108,205	755,808

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2023 and December 31, 2022.

		September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
17	BILLS PAYABLE		
	In Pakistan	9,733,184	14,138,478
	Outside Pakistan	25,949	21,165
		9,759,133	14,159,643

18 BORROWINGS

Secured

		September 30, 2023	December 31, 2022
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	165,000,000	400,000,000
	Under export refinance scheme	26,675,984	36,313,038
	Under payroll refinance scheme	-	58,349
	Under long term financing facility	35,906,679	38,403,037
	Under financing scheme for renewable energy	666,116	639,435
	Under temporary economic refinance scheme	12,925,173	13,273,360
	Under refinance scheme for modernization of SMEs	10,227	16,364
	Refinance and credit guarantee scheme for women entrepreneurs	15,185	11,018
	Under refinance scheme for wages and salaries	146,402	163,580
		241,345,766	488,878,181

Repurchase agreement borrowings from Financial Institutions

		55,722,838	12,499,527
		297,068,604	501,377,708

Unsecured

	Call borrowings	10,323,161	5,524,914
	Overdrawn nostro accounts	54,554	435,271
	Musharaka borrowing	1,500,000	23,050,000
	Other borrowings	40,000	26,600
		11,917,715	29,036,785
		308,986,319	530,414,493

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023			(Audited) December 31, 2022		
	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	617,121,253	36,667,111	653,788,364	536,148,071	30,632,327	566,780,398
Savings deposits	619,784,437	20,639,216	640,423,653	543,310,268	16,749,608	560,059,876
Term deposits	226,820,144	95,096,046	321,916,190	233,500,164	87,679,953	321,180,117
Others	31,311,313	83,580	31,394,893	32,935,164	65,036	33,000,200
	1,495,037,147	152,485,953	1,647,523,100	1,345,893,667	135,126,924	1,481,020,591
Financial Institutions						
Current deposits	12,166,327	1,490,365	13,656,692	8,621,516	567,020	9,188,536
Savings deposits	40,537,887	-	40,537,887	31,906,055	-	31,906,055
Term deposits	2,696,350	64,741	2,761,091	131,350	50,947	182,297
Others	-	-	-	-	-	-
	55,400,564	1,555,106	56,955,670	40,658,921	617,967	41,276,888
	1,550,437,711	154,041,059	1,704,478,770	1,386,552,588	135,744,891	1,522,297,479

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,083,773 million for September 30, 2023 (December 31, 2022: Rs. 955,218 million).

	(Audited)		
	Note	September 30, 2023	December 31, 2022
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		34,896,189	14,142,993
Mark-up / return / interest payable in foreign currencies		2,456,340	939,083
Present value of lease liability		10,784,876	9,787,444
Accrued expenses		4,668,809	2,642,962
Provision for taxation (provisions less payments)		6,728,631	2,518,808
Retention money payable		577,402	526,630
Deferred income		777,600	667,168
Unearned commission and income on bills discounted		340,948	360,705
Acceptances		5,672,388	4,249,363
Unclaimed dividends		420,774	406,721
Dividend payable		34,730	20,473
Unrealized loss on forward foreign exchange contracts		3,309,207	-
Provision for:			
Gratuity		804,194	804,194
Employees' medical benefits		1,598,420	1,508,820
Employees' compensated absences		1,301,792	1,124,542
Payable to defined contribution plan		144,597	46,506
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		981,181	920,097
Charity fund balance		4,489	828
Home Remittance Cell overdraft		683,384	789,995
With-holding tax payable		1,080,930	5,234,909
Sundry deposits		3,850,155	3,491,981
Workers welfare fund payable		4,866,812	3,671,093
Others		3,147,959	2,135,616
		89,430,711	56,289,835

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

		(Audited)	
	September 30, 2023	December 31, 2022	
Rupees in '000			
20.1	Provision against off-balance sheet obligations		
	Opening balance	298,904	298,904
	Charge for the period / year	-	-
	Reversals for the period / year	-	-
	Closing balance	298,904	298,904

	(Audited)			(Audited)	
	September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
Number of shares			Rupees in '000		
21	SHARE CAPITAL				
21.1	Authorized capital				
	1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000

21.2 Issued, subscribed and paid-up capital					
Fully paid-up Ordinary shares of Rs. 10/- each					
	406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
	720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
	1,127,525,280	1,127,525,280		11,275,253	11,275,253
	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, 2022: 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, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) arising on revaluation of:			
Fixed assets		24,201,441	24,303,616
Non-banking assets acquired in satisfaction of claims		899,904	901,797
Available-for-sale securities		(35,379,669)	(31,813,798)
		(10,278,324)	(6,608,385)
Deferred tax on (surplus) / deficit on revaluation of:			
Fixed assets		(1,978,079)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(21,119)	(19,347)
Available-for-sale securities		17,336,038	13,679,933
		15,336,840	11,880,786
Surplus on revaluation of assets - net of tax		5,058,516	5,272,401
23	CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1	60,724,677	49,109,776
Commitments	23.2	427,412,947	408,196,152
Other contingent liabilities	23.3	6,947,206	7,005,967
		495,084,830	464,311,895
23.1	Guarantees		
Financial guarantees		5,678,155	5,225,364
Performance guarantees		14,391,811	11,296,136
Other guarantees		40,654,711	32,588,276
		60,724,677	49,109,776
23.2	Commitments		
Documentary credits and short term trade related transactions:			
letters of credit		123,359,337	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	274,710,865	238,516,233
forward government securities transactions	23.2.2	21,165,343	24,046,280
operating leases	23.2.3	245,574	231,174
Commitments for acquisition of:			
fixed assets		7,146,911	5,672,996
intangible assets		784,917	645,539
		427,412,947	408,196,152
23.2.1	Commitments in respect of forward foreign exchange contracts		
Purchase		167,260,533	160,636,134
Sale		107,450,332	77,880,099
		274,710,865	238,516,233

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

(Audited)

September 30, 2023 December 31, 2022

Rupees in '000

23.2.2 Commitments in respect of forward government securities transactions

Purchase	19,714,450	22,219,131
Sale	1,450,893	1,827,149
	<u>21,165,343</u>	<u>24,046,280</u>

23.2.3 Commitments in respect of operating leases

Not later than one year	72,070	58,039
Later than one year and not later than five years	146,427	128,510
Later than five years	27,077	44,625
	<u>245,574</u>	<u>231,174</u>

23.3 Other contingent liabilities

23.3.1 Claims against the Bank not acknowledged as debt	6,947,206	7,005,967
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23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,841 million (2022: 32,741 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.34,841 million (2022: 32,741 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 created an arbitrary demand of Rs. 2,029 million (2022: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2022: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2022: 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 (2022: 1,144 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the 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, 2023

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2022.

	Nine Months Ended		Quarter Ended		
	Note	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		104,415,954	49,534,656	37,443,392	20,381,228
Investments		154,853,768	95,258,671	55,168,229	38,082,321
Lendings to financial institutions		4,114,994	2,682,956	2,292,442	1,461,552
Balances with banks		955,817	75,330	305,722	59,423
		264,340,533	147,551,613	95,209,785	59,984,524
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		121,308,690	68,261,635	48,554,918	28,937,146
Borrowings		57,308,137	30,038,753	14,270,798	12,086,821
Cost of foreign currency swaps against					
foreign currency deposits		3,873,064	3,069,713	1,992,489	774,976
Interest expense on lease liability		865,729	739,437	309,079	258,892
		183,355,620	102,109,538	65,127,284	42,057,835
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		3,907,178	2,581,434	1,454,025	1,024,358
Branch banking customer fees		1,713,114	1,370,091	655,495	392,317
Commission on remittances including					
home remittances		583,781	526,452	201,573	151,522
Investment banking fees		562,469	651,193	12,472	182,106
Commission on trade		446,864	403,945	164,128	135,045
Commission on cash management		297,222	217,714	104,807	57,004
Commission on guarantees		137,448	104,549	41,295	35,976
Commission on bancassurance		15,059	49,892	9,301	16,201
Credit related fees		28,683	19,969	10,143	7,295
Consumer finance related fees		21,761	13,121	5,194	4,271
		7,713,579	5,938,360	2,658,433	2,006,095
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	(77,709)	1,158,280	(285,219)	28,206
Unrealised - 'held for trading'	10.1	(358)	(18)	9,988	(931)
Unrealised - forward government securities		87,794	4,292	73,852	(4,149)
		9,727	1,162,554	(201,379)	23,126

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

Note	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000				
28.1	Realised gain / (loss) on:			
	187,399	173,091	31,159	(25,741)
Federal government securities				
Shares	(265,108)	985,205	(316,378)	53,947
Non government debt securities	-	(16)	-	-
	(77,709)	1,158,280	(285,219)	28,206
29	OTHER INCOME			
Recovery of written off mark-up and charges	3,200	27,566	2,289	-
(Loss) / gain on sale of fixed assets - net	(2,112)	3,898	(2,273)	3,286
Loss on sale of non-banking assets - net	-	(3,063)	-	-
Other assets disposal	34,026	40,627	22,594	39,784
Rent on property	16,141	11,285	5,376	5,966
Fee for attending Board meetings	1,432	1,218	274	259
Income from data centre hosting service	13,287	13,287	4,429	4,429
Gain on sale of islamic financing and related assets	27,278	7,588	12,205	2,212
	93,252	102,406	44,894	55,936
30	OPERATING EXPENSES			
Total compensation expense	13,989,284	12,470,243	4,684,322	4,270,319
Property expense:				
Depreciation	3,701,266	3,496,395	1,278,773	1,178,439
Rent and taxes	285,084	259,072	93,922	92,411
Utilities cost	1,992,213	1,440,330	805,098	679,452
Security (including guards)	1,362,196	1,026,640	454,256	402,128
Repair and maintenance				
(including janitorial charges)	1,145,837	857,156	408,116	351,872
Insurance	82,891	73,991	30,726	25,388
	8,569,487	7,153,584	3,070,891	2,729,690
Information technology expenses:				
Depreciation	820,377	628,960	297,487	218,473
Amortization	435,191	385,737	149,603	133,653
Network charges	646,931	587,506	225,809	211,070
Software maintenance	1,850,569	853,605	616,477	296,755
Hardware maintenance	446,760	310,380	149,194	81,225
Others	3,062	3,074	1,276	1,157
	4,202,890	2,769,262	1,439,846	942,333
Other operating expenses:				
Insurance	1,317,994	1,172,644	441,201	394,480
Outsourced service costs	970,453	763,196	335,192	323,114
Stationery and printing	506,689	299,290	193,034	125,410
Cash in Transit service charge	387,854	328,758	123,478	151,386
Marketing, advertisement and publicity	1,071,685	785,649	313,942	324,257
Depreciation	227,430	220,838	80,621	73,217
Travelling and conveyance	270,213	224,669	100,923	84,899
Postage and courier charges	163,607	140,964	(1,509)	50,625
NIFT clearing charges	152,515	138,166	52,310	49,289
Communication	118,277	117,594	36,908	27,346
Legal and professional charges	149,696	186,684	60,194	43,337
Auditors Remuneration	21,449	9,847	11,768	5,336
Directors fees and allowances	50,141	35,621	16,834	11,238
Fees and allowances to Shariah Board	6,761	6,376	2,150	2,177
Training and development	121,544	98,503	57,581	45,452
Brokerage expenses	46,674	75,648	12,959	22,199
Card related expenses	1,697,503	791,957	472,252	285,031
Donations	45,770	97,552	28,430	33,137
Others	1,248,342	582,725	432,480	229,278
	8,574,597	6,076,681	2,770,748	2,281,208
	35,336,258	28,469,770	11,965,807	10,223,550

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the nine months ended September 30, 2023

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		39,100	189,332	35,444	307
Education cess		33,336	35,253	8,334	11,751
Depreciation - non-banking assets		7,503	5,701	2,487	2,467
Others		187,497	50,061	62,499	50,007
		<u>267,453</u>	<u>280,347</u>	<u>108,781</u>	<u>64,532</u>

32 PROVISIONS AND WRITE OFFS - NET

Provision / (Reversal) for diminution in value of investments	10.2.1	957,507	(6,130)	3,524	(9,107)
Provision / (Reversal) against loans & advances	11.3	1,226,648	(551,360)	(234,152)	49,727
Provision / (Reversal) against other assets	15.1.1	353,674	(53,235)	21,885	15,032
		2,537,829	(610,725)	(208,743)	55,652
Recovery of written off bad debts		(5,589)	(85,856)	(2,641)	(3,041)
		<u>2,532,240</u>	<u>(696,581)</u>	<u>(211,384)</u>	<u>52,611</u>

33 TAXATION

Current - for the period	33.1	30,030,114	18,923,380	11,553,553	7,338,569
- for prior year		-	2,007,418	-	-
		30,030,114	20,930,798	11,553,553	7,338,569
Deferred - current		(867,245)	(534,743)	(151,211)	(173,825)
		<u>29,162,869</u>	<u>20,396,055</u>	<u>11,402,342</u>	<u>7,164,744</u>

33.1 This also includes proportionate super tax on high earning persons of Rs. 6,128,595 million (September 30, 2022: Rs. 3,461.442 million).

34 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation		28,661,577	12,628,216	11,218,545	5,741,609
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		25.03	11.03	9.80	5.01

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, 2023

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 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:

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

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV & 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, 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	941,705,318	-	941,705,318	-	941,705,318
Shares	17,079,287	17,052,766	26,521	-	17,079,287
Non-Government Debt Securities	13,289,379	-	13,289,379	-	13,289,379
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)					
	74,897,942	-	-	-	-
Cash and balances with treasury banks	132,109,132	-	-	-	-
Balances with other banks	1,437,729	-	-	-	-
Lendings	99,120,861	-	-	-	-
Advances	757,225,582	-	-	-	-
Other assets	101,012,269	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,791,981	-	59,791,981	-	59,791,981
Non-banking assets	1,542,493	-	1,542,493	-	1,542,493
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	167,260,533	-	167,260,533	-	167,260,533
Forward sale of foreign exchange	107,450,332	-	107,450,332	-	107,450,332
Forward purchase of government securities transactions	19,714,450	-	19,714,450	-	19,714,450
Forward sale of government securities transactions	1,450,893	-	1,450,893	-	1,450,893

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	(Audited)				
	December 31, 2022				
	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	1,017,093,239	-	1,017,093,239	-	1,017,093,239
Shares	17,189,092	17,166,641	22,451	-	17,189,092
Non-Government Debt Securities	13,134,767	-	13,134,767	-	13,134,767
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)					
	75,699,990	-	-	-	-
Cash and balances with treasury banks	87,913,426	-	-	-	-
Balances with other banks	3,439,468	-	-	-	-
Lendings	28,222,195	-	-	-	-
Advances	845,640,176	-	-	-	-
Other assets	56,467,341	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,099,625	-	59,099,625	-	59,099,625
Non-banking assets	1,505,342	-	1,505,342	-	1,505,342
Off-balance sheet financial instruments					
- measured at fair value					
Forward purchase of foreign exchange	160,636,134	-	160,636,134	-	160,636,134
Forward sale of foreign exchange	77,880,099	-	77,880,099	-	77,880,099
Forward purchase of government securities transactions	22,219,131	-	22,219,131	-	22,219,131
Forward sale of government securities transactions	1,827,149	-	1,827,149	-	1,827,149

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
	Rupees in '000					
36 SEGMENT INFORMATION						
36.1 Segment Details with respect to Business Activities						
Profit & Loss						
Net mark-up/return/profit	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
Balance Sheet						
Cash & Bank balances	32,165	41,579,910	74,282,193	10,181,711	7,470,882	133,546,861
Investments	47,412,468	-	970,462,717	28,596,741	500,000	1,046,971,926
Net inter segment lending	(630,922,928)	1,506,724,390	(957,513,495)	(4,138,083)	85,850,116	-
Lendings to financial institutions	3,452,861	-	99,930,408	4,000,000	(8,262,408)	99,120,861
Advances - performing	660,405,245	24,781,388	-	61,060,085	10,730,232	756,976,950
Advances - non-performing	40,736	226,477	-	5,729	13,064,605	13,337,547
Provision against advances	(245,989)	(160,088)	-	(7,363)	(12,675,475)	(13,088,915)
Advances - net	660,199,992	24,847,777	-	61,058,451	11,119,362	757,225,582
Operating fixed assets	157,291	52,926,092	9,251	946,706	37,853,434	91,892,774
Others	10,550,657	21,733,617	44,430,863	6,932,700	50,806,888	134,454,725
Total Assets	90,882,506	1,647,811,786	231,601,937	107,578,226	185,338,274	2,263,212,729
Borrowings	84,592,253	2,386,755	225,817,392	4,452,328	(8,262,409)	308,986,319
Deposits & other accounts	4,479,619	1,609,450,409	-	86,282,473	4,266,269	1,704,478,770
Net inter segment borrowing	-	-	-	-	-	-
Others	1,810,634	35,974,622	5,784,545	4,354,862	51,265,181	99,189,844
Total liabilities	90,882,506	1,647,811,786	231,601,937	95,089,663	47,269,041	2,112,654,933
Equity / Reserves	-	-	-	12,488,563	138,069,233	150,557,796
Total Equity and liabilities	90,882,506	1,647,811,786	231,601,937	107,578,226	185,338,274	2,263,212,729
Contingencies and commitments	158,919,275	21,250,020	295,876,208	3,861,721	15,177,606	495,084,830

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2022					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Profit & Loss						
Net mark-up/return/profit	40,748,227	(62,819,207)	64,653,285	2,443,677	416,093	45,442,075
Inter segment revenue - net	(43,530,837)	120,494,717	(68,677,853)	-	(8,286,027)	-
Non mark-up / return / interest income	4,527,362	4,017,520	7,265,757	276,236	241,145	16,328,020
Total Income	1,744,752	61,693,030	3,241,189	2,719,913	(7,628,789)	61,770,095
Segment direct expenses	535,812	14,687,160	190,655	1,193,898	12,834,880	29,442,405
Total expenses	535,812	14,687,160	190,655	1,193,898	12,834,880	29,442,405
Provisions	(187,178)	(128,318)	-	(1,200)	1,013,277	696,581
Profit before tax	1,021,762	46,877,552	3,050,534	1,524,815	(19,450,392)	33,024,271

	(Audited)					
	December 31, 2022					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
Balance Sheet						
Cash & Bank balances	118,949	23,235,294	52,356,522	9,172,647	6,469,482	91,352,894
Investments	41,851,146	-	1,052,517,808	28,248,134	500,000	1,123,117,088
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	10,554,643	844,384,655
Advances - non-performing	632,538	506,437	-	9,675	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	(11,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	11,190,417	845,640,176
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	31,115,736	84,442,463
Others	6,314,510	14,881,391	28,651,784	3,434,983	24,915,374	78,198,042
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	3,134,965	1,522,297,479
Others	2,250,883	28,225,961	1,072,206	3,445,447	35,454,981	70,449,478
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	35,049,643	2,123,161,450
Equity / Reserves	-	-	-	7,312,344	120,499,064	127,811,408
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	13,608,676	464,311,895

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

37 RELATED PARTY TRANSACTIONS

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

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

	(Audited)											
	September 30, 2023					December 31, 2022						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Advances	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	66,875	358,217	1,672,000	961,476	2,935	-	63,811	301,783	-	-	1,242
Addition during the period/year	-	86,497	186,881	37,191,000	57,150,988	14,388	-	86,521	163,059	1,672,000	18,724,508	20,000
Repaid during the period/year	-	(85,082)	(157,422)	(37,863,000)	(57,273,057)	(16,429)	-	(83,457)	(106,635)	-	(17,783,032)	(19,307)
Closing balance	-	118,290	387,676	1,000,000	839,407	1,094	-	66,875	358,217	1,672,000	961,476	2,935

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

37.1 RELATED PARTY TRANSACTIONS

	September 30, 2023					September 30, 2022						
	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	-	8,243	13,706	303,426	24,635	104	-	3,534	10,463	-	15	-
Fee and commission income	4	69	146	4,174	3,113	773	4	73	209	6,307	2	638
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss)/gain on sale of securities	-	-	(94)	-	-	9,327	-	-	-	-	-	13,110
Rental Income	-	-	-	16,141	-	-	-	-	-	11,285	-	-
Other Income	-	-	-	13,287	-	-	-	-	-	13,287	-	-
Expense												
Mark-up/return/interest paid	-	7,518	3,028	7,151	1,140	607,458	-	9,926	705	3,992	307	1,140,374
Directors meeting fee	-	49,800	-	-	-	-	-	35,200	-	-	-	-
Remuneration	-	80,856	417,588	-	-	-	-	48,435	362,215	-	-	-
Charge for defined benefit plans	-	1,996	17,657	-	-	-	-	982	15,963	-	-	-
Contribution to defined contribution plan	-	1,874	7,531	-	-	-	-	920	6,914	-	-	-
Other expenses**	-	-	-	-	6,590	-	-	-	-	-	38,794	-
Rent expense***	-	-	-	-	15,153	-	-	-	-	-	13,016	-
Change in respect of staff retirement benefit funds	-	-	-	-	-	234,102	-	-	-	-	-	235,691
Insurance premium paid	-	394	1,250	-	-	-	-	149	629	-	-	-

Shares held by the holding company, outstanding at the end of the period are included in note 21 to these unconsolidated condensed interim financial statements.

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

** 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. During the period ended September 30, 2023; certain moveable assets having cumulative net book value of Rs. 265,000 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, 2023

	(Audited)	
	September 30, 2023	December 31, 2022
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	124,080,149	106,760,942
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	124,080,149	106,760,942
Eligible Tier 2 Capital	9,871,932	7,092,854
Total Eligible Capital (Tier 1 + Tier 2)	133,952,081	113,853,796
Risk Weighted Assets (RWAs):		
Credit Risk	433,845,014	419,653,095
Market Risk	32,903,229	31,359,204
Operational Risk	125,820,001	125,820,001
Total	592,568,244	576,832,300
Common Equity Tier 1 Capital Adequacy ratio	20.94%	18.51%
Tier 1 Capital Adequacy Ratio	20.94%	18.51%
Total Capital Adequacy Ratio	22.61%	19.74%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	124,080,149	106,760,942
Total Exposures	2,489,761,933	2,387,468,058
Leverage Ratio	4.98%	4.47%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	638,258,524	670,660,455
Total Net Cash Outflow	361,717,352	400,489,567
Liquidity Coverage Ratio	176.45%	167.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,650,094,904	1,444,409,109
Total Required Stable Funding	1,007,248,056	967,845,390
Net Stable Funding Ratio	163.82%	149.24%

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

39. ISLAMIC BANKING BUSINESS

The Bank is operating 122 (December 31, 2022: 117 and September 30, 2022: 117) Islamic Banking Branches and 160 (December 31, 2022: 135 and September 30, 2022: 135) Islamic Banking Windows at the end of the period.

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		9,993,069	6,801,281
Balances with other banks		188,642	2,371,366
Due from financial institutions	39.1	4,000,000	3,000,000
Investments	39.2	28,596,741	28,248,134
Islamic financing and related assets - net	39.3	61,058,451	66,767,995
Fixed assets		945,296	1,220,562
Intangible assets		1,410	1,507
Due from Head Office		-	-
Other assets		6,932,700	3,434,983
		111,716,309	111,845,828
LIABILITIES			
Bills payable		528,434	233,943
Due to financial institutions		4,452,328	27,105,292
Deposits and other accounts	39.4	86,282,473	71,870,126
Due to Head Office		4,138,083	2,112,619
Subordinated debt		-	-
Other liabilities		3,826,428	3,211,504
		99,227,746	104,533,484
NET ASSETS			
		12,488,563	7,312,344
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		13,762	13,189
Unappropriated profit	39.5	8,374,801	3,199,155
		12,488,563	7,312,344
CONTINGENCIES AND COMMITMENTS			
	39.6		

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
Rupees in '000			
The profit and loss account of the Bank's Islamic Banking Branches for the period ended September 30, 2023 is as follows:			
Profit / return earned	39.7	13,877,616	7,988,069
Profit / return expensed	39.8	7,795,972	5,544,392
Net Profit / return		6,081,644	2,443,677
OTHER INCOME			
Fee and commission income		288,275	203,893
Dividend income		-	-
Foreign exchange income		163,517	64,772
Loss on securities		15	(17)
Other income		26,628	7,588
Total other income		478,435	276,236
Total income		6,560,079	2,719,913
OTHER EXPENSES			
Operating expenses		1,380,688	1,193,898
Workers Welfare Fund		-	-
Other charges		269	-
Total other expenses		1,380,957	1,193,898
Profit before provisions		5,179,122	1,526,015
Provisions and write offs - net		3,476	1,200
PROFIT BEFORE TAXATION		5,175,646	1,524,815
Taxation		-	-
PROFIT AFTER TAXATION		5,175,646	1,524,815

	(Audited)					
	September 30, 2023			December 31, 2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
39.1 Due from Financial Institutions						
Musharakah Lending	4,000,000	-	4,000,000	3,000,000	-	3,000,000
	4,000,000	-	4,000,000	3,000,000	-	3,000,000

	(Audited)							
	September 30, 2023				December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
39.2 Investments by Segments								
Federal Government Securities:								
-Ijarah Sukuks	14,077,361	-	(66,080)	14,011,496	13,075,605	-	(67,540)	13,008,065
-Islamic Naya Pakistan Certificate	1,953,811	-	-	1,953,811	2,021,081	-	-	2,021,081
	16,031,172	-	(66,080)	15,965,307	15,096,686	-	(67,540)	15,029,146
Non Government Debt Securities								
-Listed	9,320,000	-	10,499	9,330,284	9,445,000	-	11,386	9,456,386
-Unlisted	3,301,150	-	-	3,301,150	3,762,602	-	-	3,762,602
	12,621,150	-	10,499	12,631,434	13,207,602	-	11,386	13,218,988
Total Investments	28,652,322	-	(55,581)	28,596,741	28,304,288	-	(56,154)	28,248,134

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah Financing	282,559	416,075
Ijarah Inventory	110,327	168,244
Advance Against Ijarah	-	-
Murabaha Financing	1,607	643,374
Advance Against Murabaha	-	128,347
Diminishing Musharakah	12,775,095	13,393,139
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	526,415	525,291
Advance Against Diminishing Musharakah	50,040	152,644
Advance Against Diminishing Musharakah		
- Islamic Re-Finance Against Renewable Energy	-	2,000
Business Musharakah Financing	42,523,410	47,183,573
Business Musharakah - Islamic Export Re-Finance	1,230,000	1,230,000
Business Musharakah - Islamic Re-Finance Against Wages And Salaries	-	-
Istisna Financing	-	-
Istisna - Financing Under Islamic Export Re-Finance	-	1,000,000
Advance Against Istisna	368,997	69,997
Advance Against Istisna - Financing Under Islamic Export Re-Finance	1,200,000	555,000
Inventory Against Istisna - Financing Under Islamic Export Re-Finance	255,000	-
Musawamah Financing	16,443	42,534
Advance Against Musawamah	96,666	-
Salam Financing	63,671	-
Advance Against Salam	297,241	109,932
Ijarah Financing - Staff	689,462	615,692
Diminishing Musharakah Financing - Staff	426,478	346,327
Advance Against Ijarah - Staff	83,897	107,857
Advance Against Diminishing Musharakah - Staff	68,506	81,855
Gross Islamic financing and related assets	61,065,814	66,771,881
Less: Provision against Islamic financings	5,729	2,419
- Specific	1,634	1,467
- General	7,363	3,886
Islamic financing and related assets - net of provision	61,058,451	66,767,995
39.4 Deposits		
Customers		
Current deposits	17,975,735	15,998,485
Savings deposits	21,318,625	20,591,430
Term deposits	4,858,805	3,198,250
Other deposits	4,495,307	4,025,263
	48,648,472	43,813,428
Financial Institutions		
Current deposits	346,475	262,459
Savings deposits	34,787,526	27,794,239
Term deposits	2,500,000	-
Other deposits	-	-
	37,634,001	28,056,698
	86,282,473	71,870,126

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

		(Audited)	
		September 30, 2023	December 31, 2022
		Rupees in '000	
39.5	Islamic Banking Business Unappropriated Profit / (Loss)		
	Opening Balance	3,199,155	729,561
	Add: Islamic Banking profit for the period	5,175,646	2,469,594
	Closing Balance	<u>8,374,801</u>	<u>3,199,155</u>

39.6 Contingencies and Commitments

	-Guarantees	2,180,845	1,249,848
	-Commitments	1,511,566	930,995
	-Other contingencies	169,310	846,808
		<u>3,861,721</u>	<u>3,027,651</u>

		September 30, 2023	September 30, 2022
		Rupees in '000	

39.7 Profit/Return Earned of Financing, Investments and Placement

	Profit earned on:		
	Financing	9,781,176	5,492,868
	Investments	3,988,079	2,455,992
	Placements	108,361	39,209
		<u>13,877,616</u>	<u>7,988,069</u>

39.8 Profit on Deposits and other Dues Expensed

	Deposits and other accounts	5,956,126	3,182,259
	Due to Financial Institutions	259,906	76,094
	Profit paid on Musharaka borrowings	1,410,667	2,173,991
	Profit paid on Mudaraba borrowings	64,892	16,946
	Other expenses (IFRS-16)	104,381	95,102
		<u>7,795,972</u>	<u>5,544,392</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

40.1 The Board of Directors of the Bank in its meeting held on October 26, 2023 has proposed an interim cash dividend for the quarter ended September 30, 2023 of Rs. 3.00 per share (September 30, 2022: cash dividend of Rs. 2.00 per share). The unconsolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 26, 2023 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

CONSOLIDATED FINANCIAL STATEMENTS

for the nine months ended September 30, 2023

Consolidated Statement of Financial Position

(Un-audited) as at September 30, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	132,109,455	87,904,863
Balances with other banks	8	1,437,729	3,439,468
Lendings to financial institutions - net	9	99,120,861	28,222,195
Investments - net	10	1,050,260,726	1,126,716,510
Advances - net	11	756,460,008	844,218,560
Fixed assets	12	89,097,123	81,823,836
Intangible assets	13	3,148,482	2,973,145
Deferred tax assets	14	17,319,302	13,037,316
Other assets - net	15	117,578,725	65,536,679
		2,266,532,411	2,253,872,572
LIABILITIES			
Bills payable	17	9,759,133	14,159,643
Borrowings	18	308,986,319	530,414,493
Deposits and other accounts	19	1,704,350,432	1,522,275,850
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	90,055,963	56,758,278
		2,113,151,847	2,123,608,264
NET ASSETS			
		153,380,564	130,264,308
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		37,092,306	31,435,453
Surplus on revaluation of assets - net of tax	22	5,105,252	5,319,137
Unappropriated profit		99,732,267	82,058,979
		153,380,564	130,264,308

CONTINGENCIES AND COMMITMENTS

23

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Profit and Loss Account

(Un-audited) for the nine months ended September 30, 2023

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000					
Mark-up / return / interest earned	25	264,045,939	147,559,783	95,143,550	59,987,486
Mark-up / return / interest expensed	26	183,384,668	102,121,357	65,130,248	42,057,878
Net mark-up / interest income		80,661,271	45,438,426	30,013,302	17,929,608
NON MARK-UP / INTEREST INCOME					
Fee and commission income	27	8,518,587	6,502,390	2,979,184	2,238,186
Dividend income		2,716,315	2,058,149	999,939	674,079
Foreign exchange income		5,780,773	7,141,783	1,420,976	2,845,872
Income from derivatives		-	-	-	-
Gain on securities - net	28	531,037	1,049,868	(9,889)	37,263
Other income	29	63,824	77,834	35,089	45,541
Total non mark-up / interest income		17,610,536	16,830,024	5,425,299	5,840,941
Total income		98,271,807	62,268,450	35,438,601	23,770,549
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	30	35,806,553	28,885,990	12,129,606	10,373,060
Workers welfare fund		1,208,627	695,471	468,157	270,023
Other charges	31	267,453	280,347	108,781	64,532
Total non mark-up / interest expenses		37,282,633	29,861,808	12,706,544	10,707,615
Profit before provisions		60,989,174	32,406,642	22,732,057	13,062,934
Provisions and write offs - net	32	2,532,240	(696,581)	(211,384)	52,611
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		58,456,934	33,103,223	22,943,441	13,010,323
Taxation	33	29,425,489	20,460,442	11,548,417	7,193,414
PROFIT AFTER TAXATION		29,031,445	12,642,781	11,395,024	5,816,909
In Rupees					
Basic and Diluted earnings per share	34	25.35	11.04	9.95	5.08

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Statement of Comprehensive Income

(Un-audited) for the nine months ended September 30, 2023

	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees in '000			
Profit after taxation for the period	29,031,445	12,642,781	11,395,024	5,816,909
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	2,790,695	2,640,685	(302,406)	1,213,395
Movement in surplus / (deficit) on revaluation of investments - net of tax	90,234	(10,856,951)	5,854,295	(5,420,910)
	2,880,929	(8,216,266)	5,551,889	(4,207,515)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
Effect of change in tax rate on:				
Remeasurement of defined benefit obligations	42,981	34,462	-	-
Revaluation of fixed assets	(248,344)	(174,267)	-	-
Revaluation of non-banking assets	(2,700)	(1,721)	-	-
	(208,063)	(141,526)	-	-
Total comprehensive income	31,704,311	4,284,989	16,946,913	1,609,394

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Statement of Changes In Equity

(Un-audited) for the nine months ended September 30, 2023

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Surplus / (deficit) on revaluation of Investments	Fixed assets	Non-banking assets	Un-appropriated profit	Total
Rupees in '000									
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,768,523	939,176	71,822,518	129,643,186
Profit after taxation for the nine months ended (September 30, 2022)	-	-	-	-	-	-	-	12,642,781	12,642,781
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,856,951)	-	-	-	(10,856,951)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	2,640,685	-	-	(10,856,951)	(174,267)	(1,721)	-	2,640,685
Transfer to statutory reserve	-	2,640,685	-	-	-	-	-	-	(1,292,822)
Transfer to revaluation surplus on change in use - net of tax	-	-	1,292,822	-	-	-	-	-	-
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 fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(63,128)	-	63,128	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	-	900	900	-
Surplus realized on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners recognized directly in equity	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at September 30, 2022	11,450,739	5,441,920	25,239,653	6,000	(14,978,787)	22,601,595	810,313	76,486,298	127,057,731
Profit after taxation for the three months ended December 31, 2022	-	-	-	-	-	-	-	8,604,704	8,604,704
Other Comprehensive Income - net of tax	-	-	-	-	-	-	-	-	-
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,155,078)	-	-	-	(3,155,078)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	72,430	-	72,430
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	83,349	83,349
Effect of translation of net investment in foreign branches	-	(108,688)	-	-	-	-	-	-	(108,688)
Transfer to statutory reserve	-	(108,688)	-	-	(3,155,078)	-	72,430	-	83,349
Transfer to statutory reserve	-	-	856,560	-	-	-	-	-	(856,560)
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(31,043)	-	31,043	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(293)	293	-
Transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	-
Third interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,570,562	882,450	82,068,979	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 of non-banking assets - net of tax	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on remeasurement of defined benefit obligation - 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	-	2,790,695	-	-	90,234	(248,344)	(2,700)	-	42,981
Transfer to statutory reserve	-	-	2,866,158	-	-	-	-	-	(2,866,158)
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)
Balance as at September 30, 2023	11,450,739	8,123,935	28,962,371	6,000	(18,043,631)	22,270,098	878,785	99,732,267	133,280,264

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Consolidated Cash Flow Statement

(Un-audited) for the nine months ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		58,456,934	33,103,223
Less: Dividend income		(2,716,315)	(2,058,149)
		55,740,619	31,045,074
Adjustments:			
Depreciation - Operating Fixed Assets		3,435,607	3,090,184
Depreciation - Non Banking Assets		7,504	5,701
Depreciation on right of use assets		1,320,040	1,285,860
Interest expense on lease liability		870,244	755,248
Amortization		453,899	385,737
Net provisions and write offs	32	2,537,829	(610,725)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		(107,943)	117,599
Provision for workers welfare fund		1,208,627	695,471
Charge for defined benefit plans		355,257	311,994
Loss / (gain) on sale of fixed assets		2,112	(3,898)
Loss / (gain) on sale of non-banking assets and other assets		-	3,063
		10,083,176	6,036,234
		65,823,795	37,081,308
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(70,898,666)	31,421,378
Held-for-trading securities		609,821	(7,428,814)
Advances		87,953,520	(20,289,602)
Other assets (excluding advance taxation)		(57,235,759)	(36,252,818)
		(39,571,084)	(32,549,856)
Increase / (Decrease) in operating liabilities			
Bills payable		(4,400,510)	(751,810)
Borrowings		(221,047,457)	(110,516,223)
Deposits and other accounts		182,052,953	137,896,349
Other liabilities (excluding current taxation)		31,046,094	26,611,064
		(12,348,920)	53,239,380
		13,903,791	57,770,832
Income tax paid		(26,010,374)	(13,503,477)
Defined benefits paid		(498,359)	(445,555)
Net cash flow (used in) / generated from operating activities		(12,604,942)	43,821,800
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		71,856,343	(35,613,773)
Net investments in 'held-to-maturity' securities		(285,929)	(2,807,460)
Dividend received		2,296,573	1,733,528
(Investments) in fixed assets and intangible assets		(11,059,451)	(5,875,439)
Proceeds from sale of fixed assets		26,267	33,803
Effect of translation of net investment in foreign branches		2,790,694	2,640,685
Net cash flow generated from / (used in) investing activities		65,624,497	(39,888,656)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,876,240)	(1,729,005)
Dividend paid		(8,559,745)	(6,857,464)
Net cash flow used in financing activities		(10,435,985)	(8,586,469)
Increase / (Decrease) in cash and cash equivalents during the period			
Cash and cash equivalents at beginning of the period		91,592,279	127,094,355
Effect of exchange rate changes on opening cash and cash equivalents		(683,219)	(1,982,059)
		90,909,060	125,112,296
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		133,492,630	120,458,971

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

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 1,472 (December 31, 2022: 1,451) branches in Pakistan including 122 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 1) in Bahrain.

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

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

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

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

Subsidiary Company

ABL Asset Management Company Limited (“the Company”) is a public unlisted company, incorporated in Pakistan as a limited liability company on 12 October 2007 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry on Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131[II] 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 (denoting a very High Management Quality with Stable Outlook) dated October 28, 2022

ABL Asset Management company is managing 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	Launched on August 01, 2023

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

2 BASIS OF PRESENTATION

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 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

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

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

2.1.5 These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparing the audited annual consolidated financial statements of the Group for the year ended December 31, 2022.

3.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE BANK

Several amendments apply for the first time in 2023, but do not have an impact on the consolidated condensed interim financial statements of the Group:

	Effective date (periods beginning on or after)
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	January 01, 2023
- Amendments to IAS 8 - Definition of Accounting Estimates	January 01, 2023
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 01, 2023
- Amendments to IAS 12 Current Taxes - International Tax Reform: Pillar Two Model Rules - application of exception, disclosure of the fact and other disclosure requirements	January 01, 2023

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

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

	Effective date (periods beginning on or after)
- Amendments to IFRS 17 and IAS 7 - Qualitative and quantitative information about supplier finance arrangements	January 01, 2024
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback	January 01, 2024

The above mentioned amendments are not likely to have a material impact on the Bank's financial statements.

- As per SBP's BPRD Circular Letter No. 7 dated April 13, 2023, the effective date of IFRS 9 for banks in Pakistan has been extended from January 01, 2023 to January 01, 2024, and accordingly the Standard will be applied in the Bank's financial statements for accounting periods beginning on or after January 01, 2024. As disclosed in note 4.1 to the unconsolidated annual financial statements of the Bank for the year ended December 31, 2022, the Bank had carried out an impact assessment based on the portfolio of financial instruments held at that date. Given the modified effective date of the Standard, the Bank will reassess the impact of the Standard in due course as required under the relevant regulatory requirements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual unconsolidated financial statements for the year ended December 31, 2022.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

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, 2022.

	September 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	30,819,737	28,210,054
Foreign currencies	2,537,364	974,226
	33,357,101	29,184,280
Remittances in transit	710,534	1,093,158
With State Bank of Pakistan (SBP) in		
Local currency current accounts	57,661,275	56,627,616
Foreign currency current account	114,931	77,448
Foreign currency deposit accounts (non-remunerative)	7,750,234	36,908
Foreign currency deposit accounts (remunerative)	15,906,149	59,118
	81,432,589	56,801,090
With National Bank of Pakistan in		
Local currency current accounts	16,093,750	561,719
Prize Bonds	515,482	264,616
	132,109,455	87,904,863
8 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	7,500	7,500
Outside Pakistan		
In current accounts	1,197,434	3,209,391
In deposit accounts	232,795	222,577
	1,430,229	3,431,968
	1,437,729	3,439,468

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

(Audited)

Note September 30, December 31,
2023 2022

Rupees in '000

9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - foreign currency		3,452,861	3,622,894
Repurchase agreement lendings (Reverse Repo)		91,668,000	21,599,301
Musharaka lendings		4,000,000	3,000,000
Certificates of investment		70,000	70,000
		<u>99,190,861</u>	<u>28,292,195</u>
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		<u>99,120,861</u>	<u>28,222,195</u>

(Audited)

September 30, 2023

December 31, 2022

Classified
LendingProvision
HeldClassified
LendingProvision
Held

Rupees in '000

9.1 Category of classification				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

(Audited)

September 30, 2023

December 31, 2022

Cost /
Amortized
costProvision for
diminutionSurplus /
(Deficit)Carrying
ValueCost /
Amortized
costProvision for
diminutionSurplus /
(Deficit)Carrying
Value

Rupees in '000

10 INVESTMENTS									
10.1 Investments by type:									
Held-for-trading securities									
Federal Government Securities	88,321	-	(358)	87,963	139,467	-	(134)	139,333	
Open Ended Mutual Funds and Pension Fund	3,680,499	-	108,301	3,788,800	4,239,175	(1,100)	(138,653)	4,099,422	
	<u>3,768,820</u>	-	<u>107,943</u>	<u>3,876,763</u>	<u>4,378,642</u>	<u>(1,100)</u>	<u>(138,787)</u>	<u>4,238,755</u>	
Available-for-sale securities									
Federal Government Securities*	983,239,115	(1,367,161)	(38,300,789)	943,571,165	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987	
Shares	15,395,655	(958,888)	2,955,980	17,392,747	18,642,536	(1,670,628)	573,308	17,545,216	
Non Government Debt Securities	25,756,451	(21,071)	(36,381)	25,698,999	26,593,534	(21,071)	(34,153)	26,538,310	
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770	
Open Ended Mutual Funds	25,000	-	1,521	26,521	25,000	-	(2,549)	22,451	
	<u>1,024,417,991</u>	<u>(2,347,120)</u>	<u>(35,379,669)</u>	<u>986,691,202</u>	<u>1,096,897,309</u>	<u>(2,000,777)</u>	<u>(31,813,798)</u>	<u>1,063,082,734</u>	
Held-to-maturity securities									
Federal Government Securities	59,692,761	-	-	59,692,761	59,395,021	-	-	59,395,021	
Non Government Debt Securities	308,826	(308,826)	-	-	320,637	(320,637)	-	-	
	<u>60,001,587</u>	<u>(308,826)</u>	-	<u>59,692,761</u>	<u>59,715,658</u>	<u>(320,637)</u>	-	<u>59,395,021</u>	
Total Investments	1,088,188,398	(2,655,946)	(35,271,726)	1,050,260,726	1,160,991,609	(2,322,514)	(31,952,585)	1,126,716,510	

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
10.1.1 Investments given as collateral - at market value		
Market Treasury Bills	-	9,885,340
Pakistan Investment Bonds	220,135,331	402,614,187
Total Investments given as collateral	220,135,331	412,499,527
10.2 Provision for diminution in value of investments		
10.2.1 Opening balance	2,321,414	2,093,298
Exchange adjustments	97,013	3,795
Charge / (reversals)		
Charge for the period / year	963,412	312,389
Reversals for the period / year	(5,905)	(23,622)
	957,507	288,767
Reversal on disposals	(719,988)	(64,446)
Closing Balance	2,655,946	2,321,414

	September 30, 2023		(Audited) December 31, 2022	
	NPI*	Provision	NPI*	Provision
	Rupees in '000			
10.2.2 Particulars of provision against debt securities				
Category of Classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	329,897	329,897	341,708	341,708
	329,897	329,897	341,708	341,708
Overseas				
Not past due but impaired**	19,531,444	1,367,161	14,772,409	309,078
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
Total	19,861,341	1,697,058	15,114,117	650,786

* NPI stands for Non-performing Investments.

** Provision represents expected credit loss provisioning in overseas branch.

10.3 The market value of Pakistan Investment Bonds classified as held-to-maturity as at September 30, 2023 amounted to Rs. 49,410 million (December 31, 2022: Rs. 51,708.9 million).

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

Notes	Performing		Non Performing		Total		
	Audited		Audited		Audited		
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	
Rupees in '000							
11	ADVANCES						
		692,998,511	773,528,741	11,959,057	11,718,805	704,957,568	785,247,546
		61,060,977	66,745,947	5,729	9,675	61,066,706	66,755,622
		2,151,888	2,688,351	1,372,761	1,375,202	3,524,649	4,063,553
		756,211,376	842,963,039	13,337,547	13,103,682	769,548,923	856,066,721
	Provision against advances						
		-	-	(12,802,501)	(11,738,558)	(12,802,501)	(11,738,558)
		(286,414)	(109,603)	-	-	(286,414)	(109,603)
		(286,414)	(109,603)	(12,802,501)	(11,738,558)	(13,088,915)	(11,848,161)
		755,924,962	842,853,436	535,046	1,365,124	756,460,008	844,218,560

(Audited)
September 30, 2023 December 31, 2022

Rupees in '000

11.1 Particulars of advances (Gross)				
	In local currency		718,195,694	824,231,038
	In foreign currencies		51,353,229	31,835,683
			769,548,923	856,066,721

11.2 Advances include Rs. 13,337.547 million (December 31, 2022: Rs. 13,103.682 million) which have been placed under non-performing status as detailed below:

Category of Classification:	September 30, 2023		December 31, 2022	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	70,947	2,015	307,993	237
Substandard	55,381	13,503	133,674	33,222
Doubtful	94,420	47,210	1,159,780	579,890
Loss	13,116,799	12,739,773	11,502,235	11,125,209
Total	13,337,547	12,802,501	13,103,682	11,738,558

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023			(Audited) December 31, 2022		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
11.3 Particulars of provision against advances						
Opening balance	11,738,558	109,603	11,848,161	12,750,397	100,355	12,850,752
Exchange adjustments	-	14,106	14,106	-	13,589	13,589
Charge for the period / year	1,591,911	241,205	1,833,116	528,225	75,430	603,655
Reversals for the period / year	(527,968)	(78,500)	(606,468)	(998,280)	(79,771)	(1,078,051)
	1,063,943	162,705	1,226,648	(470,055)	(4,341)	(474,396)
Amounts written off	-	-	-	(541,784)	-	(541,784)
Closing balance	12,802,501	286,414	13,088,915	11,738,558	109,603	11,848,161

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.

11.3.1 The Bank maintains general reserve in accordance with the applicable requirements of the Prudential Regulations Consumer Financing and Prudential Regulations for Small and Medium Enterprise Financing issued by the SBP. General provisions pertaining to overseas branch are made in accordance with the requirements of the regulatory authorities in which the overseas branch operates.

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
12 FIXED ASSETS			
Capital work-in-progress	12.1	8,439,801	4,317,914
Property and equipment		72,113,765	69,623,941
Right-of-Use Assets		8,543,557	7,881,981
		89,097,123	81,823,836

12.1 Capital work-in-progress

Civil works	6,599,315	3,304,808
Equipment	95,171	44,592
Advances to suppliers	1,745,315	968,514
	8,439,801	4,317,914

12.2 Additions to fixed assets

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

	September 30, 2023	September 30, 2022
Rupees in '000		
Capital work-in-progress	5,620,804	2,700,542
Property and equipment		
Freehold land	810,785	1,079,542
Leasehold land	10	143,086
Building on freehold land	514,566	1,516,692
Building on leasehold land	45,753	168,968
Furniture and fixture	319,446	147,106
Electrical office and computer equipment	3,487,659	1,581,628
Vehicles	287,935	36,140
Others-building improvements	507,952	565,560
	5,974,106	5,238,722
Right-of-Use Assets	2,138,862	1,652,201
Total	13,733,772	9,591,465

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

12.3 Disposal of fixed assets

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

	September 30, 2023	September 30, 2022
	Rupees in '000	
Furniture and fixture	1,314	560
Electrical office and computer equipment	6,823	8,647
Vehicles	132	1,396
Building on freehold land	-	12,290
Building improvements	-	6
Total	8,269	22,899

	September 30, 2023	(Audited) December 31, 2022
	Rupees in '000	
13 INTANGIBLE ASSETS		
Capital work-in-progress	13.1	433,742
Computer Software		2,697,918
		3,148,482
		2,973,145

13.1 Capital work-in-progress

	September 30, 2023	September 30, 2022
	Rupees in '000	
Software	430,868	272,353
Advances to suppliers	2,874	2,874
	433,742	275,227

13.2 Additions to intangible assets

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

	September 30, 2023	September 30, 2022
	Rupees in '000	
Capital work-in-progress	261,675	144,285
Software	184,279	442,749
Total	445,954	587,034

13.3 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, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
14	DEFERRED TAX ASSETS		
Deductible Temporary Differences on			
Provision against investments		19,093	19,093
Provision against other assets		38,959	38,959
Provision against off-balance sheet obligations		14,824	14,824
Provision against advances		503,573	360,393
Deficit on revaluation of investments		17,336,038	13,679,933
Actuarial losses		351,010	308,030
Investment in Finance Lease Liability		2,666	24,512
Post retirement medical benefits		42,980	49,639
Workers welfare fund		2,384,738	1,578,570
		20,693,881	16,073,953
Taxable Temporary Differences on			
Surplus on revaluation of fixed assets		(1,978,079)	(1,779,801)
Surplus on revaluation of non-banking assets		(21,119)	(15,071)
Accelerated tax depreciation / amortization		(1,362,175)	(1,228,559)
Excess of investment in finance lease over written down value of leased assets		(13,206)	(13,206)
		(3,374,579)	(3,036,637)
		17,319,302	13,037,316
15	OTHER ASSETS		
Income / Mark-up accrued in local currency		83,169,005	49,449,867
Income / Mark-up accrued in foreign currency		832,685	1,368,623
Advances, deposits, advance rent and other prepayments		8,849,545	2,199,847
Non-banking assets acquired in satisfaction of claims		642,590	603,545
Branches adjustment account		8,613,165	22,909
Mark to market gain on forward foreign exchange contracts		-	88,177
Mark to market gain on forward government securities transactions		93,407	5,613
Acceptances		5,672,388	4,249,363
Due from the employees' retirement benefit schemes			
Pension fund		5,378,637	4,943,030
Fraud and forgeries		566,962	508,935
Stationery and stamps in hand		1,011,542	554,145
Overdue Foreign Bills Negotiated or Discounted		309,775	213,136
Home Remittance Cell agent receivable		1,427	3,511
Receivable from State Bank of Pakistan		33,799	29,684
Charges receivable		39,451	40,497
ATM / Point of Sale settlement account		2,456,009	1,041,549
Suspense Account		737	122
Others		115,903	68,137
		117,787,027	65,390,690
Less: Provision held against other assets	15.1	(1,108,205)	(755,808)
Other assets (net of provision)		116,678,822	64,634,882
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		899,903	901,797
Other Assets - Total		117,578,725	65,536,679

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
15.1	Provision held against other assets		
	Advances, deposits, advance rent and other prepayments	213,333	131,125
	Provision against fraud and forgeries	566,962	508,935
	Overdue Foreign Bills Negotiated / Discounted	212,014	24,295
	Charges receivable	39,451	39,600
	Others	76,445	51,853
		<u>1,108,205</u>	<u>755,808</u>

15.1.1 Movement in provision held against other assets

	Opening balance	755,808	760,152
	Charge for the period / year	409,243	111,279
	Reversals	(55,569)	(101,280)
	Net charge	353,674	9,999
	Amounts written off	(1,277)	(14,343)
	Closing balance	<u>1,108,205</u>	<u>755,808</u>

16 CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2023 and December 31, 2022.

	September 30, 2023	(Audited) December 31, 2022
Rupees in '000		
17	BILLS PAYABLE	
	In Pakistan	14,138,478
	Outside Pakistan	21,165
		<u>9,759,133</u>

18 BORROWINGS

Secured

Borrowings from State Bank of Pakistan			
	Repurchase agreement borrowings	165,000,000	400,000,000
	Under export refinance scheme	26,675,984	36,313,038
	Under payroll refinance scheme	-	58,349
	Under long term financing facility	35,906,679	38,403,037
	Under financing scheme for renewable energy	666,116	639,435
	Under temporary economic refinance scheme	12,925,173	13,273,360
	Under refinance scheme for modernization of SMEs	10,227	16,364
	Refinance and credit guarantee scheme for women entrepreneurs	15,185	11,018
	Under refinance scheme for wages and salaries	146,402	163,580
		<u>241,345,766</u>	<u>488,878,181</u>

Repurchase agreement borrowings from Financial Institutions

55,722,838

297,068,604

501,377,708

Unsecured

	Call borrowings	10,323,161	5,524,914
	Overdrawn nostro accounts	54,554	435,271
	Musharaka borrowing	1,500,000	23,050,000
	Other borrowings	40,000	26,600
		<u>11,917,715</u>	<u>29,036,785</u>
		<u>308,986,319</u>	<u>530,414,493</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023			(Audited) December 31, 2022		
	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	617,121,253	36,667,111	653,788,364	536,126,442	30,632,327	566,758,769
Savings deposits	619,656,099	20,639,216	640,295,315	543,310,268	16,749,608	560,059,876
Term deposits	226,820,144	95,096,046	321,916,190	233,500,164	87,679,953	321,180,117
Others	31,311,313	83,580	31,394,893	32,935,164	65,036	33,000,200
	1,494,908,809	152,485,953	1,647,394,762	1,345,872,038	135,126,924	1,480,998,962
Financial Institutions						
Current deposits	12,166,327	1,490,365	13,656,692	8,621,516	567,020	9,188,536
Savings deposits	40,537,887	-	40,537,887	31,906,055	-	31,906,055
Term deposits	2,696,350	64,741	2,761,091	131,350	50,947	182,297
Others	-	-	-	-	-	-
	55,400,564	1,555,106	56,955,670	40,658,921	617,967	41,276,888
	1,550,309,373	154,041,059	1,704,350,432	1,386,530,959	135,744,891	1,522,275,850

19.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,083,773 million for September 30, 2023 (December 31, 2022: Rs. 955,218 million).

	(Audited)		
	Note	September 30, 2023	December 31, 2022
Rupees in '000			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		34,896,189	14,142,993
Mark-up / return / interest payable in foreign currencies		2,456,340	939,083
Present value of lease liability		10,841,488	9,856,040
Accrued expenses		4,914,718	2,809,173
Provision for taxation (provisions less payments)		6,801,169	2,524,609
Retention money payable		577,402	526,630
Deferred income		777,600	667,168
Unearned commission and income on bills discounted		340,948	360,705
Acceptances		5,672,388	4,249,363
Unclaimed dividends		420,774	406,721
Dividend payable		34,730	20,473
Unrealized loss on forward foreign exchange contracts		3,309,207	-
Provision for:			
Gratuity		804,194	804,194
Employees' medical benefits		1,624,076	1,532,798
Employees' compensated absences		1,301,792	1,124,542
Payable to defined contribution plan		144,597	46,506
Provision against off-balance sheet obligations	20.1	298,904	298,904
Security deposits against lease		981,181	920,097
Charity fund balance		4,489	828
Home Remittance Cell overdraft		683,384	789,995
With-holding tax payable		1,085,454	5,238,560
Sundry deposits		3,850,155	3,491,981
Workers welfare fund payable		4,918,430	3,717,187
Others		3,316,354	2,289,728
		90,055,963	56,758,278

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

		(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
20.1	Provision against off-balance sheet obligations		
	Opening balance	298,904	298,904
	Charge for the period / year	-	-
	Reversals for the period / year	-	-
	Closing balance	298,904	298,904

		(Audited)		(Audited)	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Number of shares		Rupees in '000			

21	SHARE CAPITAL				
21.1	Authorized capital				
	<u>1,500,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs. 10/- each	<u>15,000,000</u>	<u>15,000,000</u>

21.2	Issued, subscribed and paid-up capital				
	Fully paid-up Ordinary shares of Rs. 10/- each				
	406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
	720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
	<u>1,127,525,280</u>	<u>1,127,525,280</u>		<u>11,275,253</u>	<u>11,275,253</u>

	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
	<u>1,145,073,830</u>	<u>1,145,073,830</u>		<u>11,450,739</u>	<u>11,450,739</u>

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2022: 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, 2023

	Note	September 30, 2023	(Audited) December 31, 2022
Rupees in '000			
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) arising on revaluation of:			
Fixed assets		24,248,177	24,350,352
Non-banking assets acquired in satisfaction of claims		899,904	901,797
Available-for-sale securities		(35,379,669)	(31,813,798)
		(10,231,588)	(6,561,649)
Deferred tax on (surplus) / deficit on revaluation of:			
Fixed assets		(1,978,079)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(21,119)	(19,347)
Available-for-sale securities		17,336,038	13,679,933
		15,336,840	11,880,786
Surplus on revaluation of assets - net of tax		5,105,252	5,319,137

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	60,724,677	49,109,776
Commitments	23.2	426,675,672	408,199,232
Other contingent liabilities	23.3	6,947,206	7,005,967
		494,347,555	464,314,975

23.1 Guarantees

Financial guarantees		5,678,155	5,225,364
Performance guarantees		14,391,811	11,296,136
Other guarantees		40,654,711	32,588,276
		60,724,677	49,109,776

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		123,359,337	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	274,710,865	238,516,233
forward government securities transactions	23.2.2	21,165,343	24,046,280
operating leases	23.2.3	245,574	231,174
Commitments for acquisition of:			
fixed assets		7,149,991	5,676,076
intangible assets		44,562	645,539
		426,675,672	408,199,232

23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		167,260,533	160,636,134
Sale		107,450,332	77,880,099
		274,710,865	238,516,233

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023	(Audited) December 31, 2022
Rupees in '000		
23.2.2 Commitments in respect of forward government securities transactions		
Purchase	19,714,450	22,219,131
Sale	1,450,893	1,827,149
	<u>21,165,343</u>	<u>24,046,280</u>
23.2.3 Commitments in respect of operating leases		
Not later than one year	72,070	58,039
Later than one year and not later than five years	146,427	128,510
Later than five years	27,077	44,625
	<u>245,574</u>	<u>231,174</u>
23.3 Other contingent liabilities		
23.3.1 Claims against the Bank not acknowledged as debt	<u>6,947,206</u>	<u>7,005,967</u>

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,841 million (2022: 32,741 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.34,841 million (2022: 32,741 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 created an arbitrary demand of Rs. 2,029 million (2022: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2022: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2022: 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 (2022: 1,144 million).

23.3.3 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the 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 Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies applied to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2022.

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000					
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances		104,121,360	49,542,569	37,377,157	20,384,206
Investments		154,853,768	95,258,671	55,168,229	38,082,321
Lendings to financial institutions		4,114,994	2,682,956	2,292,442	1,461,552
Balances with banks		955,817	75,587	305,722	59,407
		<u>264,045,939</u>	<u>147,559,783</u>	<u>95,143,550</u>	<u>59,987,486</u>
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits		121,301,539	68,257,643	48,552,000	28,935,524
Borrowings		57,339,821	30,038,753	14,275,496	12,086,820
Cost of foreign currency swaps against foreign currency deposits		3,873,064	3,069,713	1,992,489	774,976
Interest expense on lease liability		870,244	755,248	310,263	260,558
		<u>183,384,668</u>	<u>102,121,357</u>	<u>65,130,248</u>	<u>42,057,878</u>
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)		3,907,178	2,581,434	1,454,025	1,024,358
Branch banking customer fees		2,518,122	1,940,428	976,246	625,861
Commission on remittances including home remittances		583,781	526,452	201,573	151,522
Investment banking fees		562,469	651,193	12,472	182,106
Commission on trade		446,864	403,945	164,128	135,045
Commission on cash management		297,222	211,407	104,807	55,551
Commission on guarantees		137,448	104,549	41,295	35,976
Commission on bancassurance		15,059	49,892	9,301	16,201
Credit related fees		28,683	19,969	10,143	7,295
Consumer finance related fees		21,761	13,121	5,194	4,271
		<u>8,518,587</u>	<u>6,502,390</u>	<u>2,979,184</u>	<u>2,238,186</u>
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	443,601	1,165,098	(56,659)	31,383
Unrealised - held for trading	10.1	(358)	(119,522)	(27,082)	10,029
Unrealised - forward government securities		87,794	4,292	73,852	(4,149)
		<u>531,037</u>	<u>1,049,868</u>	<u>(9,889)</u>	<u>37,263</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000					
31 OTHER CHARGES					
Penalties imposed by State Bank of Pakistan		39,100	189,332	35,444	50,301
Education cess		33,336	35,253	8,334	11,751
Depreciation - non-banking assets		7,503	5,701	2,487	2,467
Others		187,497	50,061	62,499	13
		<u>267,453</u>	<u>280,347</u>	<u>108,781</u>	<u>64,532</u>
32 PROVISIONS AND WRITE OFFS - NET					
Provision / (Reversal) for diminution in the value of investments	10.2.1	957,507	(6,130)	3,524	(9,107)
Provision / (Reversal) against loans & advances	11.3	1,226,648	(551,360)	(234,152)	49,727
Provision / (Reversal) against other assets	15.1.1	353,674	(53,235)	21,885	15,032
		<u>2,537,829</u>	<u>(610,725)</u>	<u>(208,743)</u>	<u>55,652</u>
Recovery of written off bad debts		(5,589)	(85,856)	(2,641)	(3,041)
		<u>2,532,240</u>	<u>(696,581)</u>	<u>(211,384)</u>	<u>52,611</u>

33 TAXATION

Current - for the period	33.1	30,141,523	18,987,767	11,548,417	7,367,239
- for prior year		-	2,007,418	-	-
		<u>30,141,523</u>	<u>20,995,185</u>	<u>11,548,417</u>	<u>7,367,239</u>
Deferred - current		(716,034)	(534,743)	-	(173,825)
		<u>29,425,489</u>	<u>20,460,442</u>	<u>11,548,417</u>	<u>7,193,414</u>

33.1 This also includes proportionate super tax on high earning persons of Rs. 6,128.595 million (September 30, 2022: Rs. 3,461.442 million).

	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Rupees in '000				
34 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation	29,031,445	12,642,781	11,395,024	5,816,909
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	25.35	11.04	9.95	5.08
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, 2023

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 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.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 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	941,705,318	-	941,705,318	-	941,705,318
Shares	20,868,087	17,052,766	3,815,321	-	20,868,087
Non-Government Debt Securities	13,289,379	-	13,289,379	-	13,289,379
Financial assets - disclosed but not measured					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)					
	74,397,942	-	-	-	-
Cash and balances with treasury banks	132,109,455	-	-	-	-
Balances with other banks	1,437,729	-	-	-	-
Lendings	99,120,861	-	-	-	-
Advances	756,460,008	-	-	-	-
Other assets	101,009,841	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,424,194	-	59,424,194	-	59,424,194
Non-banking assets	1,542,493	-	1,542,493	-	1,542,493
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	167,260,533	-	167,260,533	-	167,260,533
Forward sale of foreign exchange	107,450,332	-	107,450,332	-	107,450,332
Forward purchase of government securities transactions	19,714,450	-	19,714,450	-	19,714,450
Forward sale of government securities transactions	1,450,893	-	1,450,893	-	1,450,893

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	(Audited)				
	December 31, 2022				
	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	1,017,093,239	-	1,017,093,239	-	1,017,093,239
Shares	21,288,514	17,166,641	4,121,873	-	21,288,514
Non-Government Debt Securities	13,134,767	-	13,134,767	-	13,134,767
Financial assets - disclosed but not measured at fair value					
Investments (Federal Government Securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)					
	74,952,790	-	-	-	-
Cash and balances with treasury banks	87,913,426	-	-	-	-
Balances with other banks	3,439,468	-	-	-	-
Lendings	28,222,195	-	-	-	-
Advances	845,640,176	-	-	-	-
Other assets	56,467,341	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,099,625	-	59,099,625	-	59,099,625
Non-banking assets	1,505,342	-	1,505,342	-	1,505,342
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	160,636,134	-	160,636,134	-	160,636,134
Forward sale of foreign exchange	77,880,099	-	77,880,099	-	77,880,099
Forward purchase of government securities transactions	22,219,131	-	22,219,131	-	22,219,131
Forward sale of government securities transactions	1,827,149	-	1,827,149	-	1,827,149

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

		September 30, 2023						
		Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
		Rupees in '000						
36	SEGMENT INFORMATION							
36.1	Segment Details with respect to Business Activities							
	Profit & Loss							
	Net mark-up/return/profit	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
	Balance Sheet							
	Cash & Bank balances	32,165	41,579,910	74,282,193	10,181,711	128,661	7,342,544	133,547,184
	Investments	47,412,468	-	970,462,717	28,596,741	3,788,800	-	1,050,260,726
	Net inter segment lending	(630,922,928)	1,506,724,390	(957,513,495)	(4,138,083)	-	85,850,116	-
	Lendings to financial institutions	3,452,861	-	99,930,408	4,000,000	-	(8,262,408)	99,120,861
	Advances - performing	660,405,245	24,781,388	-	61,060,085	234,427	9,730,231	756,211,376
	Advances - non-performing	40,736	226,477	-	5,729	-	13,064,605	13,337,547
	Provision against advances	(245,989)	(160,088)	-	(7,363)	-	(12,675,475)	(13,088,915)
	Advances - net	660,199,992	24,847,777	-	61,058,451	234,427	10,119,361	756,460,008
	Operating fixed assets	157,291	52,926,092	9,251	946,706	427,968	37,778,297	92,245,605
	Others	10,550,657	21,733,617	44,430,863	6,932,700	496,250	50,753,940	134,898,027
	Total Assets	90,882,506	1,647,811,786	231,601,937	107,578,226	5,076,106	183,581,850	2,266,532,411
	Borrowings	84,592,253	2,386,765	225,817,392	4,452,328	-	(8,262,409)	308,986,319
	Deposits & other accounts	4,479,619	1,609,450,409	-	86,282,473	-	4,137,931	1,704,350,432
	Net inter segment borrowing	-	-	-	-	-	-	-
	Others	1,810,634	35,974,622	5,784,545	4,354,862	1,678,202	50,212,231	99,815,096
	Total liabilities	90,882,506	1,647,811,786	231,601,937	95,089,663	1,678,202	46,087,753	2,113,151,847
	Equity / Reserves	-	-	-	12,488,563	3,397,904	137,494,097	153,380,564
	Total Equity and liabilities	90,882,506	1,647,811,786	231,601,937	107,578,226	5,076,106	183,581,850	2,266,532,411
	Contingencies and commitments	158,919,275	21,250,020	295,876,208	3,861,721	3,080	14,437,251	494,347,555

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

September 30, 2022

	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	40,748,227	(62,819,207)	64,653,285	2,443,677	(3,649)	416,093	45,438,426
Inter segment revenue - net	(43,530,837)	120,494,717	(68,677,853)	-	-	(8,286,027)	-
Non mark-up / return / interest income	4,527,362	4,017,520	7,265,757	276,236	532,883	210,266	16,830,024
Total Income	1,744,752	61,693,030	3,241,189	2,719,913	529,234	(7,659,668)	62,268,450
Segment direct expenses	535,812	14,687,160	190,655	1,193,898	450,281	12,804,002	29,861,808
Total expenses	535,812	14,687,160	190,655	1,193,898	450,281	12,804,002	29,861,808
Provisions	(187,178)	(128,318)	-	(1,200)	-	1,013,277	696,581
Profit before tax	1,021,762	46,877,552	3,050,534	1,524,815	78,953	(19,450,393)	33,103,223

December 31, 2022 (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	118,949	23,235,294	52,356,522	9,172,647	13,066	6,447,853	91,344,331
Investments	41,851,146	-	1,052,517,808	28,248,134	4,099,422	-	1,126,716,510
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	-	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	-	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	250,384	8,882,643	842,963,039
Advances - non-performing	632,538	506,437	-	9,675	-	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	-	(11,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	250,384	9,518,417	844,218,560
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	429,655	31,040,599	84,796,981
Others	6,314,510	14,881,391	28,651,784	3,434,983	436,631	24,854,696	78,573,995
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	5,229,158	153,219,263	2,253,872,572
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	-	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	-	3,113,336	1,522,275,850
Others	2,250,883	28,225,961	1,072,206	3,445,447	2,201,121	33,722,303	70,917,921
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	2,201,121	33,295,336	2,123,608,264
Equity / Reserves	-	-	-	7,312,344	3,028,037	119,923,927	130,264,308
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	5,229,158	153,219,263	2,253,872,572
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	3,080	13,608,676	464,314,975

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

37 RELATED PARTY TRANSACTIONS

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

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

	September 30, 2023				December 31, 2022 (Audited)					
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Balances with other banks										
In current accounts	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	-	-	4,099,423	-	-	-	-	2,420,087
Investment made during the period/year	-	-	-	-	33,634,747	-	-	-	-	3,674,104
Investment redeemed/disposed off during the year	-	-	-	-	(34,053,670)	-	-	-	-	(1,655,025)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(139,753)
(Deficit) Surplus	-	-	-	-	108,301	-	-	-	-	-
Closing balance	-	-	-	-	3,788,901	-	-	-	-	4,099,423
Advances										
Opening balance	-	66,875	416,615	961,477	2,935	-	63,811	360,191	-	1,242
Addition during the period/year	-	86,497	186,881	57,150,988	14,588	-	66,521	163,059	18,724,508	20,000
Repaid during the period/year	-	(35,082)	(157,422)	(57,273,057)	(16,429)	-	(63,457)	(106,639)	(17,763,032)	(18,307)
Closing balance	-	118,290	446,074	839,408	1,094	-	66,875	416,615	961,476	2,935

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

	September 30, 2023			December 31, 2022 (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	-	121,180	94,259	4,950	-	-	5,128	93,943	11,489	-
Receivable from staff retirement fund	-	-	-	-	4,221,961	-	-	-	-	4,228,764
Other receivable	-	-	945	-	-	-	64,669	-	-	212,908
Borrowings										
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	1,716	53,731	51,333	111,965	2,128,234	100,304	391,278	46,188	60,450	38,313,174
Received during the year	16,877,451	403,687	967,216	5,999,227	202,916,924	14,706,290	37,696,7	801,274	245,176	425,704,709
Withdrawn during the year	(15,494,766)	(996,171)	(821,219)	(6,109,248)	(201,433,027)	(14,804,879)	(714,534)	(796,129)	(193,661)	(461,889,649)
Closing balance	1,384,400	61,247	197,330	1,943	3,611,631	1,716	53,731	51,333	111,965	2,128,234
Other Liabilities										
Interest / mark-up payable	-	839	399	1	133,923	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	15,161	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	1,505,527	-	-	-	-	50,931	-

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

37.1 RELATED PARTY TRANSACTIONS

	September 30, 2023				September 30, 2022			
	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	-	8,243	13,706	29,785	104	3,534	10,463	15
Fee and commission income	4	69	146	3,113	410,068	4	209	2
Dividend income	-	-	-	-	142,443	-	-	-
Net gain on sale of securities	-	-	(94)	-	9,327	-	-	-
Rental Income	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-
Sales Commission	-	-	-	-	44,310	-	-	-
Expense								
Mark-up/return/interest paid	-	7,518	3,028	1,140	607,458	9,926	705	307
Directors meeting fee	-	52,000	-	-	-	37,600	-	-
Remuneration	-	82,056	427,728	-	-	48,435	388,157	-
Charge for defined benefit plans	-	1,996	17,657	-	-	982	15,583	-
Contribution to defined contribution plan	-	1,874	7,531	-	-	920	9,037	-
Other expenses**	-	-	-	6,560	-	-	-	38,794
Rent expense***	-	-	-	15,153	-	-	-	13,016
"Charge in respect of staff retirement benefit funds"	-	-	-	-	234,102	-	-	-
Insurance premium paid	-	394	1,250	-	-	149	629	-
Shares held by the holding company, outstanding at the end of the period are included in note 21 to these unaudited condensed interim financial statements.								

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

** Other Expenses include: National Management Foundation: Donation of Rs. 30 million for construction of hostel building.

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

During the period ended March 31, 2023; certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 211,000 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, 2023

	(Audited)	
	September 30, 2023	December 31, 2022
	Rupees in '000	
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	125,822,263	107,746,226
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	125,822,263	107,746,226
Eligible Tier 2 Capital	9,796,686	6,381,466
Total Eligible Capital (Tier 1 + Tier 2)	135,618,949	114,127,692
Risk Weighted Assets (RWAs):		
Credit Risk	434,344,947	418,485,475
Market Risk	33,812,587	32,571,828
Operational Risk	127,315,019	127,315,019
Total	595,472,553	578,372,322
Common Equity Tier 1 Capital Adequacy ratio	21.13%	18.63%
Tier 1 Capital Adequacy Ratio	21.13%	18.63%
Total Capital Adequacy Ratio	22.78%	19.73%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	125,822,263	107,746,226
Total Exposures	2,478,508,615	2,381,055,186
Leverage Ratio	5.08%	4.53%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	638,258,524	670,660,455
Total Net Cash Outflow	361,717,352	400,489,567
Liquidity Coverage Ratio	176.45%	167.46%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	1,650,094,904	1,444,409,109
Total Required Stable Funding	1,007,248,056	967,845,390
Net Stable Funding Ratio	163.82%	149.24%

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the nine months ended September 30, 2023

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on October 26, 2023 has proposed an interim cash dividend for the quarter ended September 30, 2023 of Rs. 3.00 per share (September 30, 2022: cash dividend of Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the nine months ended September 30, 2023 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

40 GENERAL

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

41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 26, 2023 by the Board of Directors of the Bank.



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