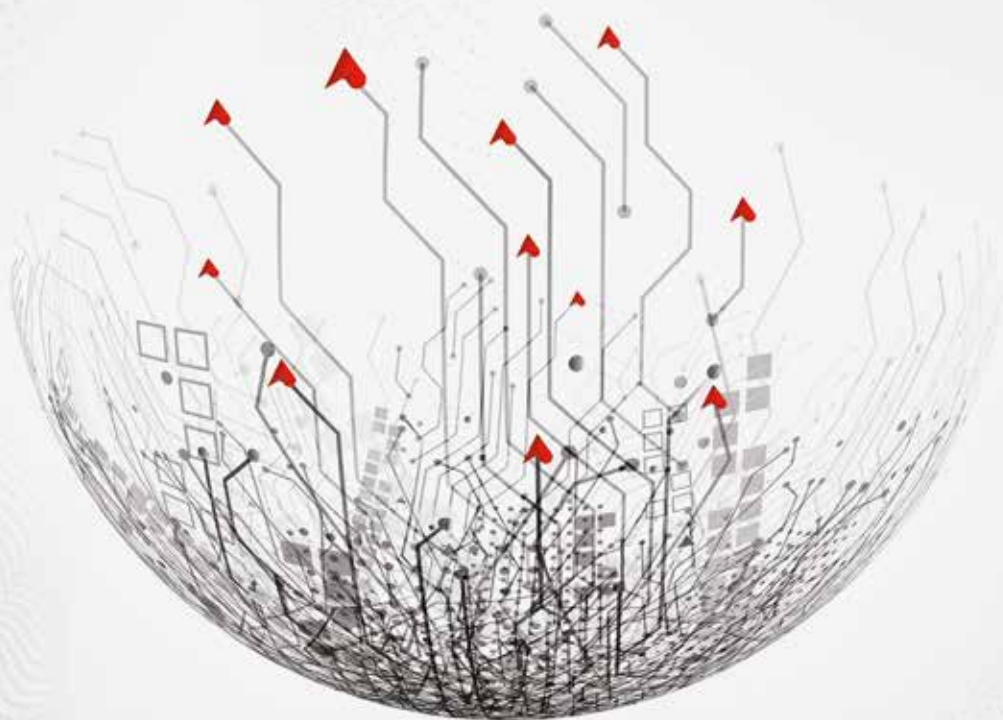




LEADING WITH INNOVATION, INCLUSION AND DIGITISATION



QUARTERLY REPORT - MARCH 31, 2022
(UN-AUDITED)



Bank Alfalah
The Way Forward

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Company Information

Board of Directors

HH Sheikh Nahayan Mubarak Al Nahayan
Chairman/Director

Abdulla Nasser Hawaileel Al Mansoori
Director

Abdulla Khalil Al Mutawa
Director

Khalid Mana Saeed Al Otaiba
Director

Khalid Qurashi
Director

Dr. Gyorgy Tamas Ladics
Director

Dr. Ayesha Khan
Director

Atif Aslam Bajwa
President/CEO and Director

Senior Management Team

Atif Aslam Bajwa

President and Chief Executive Officer

Aasim Wajid Jawad

Group Head, Strategy, Transformation and Customer Experience

Anjum Hai

Chief Financial Officer

Faisal Farooq Khan

Group Head, Human Resource and Learning

Faisal Rabbani

Chief Risk Officer

Haroon Khalid

Group Head, Compliance and Control

Khawaja Muhammad Ahmad

Group Head, Operations and Corporate Services

Mehreen Ahmed

Group Head, Retail Banking

Mohib Hasan Khan

Chief Information Officer

Muhammad Akram Sawleh

Company Secretary and Group Head, Legal and Corporate Affairs

Dr. Muhammad Imran

Group Head, Islamic Banking

Muhammad Yahya Khan

Group Head, Digital Banking

Pervez Shahbaz Khan

Group Head, Treasury and Capital Markets

Saad ur Rahman Khan

Group Head, Corporate, Investment Banking and International Business

Tahir Khurshid

Group Head, Audit and Inspection

Zahid Anjum

Group Head, Special Assets Management

Chief Financial Officer

Anjum Hai

Company Secretary

Muhammad Akram Sawleh

Auditors

EY Ford Rhodes

Chartered Accountants

Registered/Head Office

B. A. Building

I. I. Chundrigar Road

Karachi, Pakistan

bankalfalah.com

Share Registrar

F. D. Registrar Services (Pvt.) Limited

1705, 17th Floor, Saima Trade Tower-A

I. I. Chundrigar Road

Karachi, Pakistan.

Legal Advisor

Mandviwalla & Zafar

Advocates and Legal Consultants

Board Committees

Board Audit Committee (BAC)

Khalid Qurashi
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Dr. Ayesha Khan
Member

Mr. Tahir Khurshid
Secretary

Board Risk Management Committee (BRMC)

Khalid Mana Saeed Al Otaiba
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Qurashi
Member

Atif Aslam Bajwa
Member

Mr. Farhan Ali
Secretary

Board Human Resources, Remuneration & Nominations Committee (BHR&NC)

Dr. Ayesha Khan
Chairperson

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Dr. Gyorgy Tamas Ladics
Member

Khalid Qurashi
Member

Mr. Muhammad Akram Sawleh
Secretary

Board Compensation Committee (BCC)

Dr. Ayesha Khan
Chairperson

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Mr. Muhammad Akram Sawleh
Secretary

Board Committees

Board Strategy and Finance Committee (BS&FC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Dr. Gyorgy Tamas Ladics
Member

Dr. Ayesha Khan
Member

Khalid Qurashi
Member

Atif Aslam Bajwa
Member

Mr. Aasim Wajid Jawad
Secretary

Board Crisis Management Committee (BCMC)

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Member

Khalid Qurashi
Member

Dr. Ayesha Khan
Member

Dr. Gyorgy Tamas Ladics
Member

Atif Aslam Bajwa
Member

Mr. Aasim Wajid Jawad
Secretary

Board Information Technology Committee (BITC)

Dr. Gyorgy Tamas Ladics
Chairman

Abdulla Khalil Al Mutawa
Member

Khalid Mana Saeed Al Otaiba
Member

Atif Aslam Bajwa
Member

Mr. Aasim Wajid Jawad
Secretary

Board Real Estate Committee (BREC)

Mr. Abdulla Khalil Al Mutawa
Chairman

Mr. Khalid Mana Saeed Al Otaiba
Member

Mr. Atif Aslam Bajwa
Member

Mr. Muhammad Akram Sawleh
Secretary

Directors' Review

On behalf of the Board of Directors, we are pleased to present the unconsolidated condensed interim financial statements of Bank Alfalah Limited for the quarter ended March 31, 2022.

Economic Review

The year started with geopolitical tensions (Russia-Ukraine conflict), super-commodity cycle and domestic politics playing out resulting in regime change. This resulted in higher prices for commodities like food and energy which pushed up inflation; disrupted trade and supply chains; and reduced business confidence and higher investor uncertainty.

In the backdrop inflation remained on its upward trajectory and clocked in at 12.7% in March 2022 mainly led by higher food and fuel prices, reflecting the impact of the global commodity price boom and Pak Rupee devaluation. For 9MFY22, average CPI clocked in at 10.8% YoY with major increase in food, transport, housing and electricity. Inflation is expected to remain elevated during the next few months, before starting to taper off in the latter half of this year.

Trade deficit rose from USD 16.0bn in 8MFY21 to USD 27.3bn in 8MFY22. Imports increased by 49% to USD 47.9bn in 8MFY22, reflecting TERF imports, commodity price surges and volumetric growth. On the positive side, exports grew 28% to USD 20.6bn during the same period. Remittances showed modest growth of 7.7% to USD 20.1bn, after the phenomenal increase of 27% in FY21.

Reflecting the surge in imports, the current account went into a deficit of USD 12.1bn in 8MFY22, compared to a surplus of USD 1.0bn in SPLY. Forex reserves fell to USD 17.5bn as of Apr 1, 2022 vs. USD 23.9bn at end Dec 2021 due to debt repayments, current account deficit, and Government payments, despite a USD 1bn disbursement from the IMF in February 2022. Similarly, Pak rupee depreciated by 3.8% against the US Dollar in 1Q 2022.

Fiscal deficit remained at 2.2% in Jul-Dec 2021, compared to 2.1% in SPLY, supported by strong tax collection and controlled expenditures. During Jul-Dec 2021, tax collection amounted to PKR 3.2tn, up 30% YoY (5.0% of GDP), while current expenditures increased by 16% to PKR 4.7tn as debt servicing costs remained stagnant and defence expenditures showed a small 7% increase.

Fiscal consolidation remains central to sustainable economic growth and for containing inflation and the current account during FY22. While the recently announced relief package for fuel and electricity made fiscal policy more expansionary, the Russia-Ukraine conflict and resultant commodity price surges posed challenges to the current account and inflation. Responding to the challenges, SBP increased policy rate by 250bps in early April to 12.25%.

Pakistan's stock market was also affected by geopolitical tensions, external vulnerabilities and heightened political noise. During 1Q 2022, KSE100 index posted a meagre 0.75% return.

The new government's economic team will have to deal with Asia's second-fastest inflation and depleting foreign exchange reserves that have dropped to levels that can fund just a couple of months of imports. Pakistan's economic growth is expected to grow by 4% in 2021-22 amid tighter fiscal and monetary policies and political uncertainty before picking up again in 2022-23.

Review of the Bank's Performance

The highlights about the Bank's financial results for the quarter ended March 31, 2022, are presented as follows:

Financial Position	March 31, 2022	December 31, 2021
Rupees in Millions		
Shareholders' Equity	101,214	100,003
Total Assets	1,848,376	1,734,321
Deposits	1,178,159	1,139,045
Advances – net	686,446	673,881
Investments – net	905,174	809,214

Financial Performance	Quarter ended March 31, 2022	Quarter ended March 31, 2021
Rupees in Millions		
Net Interest Income and Non-Markup Income	18,671	14,160
Non-Markup Expenses	10,444	8,574
Provisions and Write-offs (net)	387	216
Profit before Tax	7,839	5,370
Profit after Tax	5,019	3,471
Basic and Diluted Earnings per Share – Rupees	2.82	1.95

Q1 2022 was another strong quarter for Bank Alfalah Limited whereby the Bank generated record revenue and profit. The Bank generated record revenue and net income, despite headwinds related to current account deficit and inflation. Each line of business grew net income for the quarter, and the bank continued to make significant investments in products, services and technology. Performance metrics posted strong growth as a testament to our strategy and customer centric approach.

The bank's profit after taxation for the first quarter increased by 44.6% and stood at Rs. 5.019 billion as against Rs. 3.471 billion for the corresponding quarter last year. The Earning Per Share (EPS) is Rs. 2.82 (Mar 2020: Rs. 1.95).

The revenue increased by 31.9% as compared to same quarter last year; markup income grew significantly by 38.4%. The increase in markup income is driven by a combination of solid growth in net earning assets and re-pricing of the asset book. Non-markup income stood at Rs. 4.382 billion, higher by 14.3% from same period last year; growth was visible in all non-fund based income lines with exception of capital gains. Our Fee and commission income showed a growth of 32.9%. Combined debit and credit card spend was up by 64% and new card sales increased by 29%. We continue to outpace the industry in home remittance bringing our market share to around 18%. Trade and guarantee commission increased on back of significant volumetric growth. Auto loans remain strong, YoY outstanding up 36%, despite a lack of vehicle supply and SBP fiscal measures. Home lending including Mera Pakistan Mera Ghar had another strong quarter with originations of Rs. 3.203 billion, outstanding volume almost double versus same period last year. We were able to meet construction finance target set by SBP for all quarters enabling us to avail incentive of lower cash reserve requirement (CRR). Higher disbursements of Government Ehsaas Funds and higher Banca business during the quarter further supported the growth in the fee income lines.

The Bank continues to keep a check on expenses and manage costs prudently while focusing on building revenue momentum through expansion and without compromising on investments in new ventures. Operating costs increased by 21.6% due to impact of new branches opened last year, investment in digital technologies and inflation related effects. Since 2020, we sharpened focus on products, services and technology to help reach out and serve our customers better. In last two years, we opened 98 new branches across Pakistan, which is helping us in deposit mobilization and revenue growth.

We plan to continue to open branches in new markets in the months to follow. The bank is investing heavily in digital technologies to influence customer preferences for digital channels, increase stickiness, and at the same time strengthen relationships. The bank saw a growth in digital banking usage and welcomed first-time users. Not only does this rise in digital transactions bode well for banks' cost reduction plans, it is also contributing to topline growth. The bank's cost to income ratio improved to 55.1% as against 59.7% for the corresponding quarter last year taking support from strong revenue growth.

The bank's deposits closed at Rs. 1.178 trillion at the end of Q1'22, with YoY growth of 29.0% compared to Q1'21. We continue to outpace the industry in deposit growth as well as current account growth. The current and savings accounts grew by 31.0% and 35.6% respectively YoY. CASA mix improved to 80.6% versus 78.2% SPLY.

The bank grew loans by 17.3% YoY, while maintaining credit discipline and a fortress balance sheet with significant capital and liquidity. The growth was achieved as a result of improvement in economic outlook and SBP's refinance schemes. Overseas, Consumer, Retail and Islamic loan books grew by 107%, 50%, 21% and 31% respectively. As at the period end, our gross advances to deposits ratio stood at 60.4%, much higher than 50% on which higher income tax rate becomes applicable. The Bank's non-performing loans ratio stood at 3.4%, while the non-performing loans remain fully covered through provisions which include provision held against subjectively classified loans and general provision against Covid restructured loans.

As at March 31, 2022, the bank remains adequately capitalised with CAR at 14.77%.

Credit Rating

The Bank has been assigned an entity rating of 'AA+' (Double A Plus) for the long-term and 'A1+' (A-One Plus) for the short-term by PACRA, with outlook assigned as 'Stable'. Furthermore, the unsecured Tier 1 Capital (Term Finance Certificate) of the Bank has been awarded a credit rating of 'AA-' (Double A Minus), with 'Stable' Outlook by VIS Credit Rating Company Limited (VIS).

The assigned ratings reflect the Bank's diversified operations, healthy financial risk profile, strong sponsors, and existing market presence. These ratings denote a very low expectation of credit risk, a strong capacity for timely payment of financial commitments in the long term and the highest capacity for timely repayment in the short term, respectively.

Future Outlook

Looking ahead, Bank Alfalah is well positioned for sustainable growth and building long-term shareholder value. Our focus will be on harnessing technology to ensure that customers' banking needs are fully met in a technologically advanced, secure and convenient manner. We will continue to build our deposit base and grow our market share in low-cost deposits, consumer products and SME financing. We look forward to expanding our branch network to widen our reach and serve our customers. Emphasis will remain on boosting trade volumes and increasing penetration in cash management with a focus on SME/commercial clients. To cope with changing business dynamics, we will continue to accelerate digital transformation and focus on business process re-engineering. We will continue to partner with fintechs to gain a technological edge, accelerating digital adoption by leveraging our core competencies with their disruptive technologies and solutions. Most importantly, we will continue to invest in human capital and foster a caring culture that encourages collaboration, creativity and innovation.

Acknowledgment

On behalf of the Board, we would like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Ministry of Finance and other regulatory authorities for their continuous guidance and support. At the same time, we would like to express our gratitude to our shareholders, our customers and business partners for their continued patronage. We are pleased with the performance of the bank's management and employees who serve our clients, communities and shareholders with distinction and dedication. Our values are to put our customers and their needs front and center. We are constantly looking for better ways to deliver products and services that meet or exceed our customers' expectations.

Atif Aslam Bajwa
President & Chief Executive Officer

April 26, 2022

Abu Dhabi

Khalid Qurashi
Director

بینک کے ذخائر Q1'22 کے اختتام پر 1.178 ٹریلین روپے پر بند ہونے، Q1'21 کے مقابلے میں 29.0 فیصد سالانہ نمو کے ساتھ۔ ہم ڈپازٹ کی ترقی کے ساتھ ساتھ کرنٹ اکاؤنٹ کی نمو میں بھی صنعت کو آگے بڑھا رہے ہیں۔ کرنٹ اور سیونگ اکاؤنٹس میں بالترتیب 31.0 فیصد اور 35.6 فیصد اضافہ ہوا ہے۔ CASA مکس 78.2 فیصد SPLY کے مقابلے میں 80.6 فیصد تک بہتر ہوا۔

بینک نے کریڈٹ ڈسپلن اور اہم سرمائے اور لیکویڈیٹی کے ساتھ فورٹریس بیلنس شیٹ کو برقرار رکھتے ہوئے قرضوں میں سالانہ 17.3 فیصد اضافہ کیا۔ اقتصادی نقطہ نظر اور اسٹیٹ بینک کی ری فنانس اسکیموں میں بہتری کے نتیجے میں یہ نمو حاصل ہوئی۔ اوورسیز، کنزیومر، ریٹیل اور اسلامی قرض کی کتابوں میں

بالترتیب 107 فیصد، 50 فیصد، 21 فیصد اور 31 فیصد اضافہ ہوا۔ جیسا کہ مدت کے اختتام پر، ڈپازٹس کے تناسب میں ہماری مجموعی پیش قدمی 60.4 فیصد رہی، جو کہ 50 فیصد سے بہت زیادہ ہے جس پر اعلیٰ انکم ٹیکس کی شرح لاگو ہوتی ہے۔ بینک کے غیر فعال قرضوں کا تناسب 3.4 فیصد رہا، جب کہ غیر فعال قرضے مکمل طور پر پروویژن کے ذریعے کور کیے جاتے ہیں جن میں سبجیکٹی کلاسیفائیڈ قرضوں کے خلاف رکھی گئی پروویژن اور کوویڈ ری اسٹرکچرڈ لونز کے خلاف عمومی پروویژن شامل ہیں۔

31 مارچ 2022 تک، بینک CAR کے ساتھ 14.77 فیصد کے ساتھ مناسب طور پر کیپٹالائزڈ ہے۔

کریڈٹ ریٹنگ

کریڈٹ ریٹنگ ایجنسی PACRA کی جانب سے بینک کو طویل مدت کے لیے 'AA+' (ڈبل اے پلس) جبکہ قلیل مدت کے لیے 'A1+' (اے ون پلس) کریڈٹ ریٹنگ تفویض کی گئی۔ بینک کا آؤٹ لک مثبت قرار دیا گیا ہے۔ مزید برآں، بینک کے غیر محفوظ ٹیئرز 1 کیپیٹل (ٹرم فنانس سرفیکسٹ) کو VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) کے ذریعے 'مستحکم' آؤٹ لک کے ساتھ 'AA-' (ڈبل اے منٹس) کی کریڈٹ ریٹنگ دی گئی ہے۔

مذکورہ کریڈٹ ریٹنگ بینک الفلاح کے متنوع آپریشنز، مستحکم مالیاتی رسک پروفائل، اسپانسرز کی مضبوطی اور مارکیٹ میں بینک کی مستحکم پوزیشن کی عکاسی کرتی ہے۔ یہ ریٹنگ بینک کے بہت کم کریڈٹ رسک کے ساتھ طویل مدت کے لیے اپنے مالیاتی وعدوں کی بروقت تکمیل کی بھرپور صلاحیت اور قلیل مدت کے لیے اپنے مالیاتی وعدوں کی تکمیل کی اعلیٰ تر صلاحیت کو ظاہر کرتی ہے۔

مستقبل کا آؤٹ لک

آگے دیکھتے ہوئے، بینک الفلاح پائیدار ترقی اور طویل مدتی شیئر ہولڈر کی قدر بڑھانے کے لیے اچھی پوزیشن میں ہے۔ ہماری توجہ ٹیکنالوجی کے استعمال پر مرکوز ہو گی تاکہ یہ یقینی بنایا جاسکے کہ صارفین کی بینکنگ ضروریات تکنیکی طور پر جدید، محفوظ اور آسان طریقے سے پوری کی جائیں۔ ہم اپنا ڈپازٹ بیس بنانا جاری رکھیں گے اور کم لاگت والے ڈپازٹس، کنزیومر پروڈکٹس اور ایس ایم ای فنانسنگ میں اپنا مارکیٹ شیئر بڑھائیں گے۔ ہم اپنی رسائی کو وسیع کرنے اور اپنے صارفین کی خدمت کے لیے اپنے برانچ نیٹ ورک کو وسعت دینے کے منتظر ہیں۔ SME/تجارتی کلائنٹس پر توجہ مرکوز کرتے ہوئے تجارتی حجم کو بڑھانے اور کیش مینجمنٹ میں دخول بڑھانے پر زور دیا جائے گا۔ بدلتی ہوئی کاروباری حرکات سے نمٹنے کے لیے، ہم ڈیجیٹل تبدیلی کو تیز کریں گے اور کاروباری عمل کی دوبارہ انجینئرنگ پر توجہ مرکوز کریں گے۔ ہم فٹنیکس کے ساتھ شراکت داری جاری رکھیں گے تاکہ ان کی خلل ڈالنے والی ٹیکنالوجیز اور حل کے ساتھ اپنی بنیادی صلاحیتوں کا فائدہ اٹھاتے ہوئے ڈیجیٹل اہلیت میں تیزی لائی جائے۔ سب سے اہم بات یہ ہے کہ ہم انسانی سرمائے میں سرمایہ کاری جاری رکھیں گے اور ایک خیال رکھنے والے کلچر کو فروغ دیں گے جو تعاون، تخلیقی صلاحیتوں اور اختراع کی حوصلہ افزائی کرتا ہے۔

اعتراف

بورڈ کی جانب سے، ہم اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، وزارت خزانہ اور دیگر ریگولیٹری اتھارٹیز کا ان کی مسلسل رہنمائی اور تعاون پر شکریہ ادا کرنا چاہتے ہیں۔ اس کے ساتھ ساتھ، ہم اپنے شیئر ہولڈرز، اپنے صارفین اور کاروباری شراکت داروں کی مسلسل سرپرستی پر اظہار تشکر کرنا چاہیں گے۔ ہم بینک کی انتظامیہ اور ملازمین کی کارکردگی سے خوش ہیں جو امتیاز اور لگن کے ساتھ ہمارے کلائنٹس، کمیونٹیز اور شیئر ہولڈرز کی خدمت کرتے ہیں۔ ہماری اقدار اپنے صارفین اور ان کی ضروریات پر خاص توجہ رکھنا ہے۔ ہم مسلسل ایسی پروڈکٹس اور خدمات کی فراہمی کے لیے بہتر طریقے تلاش کر رہے ہیں جو ہمارے صارفین کی توقعات پر پورا اتریں یا اس سے زیادہ ہوں۔

خالد قریشی

ڈائریکٹر

عاطف اسلم باجوہ

صدر اور چیف ایگزیکٹو آفیسر

26 اپریل، 2022

ایو ظبیہ

بینک کی کارکردگی کا جائزہ

31 مارچ 2022 کو ختم ہونے والے سال کے لیے بینک کے مالیاتی نتائج کی جھلکیاں مندرجہ ذیل ہیں :

مالیاتی پریکٹس	31 مارچ 2022	31 دسمبر 2021
روپی ملین میں		
شیر ہولڈرز کی ایکونٹی	101,214	100,003
کلی اثاثے	1,848,376	1,734,321
ڈپازٹس	1,178,159	1,139,045
ایلوآنسز - خالص	686,446	673,881
سرمایہ کاربان - خالص	905,174	809,214
مالیاتی کارکردگی	31 مارچ 2022 کو ختم ہونے والی سہ ماہی	31 مارچ 2021 کو ختم ہونے والی سہ ماہی
روپی ملین میں		
خالص سود آمدنی اور نان مارک آپ آمدنی	18,671	14,160
نان مارک آپ اخراجات	10,444	8,574
پروویژن اور رات آفز (خالص)	387	216
قبل از ٹیکس منافع	7,839	5,370
بعد از ٹیکس منافع	5,019	3,471
بنیادی اور ڈائیلیوڈ آمدنی فی شیر - روپی	2.82	1.95

2022 Q1 بینک الفلاح لمیٹڈ کے لیے ایک اور مضبوط سہ ماہی تھی جس سے بینک نے ریکارڈ آمدنی اور منافع حاصل کیا۔ بینک نے کرٹ آکائونٹ خسارے اور افراط زر سے متعلق سرگرمیوں کے باوجود ریکارڈ آمدنی اور خالص آمدنی حاصل کی۔ کاروبار کی بر لائن نے سہ ماہی میں خالص آمدنی میں اضافہ کیا، اور بینک نے مصنوعات، خدمات اور ٹیکنالوجی میں نمایاں سرمایہ کاری جاری رکھی۔ کارکردگی کے میٹرکس نے ہماری حکمت عملی اور کسٹمر سٹیکرٹ اپروچ کے ثبوت کے طور پر مضبوط ترقی پوسٹ کی۔

پہلی سہ ماہی کے لیے بینک کے بعد از ٹیکس منافع میں 44.6 فیصد اضافہ ہوا اور 5.019 ارب روپیے کے مقابلے میں گزشتہ سال کی اسی سہ ماہی کے لیے 3.471 بلین روپیے فی شیر کمائی (EPS) روپے ہے۔ 2.82 (مارچ 2020: 1.95 روپیے)۔

گزشتہ سال کی اسی سہ ماہی کے مقابلے میں آمدنی میں 31.9 فیصد اضافہ ہوا ہے۔ مارک آپ آمدنی میں 38.4 فیصد نمایاں اضافہ ہوا۔ مارک آپ آمدنی میں اضافہ خالص آمدنی والے اثاثوں میں ٹھوس نمو اور اثاثوں کی کتاب کی دوبارہ قیمتوں کے امتزاج سے ہوتا ہے۔ غیر مارک آپ آمدنی روپے رہی۔ 4.382 بلین، پچھلے سال کی اسی مدت کے مقابلے میں 14.3 فیصد زیادہ؛ کیپٹل گین کے علاوہ تمام غیر فنڈ پر مبنی انکم لائنوں میں نمو دکھائی دے رہی تھی۔ ہماری فیس اور کمیشن کی آمدنی میں 32.9 فیصد اضافہ ہوا۔ ڈیپٹ اور کریڈٹ کارڈ کے مشترکہ اخراجات میں 64 فیصد اور نئے کارڈ کی فروخت میں 29 فیصد اضافہ ہوا۔ ہم گھریلو تسلیات زر میں انڈسٹری کو آگے بڑھاتے رہتے ہیں جس سے ہمارا مارکیٹ شیئر تقریباً 18% تک پہنچ جاتا ہے۔ نمایاں حجمی نمو کی وجہ سے تجارتی اور گارنٹی کمیشن میں اضافہ ہوا۔ گاڑیوں کی فراہمی کی کمی اور SBP کے مالیاتی اقدامات کے باوجود آٹو لوزن مضبوط ہیں، سالانہ 36 فیصد تک بقایا ہے۔ میرا پاکستان میرا گھر سمیت گھریلو قرضے کی ایک اور مضبوط سہ ماہی تھی جس کی ابتدا 3.203 بلین روپیے تھی، بقایا حجم پچھلے سال کی اسی مدت کے مقابلے تقریباً دوگنا تھا۔ ہم تمام سہ ماہیوں کے لیے اسٹیٹ بینک کی طرف سے مقرر کردہ کنسٹرکشن فنڈس ہدف کو پورا کرنے میں کامیاب رہے جس سے ہم کم کیش ریزرو کی ضرورت (CRR) کی ترغیب حاصل کر سکیں۔ سہ ماہی کے دوران سرکاری احساس فنڈز کی زیادہ تقسیم اور بینکا کے اعلی کاروبار نے فیس کی آمدنی میں اضافے کو مزید سہارا دیا۔

بینک اخراجات پر نظر رکھتا ہے اور اخراجات کو سمجھداری سے منظم کرتا ہے جبکہ توسیع کے ذریعے اور نئے منصوبوں میں سرمایہ کاری پر سمجھوتہ کیے بغیر آمدنی کی رفتار بڑھانے پر توجہ مرکوز کرتا ہے۔ پچھلے سال کھلنے والی نئی شاخوں کے اثرات، ڈیجیٹل ٹیکنالوجیز میں سرمایہ کاری اور افراط زر سے متعلق اثرات کی وجہ سے آپریٹنگ لاگت میں 21.6 فیصد اضافہ ہوا۔ 2020 سے، ہم نے اپنے صارفین تک پہنچنے اور ان کی بہتر خدمت کرنے میں مدد کے لیے مصنوعات، خدمات اور ٹیکنالوجی پر توجہ مرکوز کی ہے۔ پچھلے دو سالوں میں، ہم نے پاکستان بھر میں 98 نئی برانچیں کھولی ہیں، جو ڈیپازٹ موبلائزیشن اور ریونیو میں اضافے میں ہماری مدد کر رہی ہیں۔

ہم آنے والے مہینوں میں نئی مڈیوں میں شاخیں کھولنے کا ارادہ رکھتے ہیں۔ بینک ڈیجیٹل ٹیکنالوجیز میں بہت زیادہ سرمایہ کاری کر رہا ہے تاکہ ڈیجیٹل چینلز کے لیے کسٹمر کی ترجیحات کو متاثر کیا جاسکے اور ساتھ ہی ساتھ تعلقات کو مضبوط کیا جاسکے۔ بینک نے ڈیجیٹل بینکنگ کے استعمال میں اضافہ دیکھا اور پہلی بار صارفین کا خیر مقدم کیا۔ ڈیجیٹل لین دین میں یہ اضافہ نہ صرف بینکوں کے لاگت میں کمی کے منصوبوں کے لیے فائدہ مند ثابت ہوتا ہے، بلکہ یہ سرفہرست ترقی میں بھی حصہ ڈال رہا ہے۔ بینک کی لاگت سے آمدنی کا تناسب بہتر ہو کر 55.1 فیصد ہو گیا جو کہ گزشتہ سال کی اسی سہ ماہی میں 59.7 فیصد تھا جو کہ مضبوط آمدنی میں اضافے کی وجہ سے تھا۔

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لیے بینک الفلاح لمیٹڈ کے آن کنسولڈیٹڈ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

اقتصادی جائزہ

سال کا آغاز جغرافیائی سیاسی تناؤ (روس-یوکرین تنازعہ)، سپر کموڈٹی سائیکل اور گھریلو سیاست کے ساتھ ہوا جس کے نتیجے میں حکومت کی تبدیلی ہوئی۔ اس کے نتیجے میں ایشیائے خوردونوش اور توانائی جیسی اشیاء کی قیمتوں میں اضافہ ہوا ہے جس سے مہنگائی میں اضافہ ہوا ہے۔ تجارت اور سیلانی چین میں خلل؛ اور کاروباری اعتماد میں کمی اور سرمایہ کاروں کی غیر یقینی صورتحال میں اضافہ ہوا ہے۔

ہمس منظر میں مہنگائی اپنے اوپر کی رفتار پر رہی اور مارچ 2022 میں 12.7 فیصد تک پہنچ گئی جو بنیادی طور پر خوراک اور ایندھن کی بلند قیمتوں کی وجہ سے ہوئی، جو کہ عالمی اجناس کی قیمتوں میں اضافے اور پاک روپے کی قدر میں کمی کے اثرات کو ظاہر کرتی ہے۔ 9MFY22 کے لیے، خوراک، قتل و حمل، رہائش اور بجلی میں بڑے اضافے کے ساتھ وسط CPI 10.8% سالانہ رہا۔ اس سال کے آخری نصف میں کم ہونا شروع ہونے سے پہلے، اگلے چند مہینوں کے دوران افراط زر کے بلند رہنے کی توقع ہے۔

تجارتی خسارہ 8MFY21 میں 16.0 بلین یو ایس ڈالر سے بڑھ کر 8MFY22 میں 27.3 بلین یو ایس ڈالر ہو گیا۔ 8MFY22 میں درآمدات 49% بڑھ کر 47.9 بلین یو ایس ڈالر ہو گئیں، جو TERF کی درآمدات، اشیاء کی قیمتوں میں اضافے اور حتمی نمو کو ظاہر کرتی ہے۔ مثبت پہلو پر، اسی مدت کے دوران برآمدات 28 فیصد بڑھ کر 20.6 بلین امریکی ڈالر تک پہنچ گئیں۔ مالی سال 21 میں 27 فیصد کے غیر معمولی اضافے کے بعد ترسیلات زر میں 7.7 فیصد سے 20.1 بلین امریکی ڈالر تک کی معمولی نمو دکھائی گئی۔

درآمدات میں اضافے کی عکاسی کرتے ہوئے، کرنٹ اکاؤنٹ SPLY میں 1.0 بلین یو ایس ڈالر کے سرپلس کے مقابلے میں 8MFY22 میں 12.1 بلین یو ایس ڈالر کے خسارے میں چلا گیا۔ فروری 2022 میں IMF سے 1 بلین یو ایس ڈالر کی تقسیم کے باوجود، قرضوں کی ادائیگی، کرنٹ اکاؤنٹ خسارہ اور حکومتی ادائیگیوں کی وجہ سے زرمبادلہ کے ذخائر یکم اپریل 2022 کو 17.5 بلین یو ایس ڈالر بمقابلہ دسمبر 2021 کے آخر میں 23.9 بلین یو ایس ڈالر تک گر گئے۔ اسی طرح، 2022 Q1 میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 3.8 فیصد کمی ہوئی۔

مالیاتی خسارہ جولائی-دسمبر 2021 میں 2.2% پر رہا، جو کہ SPLY میں 2.1% کے مقابلے میں مضبوط ٹیکس وصولی اور کنٹرول شدہ اخراجات سے تعاون یافتہ ہے۔ جولائی تا دسمبر 2021 کے دوران، ٹیکس کی وصولی 3.2 ٹریلین روپے تھی، جو کہ سالانہ 30% (GDP کا 5.0%) زیادہ ہے، جب کہ موجودہ اخراجات 16% بڑھ کر 4.7 ٹریلین روپے ہو گئے کیونکہ قرض کی خدمت کے اخراجات جمود کا شکار رہے اور دفاعی اخراجات میں 7% معمولی اضافہ ہوا۔

مالیاتی استحکام پائیدار اقتصادی ترقی اور مالی سال 22 کے دوران افراط زر اور کرنٹ اکاؤنٹ پر قابو پانے کے لیے مرکزی حیثیت رکھتا ہے۔ جب کہ ایندھن اور بجلی کے لیے حال ہی میں اعلان کردہ ریلیف پیکیج نے مالیاتی پالیسی کو مزید وسعت بخشی، روس-یوکرین تنازعہ اور اس کے نتیجے میں اجناس کی قیمتوں میں اضافے نے کرنٹ اکاؤنٹ اور افراط زر کو چیلنج کیا۔ چیلنجوں کا جواب دیتے ہوئے، SBP نے اپریل کے شروع میں پالیسی ریٹ میں 250bps کا اضافہ کر کے 12.25% کر دیا۔

پاکستان کی اسٹاک مارکیٹ بھی جغرافیائی سیاسی کشیدگی، بیرونی کمزوریوں اور بڑھتے ہوئے سیاسی شور سے متاثر ہوئی۔ 2022 Q1 کے دوران، KSE100 انڈیکس نے معمولی 0.75% منافع پوسٹ کیا۔

نئی حکومت کی اقتصادی ٹیم کو ایشیائی دوسری تیز ترین افراط زر اور زرمبادلہ کے کم ہونے ذخائر سے نمٹنا ہو گا جو اس سطح تک گر چکے ہیں جو صرف چند ماہ کی درآمدات کو فنڈ دے سکتے ہیں۔ سخت مالیاتی اور مالیاتی پالیسیوں اور سیاسی غیر یقینی صورتحال کے درمیان اور 2022-23 میں دوبارہ تیزی آنے سے پہلے 2021-22 میں پاکستان کی اقتصادی ترقی میں 4 فیصد اضافے کی توقع ہے۔

Bank Alfalah Limited

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Quarter Ended March 31, 2022



Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

Note (Un-audited) (Audited)
March 31, December 31,
2022 2021
------(Rupees in '000)-----

ASSETS

Cash and balances with treasury banks	7	111,097,311	105,606,384
Balances with other banks	8	14,223,159	9,782,519
Lendings to financial institutions	9	13,202,382	35,982,065
Investments	10	905,173,641	809,213,583
Advances	11	686,445,950	673,880,624
Fixed assets	12	42,593,857	39,498,979
Intangible assets	13	1,351,612	1,116,442
Deferred tax assets	14	2,987,478	2,304,270
Other assets	15	71,300,222	56,936,473
		1,848,375,612	1,734,321,339

LIABILITIES

Bills payable	16	27,033,674	22,825,500
Borrowings	17	443,376,409	383,808,872
Deposits and other accounts	18	1,178,158,589	1,139,044,606
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	7,000,000	7,000,000
Other liabilities	20	91,593,060	81,639,680
		1,747,161,732	1,634,318,658

NET ASSETS

101,213,880	100,002,681
-------------	-------------

REPRESENTED BY

Share capital		17,771,651	17,771,651
Reserves		31,079,375	29,953,963
Surplus on revaluation of assets	21	10,541,960	11,440,580
Unappropriated profit		41,820,894	40,836,487
		101,213,880	100,002,681

CONTINGENCIES AND COMMITMENTS

22

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Profit and Loss Account

For the quarter ended March 31, 2022

	Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021
		------(Rupees in '000)-----	
Mark-up/Return/Interest Earned	24	35,942,398	21,387,745
Mark-up/Return/Interest Expensed	25	21,653,345	11,061,222
Net Mark-up/Return/Interest Income		14,289,053	10,326,523
NON MARK-UP/RETURN/INTEREST INCOME			
Fee and Commission Income	26	2,473,525	1,860,811
Dividend Income		224,511	132,720
Foreign Exchange Income		1,430,821	657,996
Gain from derivatives		80,457	49,113
Gain on securities	27	11,505	1,094,592
Other income	28	160,769	38,127
Total non-mark-up / interest income		4,381,588	3,833,359
Total income		18,670,641	14,159,882
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	29	10,282,188	8,457,972
Workers' Welfare Fund	30	160,162	109,584
Other charges	31	1,803	6,535
Total non-mark-up / interest expenses		10,444,153	8,574,091
Profit before provisions		8,226,488	5,585,791
Provisions and write offs - net	32	387,150	216,168
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		7,839,338	5,369,623
Taxation	33	2,820,667	1,899,074
PROFIT AFTER TAXATION		5,018,671	3,470,549
Basic and Diluted Earnings per share	34	2.82	1.95

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2022

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	----- (Rupees in '000) -----	
Profit after taxation for the period	5,018,671	3,470,549
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	623,545	(1,146,453)
Movement in surplus / (deficit) on revaluation of investments - net of tax	(886,923)	(1,525,926)
	(263,378)	(2,672,379)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of operating fixed assets - net of tax	(29,201)	(227,510)
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	17,504	(282)
	(11,697)	(227,792)
Total comprehensive income	4,743,596	570,378

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2022

	Capital Reserves			Surplus/(Deficit) on revaluation				Unappropriated profit	Total
	Share capital	Share premium	Exchange translation reserve	Statutory reserve	Investments	Fixed Assets	Non Banking Assets		
----- (Rupees in '000) -----									
Balances as at January 01, 2021	17,771,651	4,731,049	7,358,815	15,590,158	3,262,991	7,141,899	103,947	35,056,809	91,017,319
Changes in equity for the quarter ended March 31, 2021									
Profit after taxation	-	-	-	-	-	-	-	3,470,549	3,470,549
Other comprehensive income - net of tax	-	-	(1,146,453)	-	(1,525,926)	(218,251)	(268)	-	(2,890,898)
Transfer to statutory reserve	-	-	-	347,055	-	-	-	(347,055)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(9,259)	(14)	9,273	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2020 at 20%	-	-	-	-	-	-	-	(3,554,330)	(3,554,330)
Balance as at March 31, 2021	17,771,651	4,731,049	6,212,362	15,937,213	1,737,065	6,914,389	103,665	34,635,246	88,042,640
Changes in equity for nine months ended December 31, 2021									
Profit after taxation	-	-	-	-	-	-	-	10,746,125	10,746,125
Other comprehensive income - net of tax	-	-	1,998,727	-	(2,964,366)	5,718,106	(15,895)	31,674	4,768,246
Transfer to statutory reserve	-	-	-	1,074,612	-	-	-	(1,074,612)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(52,302)	(82)	52,384	-
Transactions with owners, recorded directly in equity									
Interim cash dividend for the half year ended June 30, 2021 - 20%	-	-	-	-	-	-	-	(3,554,330)	(3,554,330)
Balance as at December 31, 2021	17,771,651	4,731,049	8,211,089	17,011,825	(1,227,301)	12,580,193	87,688	40,836,487	100,002,681
Changes in equity for the quarter ended March 31, 2022									
Profit after taxation	-	-	-	-	-	-	-	5,018,671	5,018,671
Other comprehensive income - net of tax	-	-	623,545	-	(886,923)	(7,298)	17,534	-	(253,142)
Transfer of revaluation surplus upon change in use - net of tax	-	-	-	-	-	36,886	(36,886)	-	-
Transfer to statutory reserve	-	-	-	501,867	-	-	-	(501,867)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(21,903)	(30)	21,933	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2021 at 20%	-	-	-	-	-	-	-	(3,554,330)	(3,554,330)
Balance as at March 31, 2022	17,771,651	4,731,049	8,834,634	17,513,692	(2,114,224)	12,587,878	68,306	41,820,894	101,213,884

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement

For the quarter ended March 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Dividend income

Adjustments

Depreciation

Amortisation

Provisions and write offs - net

Unrealised loss on revaluation of investments classified as held for trading-net

Gain on sale of operating fixed assets and non banking assets - net

Gain on termination of lease(IFRS 16)

Borrowing cost on lease liability

Workers' Welfare Fund

Charge for defined benefit plan

Charge for staff compensated absences

(Increase) / decrease in operating assets

Lendings to financial institutions

Held for trading securities

Advances

Other assets (excluding advance taxation)

Increase / (decrease) in operating liabilities

Bills payable

Borrowings

Deposits

Other liabilities (excluding current taxation)

Income tax paid

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available-for-sale securities

Net investments in held-to-maturity securities

Dividends received

Investments in operating fixed assets

Proceeds from sale of fixed assets

Effect of translation of net investment in foreign branches

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of lease obligations

Dividend paid

Net cash used in financing activities

(Decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Effects of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at end of the period

Quarter ended		
March 31, 2022	March 31, 2021	
----- (Rupees in '000) -----		
7,839,338	5,369,623	
(224,511)	(132,720)	
7,614,827	5,236,903	
1,209,533	1,038,194	
88,207	105,776	
387,150	216,168	
292,849	33,393	
(36,283)	(8,282)	
(107,901)	(4,374)	
422,649	332,405	
160,162	109,584	
88,855	54,212	
45,000	34,000	
2,550,221	1,911,076	
10,165,048	7,147,979	
11,719,917	48,338,146	
15,237,903	(64,616,620)	
(12,896,674)	(5,943,211)	
(12,483,360)	(626,852)	
1,577,786	(22,848,537)	
4,208,174	279,854	
58,999,382	(27,418,373)	
39,113,983	31,445,880	
6,078,188	1,813,356	
108,399,727	6,120,717	
120,142,561	(9,579,841)	
(2,359,923)	(1,161,653)	
117,782,638	(10,741,494)	
(110,126,677)	42,883,751	
(5,972,730)	(23,746,488)	
174,349	93,864	
(3,419,805)	(629,902)	
44,161	12,124	
623,545	(1,146,533)	
(118,677,157)	17,466,896	
(757,517)	(609,789)	
(44,318)	(3,562,178)	
(801,835)	(4,171,967)	
(1,696,354)	2,553,435	
136,286,215	121,033,744	
(1,692,827)	(2,578,709)	
134,593,388	118,455,035	
132,897,034	121,008,470	

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2022



1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan on June 21, 1992 as a public limited company. It commenced its banking operations on November 1, 1992. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 776 branches (December 31, 2021: 770 branches) and 20 sub-branches (December 31, 2021: 20 sub-branches). Out of these, 531 (December 31, 2021: 529) are conventional, 234 (December 31, 2021: 230) are Islamic, 10 (December 31, 2021: 10) are overseas and 1 (December 31, 2021: 1) is an offshore banking unit.

2 BASIS OF PRESENTATION

2.1.1 STATEMENT OF COMPLIANCE

These unconsolidated 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 Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017.
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. 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 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Further, SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement'. SBP has directed banks in Pakistan to implement IFRS 9 with effect from January 1, 2022. The Bank awaits final guidelines from SBP for application of some aspects of IFRS 9.

Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements; except for overseas branches where such standards are applicable.

- 2.1.2 These unconsolidated condensed interim financial statements represent separate financial statements of Bank Alfalah Limited in which investment in subsidiaries and associates are accounted for on the basis of cost less accumulated impairment losses, if any.
- 2.1.3 Key financial figures of the Islamic Banking branches are disclosed in note 39 to these unconsolidated condensed interim financial statements.
- 2.1.4 The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim unconsolidated financial statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2021.
- 2.1.5 The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the unconsolidated financial statements have been prepared on the going concern basis.
- 2.2 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	Not yet finalized
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except for certain fixed assets and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; held for trading, available for sale investments and derivative financial instruments which are measured at fair value; defined benefit obligations which are carried at present value and right of use of assets and related lease liability are measured at present value.

3.2 Functional and Presentation Currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2021.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

6 FINANCIAL RISK MANAGEMENT

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

(Un-audited) (Audited)
March 31, December 31,
2022 2021
------(Rupees in 000)-----

7 CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency

26,780,641

21,886,032

Foreign currency

3,244,640

2,722,351

30,025,281

24,608,383

With State Bank of Pakistan in

Local currency current account

43,255,598

47,249,054

Foreign currency current account

6,938,226

5,231,881

Foreign currency deposit account

10,303,605

9,466,467

60,497,429

61,947,402

With other central banks in

Foreign currency current account

14,239,756

9,536,033

Foreign currency deposit account

4,740,074

2,589,553

18,979,830

12,125,586

With National Bank of Pakistan in local currency current account

1,496,884

6,698,696

Prize bonds

97,887

226,317

111,097,311

105,606,384

8 BALANCES WITH OTHER BANKS

In Pakistan in current account

17,447

18,222

Outside Pakistan

In current account

14,178,127

9,737,924

In deposit account

27,585

26,373

14,205,712

9,764,297

14,223,159

9,782,519

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings

13,202,382

22,815,581

Repurchase agreement lendings (Reverse Repo)

-

11,172,904

Bai Muajjal receivable with other financial institutions

-

1,993,580

Lending to financial institutions - net of provision

13,202,382

35,982,065

10 INVESTMENTS

Note

10.1 Investments by type:

March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

(Rupees in '000)

Held-for-trading securities

Federal Government Securities

Market Treasury Bills

Pakistan Investment Bonds

Shares

Ordinary shares / units - Listed

Foreign Securities

Overseas Bonds - Sovereign

47,924,079	-	(114,112)	47,809,967	58,471,616	-	(20,039)	58,451,577
35,318,849	-	(115,428)	35,203,421	38,043,325	-	993	38,044,318
596,438	-	(23,318)	573,120	983,085	-	(12,205)	970,880
2,076,378	-	(39,991)	2,036,387	4,078,675	-	(391,803)	3,686,872
85,915,744	-	(292,849)	85,622,895	101,576,701	-	(423,054)	101,153,647

Available-for-sale securities

Federal Government Securities

Market Treasury Bills

Pakistan Investment Bonds

Government of Pakistan Sukuks

Government of Pakistan Euro Bonds

Naya Pakistan Certificates

Shares

Ordinary shares - Listed

Ordinary shares - Unlisted

Preference Shares - Listed

Preference Shares - Unlisted

Non Government Debt Securities

Term Finance Certificates

Sukuks

Foreign Securities

Overseas Bonds - Sovereign

Overseas Bonds - Others

Redeemable Participating Certificate

928,709	-	(7,006)	921,703	66,709,176	-	(31,162)	66,678,014
573,316,755	-	(2,582,406)	570,734,349	421,777,608	-	(2,068,279)	419,709,329
87,133,920	-	(399,993)	86,733,927	70,415,751	-	(427,810)	69,987,941
1,888,900	-	(322,602)	1,566,298	1,172,284	-	109,704	1,281,988
906,605	-	-	906,605	1,016,120	-	-	1,016,120
6,539,504	(326,774)	28,796	6,241,526	4,228,215	(315,697)	50,388	3,962,906
1,211,363	(57,728)	-	1,153,635	1,211,363	(55,725)	-	1,155,638
108,835	(108,835)	-	-	108,835	(108,835)	-	-
25,000	(25,000)	-	-	25,000	(25,000)	-	-
2,426,768	(311,298)	(9,902)	2,105,568	2,426,778	(311,298)	(10,682)	2,104,798
17,475,547	(96,511)	64,464	17,443,500	17,481,926	(96,511)	239,990	17,625,405
18,866,880	-	(572,263)	18,294,617	17,350,342	-	292,949	17,643,291
33,428,790	-	(2,223,424)	31,205,366	30,356,529	-	403,361	30,759,890
3,459,902	-	-	3,459,902	3,310,874	-	-	3,310,874
747,717,478	(926,146)	(6,024,336)	740,766,996	637,590,801	(913,066)	(1,441,541)	635,236,194

Held-to-maturity securities

Federal Government Securities

Pakistan Investment Bonds

Other Federal Government Securities

Non Government Debt Securities

Term Finance Certificates

Sukuks

Foreign Securities

Overseas Bonds - Sovereign

62,828,752	-	-	62,828,752	52,966,763	-	-	52,966,763
-	-	-	-	3,094,151	-	-	3,094,151
914,680	(24,680)	-	890,000	431,347	(24,680)	-	406,667
2,063,571	(80,722)	-	1,982,849	2,063,572	(80,722)	-	1,982,850
11,827,788	-	-	11,827,788	13,106,228	-	-	13,106,228
77,634,791	(105,402)	-	77,529,389	71,662,061	(105,402)	-	71,556,659
1,177,606	-	-	1,177,606	1,177,606	-	-	1,177,606
300,000	(42,981)	-	257,019	300,000	(42,981)	-	257,019
-	-	-	-	-	-	-	-
-	(180,264)	-	(180,264)	-	(167,542)	-	(167,542)
912,745,619	(1,254,793)	(6,317,185)	905,173,641	812,307,169	(1,228,991)	(1,864,595)	809,213,583

10.1.1 The adoption of IFRS 9 at Bahrain Operations of the Bank has resulted in investments in Redeemable Participating Certificates held abroad, being mandatorily measured at "Fair Value through Profit and Loss Account". However, based on the clarification received from the State Bank of Pakistan (SBP) vide their letter No. BPRD/RPD/2018-16203 dated July 26, 2018, such investments have been reported and measured under "Available for Sale" investments in these unconsolidated condensed interim financial statements.

	(Un-audited) March 31, 2022 ------(Rupees in 000)-----	(Audited) December 31, 2021 ------(Rupees in 000)-----
10.2 Investments given as collateral		
Market Treasury Bills	-	34,714,491
Pakistan Investment Bonds	195,854,600	109,031,611
Overseas Bonds	1,370,823	10,749,672
	<u>197,225,423</u>	<u>154,495,774</u>

10.2.1 Market value of securities given as collateral is Rs. 195,315.589 million (December 31, 2021: Rs. 154,163.013 million).

	(Un-audited) March 31, 2022 ------(Rupees in 000)-----	(Audited) December 31, 2021 ------(Rupees in 000)-----
10.3 Provision for diminution in value of investments		
10.3.1 Opening balance	1,228,991	1,397,534
Exchange and other adjustments	12,382	6,183
Charge / reversals		
Charge for the period / year	51,037	421,889
Reversals for the period / year	(4,748)	(217,924)
Reversal on disposals	(32,869)	(374,755)
	13,420	(170,790)
Written off	-	(3,936)
Closing balance	<u>1,254,793</u>	<u>1,228,991</u>

10.3.2 Particulars of provision against debt securities

Category of classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPL	Provision	NPL	Provision
Domestic	------(Rupees in '000)-----			
Loss	513,211	513,211	513,211	513,211

10.3.2.1 In addition to the above, overseas branches hold a provision of Rs. 180.264 million (December 31, 2021: Rs. 167.542 million) against investments in accordance with ECL requirements of IFRS 9.

10.3.3 The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs. 74,519.133 million (December 31, 2021: Rs. 69,624.622 million).

Note	Performing		Non Performing		Total	
	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	517,619,396	515,833,595	19,918,468	20,345,296	537,537,864	536,178,891
Islamic financing and related assets	39.3 146,177,822	132,995,060	3,812,812	3,776,282	149,990,634	136,771,342
Bills discounted and purchased	23,830,617	25,534,513	606,365	588,182	24,436,982	26,122,695
Advances - gross	687,627,835	674,363,168	24,337,645	24,709,760	711,965,480	699,072,928
Provision against advances						
- Specific	11.4 -	-	(21,356,900)	(21,125,068)	(21,356,900)	(21,125,068)
- General	11.4 (4,162,630)	(4,067,236)	-	-	(4,162,630)	(4,067,236)
	(4,162,630)	(4,067,236)	(21,356,900)	(21,125,068)	(25,519,530)	(25,192,304)
Advances - net of provision	683,465,205	670,295,932	2,980,745	3,584,692	686,445,950	673,880,624

- 11.1 Advances include an amount of Rs. 265.479 million (December 31, 2021: Rs. 233.151 million), being Employee Loan facilities allowed to Citibank, N.A, **Pakistan's** employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 10.17% to 23.65% (December 31, 2021: 10.17% to 23.65%) with maturities up to October 2041 (December 31, 2021: October 2041).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----		
11.2 Particulars of advances (Gross)		
In local currency	647,716,115	631,764,578
In foreign currencies	64,249,365	67,308,350
	711,965,480	699,072,928

- 11.3 Advances include Rs. 24,337.645 million (December 31, 2021: Rs. 24,709.760 million) which have been placed under non-performing status as detailed below:

Category of Classification

	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	50,377	543	84,230	4,693
Substandard	2,045,207	561,708	2,466,916	566,982
Doubtful	2,402,580	1,261,454	2,743,571	1,423,199
Loss	19,192,585	19,041,342	18,789,033	18,654,227
	23,690,749	20,865,047	24,083,750	20,649,101
Overseas				
Overdue by:				
91 to 180 days	30,450	264	29,467	249
Above 365 days	616,446	491,589	596,543	475,718
	646,896	491,853	626,010	475,967
Total	24,337,645	21,356,900	24,709,760	21,125,068

11.4 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance	21,125,068	4,067,236	25,192,304	18,317,255	5,266,170	23,583,425
Exchange and other adjustments	15,880	10,064	25,944	39,420	20,228	59,648
Charge for the period / year	820,163	85,330	905,493	4,959,088	-	4,959,088
Reversals for the period / year	(482,727)	-	(482,727)	(1,871,249)	(1,219,162)	(3,090,411)
	337,436	85,330	422,766	3,087,839	(1,219,162)	1,868,677
Amounts written off	(51,693)	-	(51,693)	(319,446)	-	(319,446)
Amounts charged off - agriculture financing	(69,791)	-	(69,791)	-	-	-
	(121,484)	-	(121,484)	(319,446)	-	(319,446)
Closing balance	21,356,900	4,162,630	25,519,530	21,125,068	4,067,236	25,192,304

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax at March 31, 2022 which is not available for distribution as either cash or stock dividend to shareholders/ bonus to employees amounted to Rs. 92.167 million (December 31, 2021: Rs. 89.192 million).

11.4.2 General provision includes:

(i) Provision held in accordance with SBP's prudential regulations against:

- Conventional consumer loans being maintained at an amount equal to 1% of the secured auto loans and 0.5% of secured house loans

performing portfolio and 4% of the unsecured (personal loans and credit cards) performing portfolio;

- Islamic auto loans being maintained at an amount equal to 1% of the secured performing portfolio and for Islamic house loans, at an amount equal to 0.5% of the secured performing portfolio;

- Small Enterprises (SE) portfolio being maintained at an amount equal to 1% against unsecured performing SE portfolio;

(ii) Provision held at overseas branches to meet the requirements of regulatory authorities of the respective countries in which overseas branches operates; and

(iii) Provision of Rs. 2,550.000 million (December 31, 2021: 2,550.000 million) representing Covid 19 general loan loss reserve. While restructured portfolio is performing, the continuing cycle of Covid 19 still poses risk.

11.4.3 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loan, the Bank holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

Note (Un-audited) (Audited)
March 31, December 31,
2022 2021
------(Rupees in '000)-----

12 FIXED ASSETS

Capital work-in-progress	12.1	1,640,772	1,117,186
Property and equipment	12.2	28,554,457	26,566,315
Right-of-use assets		12,398,628	11,815,478
		<u>42,593,857</u>	<u>39,498,979</u>

12.1 Capital work-in-progress

Civil works	817,626	692,766
Equipment	816,422	414,857
Others	6,724	9,563
	<u>1,640,772</u>	<u>1,117,186</u>

12.2 It includes land and buildings carried at revalued amount of Rs. 20,918.117 million (December 31, 2021: Rs. 19,341.240 million).

12.2.1 During the period, non banking assets having cost of Rs. 161.759 million and surplus of Rs. 60.660 million were transferred to fixed assets.

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

12.3 Additions to fixed assets

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

Capital work-in-progress - net of transferred out for capitalisation	523,586	(37,508)
Property and equipment		
Freehold land	912,286	-
Buildings on freehold land	490,384	26,247
Buildings on leasehold land	3,482	12,184
Leasehold improvement	213,737	79,540
Furniture and fixtures	36,958	28,170
Office equipment	691,134	469,613
	2,347,981	615,754
Total additions to fixed assets	2,871,567	578,246

12.4 Disposals of fixed assets

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

Leasehold improvements	1,864	1,414
Furniture and fixtures	31	745
Office equipment	5,983	1,683
Total disposal of fixed assets	7,878	3,842

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

13 INTANGIBLE ASSETS

Capital work-in-progress / Advance payment to suppliers	521,199	381,761
Software	830,413	734,681
	1,351,612	1,116,442

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

13.1 Additions to intangible assets

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

Capital work-in-progress - net of transferred out for capitalisation	139,438	47,635
Directly purchased	183,957	4,021
Total additions to intangible assets	323,395	51,656

13.2 There were no disposals during the periods ended March 31, 2022 and March 31, 2021.

Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	

14 DEFERRED TAX ASSETS

Deductible Temporary Differences on:

- Provision against investments
- Provision against advances
- Unrealised loss on revaluation of held for trading investments
- Surplus on revaluation of available for sale investments
- Provision against other assets
- Provision against lending to financial institutions
- Worker Welfare Fund

687,459	463,795
1,330,144	2,899,949
96,303	164,991
2,349,491	562,201
717,840	729,865
-	81
256,465	-
5,437,702	4,820,882

Taxable Temporary Differences on:

- Surplus on revaluation of fixed assets
- Surplus on revaluation of non banking assets
- Accelerated tax depreciation

(504,183)	(473,110)
(42,049)	(84,039)
(1,903,992)	(1,959,463)
(2,450,224)	(2,516,612)
2,987,478	2,304,270

15 OTHER ASSETS

Income/ Mark-up accrued in local currency - net of provision	30,031,568	23,325,336
Income/ Mark-up accrued in foreign currency - net of provision	1,949,031	1,389,395
Advances, deposits, advance rent and other prepayments	3,370,767	2,299,368
Non-banking assets acquired in satisfaction of claims	15.1 1,272,089	1,435,191
Dividend receivable	50,162	-
Mark to market gain on forward foreign exchange contracts	1,933,255	2,249,270
Mark to market gain on derivatives	1,782,762	-
Stationery and stamps on hand	26,087	25,415
Defined benefit plan	677,119	744,324
Due from card issuing banks	1,486,576	1,212,831
Accounts receivable	4,388,642	2,882,851
Margin deposits on derivatives	-	427,232
Claims against fraud and forgeries	65,180	67,515
Acceptances	22,810,206	20,050,282
Receivable against DSC/SSC and overseas government securities	1,251,968	570,897
Receivable against marketable securities	1,390,099	1,337,332
Others	19,741	56,795
	72,505,252	58,074,034
Less: Provision held against other assets	15.3 (1,315,385)	(1,309,288)
Other assets (net of provision)	71,189,867	56,764,746
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.1 110,355	171,727
	71,300,222	56,936,473

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 1,382.444 million (December 31, 2021: Rs. 1,606.618 million).

15.2 During the period, non banking assets having cost of Rs. 161.759 million and surplus of Rs. 60.660 million were transferred to fixed assets.

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
		----- (Rupees in '000) -----	
15.3	Provision held against other assets		
	Expected credit loss (overseas operation)	140,214	134,891
	Non banking assets acquired in satisfaction of claims	-	300
	Impairment against overseas operation	1,000,000	1,000,000
	Others including fraud and forgeries	175,171	174,097
		<u>1,315,385</u>	<u>1,309,288</u>
15.3.1	Movement in provision held against other assets		
	Opening balance	1,309,288	258,857
	Exchange and other adjustments	3,433	8,393
	Charge for the period / year	2,964	1,060,710
	Reversals for the period / year	(300)	(11,017)
		2,664	1,049,693
	Amount written off	-	(7,655)
	Closing balance	<u>1,315,385</u>	<u>1,309,288</u>
16	BILLS PAYABLE		
	In Pakistan	25,978,233	21,774,411
	Outside Pakistan	1,055,441	1,051,089
		<u>27,033,674</u>	<u>22,825,500</u>
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan under:		
	Export Refinance Scheme	54,307,417	52,812,064
	Long-Term Finance Facility	26,627,403	26,394,909
	Financing Facility for Renewable Energy Projects	10,151,358	9,793,026
	Financing Facility for Storage of Agriculture Produce (FFSAP)	794,256	685,931
	Refinance for Wages & Salaries	10,798,202	14,332,866
	Temporary Economic Refinance Facility	38,410,345	28,933,063
	Other refinance schemes	509,979	244,105
	Repurchase Agreement Borrowings	180,000,000	97,506,050
		321,598,960	230,702,014
	Repurchase agreement borrowings	16,666,309	55,219,084
	Bai Muajjal	47,182,089	47,960,362
	Medium Term Note	11,000,000	11,000,000
	Total secured	<u>396,447,358</u>	<u>344,881,460</u>
	Unsecured		
	Call borrowings	26,166,696	21,084,927
	Overdrawn nostro accounts	2,342,404	1,774,249
	Bai Muajjal	2,475,576	849,923
	Others		
	- Pakistan Mortgage Refinance Company	2,256,476	2,280,921
	- Karandaaz Risk Participation	2,678,518	2,345,604
	- Other financial institutions	11,009,381	10,591,788
	Total unsecured	<u>46,929,051</u>	<u>38,927,412</u>
		<u>443,376,409</u>	<u>383,808,872</u>

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					
Customers						
Current deposits	439,757,447	102,807,373	542,564,820	407,126,787	88,329,596	495,456,383
Savings deposits	239,010,161	33,830,479	272,840,640	249,702,928	34,000,491	283,703,419
Term deposits	159,587,404	30,437,664	190,025,068	169,741,023	42,871,078	212,612,101
Others	15,268,369	7,363,907	22,632,276	19,942,860	4,683,544	24,626,404
	853,623,381	174,439,423	1,028,062,804	846,513,598	169,884,709	1,016,398,307
Financial Institutions						
Current deposits	4,107,886	809,913	4,917,799	2,015,668	3,280,707	5,296,375
Savings deposits	126,716,645	2,170,559	128,887,204	90,179,130	900,203	91,079,333
Term deposits	15,446,050	294,898	15,740,948	24,170,116	988,200	25,158,316
Others	508,373	41,461	549,834	950,897	161,378	1,112,275
	146,778,954	3,316,831	150,095,785	117,315,811	5,330,488	122,646,299
	1,000,402,335	177,756,254	1,178,158,589	963,829,409	175,215,197	1,139,044,606

18.1 Current deposits include remunerative current deposits of Rs. 9,429.270 million (December 31, 2021 : Rs. 8,823.382 million).

19 SUBORDINATED DEBT

		March 31, 2022	December 31, 2021
		------(Rupees in '000)-----	
Term Finance Certificates - Additional Tier-I - Quoted, Unsecured			
Issue amount	Rs. 7,000,000,000	7,000,000	7,000,000
Issue date	March 2018		
Maturity date	Perpetual.		
Rating	"AA-" (double A minus) by VIS Credit Rating Company Limited.		
Security	Unsecured.		
Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.		
Profit payment frequency	Payable semi-annually in arrears.		
Redemption	Perpetual.		
Mark-up	For the period at end of which the Bank is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of SBP, mark-up rate will be Base Rate + 1.50% with no step up feature. (Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit payment date.		
Lock-in-clause	Mark-up will only be paid from the Bank's current year's earning and if the Bank is in compliance of regulatory MCR and CAR requirements set by SBP from time to time.		
Loss absorbency clause	In conformity with SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event; (ii) the point of non-viability Trigger Event; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.		
Call Option	The Bank may, at its sole discretion, exercise call option any time after five years from the Issue Date, subject to prior approval of SBP.		
		7,000,000	7,000,000

20 OTHER LIABILITIES

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		----- (Rupees in '000) -----	
Mark-up/ Return/ Interest payable in local currency		5,308,988	5,341,826
Mark-up/ Return/ Interest payable in foreign currency		833,371	784,610
Unearned fee commission and income on bills discounted and guarantees		1,752,918	1,386,030
Accrued expenses		8,006,291	8,405,092
Current taxation		9,879,180	10,533,309
Acceptances		22,810,206	20,050,282
Dividends payable		3,662,042	152,030
Mark to market loss on forward foreign exchange contracts		939,997	1,021,507
Mark to market loss on derivatives	23.1	-	191,189
Branch adjustment account		24,650	334,445
ADC settlement accounts		1,919,205	1,558,435
Provision for compensated absences		679,224	634,224
Payable against redemption of customer loyalty / reward points		509,645	486,149
Charity payable		37,592	24,963
Provision against off-balance sheet obligations	20.1	179,769	137,639
Security deposits against leases, lockers and others		12,969,543	11,185,102
Workers' Welfare Fund		2,631,617	2,471,455
Payable to vendors and suppliers		594,054	722,986
Margin deposits on derivatives		924,730	-
Payable to merchants (card acquiring)		511,671	188,553
Indirect taxes payable		1,494,763	1,284,540
Lease Liability		13,961,756	13,189,739
Payable against marketable securities		29,667	285,690
Others		1,932,181	1,269,885
		<u>91,593,060</u>	<u>81,639,680</u>

20.1 Provision against off-balance sheet obligations

Opening balance	137,639	127,428
Exchange and other adjustments	5,077	10,468
Charge / reversal for the period / year	37,053	(257)
Closing balance	<u>179,769</u>	<u>137,639</u>

Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- (Rupees in 000) -----	

21 SURPLUS ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of:

- Available for sale securities
- Fixed Assets
- Non-banking assets acquired in satisfaction of claims

10.1	(6,024,336)	(1,441,541)
	13,092,061	13,053,303
	110,355	171,727
	7,178,080	11,783,489

Less: Deferred tax (asset) / liability on surplus / (deficit) on revaluation of:

- Available for sale securities
- Fixed Assets
- Non-banking assets acquired in satisfaction of claims

(2,349,491)	(562,201)
504,183	473,110
42,049	84,039
(1,803,259)	(5,052)

Less: Derivatives (Deficit) / Surplus

(1,560,621) 347,961

10,541,960 11,440,580

22 CONTINGENCIES AND COMMITMENTS

- Guarantees
- Commitments
- Other contingent liabilities

22.1	109,434,200	99,914,966
22.2	441,021,612	466,051,999
22.3.1	7,046,425	4,823,035
	557,502,237	570,790,000

22.1 Guarantees:

- Performance guarantees
- Other guarantees

44,747,887	41,041,271
64,686,313	58,873,695
109,434,200	99,914,966

22.2 Commitments:

- Documentary credits and short-term trade-related transactions
- Letters of credit

208,266,927 178,246,952

Commitments in respect of:

- forward foreign exchange contracts
- forward government securities transactions
- derivatives
- forward lending

22.2.1	148,923,059	164,776,360
22.2.2	-	39,784,849
22.2.3	43,037,307	36,820,716
22.2.4	38,371,409	43,921,848

Commitments for acquisition of:

- operating fixed assets
- intangible assets

2,002,585	2,054,239
420,325	447,035
441,021,612	466,051,999

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		----- (Rupees in '000) -----	
22.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	90,616,031	104,574,460
	Sale	58,307,028	60,201,900
		<u>148,923,059</u>	<u>164,776,360</u>
22.2.2	Commitments in respect of forward government securities transactions		
	Purchase	-	10,167,457
	Sale	-	29,617,392
		<u>-</u>	<u>39,784,849</u>
22.2.3	Commitments in respect of derivatives (Interest Rate Swaps)		
	Purchase	43,037,307	36,820,716
	Sale	-	-
		<u>43,037,307</u>	<u>36,820,716</u>
22.2.4	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	33,769,844	39,356,808
	Commitments in respect of investments	4,601,565	4,565,040
		<u>38,371,409</u>	<u>43,921,848</u>
22.2.4.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.		
22.3	Other contingent liabilities		
22.3.1	Claims against the Bank not acknowledged as debts	7,046,425	4,823,035

These mainly represents counter claims filed by the borrowers for restricting the Bank from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by Ex. employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.

22.4	Contingency for tax payable	
22.4.1	There were no tax related contingencies other than as disclosed in note 33.1.	
23	DERIVATIVE INSTRUMENTS	

Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.

23.1	Product Analysis	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
		Interest Rate Swaps			Interest Rate Swaps		
	Counterparties	No. of contracts	Notional Principal	Mark to market gain	No. of contracts	Notional Principal	Mark to market loss
		----- (Rupees in '000) -----					
	With Banks for Hedging	58	43,037,307	1,782,762	50	36,820,716	(191,189)
		58	43,037,307	1,782,762	50	36,820,716	(191,189)

	Note	(Un-audited) Quarter ended	
		March 31, 2022	March 31, 2021
		----- (Rupees in '000) -----	
24	MARK-UP/RETURN/INTEREST EARNED		
	On:		
	a) Loans and advances	14,497,086	10,644,785
	b) Investments	20,431,985	9,996,824
	c) Lendings to financial institutions	348,518	482,834
	d) Balances with banks	7,890	6,918
	e) On securities purchased under resale agreements / Bai Muajjal	656,919	256,384
		<u>35,942,398</u>	<u>21,387,745</u>
25	MARK-UP/RETURN/INTEREST EXPENSED		
	On:		
	a) Deposits	12,659,996	6,266,708
	b) Borrowings	2,168,455	1,642,637
	c) Securities sold under repurchase agreements	5,412,173	2,224,535
	d) Subordinated debt	170,802	152,385
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings	768,308	411,467
	f) Borrowing cost on leased properties	422,649	332,405
	g) Reward points / customer loyalty	50,962	31,085
		<u>21,653,345</u>	<u>11,061,222</u>
26	FEE & COMMISSION INCOME		
	Branch banking customer fees	254,104	260,895
	Consumer finance related fees	119,702	89,062
	Card related fees (debit and credit cards)	449,086	329,479
	Credit related fees	52,845	67,977
	Investment banking fees	43,563	44,578
	Commission on trade	484,245	408,274
	Commission on guarantees	120,511	82,931
	Commission on cash management	10,798	10,939
	Commission on remittances including home remittances	228,721	196,224
	Commission on bancassurance	160,300	102,555
	Card acquiring business	171,472	119,215
	Wealth Management Fee	22,969	18,251
	Commission on Employees' Old-Age Benefit Institution (EOBI)	11,868	9,625
	Commission on Benazir Income Support Programme (BISP)	146,921	3,021
	Alternate Delivery Channels (ADC)	160,936	96,907
	Others	35,484	20,878
		<u>2,473,525</u>	<u>1,860,811</u>
27	GAIN ON SECURITIES		
	Realised	27.1 304,354	1,127,985
	Unrealised - held for trading	10.1 (292,849)	(33,393)
		<u>11,505</u>	<u>1,094,592</u>
27.1	Realised gain / (loss) on:		
	Federal Government Securities	110,671	471,381
	Shares	(10,806)	159,008
	Non Government Debt Securities	2,993	11,134
	Foreign Securities	201,496	486,462
		<u>304,354</u>	<u>1,127,985</u>
28	OTHER INCOME		
	Rent on property	6,057	6,281
	Gain on sale of fixed assets-net	27,083	8,282
	Gain on sale of non banking assets	28.1 9,200	-
	Profit on termination of leased contracts (Ijarah)	10,528	19,190
	Gain on termination of leases (IFRS 16)	107,901	4,374
		<u>160,769</u>	<u>38,127</u>
28.1	The Bank earned an income of Rs. 9,200 million against sale of membership shares / cards.		

Note

(Un-audited)
Quarter ended

	March 31, 2022	March 31, 2021
	(Rupees in '000)	
29 OPERATING EXPENSES		
Total compensation expense	29.1 4,924,586	4,072,047
Property expense		
Rent and taxes	24,115	21,903
Utilities cost	314,121	249,986
Security (including guards)	227,092	194,814
Repair and maintenance (including janitorial charges)	213,007	177,351
Depreciation on right-of-use assets	631,636	533,982
Depreciation on non-banking assets acquired in satisfaction of claims	1,075	1,073
Depreciation on owned assets	150,465	120,709
	1,561,511	1,299,818
Information technology expenses		
Software maintenance	470,256	314,544
Hardware maintenance	145,593	163,174
Depreciation	157,626	133,752
Amortisation	88,207	105,776
Network charges	133,290	160,703
Consultancy and support services	39,329	8,321
	1,034,301	886,270
Other operating expenses		
Directors' fees and allowances	50,500	50,046
Fees and allowances to Shariah Board	3,345	2,360
Legal and professional charges	202,511	36,926
Outsourced services costs	170,115	203,280
Travelling and conveyance	172,493	106,958
Clearing and custodian charges	25,860	23,132
Depreciation	268,731	249,751
Training and development	28,662	33,584
Postage and courier charges	122,745	93,218
Communication	131,261	112,630
Stationery and printing	227,130	185,426
Marketing, advertisement and publicity	266,965	156,012
Donations	2,600	500
Auditors' remuneration	13,540	17,326
Brokerage and commission	65,573	69,336
Entertainment	80,280	67,540
Repairs and maintenance	146,909	127,028
Insurance	320,677	265,172
Cash handling charges	251,769	222,876
CNIC verification	43,763	36,614
Others	166,361	140,122
	2,761,790	2,199,837
	10,282,188	8,457,972
29.1 Total compensation expense		
Managerial remuneration		
i) Fixed	3,622,299	3,033,317
ii) Variable:		
a) Cash Bonus / Awards etc.	616,669	488,281
b) Bonus and Awards in Shares etc.	60,000	39,500
Charge for defined benefit plan	88,855	54,212
Contribution to defined contribution plan	149,114	122,050
Medical	188,608	175,255
Conveyance	87,287	68,927
Staff compensated absences	45,000	34,000
Others	44,024	29,713
Sub-total	4,901,856	4,045,255
Sign-on bonus	17,730	26,652
Severance allowance	5,000	140
Grand Total	4,924,586	4,072,047

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by Federal Government through Finance Act, 2008 for the levy of Workers Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petition is decided. Accordingly, the amount charged for Workers Welfare Fund since 2008 has not been reversed.

Note	(Un-audited) Quarter ended	
	March 31, 2022	March 31, 2021
	------(Rupees in '000)-----	

31 OTHER CHARGES

Penalties imposed by State Bank of Pakistan	1,803	5,837
Penalties imposed by other regulatory bodies	-	698
	<u>1,803</u>	<u>6,535</u>

32 PROVISIONS & WRITE OFFS - NET

Provision against lending to financial institutions	-	11,196
Provision / (reversal) for diminution in value of investments	10.3	13,420
Provision against loans & advances	11.4	422,766
Provision / (reversal) against other assets	15.3.1	2,664
Provision / (reversal) against off-balance sheet obligations	20.1	37,053
Other provisions / write off - net		2,665
Recovery of written off / charged off bad debts		(91,418)
		<u>387,150</u>
		<u>216,168</u>

33 TAXATION

Charge / (reversal) :

Current	3,126,333	2,134,042
Prior years	(1,420,539)	-
Deferred	1,114,873	(234,968)
	<u>2,820,667</u>	<u>1,899,074</u>

- 33.1 a) The income tax assessments of the Bank have been finalized upto and including tax year 2021. Certain addback made by tax authorities for various assessment years appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.

In respect of tax years 2008, 2014, 2017, 2019, 2020 and 2021, the tax authorities have raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of Leasehold improvements resulting in tax demand of Rs. 336.549 million net of relief provided in appeal (December 31, 2021: Rs. 714.263). Bank has filed appeals on these issues which are pending before Commissioner Appeals. The management is confident that these matters will be decided in favour of the Bank and consequently has not made any provision in respect of these amounts.

- b) The Bank has received orders from a provincial tax authority for the periods from July 2011 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs. 763.312 million [excluding default surcharge] (December 31, 2021: Rs. 763.312 million) by disallowing certain exemptions of sales tax on banking services and allegedly for short payment of sales tax. Appeals against these orders are pending before Commissioner Appeals. The Bank has not made any provision against these orders and the management is of the view that these matters will be settled in Bank's favour through appellate process.
- c) The Bank has received an order from a tax authority wherein Sales tax and Further Tax amounting to Rs. 8.601 million [excluding default surcharge and penalty] is demanded allegedly for non-payment of sales tax on certain transactions relating to accounting year 2016. Bank appeal against this order is pending before Commissioner Appeals. The Bank has not made any provision against this order and the management is of the view that this matter will be favourably settled through appellate process.

34 BASIC AND DILUTED EARNINGS PER SHARE

Profit for the period

(Un-audited)
Quarter ended

March 31, 2022	March 31, 2021
5,018,671	3,470,549

----- (Rupees in '000) -----

Weighted average number of ordinary shares

1,777,165	1,777,165
-----------	-----------

----- (Rupees) -----

Basic and diluted earnings per share

2.82	1.95
------	------

- 34.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

35.1 Fair value of financial instruments

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.

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).

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

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:

	March 31, 2022 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	743,876,270	-	743,876,270
Shares	6,814,646	-	-	6,814,646
Non-Government Debt Securities	12,057,600	4,438,107	-	16,495,707
Foreign Securities	-	58,049,633	-	58,049,633
Financial assets - not measured at fair value				
Investments - held to maturity securities	-	74,519,133	-	74,519,133
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	1,933,255	-	1,933,255
Forward sale of foreign exchange	-	(939,997)	-	(939,997)
Forward purchase of government securities	-	-	-	-
Derivatives purchases	-	1,782,762	-	1,782,762
	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	655,169,287	-	655,169,287
Shares	4,933,786	-	-	4,933,786
Non-Government Debt Securities	12,180,000	7,550,203	-	19,730,203
Foreign Securities	-	55,400,927	-	55,400,927
Financial assets - not measured at fair value				
Investments - held to maturity securities	-	69,624,622	-	69,624,622
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	2,249,270	-	2,249,270
Forward sale of foreign exchange	-	(1,021,507)	-	(1,021,507)
Forward purchase of government securities	-	(46,547)	-	(46,547)
Derivatives purchases	-	(191,189)	-	(191,189)

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

35.3 Valuation techniques used in determination of fair values:

35.3.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies and Non government debt securities.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Sukuks, GoP Euro Bonds, Overseas Government Sukuks, Overseas Bonds, Term Finance Certificates, and other than Government Sukuks, forward foreign exchange contracts and interest rate swaps.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

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

35.3.2 Fair value of non-financial assets

Certain categories of fixed assets (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 12 and 15. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan.

35.3.3 Valuation techniques

Item	Valuation approach and input used
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates announced by the State Bank of Pakistan.
Interest rate swaps	The fair value of interest rate swaps and futures is determined using prices and curves through Bloomberg.
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB), and GoP Sukuks (GIS)	The fair value of MTBs and PIBs are derived using PKRV rates. GIS are revalued using PKISRV rates. Floating rate PIBs are revalued using PKFRV rates.
Overseas Sukuks, Overseas and GoP Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Debt Securities (TFCs) and Sukuk other than Government	Investment in WAPDA Sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Operating fixed assets and non banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations can not be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

36.1 Segment details with respect to Business Activities

[illegible]

* Others include head office related activities.

For the period ended March 31, 2021 (Un-audited)

	Retail	Corporate	Islamic	Treasury	Digital	Overseas	Others *	Total
(Rupees in '000)								
Profit and loss								
Net mark-up/return/profit	(984,389)	3,521,283	1,916,466	5,276,541	(7,634)	708,021	(103,765)	10,326,523
Inter segment revenue - net	6,374,241	(1,992,020)	(53,899)	(4,475,775)	99,898	80,836	(33,281)	-
Non mark-up / return / interest income	1,046,118	531,345	1,068,952	1,068,952	35,163	748,456	137,046	3,833,359
Total income	6,435,970	2,060,608	2,129,519	1,869,045	127,427	1,537,313	-	14,159,882
Segment direct expenses								
Inter segment expense allocation	3,587,515	254,785	1,088,620	120,064	319,560	488,851	2,714,696	8,574,091
Total expenses	1,730,287	244,739	431,795	66,079	178,797	59,779	(2,711,476)	-
Provisions / (reversals)	5,317,802	499,524	1,520,415	186,143	498,357	548,630	3,220	8,574,091
Profit before tax	(59,713)	377,415	(25,041)	(41,484)	640	(32,429)	(3,220)	216,168
	1,177,881	1,183,669	634,145	1,724,386	(371,570)	1,021,112	-	5,369,623

As at December 31, 2021 (Audited)

	Retail	Corporate	Islamic	Treasury	Digital	Overseas	Others *	Total
(Rupees in '000)								
Balance sheet								
Cash and bank balances	59,713,617	11,541,859	16,233,178	6,799,542	494,255	20,606,452	-	115,388,903
Investments	-	2,072,227	91,822,133	645,414,966	-	69,050,718	853,539	809,213,583
Net inter segment lending	431,128,123	-	-	-	6,355,852	-	86,291,183	523,775,158
Lendings to financial institutions	-	-	16,493,641	11,172,904	-	8,315,520	-	35,982,065
Advances - performing	203,165,570	282,208,814	132,877,992	-	65,423	41,101,258	10,876,875	670,295,932
Advances - non-performing	1,033,436	2,138,566	224,685	-	2,337	150,043	35,625	3,584,692
Others	21,021,729	19,167,418	21,637,954	11,100,835	1,490,652	3,353,196	22,084,380	99,856,164
Total assets	716,062,475	317,128,884	279,289,583	674,488,247	8,408,519	142,577,187	120,141,602	2,258,096,497
Borrowings								
Subordinated debt	26,768,170	79,969,245	31,305,163	207,951,783	-	37,314,358	500,153	383,808,872
Deposits and other accounts	668,702,882	182,007,203	200,390,388	-	8,293,361	79,650,772	7,000,000	1,139,044,606
Net inter segment borrowing	-	26,502,870	12,724,121	464,701,513	-	19,846,654	-	523,775,158
Others	20,591,423	28,649,566	32,493,099	3,089,606	115,158	5,658,006	13,868,322	104,465,180
Total liabilities	716,062,475	317,128,884	276,912,771	675,742,902	8,408,519	142,469,790	21,368,475	2,158,093,816
Net Assets	-	-	2,376,812	(1,254,655)	-	107,397	98,773,127	100,002,681
Equity	-	-	-	-	-	-	-	-
Contingencies and commitments	69,140,430	182,035,105	73,345,099	160,268,743	78,313	83,682,843	2,239,467	570,790,000

* Others include head office related activities.

The Bank has related party transactions with its parent, subsidiary, associates, joint ventures, employee benefit plans, its directors, key management personnel and other related parties.

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

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

	As at March 31, 2022 (Un-audited)					As at December 31, 2021 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiary	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiary	Associates	Other related parties
(Rupees in '000)										
Lendings to financial institutions										
Opening balance	-	-	-	-	2,330,078	-	-	-	-	1,745,830
Addition during the period / year	-	-	-	-	6,216,225	-	-	-	-	136,191,858
Repaid during the period / year	-	-	-	-	(8,546,303)	-	-	-	-	(133,658,672)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(1,948,938)
Closing balance	-	-	-	-	-	-	-	-	-	2,330,078
Investments										
Opening balance	-	-	300,000	1,177,606	1,119,230	-	-	300,000	1,177,606	1,241,405
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	(22,245)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(99,930)
Closing balance	-	-	300,000	1,177,606	1,119,230	-	-	300,000	1,177,606	1,119,230
Provision for diminution in value of investments										
Opening balance	-	-	42,981	-	-	-	-	42,981	-	-
Advances										
Opening balance	77	1,184,057	-	-	1,997,552	78,132	791,521	-	-	3,346,278
Addition during the period / year	367	264,753	-	-	24,714	-	681,118	-	-	1,954,966
Repaid during the period / year	(36)	(148,556)	-	-	(1,066,209)	(78,055)	(263,110)	-	-	(3,298,044)
Transfer in / (out) - net	-	(26,085)	-	-	-	-	(25,472)	-	-	94,352
Closing balance	408	1,274,169	-	-	956,057	77	1,184,057	-	-	1,997,552
Other assets										
Interest / mark-up accrued	1	101,035	-	-	462	-	109,318	-	-	20,294
Receivable from staff retirement fund	-	-	-	-	677,120	-	-	-	-	744,324
Dividend receivable	-	-	-	30,000	-	-	-	-	-	-
Prepayment / rent receivable	-	-	-	-	-	-	-	-	-	-

	As at March 31, 2022 (Un-audited)					As at December 31, 2021 (Audited)				
	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties	Directors/ CEO	Key management personnel	Subsidiaries	Associates	Other related parties
Borrowings										
Opening balance	-	-	-	-	2,280,921	-	-	-	-	2,384,849
Borrowings during the period / year	-	-	-	-	9,787,651	-	-	-	-	29,725,920
Settled during the period / year	-	-	-	-	(9,782,096)	-	-	-	-	(29,829,848)
Closing balance	-	-	-	-	2,286,476	-	-	-	-	2,280,921
Deposits and other accounts										
Opening balance	59,026	371,960	34,986	13,465,080	6,410,266	103,392	397,194	16,920	5,586,652	3,706,919
Received during the period / year	147,733	1,637,960	956,100	60,264,171	14,989,461	1,313,242	2,764,278	2,011,243	191,394,108	34,036,364
Withdrawn during the period / year	(94,950)	(1,400,279)	(993,832)	(66,098,528)	(14,672,110)	(1,357,608)	(2,772,385)	(1,995,177)	(183,515,080)	(31,371,402)
Transfer in / (out) - net	-	(3,652)	-	-	-	-	(7,127)	-	-	38,785
Closing balance	111,809	606,009	7,254	7,630,723	6,727,617	59,026	371,960	34,986	13,465,080	6,410,266
Other liabilities										
Interest / mark-up payable	163	1,913	-	-	29,152	131	750	-	-	22,597
Lease liabilities	-	-	-	-	-	-	-	-	-	-
Dividend payable	547,889	6,456	-	1,249	1,155,702	-	-	-	-	-
Others	-	-	1,863	-	14,403	-	-	292	-	67,830
Contingencies and commitments										
Other contingencies	-	-	-	-	25,458	-	-	-	-	24,491
Income										
Mark-up / return / interest earned	-	12,769	-	-	11,898	2,747	10,919	-	-	65,969
Fee and commission income	-	-	-	21,053	-	-	-	-	16,776	-
Dividend income	-	-	-	30,000	-	-	-	-	-	-
Other income	-	9	-	19,358	-	-	-	-	897	5,502
Expenses										
Mark-up / return / interest paid	318	6,152	49	95,051	178,122	101	2,367	45	37,526	121,018
Borrowing cost on leased properties	-	-	-	-	-	-	-	-	-	320
Other operating expenses	-	-	-	-	-	-	-	-	-	-
Directors fee	50,500	-	-	-	-	50,046	-	-	-	-
Managerial remuneration	187,264	783,056	-	-	23,250	101,030	621,887	-	-	5,482
Software maintenance	-	-	-	-	-	-	-	-	-	-
Travelling and accommodation	-	-	-	-	8,511	-	-	-	-	23,465
Communication cost	-	-	-	-	-	-	-	-	-	-
Brokerage and commission	-	-	583	-	-	-	-	1,027	-	-
Legal and professional charges	-	-	1,388	-	67,204	-	-	5,250	-	-
Charge for defined benefit plan	-	-	-	-	141,926	-	-	-	-	54,212
Contribution to defined contribution plan	-	-	-	-	5,428	-	-	-	-	122,050
Others	-	-	-	-	-	-	-	-	-	476
Other information										
Dividend paid	-	-	-	-	-	547,880	5,728	-	1,931	1,657,492
Insurance premium paid	-	-	-	672,066	-	-	-	-	575,030	-
Insurance claims settled	-	-	-	165,638	-	-	-	-	121,885	-

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

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	17,771,651	17,771,651
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	76,380,150	76,111,426
Eligible Additional Tier 1 (ADT1) Capital	7,000,000	7,000,000
Total Eligible Tier 1 Capital	83,380,150	83,111,426
Eligible Tier 2 Capital	25,731,957	24,963,207
Total Eligible Capital (Tier 1 + Tier 2)	109,112,107	108,074,633

Risk Weighted Assets (RWAs):

Credit risk	640,004,201	643,252,085
Market risk	6,091,725	13,336,750
Operational risk	92,460,900	92,460,900
Total	738,556,826	749,049,735

Common Equity Tier 1 Capital Adequacy ratio	10.34%	10.16%
Tier 1 Capital Adequacy Ratio	11.29%	11.10%
Total Capital Adequacy Ratio	14.77%	14.43%

In line with Basel III Capital Adequacy guidelines, following capital requirements are applicable to the Bank:

Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%

For Capital adequacy calculation, Bank has adopted Standardized Approach for Credit & Market Risk related exposures and Alternate Standardized Approach (ASA) for operational risk.

Leverage Ratio (LR):

Eligible Tier-1 Capital*	85,340,911	83,253,057
Total exposures	2,415,446,692	2,161,906,415
Leverage ratio	3.53%	3.85%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	600,530,114	474,660,774
Total Net Cash Outflow	347,522,711	275,665,253
Liquidity coverage ratio	173%	172%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	1,034,621,177	1,017,917,252
Total Required Stable Funding	777,733,643	753,951,739
Net Stable Funding Ratio	133%	135%

*Eligible Tier -1 Capital measure for calculation of Leverage Ratio is based on three months average.

The Bank is operating 234 Islamic banking branches (December 31, 2021: 230 branches) and 2 sub branches (December 31, 2021: 2 sub branches) as at March 31, 2022.

STATEMENT OF FINANCIAL POSITION

		(Un-audited) March 31, 2022	(Audited) December 31, 2021
	Note		
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks		15,173,310	15,428,071
Balances with other banks		1,320,140	805,107
Due from financial institutions	39.1	3,885,739	16,493,641
Investments	39.2	106,047,846	91,822,133
Islamic financing and related assets - net	39.3	146,269,114	133,102,677
Fixed assets		9,930,921	9,227,055
Intangible assets		10,292	18,002
Deferred tax assets		-	103,108
Other assets		14,996,590	12,289,789
Total Assets		297,633,952	279,289,583
LIABILITIES			
Bills payable		6,026,533	5,019,894
Due to financial institutions		44,086,302	31,305,163
Deposits and other accounts	39.4	202,041,335	200,390,388
Deferred tax liabilities		293,275	-
Other liabilities		29,507,681	27,473,205
		281,955,126	264,188,650
NET ASSETS		15,678,826	15,100,933
REPRESENTED BY			
Islamic Banking Fund		3,950,000	3,800,000
Surplus on revaluation of assets		2,430,804	2,376,812
Unappropriated/ Unremitted profit	39.5	9,298,022	8,924,121
		15,678,826	15,100,933
CONTINGENCIES AND COMMITMENTS			
	39.6		

PROFIT AND LOSS ACCOUNT

		(Un-audited)	
		Quarter ended	
		March 31,	March 31,
		2022	2021
		----- (Rupees in '000) -----	
Profit / return earned	39.7	4,784,743	2,946,365
Profit / return expensed	39.8	2,529,036	1,029,899
Net Profit / return		2,255,707	1,916,466
Fee and Commission Income		270,495	191,316
Foreign Exchange Income		93,398	54,834
Gain on securities		48	50
Other Income		11,737	20,752
Total other income		375,678	266,952
Total Income		2,631,385	2,183,418
Other expenses			
Operating expenses		1,973,407	1,506,363
Workers Welfare Fund		12,098	14,042
Other charges		12	10
Total other expenses		1,985,517	1,520,415
Profit before provisions		645,868	663,003
Provisions / (reversals) and write offs - net		53,058	(25,041)
Profit before taxation		592,810	688,044
Taxation		219,248	201,089
Profit after taxation		373,562	486,955

39.1 Due from Financial Institutions

Unsecured

Bai Muajjal Receivable from other financial institutions

March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
(Rupees in '000)					
1,900,061	-	1,900,061	14,500,061	-	14,500,061
1,985,678	-	1,985,678	1,993,580	-	1,993,580
3,885,739	-	3,885,739	16,493,641	-	16,493,641

39.2 Investments

March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
Cost/Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost/Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

By segment & type:

(Rupees in '000)

Federal Government Securities

Available-for-sale securities

Ijarah Sukuks

Naya Pakistan Certificates

85,854,836	-	(237,022)	85,617,814	68,508,229	-	(404,622)	68,103,607
906,606	-	-	906,606	1,016,120	-	-	1,016,120
86,761,442	-	(237,022)	86,524,420	69,524,349	-	(404,622)	69,119,727

Held-to-maturity securities

Other Federal Government Securities

-	-	-	-	3,094,151	-	-	3,094,151
---	---	---	---	-----------	---	---	-----------

Non Government Debt Securities

Available-for-sale securities

Sukuks - Unlisted

17,379,036	-	161,540	17,540,576	17,385,415	-	239,990	17,625,405
------------	---	---------	------------	------------	---	---------	------------

Held-to-maturity securities

Sukuks - Unlisted

2,063,572	(80,722)	-	1,982,850	2,063,572	(80,722)	-	1,982,850
-----------	----------	---	-----------	-----------	----------	---	-----------

Total Investments

106,204,050	(80,722)	(75,482)	106,047,846	92,067,487	(80,722)	(164,632)	91,822,133
-------------	----------	----------	-------------	------------	----------	-----------	------------

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

39.3 Islamic financing and related assets

Ijarah

Murabaha

Musharaka

Diminishing Musharaka

Salam

Muajjal Financing

Musawama Financing

Islamic Staff financing

SBP Islamic Refinance

SBP Refinance Scheme For Wages & Salaries

Islamic Long Term Finance Facility Plant & Machinery

Islamic Refinance Renewable Energy

Islamic Temporary Economic Refinance Facility (ITERF)

Naya Pakistan Home Financing

Advances against Islamic assets

Inventory related to Islamic financing

Islamic Refinance Facility for combatting Covid

Refinance Facility Under Bills Discounting

Other Islamic modes

Gross Islamic financing and related assets

21,126,635	19,640,189
3,907,124	3,218,521
29,336,378	23,921,871
3,832,989	3,700,611
6,104,484	8,323,762
24,999,741	19,999,869
3,347,817	3,584,831
2,592,659	2,509,738
11,697,600	11,479,701
2,128,955	2,721,556
1,349,001	752,187
65,580	48,701
1,563,274	1,536,776
1,889,855	1,147,252
29,440,204	30,620,850
5,904,032	3,261,485
63,899	68,317
131,893	-
508,514	235,125
149,990,634	136,771,342

Less: provision against Islamic financings

- Specific

- General

(3,591,852)	(3,551,597)
(129,668)	(117,068)
(3,721,520)	(3,668,665)

Islamic financing and related assets - net of provision

146,269,114	133,102,677
-------------	-------------

39.4 Deposits

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
------(Rupees in '000)-----						
Customers						
Current deposits	91,410,241	6,069,251	97,479,492	86,434,680	5,571,558	92,006,238
Savings deposits	57,421,204	3,169,141	60,590,345	58,259,099	2,668,502	60,927,601
Term deposits	28,721,828	243,340	28,965,168	27,442,176	284,050	27,726,226
Other deposits	1,200,547	424,791	1,625,338	1,607,719	352,555	1,960,274
	<u>178,753,820</u>	<u>9,906,523</u>	<u>188,660,343</u>	<u>173,743,674</u>	<u>8,876,665</u>	<u>182,620,339</u>
Financial Institutions						
Current deposits	954,987	-	954,987	23,180	-	23,180
Savings deposits	201,006	-	201,006	214,369	-	214,369
Term deposits	12,225,000	-	12,225,000	17,532,500	-	17,532,500
	<u>13,380,993</u>	<u>-</u>	<u>13,380,993</u>	<u>17,770,049</u>	<u>-</u>	<u>17,770,049</u>
	<u>192,134,813</u>	<u>9,906,523</u>	<u>202,041,336</u>	<u>191,513,723</u>	<u>8,876,665</u>	<u>200,390,388</u>

39.4.1 Current deposits include remunerative current deposits of Rs. 9,429.270 million (December 31, 2021 : Rs. 8,823.382 million).

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	------(Rupees in '000)-----	
39.5 Islamic Banking Business Unappropriated Profit		
Opening Balance	8,924,121	7,965,912
Add: Islamic Banking profit before taxation for the period	592,810	1,538,407
Less: Taxation	(219,248)	(581,628)
Less: Transfer from surplus on revaluation of assets to unappropriated profit - net	339	1,430
Closing Balance	<u>9,298,022</u>	<u>8,924,121</u>
39.6 Contingencies and Commitments		
-Guarantees	3,205,673	3,624,100
-Commitments	<u>72,609,922</u>	<u>69,720,999</u>
	<u>75,815,595</u>	<u>73,345,099</u>

	(Un-audited) Quarter ended	
	March 31, 2022	March 31, 2021
------(Rupees in '000)-----		
39.7 Profit/Return Earned of Financing, Investments and Placement		
Financing	2,334,113	1,817,287
Investments	2,296,783	712,961
Placements	153,846	416,117
	<u>4,784,742</u>	<u>2,946,365</u>

39.8 Profit on Deposits and other Dues Expensed

Deposits and other accounts	1,992,364	800,289
Due to financial institutions	367,792	95,971
Cost of foreign currency swaps against foreign currency deposits / borrowings	14,775	37,174
Borrowing cost on lease liability	150,243	92,135
Reward points / customer loyalty	3,862	4,330
	<u>2,529,036</u>	<u>1,029,899</u>

39.9 PLS Pool Management- Islamic Banking Group (IBG)

39.9.1 The pools, their key features and risk and reward characteristics.

The profit and loss sharing between the Rabbul Maal (depositor) and Mudarib (Bank - IBG) is based upon the underlying principles of Mudaraba, where Bank also contributes its equity to general pool of funds, and becomes the capital provider.

Currently IBG is managing following pools:

- 1) General Pool for LCY Depositors
- 2) FCY Pool for Foreign Currency (USD, GBP, EURO,AED, SAR and CAD) depositors
- 3) Fls Pool for Treasury Purposes
- 4) IERS Pool for Islamic Export Refinance Scheme facilities
- 5) Special pool
- 6) PMRC Musharika Pool

All the Mudaraba based Remunerative deposits shall be considered as an investment from Rabbul Maal in the pool, along with IBG's own share of equity, which is also commingled in the pool. The applications of these funds are on Advances, Investments, and Placements for generating profits to be shared among the depositors as per the Weightage system.

The IERS pool is maintained as per the guideline under SBP IERS Scheme.

The assets, liabilities, equities, income and expenses are segregated for each of the pool. No pool investment is intermingled with each other. The risk associated with each pool is thus equally distributed among the pools.

39.9.2 Avenues/sectors where Mudaraba based deposits have been deployed.

	(Un-audited) March 31, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
Agriculture, Forestry, Hunting and Fishing	25,954,703	21,074,345
Automobile and transportation equipment	5,222,189	3,037,316
Cement	4,320,169	4,320,169
Chemical and Pharmaceuticals	7,317,173	6,504,602
Construction	3,076,982	3,041,612
Electronics and electrical appliances	2,632,897	1,555,604
Exports / Imports	126,056	126,223
Financial	468,228	556,300
Food & Allied Products	5,358,586	5,165,571
Footwear and Leather garments	859,017	884,036
Glass and Ceramics	95,723	96,824
Individuals	31,539,602	29,000,085
Insurance	1,376	1,617
Metal & Allied industries	2,354,632	2,065,731
Mining and Quarrying	5,564	5,534
Oil and Allied	1,110,821	2,820,773
Paper and Board	878,324	767,537
Power (electricity), Gas, Water, Sanitary	8,989,485	9,040,180
Services	2,044,297	2,192,142
Sugar	2,762,573	1,799,775
Technology and Communication	41,642	41,158
Textile	35,264,242	33,613,974
Transport, Storage and Communication	526,895	592,580
Wholesale and Retail Trade	5,337,072	4,952,166
Others	3,702,386	3,515,488
Total Gross Islamic Financing and Related Assets	149,990,634	136,771,342
Total gross investments (at cost)	106,204,050	92,067,487
Total Islamic placements	3,885,739	16,493,641
Total Invested Funds	260,080,423	245,332,470

39.9.3 The major components of Profit distribution and charging of the expenses.

Profit is distributed among the Mudaraba deposits on the basis of underlying principles of weightage mechanism which are announced before the beginning of the concerned period. Only direct attributable expenses such as depreciation on ijarah assets, brokerage, CIB Charges, bad debts write off on advances and loss on sale of investments etc are charged to the pool. Expenses of pool(s) do not include general and specific provisioning created against non-performing financings and diminution in the value of investments.

39.9.4 The Bank managed the following general and specific pools during the period:

Remunerative Depositor's Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (Savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
			Mudarib Share / Fee	Rabbul Maal Share				
					(Rupees in '000)			(Rupees in '000)

General Pool

PKR Pool	Monthly	7.43%	50.00%	50.00%	925,357	5.10%	14.17%	118,908
USD Pool	Monthly	2.29%	85.00%	15.00%	13,178	0.35%	5.60%	686
GBP Pool	Monthly	2.26%	85.00%	15.00%	1,208	0.45%	11.10%	120
EUR Pool	Monthly	1.66%	85.00%	15.00%	918	0.58%	24.00%	217
AED Pool	Monthly	3.25%	85.00%	15.00%	87	0.22%	0.60%	1
SAR Pool	Monthly	2.34%	85.00%	15.00%	79	0.08%	0.00%	1
CAD Pool	Monthly	1.33%	85.00%	15.00%	8	0.00%	0.00%	0

Specific Pool

Special Pool (Saving)	Monthly	7.09%	7.04%	92.96%	782	7.34%	0.00%	-
Special Pool (TDR)	Monthly	9.99%	3.51%	96.49%	25,711	10.32%	0.00%	-
Special Pool FBA (Saving)	Monthly	9.43%	15.00%	85.00%	9,838	8.88%	50.00%	4,781

Specific Pools	Profit rate and weightage announcement period	Profit rate return earned	Profit sharing ratio		Mudarib share	Profit rate return distributed to remunerative deposits (Savings and fixed)	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba
			Bank Share	SBP Share				
					(Rupees in '000)			(Rupees in '000)

Islamic Export Refinance (IERS) Pool	Monthly	6.18%	83.71%	16.29%	331,715	Nil	1.51%	5,000
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40 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two branch presence in Afghanistan. The board and management of the Bank continue to closely monitor the evolving situation in Afghanistan which has been hampered due to country frozen reserve and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

41 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue on April 26, 2022 by the Board of Directors of the Bank.

42 GENERAL

42.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated condensed interim financial statements, wherever necessary to facilitate comparison.

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Bank Alfalah Limited

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Quarter Ended March 31, 2022



Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	7	111,097,474	105,606,930
Balances with other banks	8	14,615,808	9,981,307
Lendings to financial institutions	9	13,202,382	35,982,065
Investments	10	907,908,862	811,923,246
Advances	11	686,460,345	673,883,285
Fixed assets	12	42,665,234	39,561,952
Intangible assets	13	1,354,505	1,119,389
Deferred tax assets	14	1,829,878	1,157,470
Other assets	15	72,023,066	57,557,447
		1,851,157,554	1,736,773,091
LIABILITIES			
Bills payable	16	27,033,674	22,825,500
Borrowings	17	443,983,841	384,108,872
Deposits and other accounts	18	1,178,151,334	1,139,009,620
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	7,000,000	7,000,000
Other liabilities	20	91,894,102	81,955,000
		1,748,062,951	1,634,898,992
NET ASSETS		<u>103,094,603</u>	<u>101,874,099</u>
REPRESENTED BY			
Share capital		17,771,651	17,771,651
Reserves		31,079,375	29,953,963
Surplus on revaluation of assets	21	10,539,443	11,440,246
Unappropriated profit		43,577,188	42,578,350
Total equity attributable to the equity holders of the Bank		102,967,657	101,744,210
Non-controlling interest		126,946	129,889
		<u>103,094,603</u>	<u>101,874,099</u>

CONTINGENCIES AND COMMITMENTS

22

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Profit and Loss Account

For the quarter ended March 31, 2022

Note	Quarter ended March 31, 2022	Quarter ended March 31, 2021
	----- (Rupees in '000) -----	
24	35,952,161	21,389,307
25	21,673,191	11,064,172
	<u>14,278,970</u>	<u>10,325,135</u>
26	2,537,304	1,943,395
	194,511	132,720
	1,430,821	657,996
	80,457	49,113
27	11,068	1,094,391
	61,268	38,345
28	160,787	38,127
	4,476,215	3,954,087
	<u>18,755,185</u>	<u>14,279,222</u>
29	10,341,028	8,509,541
30	160,162	109,584
31	1,803	6,535
	10,502,993	8,625,660
	<u>8,252,192</u>	<u>5,653,562</u>
32	385,859	216,168
	-	-
	<u>7,866,333</u>	<u>5,437,394</u>
33	2,836,174	2,015,158
	<u>5,030,159</u>	<u>3,422,236</u>
	5,033,102	3,411,481
	(2,943)	10,755
	<u>5,030,159</u>	<u>3,422,236</u>
34	2.83	1.92

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended March 31, 2021

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

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

Profit after taxation for the period 5,030,159 **3,422,236**

Other comprehensive income

Items that may be reclassified to profit and loss account in subsequent periods:

Effect of translation of net investment in foreign branches	623,545	(1,146,453)
Movement in surplus / (deficit) on revaluation of investments - net of tax	(886,923)	(1,527,929)
Movement in surplus / (deficit) on revaluation of investments - net of tax (share of associates)	(2,183)	(8,496)
	(265,561)	(2,682,878)

Items that will not be reclassified to profit and loss account in subsequent periods:

Movement in surplus/ (deficit) on revaluation of operating fixed assets - net of tax	(29,201)	(227,510)
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	17,504	(282)
	(11,697)	(227,792)
Total comprehensive income	4,752,901	511,566

Total comprehensive income / (loss) attributable to:

Equity holders of the Bank	4,755,844	501,589
Non-controlling interest	(2,943)	9,977
	4,752,901	511,566

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended March 31, 2021

	Capital Reserves			Surplus/(Deficit) on revaluation						Non Controlling Interest	Total
	Share capital	Share premium	Exchange translation reserve	Statutory reserve	Investments	Fixed Assets	Non Banking Assets	Unappropriated profit	Sub-total		
	---(Rupees in '000)---										
Balances as at January 01, 2021	17,771,651	4,731,049	7,358,815	15,590,158	3,282,573	7,141,899	103,947	36,572,971	92,553,063	107,437	92,660,500
Changes in equity for the quarter ended March 31, 2021											
Profit after taxation	-	-	-	-	-	-	-	3,411,481	3,411,481	10,755	3,422,236
Other comprehensive income - net of tax	-	-	(1,146,453)	-	(1,535,647)	(218,251)	(268)	-	(2,900,619)	(778)	(2,901,397)
Transfer to statutory reserve	-	-	-	347,055	-	-	-	(347,055)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(9,259)	(14)	9,273	-	-	-
Transactions with owners, recorded directly in equity											
Final cash dividend for the year ended December 31, 2020 at 20%	-	-	-	-	-	-	-	(3,554,330)	(3,554,330)	-	(3,554,330)
Balance as at March 31, 2021	17,771,651	4,731,049	6,212,362	15,937,213	1,746,926	6,914,389	103,665	36,092,340	89,509,595	117,414	89,627,009
Changes in equity for the nine months ended December 31, 2021											
Profit after taxation	-	-	-	-	-	-	-	11,025,223	11,025,223	13,009	11,038,232
Other comprehensive income - net of tax	-	-	1,998,727	-	(2,974,561)	5,718,106	(15,899)	37,345	4,763,722	(534)	4,763,188
Transfer to statutory reserve	-	-	-	1,074,612	-	-	-	(1,074,612)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(52,302)	(82)	52,384	-	-	-
Transactions with owners, recorded directly in equity											
Interim cash dividend for the half year ended June 30, 2021 - 20%	-	-	-	-	-	-	-	(3,554,330)	(3,554,330)	-	(3,554,330)
Balance as at December 31, 2021	17,771,651	4,731,049	8,211,089	17,011,825	(1,227,635)	12,580,193	87,688	42,578,350	101,744,210	129,889	101,874,099
Changes in equity for the quarter ended March 31, 2022											
Profit after taxation	-	-	-	-	-	-	-	5,033,102	5,033,102	(2,943)	5,030,159
Other comprehensive income - net of tax	-	-	623,545	-	(889,106)	(7,298)	17,534	-	(255,325)	-	(255,325)
Transfer of revaluation surplus upon change in use - net of tax	-	-	-	-	-	36,886	(36,886)	-	-	-	-
Transfer to statutory reserve	-	-	-	501,867	-	-	-	(501,867)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	(21,903)	(80)	21,933	-	-	-
Transactions with owners, recorded directly in equity											
Final cash dividend for the year ended December 31, 2021 at 20%	-	-	-	-	-	-	-	(3,554,330)	(3,554,330)	-	(3,554,330)
Balance as at March 31, 2022	17,771,651	4,731,049	8,834,634	17,513,692	(2,116,741)	12,587,878	68,306	43,577,188	102,967,657	126,946	103,094,603

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Consolidated Condensed Interim Cash Flow Statement

For the quarter ended March 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Dividend income

Share of profit from associates

Adjustments

Depreciation

Amortisation

Provisions and write offs - net

Unrealised loss on revaluation of investments classified as held for trading - net

Gain on sale of operating fixed assets and non banking assets - net

Gain on termination of lease (IFRS 16)

Borrowing cost on lease liability

Workers' Welfare Fund

Charge for defined benefit plan

Charge for staff compensated absences

(Increase) / Decrease in operating assets

Landings to financial institutions

Held for trading securities

Advances

Other assets (excluding advance taxation)

Increase/ (decrease) in operating liabilities

Bills payable

Borrowings

Deposits

Other liabilities (excluding current taxation)

Income tax paid

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available-for-sale securities

Net investments in held-to-maturity securities

Dividends received from associates

Dividends received

Investments in operating fixed assets

Proceed from sale proceeds of fixed assets

Effect of translation of net investment in foreign branches

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of leased obligations

Dividend paid

Net cash used in financing activities

(Decrease) / Increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Effects of exchange rate changes on cash and cash equivalents

Cash and cash equivalents at end of the period

Quarter ended		
March 31, 2022	March 31, 2021	
----- (Rupees in '000) -----		
	7,866,333	5,437,394
	(194,511)	(132,720)
	(61,268)	(38,345)
	7,610,554	5,266,329
	1,215,565	1,041,971
	88,261	105,847
	385,859	216,168
	294,980	33,768
	(36,301)	(8,282)
	(107,901)	(4,374)
	423,638	332,450
	160,162	109,584
	88,855	54,212
	45,000	34,000
	2,558,118	1,915,344
	10,168,672	7,181,673
	11,719,917	48,338,146
	15,237,904	(64,616,620)
	(12,908,408)	(5,942,515)
	(12,583,938)	(682,813)
	1,465,475	(22,903,802)
	4,208,174	279,854
	59,306,814	(27,479,119)
	39,141,714	31,456,084
	6,063,020	1,827,468
	108,719,722	6,084,287
	120,353,869	(9,637,842)
	(2,362,754)	(1,164,308)
	117,991,115	(10,802,150)
	(110,126,677)	42,883,752
	(5,972,730)	(23,746,488)
	30,000	-
	144,349	93,864
	(3,434,177)	(630,090)
	44,179	12,124
	623,545	(1,146,453)
	(118,691,511)	17,466,709
	(758,162)	(616,245)
	(44,318)	(3,562,178)
	(802,480)	(4,178,423)
	(1,502,876)	2,486,136
	136,485,549	121,173,582
	(1,692,827)	(2,578,709)
	134,792,722	118,594,873
	133,289,846	121,081,009

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

President & Chief Executive Officer

Chief Financial Officer

Director

Director

Director

Notes to and Forming Part of the Consolidated Condensed Interim Financial Statements

For the quarter ended March 31, 2021

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company : Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan on June 21, 1992 as a public limited company. It commenced its banking operations on November 1, 1992. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and its shares are listed on the Pakistan Stock Exchange. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank is operating through 776 branches (December 31, 2021: 770 branches) and 20 sub-branches (December 31, 2021: 20 sub-branches). Out of these, 531 (December 31, 2021: 529) are conventional, 234 (December 31, 2021: 230) are Islamic, 10 (December 31, 2021: 10) are overseas and 1 (December 31, 2021: 1) is an offshore banking unit.

Subsidiary	Percentage of Holding	
	March 2022	December 2021
Alfalah CLSA Securities (Private) Limited, Pakistan	61.20%	61.20%

1.2 In addition, the Group maintains investments in the following:

Associates		
Alfalah Insurance Company Limited	30.00%	30.00%
Sapphire Wind Power Company Limited	30.00%	30.00%
Alfalah GHP Investment Management Limited, Pakistan	40.22%	40.22%

2 BASIS OF PRESENTATION

2.1 These consolidated condensed interim financial statements represent financial statements of Holding Company - Bank Alfalah Limited and its subsidiary. The assets and liabilities of subsidiary have been consolidated on a line-by-line basis and the investment held by the holding company is eliminated against the corresponding share capital of subsidiaries in these consolidated condensed interim financial statements.

2.2 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 Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017.
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017.
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks through its notification S.R.O 411(I)/2008 dated April 28, 2008. 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 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). Further, SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement'. SBP has directed banks in Pakistan to implement IFRS 9 with effect from January 1, 2022. The Bank awaits final guidelines from SBP for application of some aspects of IFRS 9.

Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements; except for overseas branches, subsidiaries and associates where such standards are applicable.

2.2.1 Basis of consolidation

A subsidiary is an entity controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those return through its power over the investee.

These consolidated condensed interim financial statements incorporate the financial statements of subsidiary from the date that control commences until the date that control ceases.

Associates are those entities on which the Group has significant influence, but not control, over the financial and operating policies. Associates as well as investment in mutual funds established under trust structure are accounted for using the equity method.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary which are not owned by the Holding Company. Material intra-group balances and transactions are eliminated.

2.2.2 Key financial figures of the Islamic Banking branches are disclosed in note 39 to the unconsolidated condensed interim financial statements.

2.2.3 The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These condensed interim consolidated financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

2.2.4 The Group company believes that there is no significant doubt on the Group company's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on the going concern basis.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these consolidated financial statements.

2.4 Standards, Interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention except for certain fixed assets and non banking assets acquired in satisfaction of claims which are stated at revalued amounts; held for trading, available for sale investments and derivative financial instruments which are measured at fair value; defined benefit obligations which are carried at present value and right of use of assets and related lease liability which are measured at present value.

3.2 Functional and Presentation Currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended December 31, 2021.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this consolidated condensed interim financial information is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2021.

6 FINANCIAL RISK MANAGEMENT

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

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

7 CASH AND BALANCES WITH TREASURY BANKS

In hand		
Local currency	26,780,690	21,886,083
Foreign currency	3,244,640	2,722,351
	30,025,330	24,608,434
With State Bank of Pakistan in		
Local currency current account	43,255,598	47,249,054
Foreign currency current account	6,938,226	5,231,881
Foreign currency deposit account	10,303,605	9,466,467
	60,497,429	61,947,402
With other central banks in		
Foreign currency current account	14,239,756	9,536,033
Foreign currency deposit account	4,740,074	2,589,553
	18,979,830	12,125,586
With National Bank of Pakistan in local currency current account	1,496,998	6,699,191
Prize bonds	97,887	226,317
	<u>111,097,474</u>	<u>105,606,930</u>

8 BALANCES WITH OTHER BANKS

In Pakistan		
In current account	392,183	159,395
In deposit account	17,913	57,615
	410,096	217,010
Outside Pakistan		
In current account	14,178,127	9,737,924
In deposit account	27,585	26,373
	14,205,712	9,764,297
	<u>14,615,808</u>	<u>9,981,307</u>

9 LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings	13,202,382	22,815,581
Repurchase agreement lendings (Reverse Repo)	-	11,172,904
Bai Muajjal receivable with other financial institutions	-	1,993,580
Lending to Financial Institutions - net of provision	<u>13,202,382</u>	<u>35,982,065</u>

10 INVESTMENTS	Note	March 31, 2022 (Un-audited)				December 31, 2021 (Audited)			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
10.1 Investments by type:		----- (Rupees in '000) -----							
Held-for-trading securities									
Federal Government Securities									
Market Treasury Bills		47,924,079	-	(114,112)	47,809,967	58,471,616	-	(20,039)	58,451,577
Pakistan Investment Bonds		35,318,849	-	(115,428)	35,203,421	38,043,325	-	993	38,044,318
Shares									
Ordinary shares / units - Listed		622,603	-	(25,449)	597,154	1,010,085	-	(13,039)	997,046
Foreign Securities									
Overseas Bonds - Sovereign		2,076,378	-	(39,991)	2,036,387	4,078,675	-	(391,803)	3,686,872
		85,941,909	-	(294,980)	85,646,929	101,603,701	-	(423,888)	101,179,813
Available-for-sale securities									
Federal Government Securities									
Market Treasury Bills		928,709	-	(7,006)	921,703	66,709,176	-	(31,162)	66,678,014
Pakistan Investment Bonds		573,316,755	-	(2,582,406)	570,734,349	421,777,608	-	(2,068,279)	419,709,329
Government of Pakistan Sukuks		87,133,920	-	(399,993)	86,733,927	70,415,751	-	(427,810)	69,987,941
Government of Pakistan Euro Bonds		1,888,900	-	(322,602)	1,566,298	1,172,284	-	109,704	1,281,988
Naya Pakistan Certificates		906,605	-	-	906,605	1,016,120	-	-	1,016,120
Shares									
Ordinary shares - Listed		6,539,504	(326,774)	28,796	6,241,526	4,228,215	(315,697)	50,388	3,962,906
Ordinary shares - Unlisted		1,211,363	(57,728)	-	1,153,635	1,211,363	(55,725)	-	1,155,638
Preference Shares - Listed		108,835	(108,835)	-	-	108,835	(108,835)	-	-
Preference Shares - Unlisted		25,000	(25,000)	-	-	25,000	(25,000)	-	-
Non Government Debt Securities									
Term Finance Certificates		2,426,768	(311,298)	(9,902)	2,105,568	2,426,778	(311,298)	(10,682)	2,104,798
Sukuks		17,475,547	(96,511)	64,464	17,443,500	17,481,926	(96,511)	239,990	17,625,405
Foreign Securities									
Overseas Bonds - Sovereign		18,866,880	-	(572,263)	18,294,617	17,350,342	-	292,949	17,643,291
Overseas Bonds - Others		33,428,790	-	(2,223,424)	31,205,366	30,356,529	-	403,361	30,759,890
Redeemable Participating Certificate	10.1.1	3,459,902	-	-	3,459,902	3,310,874	-	-	3,310,874
		747,717,478	(926,146)	(6,024,336)	740,766,996	637,590,801	(913,066)	(1,441,541)	635,236,194
Held-to-maturity securities									
Federal Government Securities									
Pakistan Investment Bonds		62,828,752	-	-	62,828,752	52,966,763	-	-	52,966,763
Other Federal Government Securities		-	-	-	-	3,094,151	-	-	3,094,151
Non Government Debt Securities									
Term Finance Certificates		914,680	(24,680)	-	890,000	431,347	(24,680)	-	406,667
Sukuks		2,063,571	(80,722)	-	1,982,849	2,063,572	(80,722)	-	1,982,850
Foreign Securities									
Overseas Bonds - Sovereign		11,827,788	-	-	11,827,788	13,106,228	-	-	13,106,228
		77,634,791	(105,402)	-	77,529,389	71,662,061	(105,402)	-	71,556,659
Associates (valued at equity method)									
Alfalsh Insurance Company Limited		541,647	-	-	541,647	552,910	-	-	552,910
Sapphire Wind Power Company Limited		3,063,532	-	-	3,063,532	3,039,576	-	-	3,039,576
Alfalsh GHP Investment Management Limited		540,632	-	-	540,632	525,636	-	-	525,636
		4,145,812	-	-	4,145,812	4,118,122	-	-	4,118,122
General provision and expected credit loss-									
Overseas operations		-	(180,264)	-	(180,264)	-	(167,542)	-	(167,542)
Total Investments		915,439,990	(1,211,812)	(6,319,316)	907,908,862	814,974,685	(1,186,010)	(1,865,429)	811,923,246

10.1.1 The adoption of IFRS 9 at Bahrain Operations of the Bank has resulted in investments in Redeemable Participating Certificates held abroad, being mandatorily measured at "Fair Value through Profit and Loss Account". However, based on the clarification received from the State Bank of Pakistan (SBP) vide their letter No. BPRD/RPD/18-18-16203 dated July 26, 2018, such investments have been reported and measured under "Available for Sale" investments in these consolidated condensed interim financial statements.

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

10.2 Investments given as collateral

Market Treasury Bills	-	34,714,491
Pakistan Investment Bonds	195,854,600	109,031,611
Overseas Bonds	1,370,823	10,749,672
	<u>197,225,423</u>	<u>154,495,774</u>

10.2.1 **Market value of securities given as collateral is Rs.195,315.589 million (December 31, 2021: Rs. 154,163.013 million).**

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

10.3 Provision for diminution in value of investments

10.3.1 Opening balance	1,186,010	1,354,553
Exchange and other adjustments	12,382	6,183
Charge / reversals		
Charge for the period / year	51,037	421,889
Reversals for the period / year	(4,748)	(217,924)
Reversal on disposals	(32,869)	(374,755)
	13,420	(170,790)
Written off	-	(3,936)
Closing Balance	<u>1,211,812</u>	<u>1,186,010</u>

10.3.2 Particulars of provision against debt securities

Category of classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
Domestic	----- (Rupees in '000) -----			
Loss	513,211	513,211	513,211	513,211

10.3.2.1 **In addition to the above, overseas branches of the Holding company hold a provision of Rs. 180.264 million (December 31, 2021: Rs. 167.542 million) against investments in accordance with ECL requirements of IFRS 9.**

10.3.3 **The market value of securities classified as held-to-maturity as at March 31, 2022 amounted to Rs 74,519.133 million (December 31, 2021: Rs. 69,624.622 million).**

Note	Performing		Non Performing		Total	
	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)
------(Rupees in '000)-----						
Loans, cash credits, running finances, etc.	517,633,791	515,836,257	19,919,737	20,346,565	537,553,528	536,182,822
Islamic financing and related assets	146,177,822	132,995,060	3,812,812	3,776,282	149,990,634	136,771,342
Bills discounted and purchased	23,830,617	25,534,513	606,365	588,182	24,436,982	26,122,695
Advances - gross	687,642,230	674,365,830	24,338,914	24,711,029	711,981,144	699,076,859
Provision against advances						
- Specific	11.4	-	-	(21,358,169)	(21,358,169)	(21,126,338)
- General	11.4	(4,162,630)	(4,067,236)	-	(4,162,630)	(4,067,236)
		(4,162,630)	(4,067,236)	(21,358,169)	(25,520,799)	(25,193,574)
Advances - net of provision	683,479,600	670,298,594	2,980,745	3,584,691	686,460,345	673,883,285

- 11.1 Advances include an amount of Rs. 265,479 million (December 31, 2021: Rs. 233,151 million), being Employee Loan facilities allowed to Citibank, N.A, Pakistan's employees, which were either taken over by the Bank, or were granted afresh, under a specific arrangement executed between the Bank and Citibank, N.A, Pakistan. The said arrangement is subject to certain relaxations as specified vide SBP Letter BPRD/BRD/Citi/2017/21089 dated September 11, 2017.

The said arrangement covers only existing employees of Citibank, N.A, Pakistan, and the relaxations allowed by the SBP are on continual basis, but subject to review by SBP's BID and OSED departments. These loans carry mark-up at the rates ranging from 10.17% to 23.65% (December 31, 2021: 10.17% to 23.65%) with maturities up to October 2041 (December 31, 2021: October 2041).

11.2	Particulars of advances (Gross)	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------(Rupees in '000)-----	
	In local currency	647,731,779	631,768,509
	In foreign currencies	64,249,365	67,308,350
		711,981,144	699,076,859

- 11.3 Advances include Rs. 24,338.914 million (December 31, 2021: Rs. 24,711.029 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non- Performing Loans	Provision	Non- Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	50,377	543	84,230	4,693
Substandard	2,045,207	561,708	2,466,916	566,982
Doubtful	2,402,580	1,261,454	2,743,571	1,423,199
Loss	19,193,854	19,042,611	18,790,302	18,655,497
	23,692,018	20,866,316	24,085,019	20,650,371
Overseas				
Overdue by:				
91 to 180 days	30,450	264	29,467	249
More than 365 days	616,446	491,589	596,543	475,718
	646,896	491,853	626,010	475,967
Total	24,338,914	21,358,169	24,711,029	21,126,338

11.4 Particulars of provision against advances

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	21,126,338	4,067,236	25,193,574	18,318,525	5,266,171	23,584,696
Exchange and other adjustments	15,880	10,064	25,944	39,420	20,227	59,647
Charge for the period / year	820,163	85,330	905,493	4,959,088	-	4,959,088
Reversals for the period / year	(482,727)	-	(482,727)	(1,871,249)	(1,219,162)	(3,090,411)
	337,436	85,330	422,766	3,087,839	(1,219,162)	1,868,677
Amounts written off	(51,693)	-	(51,693)	(319,446)	-	(319,446)
Amounts charged off - agriculture financing	(69,791)	-	(69,791)	-	-	-
	(121,484)	-	(121,484)	(319,446)	-	(319,446)
Closing balance	21,358,170	4,162,630	25,520,800	21,126,338	4,067,236	25,193,574

11.4.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax at March 31, 2022 which is not available for distribution as either cash or stock dividend to shareholders/ bonus to employees amounted to Rs. 92.167 million (December 31, 2021: Rs. 89.192 million).

11.4.2 General provision includes:

(i) Provision held in accordance with SBP's prudential regulations against:

- Conventional consumer loans being maintained at an amount equal to 1% of the secured auto loans and 0.5% of secured house loans performing portfolio and 4% of the unsecured (personal loans and credit cards) performing portfolio;

- Islamic auto loans being maintained at an amount equal to 1% of the secured performing portfolio and for Islamic house loans, at an amount equal to 0.5% of the secured performing portfolio;

- Small Enterprises (SE) portfolio being maintained at an amount equal to 1% against unsecured performing SE portfolio;

(ii) Provision held at overseas branches to meet the requirements of regulatory authorities of the respective countries in which overseas branches operates; and

(iii) Provision of Rs. 2,550,000 million (December 31, 2021: 2,550,000 million) representing Covid 19 general loan loss reserve. While restructured portfolio is performing, the continuing cycle of Covid 19 still poses risk.

11.4.3 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loan, the Bank holds enforceable collateral in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
12 FIXED ASSETS			
Capital work-in-progress	12.1	1,640,772	1,117,186
Property and equipment	12.2.1	28,589,303	26,588,783
Right-of-use assets		12,435,159	11,855,983
		<u>42,665,234</u>	<u>39,561,952</u>
12.1 Capital work-in-progress			
Civil works		817,626	692,766
Equipment		816,422	414,857
Others		6,724	9,563
		<u>1,640,772</u>	<u>1,117,186</u>

12.2 It includes land and buildings carried at revalued amount of Rs. 20,918.117 million (December 31, 2021: Rs. 19,341.240 million).

12.2.1 During the period, non banking assets having cost of Rs. 161.759 million and surplus of Rs. 60.660 million were transferred to fixed assets.

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

12.3 Additions to fixed assets

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

Capital work-in-progress - net of transferred out for capitalisation	523,586	(37,508)
Property and equipment		
Freehold land	912,286	-
Buildings on freehold land	490,384	26,247
Buildings on leasehold land	3,482	12,184
Leasehold improvement	213,737	79,540
Furniture and fixtures	41,081	28,212
Office equipment	701,383	469,759
	2,362,353	615,942
Total additions to fixed assets	2,885,939	578,434

12.4 Disposals of fixed assets

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

Leasehold improvements	1,864	1,414
Furniture and fixtures	31	745
Office equipments	5,983	1,683
Total disposal of fixed assets	7,878	3,842

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

13 INTANGIBLE ASSETS

Capital work-in-progress / Advance payment to suppliers	521,199	381,761
Software	830,806	735,128
Membership Card	2,500	2,500
	1,354,505	1,119,389

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

13.1 Additions to intangible assets

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

Capital work-in-progress - net of transferred out for capitalisation	139,438	47,635
Directly purchased	183,957	4,021
Total additions to intangible assets	323,395	51,656

13.2 There were no disposals during the periods ended March 31, 2022 and March 31, 2021.

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
		------(Rupees in '000)-----	
14 DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on:			
- Provision against investments		687,459	463,795
- Provision against advances		1,330,144	2,899,949
- Unrealised loss on revaluation of HFT investments		96,303	165,446
- Deficit on revaluation of available for sale investments		2,349,491	561,126
- Provision against other assets		717,840	730,972
- Provision against lending to financial institutions		-	81
- Worker Welfare Fund		256,465	-
		5,437,702	4,821,369
Taxable Temporary Differences on:			
- Surplus on revaluation of fixed assets		(504,183)	(473,110)
- Surplus on revaluation of non banking assets		(42,049)	(84,039)
- Share of profit and other comprehensive income from associates		(1,157,600)	(1,146,801)
- Accelerated tax depreciation		(1,903,992)	(1,959,949)
		(3,607,824)	(3,663,899)
		<u>1,829,878</u>	<u>1,157,470</u>

15 OTHER ASSETS

Income/ Mark-up accrued in local currency - net of provision		30,031,568	23,325,336
Income/ Mark-up accrued in foreign currency - net of provision		1,949,031	1,389,395
Advances, deposits, advance rent and other prepayments		3,441,610	2,636,643
Non-banking assets acquired in satisfaction of claims	15.1 & 15.2	1,272,089	1,435,191
Dividend receivable		50,162	-
Mark to market gain on forward foreign exchange contracts		1,933,255	2,249,270
Mark to market gain on derivatives		1,782,762	-
Stationery and stamps on hand		26,087	25,415
Defined benefit plan		677,119	744,324
Due from card issuing banks		1,486,576	1,212,831
Accounts receivable		4,926,470	3,421,970
Margin deposits on derivatives		-	427,232
Claims against fraud and forgeries		65,180	67,515
Acceptances		22,810,206	20,050,282
Receivable against DSC/SSC and overseas government securities		1,251,968	570,897
Receivable against tradeable market securities		2,043,932	1,623,912
Others		17,909	53,914
		<u>73,765,924</u>	<u>59,234,127</u>
Less: Provision held against other assets	15.3	(1,853,213)	(1,848,407)
Other assets (net of provision)		71,912,711	57,385,720
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.1 & 15.2	110,355	171,727
		<u>72,023,066</u>	<u>57,557,447</u>

15.1 The revalued amount of non-banking assets acquired in satisfaction of claims is Rs. 1,382.444 million (December 31, 2021: Rs. 1,606.618 million).

15.2 During the period, non banking assets having cost of Rs. 161.759 million and surplus of Rs. 60.660 million were transferred to fixed assets.

15.3 Provision held against other assets

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

Expected credit loss (overseas operation)	140,214	134,891
Non banking assets acquired in satisfaction of claims	-	300
Impairment against overseas operation	1,000,000	1,000,000
Others including fraud and forgeries	712,999	713,216
	<u>1,853,213</u>	<u>1,848,407</u>

15.3.1 Movement in provision held against other assets

Opening balance	1,848,407	797,976
Exchange and other adjustments	3,433	8,393
Charge for the period / year	2,964	1,060,710
Reversals for the period / year	(1,591)	(11,017)
	1,373	1,049,693
Amount Written off	-	(7,655)
Closing balance	<u>1,853,213</u>	<u>1,848,407</u>

16 BILLS PAYABLE

In Pakistan	25,978,233	21,774,411
Outside Pakistan	1,055,441	1,051,089
	<u>27,033,674</u>	<u>22,825,500</u>

17 BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export Refinance Scheme	54,307,417	52,812,064
Long-Term Finance Facility	26,627,403	26,394,909
Financing Facility for Renewable Energy Projects	10,151,358	9,793,026
Financing Facility for Storage of Agriculture Produce (FFSAP)	794,256	685,931
Refinance For Wages & Salaries	10,798,202	14,332,866
Temporary Economic Refinance Facility	38,410,345	28,933,063
Others refinance schemes	509,979	244,105
Repurchase Agreement Borrowings	180,000,000	97,506,050
	<u>321,598,960</u>	<u>230,702,014</u>

Repurchase agreement borrowings	16,666,309	55,219,084
Bai Muajjal	47,182,089	47,960,362
Medium Term Note	11,000,000	11,000,000
Others	607,432	300,000
Total secured	<u>397,054,790</u>	<u>114,479,446</u>

Unsecured

Call borrowings	26,166,696	21,084,927
Overdrawn nostro accounts	2,342,404	1,774,249
Bai Muajjal	2,475,576	849,923
Others		
- Pakistan Mortgage Refinance Company	2,256,476	2,280,921
- Karandaaz Risk Participation	2,678,518	2,345,604
- Other financial institutions	11,009,381	10,591,788
Total unsecured	<u>46,929,051</u>	<u>38,927,412</u>

443,983,841 384,108,872

	March 31, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	------(Rupees in '000)-----					
Customers						
Current deposits	439,757,447	102,807,373	542,564,820	407,126,787	88,329,596	495,456,383
Savings deposits	239,010,161	33,830,479	272,840,640	249,702,928	34,000,491	283,703,419
Term deposits	159,587,404	30,437,664	190,025,068	169,741,023	42,871,078	212,612,101
Others	15,268,369	7,363,907	22,632,276	19,942,860	4,683,544	24,626,404
	853,623,381	174,439,423	1,028,062,804	846,513,598	169,884,709	1,016,398,307
Financial Institutions						
Current deposits	4,102,453	809,913	4,912,366	1,984,546	3,280,707	5,265,253
Savings deposits	126,714,823	2,170,559	128,885,382	90,175,266	900,203	91,075,469
Term deposits	15,446,050	294,898	15,740,948	24,170,116	988,200	25,158,316
Others	508,373	41,461	549,834	950,897	161,378	1,112,275
	146,771,699	3,316,831	150,088,530	117,280,825	5,330,488	122,611,313
	1,000,395,080	177,756,254	1,178,151,334	963,794,423	175,215,197	1,139,009,620

18.1 Current deposits include remunerative current deposits of Rs. 9,429.270 million (December 31, 2021 : Rs. 8,823.382 million).

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

19 SUBORDINATED DEBT

Term Finance Certificates - Additional Tier-I - Quoted, Unsecured

Issue amount	Rs. 7,000,000,000	7,000,000	7,000,000
Issue date	March 2018		
Maturity date	Perpetual.		
Rating	"AA-" (double A minus) by VIS Credit Rating Company Limited.		
Security	Unsecured.		
Ranking	Subordinated to all other indebtedness of the Bank including deposits but superior to equity.		
Profit payment frequency	Payable semi-annually in arrears.		
Redemption	Perpetual.		
Mark-up	For the period at end of which the Bank is in compliance with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) requirements of SBP, mark-up rate will be Base Rate + 1.50% with no step up feature. (Base Rate is defined as the six months KIBOR (Ask side) prevailing on one (1) business day prior to previous profit payment date.		
Lock-in-clause	Mark-up will only be paid from the Bank's current year's earning and if the Bank is in compliance of regulatory MCR and CAR requirements set by SBP from time to time.		
Loss absorbency clause	In conformity with SBP Basel III Guidelines, the TFCs shall, if directed by the SBP, be permanently converted into ordinary shares upon: (i) the CET 1 Trigger Event ; (ii) the point of non-viability Trigger Event ; or (iii) failure by the Bank to comply with the Lock-In Clause. The SBP will have full discretion in declaring the point of non-viability Trigger Event.		
Call Option	The Bank may, at its sole discretion, exercise call option any time after five years from the Issue Date, subject to prior approval of SBP.		

7,000,000	7,000,000
-----------	-----------

20 OTHER LIABILITIES

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
------(Rupees in '000)-----			
Mark-up/ Return/ Interest payable in local currency		5,308,988	5,347,968
Mark-up/ Return/ Interest payable in foreign currency		833,371	784,610
Unearned fee commission and income on bills discounted and guarantees		1,752,918	1,386,030
Accrued expenses		8,039,103	8,478,693
Current taxation		9,844,301	10,497,948
Acceptances		22,810,206	20,050,282
Dividends payable		3,662,042	152,030
Mark to market loss on forward foreign exchange contracts		939,997	1,021,507
Mark to market loss on derivatives	23.1	-	191,189
Branch adjustment account		24,650	334,445
ADC settlement accounts		1,919,205	1,558,435
Provision for compensated absences		679,224	634,224
Payable against redemption of customer loyalty / reward points		509,645	486,149
Charity payable		37,592	24,963
Provision against off-balance sheet obligations	20.1	179,769	137,639
Security deposits against leases, lockers and others		12,969,543	11,185,102
Worker's Welfare Fund		2,631,617	2,471,455
Payable to vendors and suppliers		594,054	722,986
Margin deposits on derivatives		924,730	-
Payable to merchants (card acquiring)		511,671	188,553
Indirect Taxes Payable		1,494,763	1,284,540
Lease Liabilities		13,992,812	13,220,387
Payable against tradeable market securities		271,346	496,595
Others		1,962,556	1,299,270
		<u>91,894,102</u>	<u>81,955,000</u>

20.1 Provision against off-balance sheet obligations

Opening balance	137,639	127,428
Exchange and other adjustments	5,077	10,468
Charge / (reversal) for the period / year	37,053	(257)
Closing balance	<u>179,769</u>	<u>137,639</u>

21 SURPLUS ON REVALUATION OF ASSETS

Note (Un-audited) (Audited)
March 31, December 31,
2022 2021
------(Rupees in '000)-----

Surplus / (deficit) on revaluation of:

- Available for sale securities	10.1	(6,024,336)	(1,441,541)
- Available for sale securities of associates		(10,721)	(7,142)
- Fixed Assets		13,092,061	13,053,303
- Non-banking assets acquired in satisfaction of claims		110,355	171,727
		7,167,359	11,776,347

Less: Deferred tax (asset) / liability on surplus / (deficit) on revaluation of:

- Available for sale securities		(2,349,491)	(562,201)
- Available for sale securities of associates		(4,181)	(2,784)
- Fixed Assets		504,183	473,110
- Non-banking assets acquired in satisfaction of claims		42,049	84,039
		(1,807,440)	(7,836)

Less: Derivatives (Deficit) / Surplus (1,560,621) **347,961**

Gain on sale of available for sale investment - **11,399**

Surplus / (deficit) on revaluation of available for sale securities attributable to non controlling interest 4,023 **(7,375)**

10,539,443 11,440,246

22 CONTINGENCIES AND COMMITMENTS

- Guarantees	22.1	109,434,200	99,914,966
- Commitments	22.2	441,471,612	466,501,999
- Other contingent liabilities	22.3.1	7,046,425	4,823,035
		557,952,237	571,240,000

22.1 Guarantees:

Performance guarantees		44,747,887	41,041,271
Other guarantees		64,686,313	58,873,695
		109,434,200	99,914,966

22.2 Commitments:

Documentary credits and short-term trade-related transactions

- Letters of credit 208,266,927 **178,246,952**

Commitments in respect of:

- forward foreign exchange contracts	22.2.1	148,923,059	164,776,360
- forward government securities transactions	22.2.2	-	39,784,849
- derivatives	22.2.3	43,037,307	36,820,716
- forward lending	22.2.4	38,371,409	43,921,848

Commitments for acquisition of:

- operating fixed assets		2,002,585	2,054,239
- intangible assets		420,325	447,035

Other commitments 22.2.5 **450,000 450,000**

441,471,612 466,501,999

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021				
		------(Rupees in '000)-----					
22.2.1	Commitments in respect of forward foreign exchange contracts						
	Purchase	90,616,031	104,574,460				
	Sale	58,307,028	60,201,900				
		<u>148,923,059</u>	<u>164,776,360</u>				
22.2.2	Commitments in respect of forward government securities transactions						
	Purchase	-	10,167,457				
	Sale	-	29,617,392				
		<u>-</u>	<u>39,784,849</u>				
22.2.3	Commitments in respect of derivatives (Interest Rate Swaps)						
	Purchase	43,037,307	36,820,716				
	Sale	-	-				
		<u>43,037,307</u>	<u>36,820,716</u>				
22.2.4	Commitments in respect of forward lending						
	Undrawn formal standby facilities, credit lines and other commitments to lend	33,769,844	39,356,808				
	Commitments in respect of investments	4,601,565	4,565,040				
		<u>38,371,409</u>	<u>43,921,848</u>				
22.2.4.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.						
22.2.5	Other Commitments						
	A commercial bank on behalf of Alfalah CLSA Securities (Private) Limited, Pakistan has given a guarantee of Rs. 450 million (2021: 450 million) to National Clearing Company of Pakistan Limited (NCCPL) in respect of margin eligible securities. The guarantee facility is for one year and is secured by 1st Pari Passu charge on current assets of the subsidiary.						
22.3	Other contingent liabilities						
22.3.1	Claims against the Bank not acknowledged as debts	<u>7,046,425</u>	<u>4,823,035</u>				
	These mainly represents counter claims filed by the borrowers for restricting the Bank from disposal of collateral assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by ex. employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.						
22.4	Contingency for tax payable						
	There were no tax related contingencies other than as disclosed in note 33.1.						
23	DERIVATIVE INSTRUMENTS						
	Derivatives are a type of financial contract, the value of which is determined by reference to one or more underlying assets or indices. The major categories of such contracts include futures, swaps and options. Derivatives also include structured financial products that have one or more characteristics of forwards, futures, swaps and options.						
23.1	Product Analysis	March 31, 2022 (Un-audited)	December 31, 2021 (Audited)				
		Interest Rate Swaps	Interest Rate Swaps				
		No. of contracts	Notional Principal	Mark to market Gain	No. of contracts	Notional Principal	Mark to market Loss
		------(Rupees in '000)-----					
	With Banks for Hedging	58	43,037,307	1,782,762	50	36,820,716	(191,189)
		<u>58</u>	<u>43,037,307</u>	<u>1,782,762</u>	<u>50</u>	<u>36,820,716</u>	<u>(191,189)</u>

		Note	(Un-audited) Quarter ended	
			March 31, 2022	March 31, 2021
			----- (Rupees in '000) -----	
24	MARK-UP/RETURN/INTEREST EARNED On:			
	a) Loans and advances		14,497,124	10,644,830
	b) Investments		20,431,985	9,996,824
	c) Lendings to financial institutions		348,518	482,834
	d) Balances with banks / financial institutions		17,614	8,435
	e) On securities purchased under resale agreements / Bai Muajjal		656,919	256,384
			<u>35,952,161</u>	<u>21,389,307</u>
25	MARK-UP/RETURN/INTEREST EXPENSED On:			
	a) Deposits		12,659,947	6,266,663
	b) Borrowings		2,187,361	1,645,587
	c) Securities sold under repurchase agreements		5,412,173	2,224,535
	d) Subordinated debt		170,802	152,385
	e) Cost of foreign currency swaps against foreign currency deposits / borrowings		768,308	411,467
	f) Borrowing cost on leased properties		423,638	332,450
	g) Reward points / customer loyalty		50,962	31,085
			<u>21,673,191</u>	<u>11,064,172</u>
26	FEE & COMMISSION INCOME			
	Branch banking customer fees		254,104	260,895
	Consumer finance related fees		119,702	89,062
	Card related fees (debit and credit cards)		449,086	329,479
	Credit related fees		52,845	67,977
	Investment banking fees		45,451	44,625
	Commission on trade		484,245	408,274
	Commission on guarantees		120,511	82,931
	Commission on cash management		10,798	10,939
	Commission on remittances including home remittances		228,721	196,224
	Commission on bancassurance		160,300	102,555
	Card acquiring business		171,472	119,215
	Wealth Management Fee		22,969	18,251
	Commission on Employees' Old-Age Benefit Institution (EOBI)		11,868	9,625
	Commission on Benazir Income Support Programme (BISP)		146,921	3,021
	Alternate Delivery Channel (ADC)		160,936	96,907
	Brokerage/ Commission Income		61,891	83,435
	Others		35,484	19,980
			<u>2,537,304</u>	<u>1,943,395</u>
27	GAIN / (LOSS) ON SECURITIES			
	Realised	27.1	302,660	1,128,159
	Unrealised - held for trading	10.1	(294,980)	(33,768)
			<u>7,680</u>	<u>1,094,391</u>
27.1	Realised gain/(loss) on:			
	Federal Government Securities		108,977	471,381
	Shares		(10,806)	159,182
	Non Government Debt Securities		2,993	11,134
	Foreign Securities		201,496	486,462
			<u>302,660</u>	<u>1,128,159</u>
28	OTHER INCOME			
	Rent on property		6,057	6,281
	Gain on sale of fixed assets-net		27,101	8,282
	Gain on sale of non banking assets	28.1	9,200	-
	Profit on termination of leased contracts (Ijarah)		10,528	19,190
	Gain on termination of leases (IFRS 16)		107,901	4,374
			<u>160,787</u>	<u>38,127</u>
28.1	The Bank earned an income of Rs. 9.200 million against sale of membership shares / cards.			

29	OPERATING EXPENSES	Note	(Un-audited) Quarter ended	
			March 31, 2022	March 31, 2021
			----- (Rupees in '000) -----	
	Total compensation expense	29.1	4,959,185	4,108,901
	Property expense			
	Rent and taxes		24,115	21,903
	Utilities cost		315,095	250,607
	Security (including guards)		227,092	194,814
	Repair and maintenance (including janitorial charges)		213,007	177,351
	Depreciation on right-of-use assets		635,674	537,012
	Depreciation on non-banking assets acquired in satisfaction of claims		1,075	1,073
	Depreciation on owned assets		150,465	121,456
			1,566,523	1,304,216
	Information technology expenses			
	Software maintenance		471,137	315,220
	Hardware maintenance		145,663	171,563
	Depreciation		157,626	133,752
	Amortisation		88,261	105,847
	Network charges		134,566	161,643
	Consultancy and support services		39,329	-
			1,036,582	888,025
	Other operating expenses			
	Directors' fees and allowances		50,500	50,046
	Fees and allowances to Shariah Board		3,345	2,360
	Legal and professional charges		203,151	32,334
	Outsourced services costs		170,115	203,280
	Travelling and conveyance		172,743	106,966
	Clearing and custodian charges		33,058	31,838
	Depreciation		270,725	249,751
	Training and development		28,662	33,584
	Postage and courier charges		122,829	93,240
	Communication		134,681	114,921
	Stationery and printing		227,586	185,707
	Marketing, advertisement and publicity		267,364	156,079
	Donations		2,600	500
	Auditors remuneration		14,029	17,757
	Brokerage and commission		66,889	69,969
	Entertainment		80,721	67,766
	Repairs and maintenance		147,905	127,277
	Insurance		321,371	265,693
	Cash Handling charges		251,769	222,876
	CNIC verification		43,763	36,614
	Others		164,933	139,841
			2,778,739	2,208,399
			10,341,028	8,509,541
29.1	Total compensation expense			
	Managerial Remuneration			
	i) Fixed		3,655,679	3,054,277
	ii) Variable:			
	a) Cash Bonus / Awards etc.		617,888	500,768
	b) Bonus and Awards in Shares etc.		60,000	39,500
	Charge for defined benefit plan		88,855	54,212
	Contribution to defined contribution Plan		149,114	122,050
	Medical		188,608	175,255
	Conveyance		87,287	68,927
	Staff compensated absences		45,000	34,000
	Others		44,024	33,120
	Sub-total		4,936,455	4,082,109
	Sign-on Bonus		17,730	26,652
	Severance Allowance		5,000	140
	Grand Total		4,959,185	4,108,901

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by Federal Government through Finance Act, 2008 for the levy of Workers Welfare Fund (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. A legal advice was obtained by the Pakistan Banking Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive until the review petition is decided. Accordingly, the amount charged for Workers Welfare Fund since 2008 has not been reversed.

	Note	(Un-audited) Quarter ended	
		March 31, 2022	March 31, 2021
		------(Rupees in '000)-----	
31	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	1,803	5,837
	Penalties imposed by other regulatory bodies	-	698
		<u>1,803</u>	<u>6,535</u>
32	PROVISIONS & WRITE OFFS - NET		
	Provision against lending to financial institutions	-	11,196
	Provision / (reversal) for diminution in value of investments	10.3.1	13,420
			(54,621)
	Provision against loans & advances	11.4	422,766
			356,624
	Provision / (reversal) against other assets	15.3.1	1,373
			(1,041)
	Provision / (reversal) against off-balance sheet obligations	20.1	37,053
			(14,356)
	Other provisions / write off - net		2,665
			20,516
	Recovery of written off / charged off bad debts		(91,418)
			(102,150)
		<u>385,859</u>	<u>216,168</u>
33	TAXATION		
	Charge / (reversal) :		
	Current	3,129,646	2,135,752
	Prior years	(1,420,539)	-
	Deferred	<u>1,127,067</u>	<u>(120,594)</u>
		<u>2,836,174</u>	<u>2,015,158</u>
33.1	a) The income tax assessments of the Bank have been finalized upto and including tax year 2021. Certain addback made by tax authorities for various assessment years appeals against which are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan.		

In respect of tax years 2008, 2014, 2017, 2019, 2020 and 2021, the tax authorities have raised certain issues including default in payment of WWF, allocation of expenses to dividend and capital gains, dividend income from mutual funds not being taken under income from business and disallowance of Leasehold improvements resulting in tax demand of Rs. 336.549 million net of relief provided in appeal (December 31, 2021: Rs. 714.263). Bank has filed appeals on these issues which are pending before Commissioner Appeals. The management is confident that these matters will be decided in favour of the Bank and consequently has not made any provision in respect of these amounts.

- b) During the period bank received orders from a provincial tax authority for the periods from July 2014 to December 2020 wherein tax authority demanded sales tax on banking services and penalty amounting to Rs.275.051 million [excluding default surcharge] by disallowing certain exemptions of sales tax on banking services. Previously, the Bank has received provincial sales tax orders wherein tax authority demanded sales tax on banking services and penalty amounting to Rs.488.261 million [excluding default surcharge] by disallowing certain exemptions and allegedly for short payment of sales tax covering period from July 2011 to June 2014. Appeals against all these orders are pending before Commissioner Appeals. The Bank has not made any provision against these orders and the management is of the view that these matters will be settled in Bank's favour through appellate process.
- c) The Bank has received an order from a tax authority wherein Sales tax and Further Tax amounting to Rs. 8.601 million [excluding default surcharge and penalty] is demanded allegedly for non-payment of sales tax on certain transactions relating to accounting year 2016. Bank appeal against this order is pending before Commissioner Appeals. The Bank has not made any provision against this order and the management is of the view that this matter will be favourably settled through appellate process.

34 BASIC AND DILUTED EARNINGS PER SHARE

	(Un-audited) Quarter ended	
	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
Profit for the period attributable to equity holders of the Bank	5,033,102	3,411,481
	----- (Number of shares in '000) -----	
Weighted average number of ordinary shares	1,777,165	1,777,165
	----- (Rupees) -----	
Basic and diluted earnings per share	2.83	1.92

34.1 Diluted earnings per share has not been presented separately as the Group does not have any convertible instruments in issue.

Fair value measurement defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

35.1 Fair value of financial Instruments

The Group 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.

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).

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

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:

	March 31, 2022 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	743,876,270	-	743,876,270
Shares	6,838,680	-	-	6,838,680
Non-Government Debt Securities	12,057,600	4,438,107	-	16,495,707
Foreign Securities	-	58,049,633	-	58,049,633
Financial assets - not measured at fair value				
Investments - held to maturity securities	-	74,519,133	-	74,519,133
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	1,933,255	-	1,933,255
Forward sale of foreign exchange	-	(939,997)	-	(939,997)
Forward purchase of government securities	-	-	-	-
Derivatives purchases	-	1,782,762	-	1,782,762
	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	425,835,272	-	425,835,272
Shares	5,800,321	-	-	5,800,321
Non-Government Debt Securities	12,072,000	7,329,178	-	19,401,178
Foreign Securities	-	44,511,463	-	44,511,463
Financial assets - not measured at fair value				
Investments - held to maturity securities	-	50,506,972	-	50,506,972
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	1,319,187	-	1,319,187
Forward sale of foreign exchange	-	(2,146,281)	-	(2,146,281)
Forward purchase of government securities	-	(1,836)	-	(1,836)
Derivatives purchases	-	(921,919)	-	(921,919)

35.2 The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer, occurred. There were no transfers between levels 1 and 2 during the current period.

35.3 Valuation techniques used in determination of fair values:

35.3.1 Fair value of financial assets

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in ordinary shares of listed companies and Non government debt securities.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills, Pakistan Investment Bonds, GoP Sukuks, GoP Euro Bonds, Overseas Government Sukuks, Overseas and Euro Bonds, Term Finance Certificates, and other than Government Sukuks, forward foreign exchange contracts and interest rate swaps.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level

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

35.3.2 Fair value of non-financial assets

Certain categories of fixed assets (land and buildings) and non banking assets acquired in satisfaction of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in notes 10 and 13. The valuations are conducted by the valuation experts appointed by Bank which are also on panel of State Bank of Pakistan.

35.3.3 Valuation techniques

Item	Valuation approach and input used
Forward foreign exchange contracts	The valuation has been determined by interpolating the FX revaluation rates announced by the State Bank of Pakistan.
Interest rate swaps	The fair value of interest rate swaps and futures is determined using prices and curves through Bloomberg.
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB), and GoP Sukuks (GIS)	The fair value of MTBs and PIBs are derived using PKRV rates. GIS are revalued using PKISRV rates. Floating rate PIBs are revalued using PKFRV rates.
Overseas Sukuks, Overseas Bonds and GoP Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Debt Securities (TFCs) and Sukuk other than Government	Investment in WAPDA Sukuks, debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Operating fixed assets and non banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations can not be determined with certainty accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

36 SEGMENT INFORMATION

36.1 Segment details with respect to Business Activities

For the Quarter ended March 31, 2022 (Un-audited)								
	Retail	Corporate	Islamic	Treasury	Digital	Overseas	Brokerage	Others*
(Rupees in '000)								
Profit & Loss								
Net mark-up/return/profit	(1,794,999)	2,238,091	2,255,707	10,968,255	1,039	738,504	(10,083)	(117,544)
Inter segment revenue - net	9,721,586	(795,636)	86,427	(9,240,721)	211,923	120,588	-	(104,167)
Non mark-up/return/interest income	1,504,472	575,947	375,678	1,200,498	193,227	10,055	65,308	251,030
Total Income	9,431,059	2,018,402	2,717,812	2,928,032	406,189	1,169,147	55,225	29,319
Segment direct expenses	4,305,515	284,663	1,429,604	128,907	414,423	530,882	60,788	3,348,211
Inter segment expense allocation	1,997,913	302,923	555,913	126,110	287,213	78,139	-	(3,348,211)
Total expenses	6,303,428	587,586	1,985,517	255,017	701,636	609,021	60,788	-
Provisions / (Reversals)	450,099	(146,657)	53,058	20,898	3,563	6,189	(1,291)	385,859
Profit / (loss) before tax	2,671,532	1,571,473	619,237	2,652,117	(299,010)	553,937	(4,273)	29,319
								1,866,332
As at March 31, 2022 (Un-audited)								
	Retail	Corporate	Islamic	Treasury	Digital	Overseas	Brokerage	Others*
(Rupees in '000)								
Balance Sheet								
Cash & Bank balances	62,680,759	11,985,862	16,493,450	4,893,748	641,780	28,619,448	398,235	-
Investments	-	2,555,560	106,047,846	727,621,044	-	66,352,976	24,034	5,307,402
Net inter segment lending	459,896,246	-	-	-	8,535,122	-	-	91,898,711
Lendings to financial institutions	-	-	3,885,739	-	-	9,316,643	-	-
Advances - performing	195,911,785	288,785,464	146,050,078	-	86,280	41,224,724	14,395	11,406,874
Advances - non-performing	960,204	1,624,967	219,036	-	3,456	155,043	-	18,039
Others	24,412,167	17,473,670	24,937,803	15,429,316	1,651,887	6,424,009	835,868	26,709,558
Total Assets	743,861,161	322,425,523	297,633,952	747,944,108	10,918,525	152,092,843	1,272,532	135,340,584
Borrowings	27,563,328	85,909,444	44,086,302	262,859,233	-	20,820,032	607,432	2,138,070
Subordinated debt	-	-	-	-	-	-	-	443,983,841
Deposits & other accounts	698,516,913	178,284,317	202,041,335	-	10,756,152	88,552,617	-	7,000,000
Net inter segment borrowing	-	26,853,373	13,248,023	482,969,129	-	37,259,554	-	-
Others	17,779,088	31,378,389	35,827,489	3,686,242	162,373	5,910,680	337,781	23,847,326
Total liabilities	743,859,329	322,425,523	295,203,149	749,514,604	10,918,525	152,542,883	945,213	32,985,396
Net Assets	1,832	-	24,30,803	(1,570,496)	-	(450,040)	327,319	102,355,188
Equity								103,094,606
Contingencies & Commitments	83,462,769	195,081,557	75,815,595	95,684,886	8,994	105,171,958	450,000	2,276,578
* Others include head office related activities and share of profit.								557,952,237

For the Quarter ended March 31, 2021 (Un-audited)

	Retail	Corporate	Islamic	Treasury	Digital	Overseas	Brokerage	Others*	Total
(Rupees in '000)									
Profit & Loss									
Net mark-up/return/profit	(984,389)	3,521,283	1,916,466	5,276,541	(7,634)	708,021	(1,388)	(103,765)	10,325,135
Inter segment revenue - net	6,374,241	(1,992,020)	(53,899)	(4,475,775)	99,898	80,836	-	(33,281)	-
Non mark-up/return/interest income	1,046,118	531,345	266,952	1,068,279	35,163	748,456	88,532	169,242	3,954,087
Total Income	6,435,970	2,060,608	2,129,519	1,869,045	127,427	1,537,313	87,144	32,196	14,279,222
Segment direct expenses	3,587,516	254,785	1,088,620	120,064	319,560	488,851	57,718	2,708,546	8,625,660
Inter segment expense allocation	1,730,287	244,739	431,795	66,079	178,797	59,778	-	(2,711,475)	-
Total expenses	5,317,803	499,524	1,520,415	186,143	498,357	548,629	57,718	(2,929)	8,625,660
Provisions / (Reversals)	(59,713)	377,415	(25,041)	(41,484)	640	(32,429)	-	(3,220)	216,168
Profit / (loss) before tax	1,177,880	1,183,669	634,145	1,724,386	(37,570)	1,021,113	29,426	38,345	5,437,394

As at December 31, 2021 (Audited)

	Retail	Corporate	Islamic	Treasury	Digital	Overseas	Brokerage	Others*	Total
(Rupees in '000)									
Balance Sheet									
Cash & Bank balances	59,681,508	11,541,859	16,233,178	6,799,542	494,255	20,606,452	231,443	-	115,588,237
Investments	-	2,072,227	91,822,133	645,414,966	-	69,050,718	26,166	3,537,036	811,923,746
Net inter segment lending	431,128,123	-	-	-	6,355,852	-	-	86,291,183	523,775,158
Lendings to financial institutions	-	-	16,493,641	11,172,904	-	8,315,520	-	-	35,982,065
Advances - performing	203,165,570	282,208,814	132,877,992	-	65,423	41,101,258	2,661	10,876,876	670,298,594
Advances - non-performing	1,069,060	2,138,566	224,685	-	2,337	150,043	-	-	3,584,691
Others	21,021,729	19,167,418	21,637,954	11,100,835	1,490,652	3,353,196	725,440	20,899,034	99,396,258
Total Assets	716,065,990	317,128,884	279,289,583	674,488,247	8,408,519	142,577,187	985,710	121,604,129	2,260,548,249
Borrowings	26,768,170	79,969,245	31,305,163	207,951,783	-	37,314,358	300,000	500,153	384,108,872
Subordinated debt	-	-	-	-	-	-	-	7,000,000	7,000,000
Deposits & other accounts	668,667,896	182,007,203	200,390,388	-	8,293,361	79,650,772	-	-	1,139,009,620
Net inter segment borrowing	-	26,502,870	12,724,121	464,701,513	-	19,846,654	-	-	523,775,158
Others	20,591,423	28,649,566	32,493,099	3,089,606	115,158	5,658,006	350,984	13,832,658	104,780,500
Total liabilities	716,027,489	317,128,884	276,912,771	675,742,902	8,408,519	142,469,790	650,984	21,332,811	2,158,674,150
Net Assets	38,501	-	2,376,812	(1,254,655)	-	107,397	334,726	100,271,318	101,874,099
Equity									
Contingencies & Commitments	69,140,430	182,035,105	73,345,099	160,268,743	78,313	83,682,843	450,000	2,239,467	571,240,000

* Others include head office related activities and share of profit.

The Group has related party transactions with its parent, associates, employee benefit plans, its directors, Key Management Personnel and other related parties.

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

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

	As at March 31, 2022 (Un-audited)					As at December 31, 2021 (Audited)				
	Directors/ CEO	Key management personnel	Associates	Other related parties		Directors/ CEO	Key management personnel	Associates	Other related parties	
----- (Rupees in '000) -----										
Lendings to financial institutions										
Opening balance	-	-	-	2,330,078		-	-	-	-	1,745,830
Addition during the period / year	-	-	-	6,216,225		-	-	-	-	136,191,858
Repaid during the period / year	-	-	-	(8,546,303)		-	-	-	-	(133,658,672)
Transfer in / (out) - net	-	-	-	-		-	-	-	-	(1,948,938)
Closing balance	-	-	-	-		-	-	-	-	2,330,078
Investments										
Opening balance	-	-	4,118,122	1,119,230		-	-	3,675,044	-	1,241,405
Investment made during the period / year	-	-	-	-		-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-		-	-	-	-	(22,245)
Equity method adjustment	-	-	27,689	-		-	-	443,078	-	-
Transfer in / (out) - net	-	-	-	-		-	-	-	-	(99,930)
Closing balance	-	-	4,145,811	1,119,230		-	-	4,118,122	-	1,119,230
Provision for diminution in value of investments										
	-	-	-	-		-	-	-	-	-
Advances										
Opening balance	77	1,184,057	-	1,997,552		78,132	791,521	-	-	3,346,278
Addition during the period / year	367	264,753	-	24,714		(78,055)	681,118	-	-	1,954,966
Repaid during the period / year	(36)	(148,556)	-	(1,066,209)		-	(263,110)	-	-	(3,398,044)
Transfer in / (out) - net	-	(26,085)	-	-		-	(25,472)	-	-	94,352
Closing balance	408	1,274,169	-	956,057		77	1,184,057	-	-	1,997,552
Fixed Assets										
Right-of-use assets										
	-	-	-	-		-	-	-	-	-
Other Assets										
Interest / mark-up accrued	1	101,035	-	462		-	109,318	-	-	20,294
Receivable from staff retirement fund	-	-	-	677,120		-	-	-	-	744,324
Prepayment / rent receivable	-	-	30,000	-		-	-	-	-	-
Others	-	-	-	-		-	-	-	-	-

	Directors/ CEO	Key management personnel	Associates	Other related parties	Directors/ CEO	Key management personnel	Associates	Other related parties
	As at March 31, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
	(Rupees in '000)				(Rupees in '000)			
Borrowings								
Opening balance	-	-	-	2,280,921	-	-	-	2,384,849
Borrowings during the period / year	-	-	-	9,757,651	-	-	-	29,725,920
Settled during the period / year	-	-	-	(9,752,096)	-	-	-	(29,829,848)
Closing balance	-	-	-	2,286,476	-	-	-	2,280,921
Deposits and other accounts								
Opening balance	59,026	371,859	13,465,080	6,410,266	103,392	397,194	5,586,652	3,706,519
Received during the period / year	147,733	1,640,786	60,264,171	14,989,461	1,313,242	2,777,580	191,394,108	34,036,364
Withdrawn during the period / year	(94,950)	(1,397,696)	(66,098,528)	(14,672,110)	(1,357,608)	(2,785,788)	(183,315,680)	(31,371,402)
Transfer in / (out) - net	-	(3,632)	-	-	-	(17,122)	-	38,785
Closing balance	111,809	611,917	7,630,723	6,727,617	59,026	371,859	13,465,080	6,410,266
Other Liabilities								
Interest / mark-up payable	163	1,913	-	29,152	131	750	-	22,597
Lease Liabilities	-	-	-	-	-	-	-	-
Dividend Payable	547,889	6,456	1,249	1,155,702	-	-	-	-
Others	1,734	629	-	14,403	-	23,141	-	67,830
Contingencies and Commitments								
Other contingencies	-	-	-	25,458	-	-	-	24,491
	For the nine months period ended March 31, 2022 (Un-audited)				For the nine months period ended March 31, 2021 (Un-audited)			
	(Rupees in '000)				(Rupees in '000)			
Income								
Mark-up / return / interest earned	-	12,769	-	11,598	2,747	10,919	-	65,969
Fee and commission income	-	26	21,438	-	-	-	16,776	-
Dividend income	-	-	30,000	-	-	676	1,868	5,502
Other income	-	9	19,358	-	-	-	-	-
Expenses								
Mark-up / return / interest paid	318	6,152	95,051	178,122	101	2,367	37,526	121,018
Borrowing cost on leased properties	-	-	-	-	-	-	-	320
Operating expenses								
Directors fee	50,500	-	-	-	50,046	-	-	-
Managerial remuneration	187,264	786,318	-	-	101,030	625,026	-	5,482
Software maintenance	-	-	-	23,250	-	-	-	-
Travelling and accommodation	-	-	-	8,511	-	-	-	23,465
Communication cost	-	-	-	67,204	-	-	-	54,212
Charge for defined benefit plan	-	-	-	141,926	-	-	-	122,050
Contribution to defined contribution plan	-	-	-	5,428	-	-	-	476
Others	-	-	-	-	-	-	-	-
Other Information								
Dividend paid	-	-	673,255	-	547,890	5,728	1,931	1,657,492
Insurance premium paid	-	-	165,638	-	-	-	575,981	-
Insurance claims settled	-	-	-	-	-	-	121,885	-

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

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	17,771,651	17,771,651
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	78,216,641	77,928,098
Eligible Additional Tier 1 (ADT 1) Capital	7,014,663	7,013,781
Total Eligible Tier 1 Capital	85,231,304	84,941,879
Eligible Tier 2 Capital	25,753,882	24,985,562
Total Eligible Capital (Tier 1 + Tier 2)	110,985,186	109,927,441

Risk Weighted Assets (RWAs):

Credit Risk	657,406,022	659,974,433
Market Risk	6,139,813	13,389,075
Operational Risk	94,040,288	94,040,288
Total	757,586,123	767,403,796

Common Equity Tier 1 Capital Adequacy ratio	10.32%	10.15%
Tier 1 Capital Adequacy Ratio	11.25%	11.07%
Total Capital Adequacy Ratio	14.65%	14.32%

In line with Basel III Capital Adequacy guidelines, following capital requirements are applicable to the Bank:

Common Equity Tier 1 Capital Adequacy ratio	6.00%	6.00%
Tier 1 Capital Adequacy Ratio	7.50%	7.50%
Total Capital Adequacy Ratio	11.50%	11.50%

For Capital adequacy calculation, Bank has adopted Standardized Approach for Credit & Market Risk related exposures and Alternate Standardized Approach (ASA) for operational risk.

Leverage Ratio (LR):

Eligible Tier-1 Capital	85,231,304	84,941,879
Total Exposures	2,433,792,278	2,292,529,009
Leverage Ratio	3.50%	3.71%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	600,530,114	474,660,774
Total Net Cash Outflow	347,522,711	275,665,253
Liquidity Coverage Ratio	173%	172%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	1,034,621,177	1,017,917,252
Total Required Stable Funding	777,733,643	753,951,739
Net Stable Funding Ratio	133%	135%

39 AFGHANISTAN OPERATIONS

Bank Alfalah maintains a two branch presence in Afghanistan. The board and management of the Bank continue to closely monitor the evolving situation in Afghanistan which has been hampered due to country frozen reserve and uncertainty regarding international recognition which prevent normal flows in and out of Afghanistan. The bank remains focused on maintaining its control standards i.e. both onshore and through Head Office oversight.

40 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on April 26, 2022 by the Board of Directors of the Bank.

41 GENERAL

41.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated condensed interim financial statements, wherever necessary to facilitate comparison.



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