

ALLIED BANK LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UN-AUDITED) AS AT SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	132,109,132	87,913,426
Balances with other banks	8	1,437,729	3,439,468
Lendings to financial institutions - net	9	99,120,861	28,222,195
Investments - net	10	1,046,971,926	1,123,117,088
Advances - net	11	757,225,582	845,640,176
Fixed assets	12	88,759,592	81,478,561
Intangible assets	13	3,133,182	2,963,902
Deferred tax assets	14	17,316,636	13,001,349
Other assets - net	15	117,138,089	65,196,693
		2,263,212,729	2,250,972,858
LIABILITIES			
Bills payable	17	9,759,133	14,159,643
Borrowings	18	308,986,319	530,414,493
Deposits and other accounts	19	1,704,478,770	1,522,297,479
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	89,430,711	56,289,835
		2,112,654,933	2,123,161,450
NET ASSETS		150,557,796	127,811,408
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		37,092,306	31,435,453
Surplus on revaluation of assets - net of tax	22	5,058,516	5,272,401
Unappropriated profit		96,956,235	79,652,815
		150,557,796	127,811,408
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

Chief Financial Officer

President and Chief Executive

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ALLIED BANK LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Share capital	Capital reserve	Statutory Reserve	Revenue reserve	(Deficit) / Surplus on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve		General reserve	Investments	Fixed assets	Non-banking assets		
Rupees in '000									
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,721,787	939,176	69,470,607	127,244,539
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	12,628,216	12,628,216
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,856,951)	-	-	-	(10,856,951)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	2,640,685	-	-	-	-	-	-	2,640,685
	-	2,640,685	-	-	(10,856,951)	(174,267)	(1,721)	34,462	(8,357,792)
Transfer to statutory reserve	-	-	1,262,822	-	-	-	-	(1,262,822)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	100,467	(100,467)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(93,128)	-	93,128	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(900)	900	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners recognized directly in equity									
Final cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)
Balance as at September 30, 2022	11,450,739	5,441,920	25,239,653	6,000	(14,978,787)	22,554,859	810,313	74,119,822	124,644,519
Profit after taxation for three months ended December 31, 2022	-	-	-	-	-	-	-	8,565,605	8,565,605
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,155,078)	-	-	-	(3,155,078)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	72,430	-	72,430
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	82,760	82,760
Effect of translation of net investment in foreign branches	-	(108,680)	-	-	-	-	-	-	(108,680)
	-	(108,680)	-	-	(3,155,078)	-	72,430	82,760	(3,108,568)
Transfer to statutory reserve	-	-	856,560	-	-	-	-	(856,560)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(31,043)	-	31,043	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(293)	293	-
Transactions with owners recognized directly in equity									
Third interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,523,816	882,450	79,652,815	127,811,408
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	28,661,577	28,661,577
Other Comprehensive Income - net of tax									
Surplus on revaluation of investments - net of tax	-	-	-	-	90,234	-	-	-	90,234
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(248,344)	-	-	(248,344)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	2,790,695	-	-	-	-	-	-	2,790,695
	-	2,790,695	-	-	90,234	(248,344)	(2,700)	42,981	2,672,866
Transfer to statutory reserve	-	-	2,866,158	-	-	-	-	(2,866,158)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(52,110)	-	52,110	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(965)	965	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	(8,588,055)	(8,588,055)
Balance as at September 30, 2023	11,450,739	8,123,935	28,962,371	6,000	(18,043,631)	22,223,362	878,785	96,956,235	150,557,796

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023	September 30, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		57,824,446	33,024,271
Less: Dividend income		(2,573,872)	(1,982,917)
		<u>55,250,574</u>	<u>31,041,354</u>
Adjustments:			
Depreciation - Operating Fixed Assets		3,429,033	3,065,488
Depreciation - Non Banking Assets		7,504	5,701
Depreciation on right of use assets		1,320,040	1,280,706
Interest expense on lease liability		865,729	739,437
Amortization		435,191	385,737
Net provisions and write offs	32	2,537,829	(610,725)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		358	(1,905)
Provision for workers welfare fund		1,195,719	692,288
Charge for defined benefit plans		355,257	311,994
Loss / (gain) on sale of fixed assets		2,112	(3,898)
Loss / (gain) on sale of non-banking assets and other assets		-	3,063
		<u>10,148,772</u>	<u>5,867,886</u>
		<u>65,399,346</u>	<u>36,909,240</u>
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(70,898,666)	31,421,378
Held-for-trading securities		51,146	(4,936,420)
Advances		87,187,946	(20,246,281)
Other assets (excluding advance taxation)		(56,092,655)	(37,288,710)
		<u>(39,752,229)</u>	<u>(31,050,033)</u>
Increase / (Decrease) in operating liabilities			
Bills payable		(4,400,510)	(751,810)
Borrowings		(221,047,457)	(110,516,223)
Deposits and other accounts		182,181,291	137,934,329
Other liabilities (excluding current taxation)		31,109,853	25,572,278
		<u>(12,156,823)</u>	<u>52,238,574</u>
		<u>13,490,294</u>	<u>58,097,781</u>
Income tax paid		(25,820,292)	(13,447,286)
Defined benefits paid		(524,015)	(449,816)
Net cash flow (used in) / generated from operating activities		<u>(12,854,013)</u>	<u>44,200,679</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net realizations / (investments) in 'available-for-sale' securities		71,856,343	(35,958,033)
Net investments in 'held-to-maturity' securities		(285,929)	(2,807,460)
Dividend received		2,154,130	1,658,296
Investments in fixed assets and intangible assets		(10,670,089)	(5,858,272)
Proceeds from sale of fixed assets		26,267	33,803
Effect of translation of net investment in foreign branches		2,790,694	2,640,685
Net cash flow generated from / (used in) investing activities		<u>65,871,416</u>	<u>(40,290,981)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,882,974)	(1,712,571)
Dividend paid		(8,559,745)	(6,857,464)
Net cash flow used in financing activities		<u>(10,442,719)</u>	<u>(8,570,035)</u>
Increase / (Decrease) in cash and cash equivalents during the period		<u>42,574,684</u>	<u>(4,660,337)</u>
Cash and cash equivalents at beginning of the period		91,600,842	127,100,248
Effect of exchange rate changes on opening cash and cash equivalents		(683,219)	(1,982,059)
		<u>90,917,623</u>	<u>125,118,189</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<u>133,492,307</u>	<u>120,457,852</u>

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

1 STATUS AND NATURE OF BUSINESS

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,472 (December 31, 2022: 1,451) branches in Pakistan including 122 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 1) in Bahrain.

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

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

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

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

2 BASIS OF PRESENTATION

These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank are being issued separately.

The financial results of the Islamic banking branches have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating inter-branch transactions and balances. Key financial figures of the Islamic banking branches are disclosed in Note 39 to these unconsolidated condensed interim financial statements.

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

2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

ALLIED BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

3.1 New Standards, Interpretations and amendments adopted by the Bank

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

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

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

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

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

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

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

ALLIED BANK LIMITED

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5 BASIS OF MEASUREMENT

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

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

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2022.

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		30,818,623	28,208,976
Foreign currencies		2,537,364	974,226
		33,355,987	29,183,202
Remittances in transit		711,324	1,102,799
With State Bank of Pakistan (SBP) in			
Local currency current accounts		57,661,275	56,627,616
Foreign currency current account		114,931	77,448
Foreign currency deposit accounts (non-remunerative)		7,750,234	36,908
Foreign currency deposit accounts (remunerative)		15,906,149	59,118
		81,432,589	56,801,090
With National Bank of Pakistan in			
Local currency current accounts		16,093,750	561,719
Prize Bonds		515,482	264,616
		132,109,132	87,913,426
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		7,500	7,500
Outside Pakistan			
In current accounts		1,197,434	3,209,391
In deposit accounts		232,795	222,577
		1,430,229	3,431,968
		1,437,729	3,439,468

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30,	December 31,
		2023	2022
		Rupees in '000	
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - foreign currency		3,452,861	3,622,894
Repurchase agreement lendings (Reverse Repo)		91,668,000	21,599,301
Musharaka lendings		4,000,000	3,000,000
Certificates of investment		70,000	70,000
		99,190,861	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		99,120,861	28,222,195

(Audited)			
September 30, 2023		December 31, 2022	
Classified Lending	Provision held	Classified Lending	Provision held
Rupees in '000			

9.1 Category of classification

Domestic

Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

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

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

ALLIED BANK LIMITED

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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

10.2.2 Particulars of provision against debt securities

Category of classification

Domestic

Other assets specially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	329,897	329,897	341,708	341,708
	329,897	329,897	341,708	341,708

Overseas

Not past due but impaired**	19,531,444	1,367,161	14,772,409	309,078
Overdue by:	-	-	-	-
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-

Total	19,861,341	1,697,058	15,114,117	650,786
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* NPI stands for Non-performing Investments.

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

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

ALLIED BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	Performing		Non Performing		Total	
		Audited		Audited		Audited	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Rupees in '000							
11	ADVANCES						
	Loans, cash credits, running finances, etc.	693,764,977	774,934,098	11,959,057	11,718,805	705,724,034	786,652,903
	Islamic financing and related assets	61,060,085	66,762,206	5,729	9,675	61,065,814	66,771,881
	Bills discounted and purchased	2,151,888	2,688,351	1,372,761	1,375,202	3,524,649	4,063,553
	Advances - gross	756,976,950	844,384,655	13,337,547	13,103,682	770,314,497	857,488,337
	Provision against advances						
	Specific	-	-	(12,802,501)	(11,738,558)	(12,802,501)	(11,738,558)
	General	(286,414)	(109,603)	-		(286,414)	(109,603)
		(286,414)	(109,603)	(12,802,501)	(11,738,558)	(13,088,915)	(11,848,161)
	Advances - net of provision	756,690,536	844,275,052	535,046	1,365,124	757,225,582	845,640,176
						(Audited)	
						September 30,	December 31,
						2023	2022
						Rupees in '000	
11.1	Particulars of advances (Gross)						
	In local currency					718,961,268	825,652,654
	In foreign currencies					51,353,229	31,835,683
						770,314,497	857,488,337

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

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

11.3 Particulars of provision against advances

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

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

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

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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

		(Audited)	
		September	December 31,
		30, 2023	2022
		Rupees in '000	
12	FIXED ASSETS		
	Capital work-in-progress	8,439,801	4,317,914
	Property and equipment	71,823,572	69,337,253
	Right-of-use Assets	8,496,219	7,823,394
		88,759,592	81,478,561
12.1	Capital work-in-progress		
	Civil works	6,599,315	3,304,808
	Equipment	95,171	44,592
	Advances to suppliers	1,745,315	968,514
		8,439,801	4,317,914
12.2	Additions to fixed assets		
	The following additions are made to property and equipment during the period:		
	Capital work-in-progress	5,620,804	2,700,542
	Property and equipment		
	Freehold land	810,785	1,079,542
	Leasehold land	10	143,086
	Building on freehold land	514,566	1,516,692
	Building on leasehold land	45,753	168,968
	Furniture and fixture	319,446	147,106
	Electrical office and computer equipment	3,472,394	1,576,507
	Vehicles	287,935	36,140
	Others-building improvements	507,952	565,560
		5,958,841	5,233,601
	Right-of-use Assets	2,138,862	1,652,201
	Total	13,718,507	9,586,344
12.3	Disposal of fixed assets		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	1,314	560
	Electrical office and computer equipment	6,669	8,647
	Vehicles	132	1,396
	Building on freehold land	-	12,290
	Building improvements	-	6
	Total	8,115	22,899

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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

		(Audited)	
		September	December 31,
		30, 2023	2022
		Rupees in '000	
13	INTANGIBLE ASSETS		
	Capital work-in-progress	433,742	275,227
	Computer Software	2,699,440	2,688,675
		3,133,182	2,963,902
13.1	Capital work-in-progress		
	Software	430,868	272,353
	Advances to suppliers	2,874	2,874
		433,742	275,227
13.2	Additions to intangible assets		
	The following additions are made to intangible assets during the period:		
	Capital work-in-progress	261,675	147,651
	Software	184,279	295,098
	Total	445,954	442,749
13.3	Disposals of intangible assets		
	The net book value of intangible assets disposed off during the period is Nil.		

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	(Audited)	
	September 30,	December 31,
	2023	2022
	Rupees in '000	
14 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision against investments	19,093	19,093
Provision against other assets	38,959	38,959
Provision against off-balance sheet obligations	14,824	14,824
Provision against advances	503,573	360,393
Deficit on revaluation of investments	17,336,038	13,679,933
Actuarial losses	351,010	308,029
Post retirement medical benefits	42,980	42,980
Workers welfare fund	2,384,738	1,578,570
	20,691,215	16,042,781
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	(1,978,079)	(1,779,800)
Surplus on revaluation of non-banking assets	(21,119)	(19,347)
Accelerated tax depreciation / amortization	(1,362,175)	(1,229,079)
Excess of investment in finance lease over written down value of leased assets	(13,206)	(13,206)
	(3,374,579)	(3,041,432)
	17,316,636	13,001,349

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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
15 OTHER ASSETS			
Income / Mark-up accrued in local currency		83,171,433	49,451,768
Income / Mark-up accrued in foreign currency		832,685	1,368,623
Advances, deposits, advance rent and other prepayments		8,406,481	1,857,960
Non-banking assets acquired in satisfaction of claims		642,590	603,545
Branches adjustment account		8,613,165	22,909
Mark to market gain on forward foreign exchange contracts		-	88,177
Mark to market gain on forward government securities transactions		93,407	5,613
Acceptances		5,672,388	4,249,363
Due from the employees' retirement benefit schemes			
Pension fund		5,378,637	4,943,030
Fraud and forgeries		566,962	508,935
Stationery and stamps in hand		1,011,542	554,145
Overdue Foreign Bills Negotiated / Discounted		309,775	213,136
Home Remittance Cell agent receivable		1,427	3,511
Receivable from State Bank of Pakistan		33,799	29,684
Charges receivable		39,451	40,497
ATM / Point of Sale settlement account		2,456,009	1,041,549
Suspense Account		737	122
Others		115,903	68,137
		<u>117,346,391</u>	<u>65,050,704</u>
Less: Provision held against other assets	15.1	(1,108,205)	(755,808)
Other assets (net of provision)		<u>116,238,186</u>	<u>64,294,896</u>
Surplus on revaluation of non-banking assets			
acquired in satisfaction of claims		899,903	901,797
Other Assets - Total		<u><u>117,138,089</u></u>	<u><u>65,196,693</u></u>

15.1 Provision held against other assets

Advances, deposits, advance rent			
and other prepayments		213,333	131,125
Provision against fraud and forgeries		566,962	508,935
Overdue Foreign Bills Negotiated / Discounted		212,014	24,295
Charges receivable		39,451	39,600
Others		76,445	51,853
		<u>1,108,205</u>	<u>755,808</u>

ALLIED BANK LIMITED

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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	(Audited)	
	September 30,	December 31,
	2023	2022
	Rupees in '000	
15.1.1 Movement in provision held against other assets		
Opening balance	755,808	760,152
Charge for the period / year	409,243	111,279
Reversals	(55,569)	(101,280)
Net charge	353,674	9,999
Amounts written off	(1,277)	(14,343)
Closing balance	1,108,205	755,808

16 CONTINGENT ASSETS

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

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

ALLIED BANK LIMITED
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	(Audited)	
	September 30, 2023	December 31, 2022
Rupees in '000		
18 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Repurchase agreement borrowings	165,000,000	400,000,000
Under export refinance scheme	26,675,984	36,313,038
Under payroll refinance scheme	-	58,349
Under long term financing facility	35,906,679	38,403,037
Under financing scheme for renewable energy	666,116	639,435
Under temporary economic refinance scheme	12,925,173	13,273,360
Under refinance scheme for modernization of SMEs	10,227	16,364
Refinance and credit guarantee scheme for women entrepreneurs	15,185	11,018
Under refinance scheme for wages and salaries	146,402	163,580
	241,345,766	488,878,181
Repurchase agreement borrowings from Financial Institutions	55,722,838	12,499,527
	297,068,604	501,377,708
Unsecured		
Call borrowings	10,323,161	5,524,914
Overdrawn nostro accounts	54,554	435,271
Musharaka borrowing	1,500,000	23,050,000
Other borrowings	40,000	26,600
	11,917,715	29,036,785
	308,986,319	530,414,493

19 DEPOSITS AND OTHER ACCOUNTS

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

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

ALLIED BANK LIMITED
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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

20.1 Provision against off-balance sheet obligations

Opening balance	298,904	298,904
Charge for the period / year	-	-
Reversals for the period / year	-	-
	-	-
Closing balance	298,904	298,904

21 SHARE CAPITAL

21.1 Authorized capital

(Audited)			(Audited)	
September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022
No. of shares			Rupees in '000	
1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000

21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each				
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)		
9,148,550	9,148,550		91,486	91,486
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.		
8,400,000	8,400,000		84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2022: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each, as at reporting date.

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(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) arising on revaluation of:			
Fixed assets		24,201,441	24,303,616
Non-banking assets acquired in satisfaction of claims		899,904	901,797
Available-for-sale securities		<u>(35,379,669)</u>	<u>(31,813,798)</u>
		<u>(10,278,324)</u>	<u>(6,608,385)</u>
Deferred tax on (surplus) / deficit on revaluation of:			
Fixed assets		(1,978,079)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(21,119)	(19,347)
Available-for-sale securities		<u>17,336,038</u>	<u>13,679,933</u>
		<u>15,336,840</u>	<u>11,880,786</u>
Surplus on revaluation of assets - net of tax		<u>5,058,516</u>	<u>5,272,401</u>
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	<u>60,724,677</u>	49,109,776
Commitments	23.2	<u>427,412,947</u>	408,196,152
Other contingent liabilities	23.3	<u>6,947,206</u>	7,005,967
		<u>495,084,830</u>	<u>464,311,895</u>
23.1 Guarantees			
Financial guarantees		<u>5,678,155</u>	5,225,364
Performance guarantees		<u>14,391,811</u>	11,296,136
Other guarantees		<u>40,654,711</u>	32,588,276
		<u>60,724,677</u>	<u>49,109,776</u>
23.2 Commitments			
Documentary credits and short term trade related transactions:			
letters of credit		<u>123,359,337</u>	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	<u>274,710,865</u>	238,516,233
forward government securities transactions	23.2.2	<u>21,165,343</u>	24,046,280
operating leases	23.2.3	<u>245,574</u>	231,174
Commitments for acquisition of:			
fixed assets		<u>7,146,911</u>	5,672,996
intangible assets		<u>784,917</u>	645,539
		<u>427,412,947</u>	<u>408,196,152</u>
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		<u>167,260,533</u>	160,636,134
Sale		<u>107,450,332</u>	77,880,099
		<u>274,710,865</u>	<u>238,516,233</u>
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		<u>19,714,450</u>	22,219,131
Sale		<u>1,450,893</u>	1,827,149
		<u>21,165,343</u>	<u>24,046,280</u>
23.2.3 Commitments in respect of operating leases			
Not later than one year		<u>72,070</u>	58,039
Later than one year and not later than five years		<u>146,427</u>	128,510
Later than five years		<u>27,077</u>	44,625
		<u>245,574</u>	<u>231,174</u>
23.3 Other contingent liabilities			
23.3.1 Claims against the Bank not acknowledged as debt		<u>6,947,206</u>	<u>7,005,967</u>

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23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,841 million (2022: 32,741 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.34,841 million (2022: 32,741 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and created an arbitrary demand of Rs. 2,029 million (2022: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2022: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2022: 1,144 million). The Bank's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2022: 1,144 million).

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

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24 DERIVATIVE INSTRUMENTS

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

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

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

Note	Nine Months Ended		Quarter Ended		
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	
	Rupees in '000		Rupees in '000		
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances	104,415,954	49,534,656	37,443,392	20,381,228	
Investments	154,853,768	95,258,671	55,168,229	38,082,321	
Lendings to financial institutions	4,114,994	2,682,956	2,292,442	1,461,552	
Balances with banks	955,817	75,330	305,722	59,423	
	<u>264,340,533</u>	<u>147,551,613</u>	<u>95,209,785</u>	<u>59,984,524</u>	
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits	121,308,690	68,261,635	48,554,918	28,937,146	
Borrowings	57,308,137	30,038,753	14,270,798	12,086,821	
Cost of foreign currency swaps against foreign currency deposits	3,873,064	3,069,713	1,992,489	774,976	
Interest expense on lease liability	865,729	739,437	309,079	258,892	
	<u>183,355,620</u>	<u>102,109,538</u>	<u>65,127,284</u>	<u>42,057,835</u>	
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)	3,907,178	2,581,434	1,454,025	1,024,358	
Branch banking customer fees	1,713,114	1,370,091	655,495	392,317	
Commission on remittances including home remittances	583,781	526,452	201,573	151,522	
Investment banking fees	562,469	651,193	12,472	182,106	
Commission on trade	446,864	403,945	164,128	135,045	
Commission on cash management	297,222	217,714	104,807	57,004	
Commission on guarantees	137,448	104,549	41,295	35,976	
Commission on bancassurance	15,059	49,892	9,301	16,201	
Credit related fees	28,683	19,969	10,143	7,295	
Consumer finance related fees	21,761	13,121	5,194	4,271	
	<u>7,713,579</u>	<u>5,938,360</u>	<u>2,658,433</u>	<u>2,006,095</u>	
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	(77,709)	1,158,280	(285,219)	28,206
Unrealised - held for trading	10.1	(358)	(18)	9,988	(931)
Unrealised - forward government securities		87,794	4,292	73,852	(4,149)
		<u>9,727</u>	<u>1,162,554</u>	<u>(201,379)</u>	<u>23,126</u>
28.1 Realised gain / (loss) on:					
Federal government securities		187,399	173,091	31,159	(25,741)
Shares		(265,108)	985,205	(316,378)	53,947
Non government debt securities		-	(16)	-	-
		<u>(77,709)</u>	<u>1,158,280</u>	<u>(285,219)</u>	<u>28,206</u>

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

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

	June 30, 2023				Total
	Carrying Value	Level 1	Level 2	Level 3	
On balance sheet financial instruments	Rupees in '000				
Financial assets - measured at fair value					
Investments					
Federal Government Securities	941,705,318	-	941,705,318	-	941,705,318
Shares	17,079,287	17,052,766	26,521	-	17,079,287
Non-Government Debt Securities	13,289,379	-	13,289,379	-	13,289,379
Financial assets - disclosed but not measured at fair value					
Investments (Federal government securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	74,897,942	-	-	-	-
Cash and balances with treasury banks	132,109,132	-	-	-	-
Balances with other banks	1,437,729	-	-	-	-
Lendings	99,120,861	-	-	-	-
Advances	757,225,582	-	-	-	-
Other assets	101,012,269	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,791,981	-	59,791,981	-	59,791,981
Non-banking assets	1,542,493	-	1,542,493	-	1,542,493
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	167,260,533	-	167,260,533	-	167,260,533
Forward sale of foreign exchange	107,450,332	-	107,450,332	-	107,450,332
Forward purchase of government securities transactions	19,714,450	-	19,714,450	-	19,714,450
Forward sale of government securities transactions	1,450,893	-	1,450,893	-	1,450,893

	December 31, 2022 (Audited)				Total
	Carrying Value	Level 1	Level 2	Level 3	
On balance sheet financial instruments	Rupees in '000				
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,017,093,239	-	1,017,093,239	-	1,017,093,239
Shares	17,189,092	17,166,641	22,451	-	17,189,092
Non-Government Debt Securities	13,134,767	-	13,134,767	-	13,134,767
Financial assets - disclosed but not measured at fair value					
Investments (Federal government securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	75,699,990	-	-	-	-
Cash and balances with treasury banks	87,913,426	-	-	-	-
Balances with other banks	3,439,468	-	-	-	-
Lendings	28,222,195	-	-	-	-
Advances	845,640,176	-	-	-	-
Other assets	56,467,341	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,099,625	-	59,099,625	-	59,099,625
Non-banking assets	1,505,342	-	1,505,342	-	1,505,342
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	160,636,134	-	160,636,134	-	160,636,134
Forward sale of foreign exchange	77,880,099	-	77,880,099	-	77,880,099
Forward purchase of government securities transactions	22,219,131	-	22,219,131	-	22,219,131
Forward sale of government securities transactions	1,827,149	-	1,827,149	-	1,827,149

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36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

	September 30, 2023					
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Others	Total
	Rupees in '000					
Profit & Loss						
Net mark-up/return/profit	90,041,873	(111,992,350)	96,313,992	6,081,644	539,754	80,984,913
Inter segment revenue - net	(91,137,110)	207,734,858	(104,566,897)	-	(12,030,851)	-
Non mark-up / return / interest income	3,918,050	5,443,733	5,946,875	478,435	384,110	16,171,203
Total Income	2,822,813	101,186,241	(2,306,030)	6,560,079	(11,106,987)	97,156,116
Segment direct expenses	613,366	16,552,880	186,860	1,380,957	18,065,367	36,799,430
Total expenses	613,366	16,552,880	186,860	1,380,957	18,065,367	36,799,430
Provisions	(2,090,334)	(534,513)	(287,719)	(3,476)	383,802	(2,532,240)
Profit before tax	119,113	84,098,848	(2,780,609)	5,175,646	(28,788,552)	57,824,446
Balance Sheet						
Cash & Bank balances	32,165	41,579,910	74,282,193	10,181,711	7,470,882	133,546,861
Investments	47,412,468	-	970,462,717	28,596,741	500,000	1,046,971,926
Net inter segment lending	(630,922,928)	1,506,724,390	(957,513,495)	(4,138,083)	85,850,116	-
Lendings to financial institutions	3,452,861	-	99,930,408	4,000,000	(8,262,408)	99,120,861
Advances - performing	660,405,245	24,781,388	-	61,060,085	10,730,232	756,976,950
Advances - non-performing	40,736	226,477	-	5,729	13,064,605	13,337,547
Provision against advances	(245,989)	(160,088)	-	(7,363)	(12,675,475)	(13,088,915)
Advances - net	660,199,992	24,847,777	-	61,058,451	11,119,362	757,225,582
Operating fixed assets	157,291	52,926,092	9,251	946,706	37,853,434	91,892,774
Others	10,550,657	21,733,617	44,430,863	6,932,700	50,806,888	134,454,725
Total Assets	90,882,506	1,647,811,786	231,601,937	107,578,226	185,338,274	2,263,212,729
Borrowings	84,592,253	2,386,755	225,817,392	4,452,328	(8,262,409)	308,986,319
Deposits & other accounts	4,479,619	1,609,450,409	-	86,282,473	4,266,269	1,704,478,770
Net inter segment borrowing	-	-	-	-	-	-
Others	1,810,634	35,974,622	5,784,545	4,354,862	51,265,181	99,189,844
Total liabilities	90,882,506	1,647,811,786	231,601,937	95,089,663	47,269,041	2,112,654,933
Equity / Reserves	-	-	-	12,488,563	138,069,233	150,557,796
Total Equity and liabilities	90,882,506	1,647,811,786	231,601,937	107,578,226	185,338,274	2,263,212,729
Contingencies and commitments	158,919,275	21,250,020	295,876,208	3,861,721	15,177,606	495,084,830
	September 30, 2022					
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Others	Total
	'Rupees in '000					
Profit & Loss						
Net mark-up/return/profit	40,748,227	(62,819,207)	64,653,285	2,443,677	416,093	45,442,075
Inter segment revenue - net	(43,530,837)	120,494,717	(68,677,853)	-	(8,286,027)	-
Non mark-up / return / interest income	4,527,362	4,017,520	7,265,757	276,236	241,145	16,328,020
Total Income	1,744,752	61,693,030	3,241,189	2,719,913	(7,628,789)	61,770,095
Segment direct expenses	535,812	14,687,160	190,655	1,193,898	12,834,880	29,442,405
Total expenses	535,812	14,687,160	190,655	1,193,898	12,834,880	29,442,405
Provisions	(187,178)	(128,318)	-	(1,200)	1,013,277	696,581
Profit before tax	1,021,762	46,877,552	3,050,534	1,524,815	(19,450,392)	33,024,271
	December 31, 2022 (Audited)					
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Others	Total
	Rupees in '000					
Balance Sheet						
Cash & Bank balances	118,949	23,235,294	52,356,522	9,172,647	6,469,482	91,352,894
Investments	41,851,146	-	1,052,517,808	28,248,134	500,000	1,123,117,088
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	10,554,643	844,384,655
Advances - non-performing	632,538	506,437	-	9,675	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	(11,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	11,190,417	845,640,176
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	31,115,736	84,442,463
Others	6,314,510	14,881,391	28,651,784	3,434,983	24,915,374	78,198,042
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	3,134,965	1,522,297,479
Others	2,250,883	28,225,961	1,072,206	3,445,447	35,454,981	70,449,478
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	35,049,643	2,123,161,450
Equity / Reserves	-	-	-	7,312,344	120,499,064	127,811,408
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	155,548,707	2,250,972,858
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	13,608,676	464,311,895

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37 RELATED PARTY TRANSACTIONS

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

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

	September 30, 2023						(Audited) December 31, 2022					
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Balances with other banks	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	-	25,000	-	-	-	500,000	-	25,000
Advances												
Opening balance	-	66,875	358,217	1,672,000	961,476	2,935	-	63,811	301,793	-	-	1,242
Addition during the period/year	-	86,497	186,881	37,191,000	57,150,988	14,588	-	66,521	163,059	1,672,000	18,724,508	20,000
Repaid during the period/year	-	(35,082)	(157,422)	(37,863,000)	(57,273,057)	(16,429)	-	(63,457)	(106,635)	-	(17,763,032)	(18,307)
Closing balance	-	118,290	387,676	1,000,000	839,407	1,094	-	66,875	358,217	1,672,000	961,476	2,935

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	September 30, 2023						(Audited) December 31, 2022					
	Parent	Directors	Key management personnel	Subsidiaries	Associates *	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates *	Other related parties
	Rupees in '000											
Other Assets												
Interest / mark-up accrued	-	12,180	94,228	2,429	9,900	-	-	5,128	93,943	-	11,489	-
Receivable from staff retirement fund	-	-	-	-	-	4,221,961	-	-	-	-	-	4,228,764
Other receivable	-	-	-	50,520	-	-	-	-	-	60,679	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	1,716	53,731	51,333	21,629	111,965	2,128,234	100,304	391,278	46,188	17,578	60,450	38,313,174
Received during the period/year	16,877,451	403,687	821,761	7,415,089	5,999,227	202,916,924	14,706,290	376,987	801,274	3,598,102	245,176	425,704,709
Withdrawn during the period/year	(15,494,766)	(396,171)	(821,219)	(7,308,380)	(6,109,248)	(201,433,627)	(14,804,878)	(714,534)	(796,129)	(3,594,051)	(193,661)	(461,889,649)
Closing balance	1,384,401	61,247	51,875	128,338	1,944	3,611,531	1,716	53,731	51,333	21,629	111,965	2,128,234
Other Liabilities												
Interest / mark-up payable	-	839	399	-	1	133,923	-	-	-	-	-	-
Contingencies and Commitments												
Other contingencies	-	-	-	-	1,505,527	-	-	-	-	-	50,931	-

ALLIED BANK LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

37.1 RELATED PARTY TRANSACTIONS

	September 30, 2023						September 30, 2022					
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Other related parties
	Rupees in '000											
Income												
Mark-up/return/interest earned	-	8,243	13,706	303,426	29,785	104	-	3,534	10,463	-	15	-
Fee and commission income	4	69	146	4,174	3,113	773	4	73	209	6,307	2	538
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Net (loss) / gain on sale of securities	-	-	(94)	-	-	9,327	-	-	-	-	-	13,110
Rental Income	-	-	-	16,141	-	-	-	-	-	11,285	-	-
Other Income	-	-	-	13,287	-	-	-	-	-	13,287	-	-
Expense												
Mark-up/return/interest paid	-	7,518	3,028	7,151	1,140	607,458	-	9,926	705	3,992	307	1,140,374
Directors meeting fee	-	49,800	-	-	-	-	-	35,200	-	-	-	-
Remuneration	-	80,856	417,588	-	-	-	-	48,435	362,215	-	-	-
Charge for defined benefit plans	-	1,996	17,657	-	-	-	-	982	15,583	-	-	-
Contribution to defined contribution plan	-	1,874	7,531	-	-	-	-	920	6,914	-	-	-
Other expenses	-	-	-	-	6,590	-	-	-	-	-	38,794	-
Rent expense**	-	-	-	-	15,153	-	-	-	-	-	13,016	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	234,102	-	-	-	-	-	235,691
Insurance premium paid	-	394	1,250	-	-	-	-	149	629	-	-	-

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

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

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

During the period ended September 30, 2023; certain moveable assets having cumulative net book value of Rs. 0 were disposed off for Rs. 265,000 to the Key Management Personnel of the Bank.

ALLIED BANK LIMITED

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023**

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

ALLIED BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

39 ISLAMIC BANKING BUSINESS

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

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		9,993,069	6,801,281
Balances with other banks		188,642	2,371,366
Due from financial institutions	39.1	4,000,000	3,000,000
Investments	39.2	28,596,741	28,248,134
Islamic financing and related assets - net	39.3	61,058,451	66,767,995
Fixed assets		945,296	1,220,562
Intangible assets		1,410	1,507
Due from Head Office		-	-
Other assets		6,932,700	3,434,983
		111,716,309	111,845,828
LIABILITIES			
Bills payable		528,434	233,943
Due to financial institutions		4,452,328	27,105,292
Deposits and other accounts	39.4	86,282,473	71,870,126
Due to Head Office		4,138,083	2,112,619
Subordinated debt		-	-
Other liabilities		3,826,428	3,211,504
		99,227,746	104,533,484
NET ASSETS			
		12,488,563	7,312,344
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		13,762	13,189
Unappropriated profit	39.5	8,374,801	3,199,155
		12,488,563	7,312,344
CONTINGENCIES AND COMMITMENTS			
	39.6		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended September 30, 2023 is as follows:			
	Note	September 30, 2023	September 30, 2022
Rupees in '000			
Profit / return earned	39.7	13,877,616	7,988,069
Profit / return expensed	39.8	7,795,972	5,544,392
Net Profit / return		6,081,644	2,443,677
OTHER INCOME			
Fee and commission income		288,275	203,893
Dividend income		-	-
Foreign exchange income		163,517	64,772
Loss on securities		15	(17)
Other income		26,628	7,588
Total other income		478,435	276,236
Total income		6,560,079	2,719,913
OTHER EXPENSES			
Operating expenses		1,380,688	1,193,898
Workers Welfare Fund		-	-
Other charges		269	-
Total other expenses		1,380,957	1,193,898
PROFIT BEFORE PROVISIONS			
Provisions and write offs - net		5,179,122	1,526,015
PROFIT BEFORE TAXATION		3,476	1,200
Taxation		5,175,646	1,524,815
PROFIT AFTER TAXATION		5,175,646	1,524,815

ALLIED BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

ALLIED BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	(Audited)	
	September 30, 2023	December 31, 2022
	Rupees in '000	
39.3 Islamic financing and related assets		
Ijarah Financing	282,559	416,075
Ijarah Inventory	110,327	168,244
Advance Against Ijarah	-	-
Murabaha Financing	1,607	643,374
Advance Against Murabaha	-	128,347
Diminishing Musharakah	12,775,095	13,393,139
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	526,415	525,291
Advance Against Diminishing Musharakah	50,040	152,644
Advance Against Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy	-	2,000
Business Musharakah Financing	42,523,410	47,183,573
Business Musharakah - Islamic Export Re-Finance	1,230,000	1,230,000
Business Musharakah - Islamic Re-Finance Against Wages And Salaries	-	-
Istisna Financing	-	-
Istisna - Financing Under Islamic Export Re-Finance	-	1,000,000
Advance Against Istisna	368,997	69,997
Advance Against Istisna - Financing Under Islamic Export Re-Finance	1,200,000	555,000
Inventory Against Istisna - Financing Under Islamic Export Re-Finance	255,000	-
Musawamah Financing	16,443	42,534
Advance Against Musawamah	96,666	-
Salam Financing	63,671	-
Advance Against Salam	297,241	109,932
Ijarah Financing - Staff	689,462	615,692
Diminishing Musharakah Financing - Staff	426,478	346,327
Advance Against Ijarah - Staff	83,897	107,857
Advance Against Diminishing Musharakah - Staff	68,506	81,855
Gross Islamic financing and related assets	61,065,814	66,771,881
Less: Provision against Islamic financings		
- Specific	5,729	2,419
- General	1,634	1,467
	7,363	3,886
Islamic financing and related assets - net of provision	61,058,451	66,767,995
39.4 Deposits		
Customers		
Current deposits	17,975,735	15,998,485
Savings deposits	21,318,625	20,591,430
Term deposits	4,858,805	3,198,250
Other deposits	4,495,307	4,025,263
	48,648,472	43,813,428
Financial Institutions		
Current deposits	346,475	262,459
Savings deposits	34,787,526	27,794,239
Term deposits	2,500,000	-
Other deposits	-	-
	37,634,001	28,056,698
	86,282,473	71,870,126
39.5 Islamic Banking Business Unappropriated Profit / (Loss)		
Opening Balance	3,199,155	729,561
Add: Islamic Banking profit for the period	5,175,646	2,469,594
Closing Balance	8,374,801	3,199,155

ALLIED BANK LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	(Audited)	
	September 30, 2023	December 31, 2022
	Rupees in '000	
39.6 Contingencies and Commitments		
-Guarantees	2,180,845	1,249,848
-Commitments	1,511,566	930,995
-Other contingencies	169,310	846,808
	<u>3,861,721</u>	<u>3,027,651</u>
	September 30, 2023	September 30, 2022
	Rupees in '000	
39.7 Profit / Return Earned on Financing, Investments and Placement		
Profit earned on:		
Financing	9,781,176	5,492,868
Investments	3,988,079	2,455,992
Placements	108,361	39,209
	<u>13,877,616</u>	<u>7,988,069</u>
39.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	5,956,126	3,182,259
Due to Financial Institutions	259,906	76,094
Profit paid on Musharakah borrowings	1,410,667	2,173,991
Profit paid on Mudarabah borrowings	64,892	16,946
Other expenses (IFRS-16)	104,381	95,102
	<u>7,795,972</u>	<u>5,544,392</u>

40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

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

41 GENERAL

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

42 DATE OF AUTHORIZATION FOR ISSUE

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UN-AUDITED) AS AT SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
ASSETS			
Cash and balances with treasury banks	7	132,109,455	87,904,863
Balances with other banks	8	1,437,729	3,439,468
Lendings to financial institutions - net	9	99,120,861	28,222,195
Investments - net	10	1,050,260,726	1,126,716,510
Advances - net	11	756,460,008	844,218,560
Fixed assets	12	89,097,123	81,823,836
Intangible assets	13	3,148,482	2,973,145
Deferred tax assets	14	17,319,302	13,037,316
Other assets - net	15	117,578,725	65,536,679
		2,266,532,411	2,253,872,572
LIABILITIES			
Bills payable	17	9,759,133	14,159,643
Borrowings	18	308,986,319	530,414,493
Deposits and other accounts	19	1,704,350,432	1,522,275,850
Sub-ordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities	20	90,055,963	56,758,278
		2,113,151,847	2,123,608,264
NET ASSETS		153,380,564	130,264,308
REPRESENTED BY			
Share capital	21	11,450,739	11,450,739
Reserves		37,092,306	31,435,453
Surplus / (Deficit) on revaluation of assets - net of tax	22	5,105,252	5,319,137
Unappropriated profit		99,732,267	82,058,979
		153,380,564	130,264,308
CONTINGENCIES AND COMMITMENTS	23		

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Share capital	Capital reserve	Statutory Reserve	Revenue reserve	Surplus / (Deficit) on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve		General reserve	Investments	Fixed assets	Non-banking assets		
Rupees in '000									
Balance as at January 01, 2022 (Audited)	11,450,739	2,801,235	23,976,831	6,000	(4,121,836)	22,768,523	939,176	71,822,518	129,643,186
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	12,642,781	12,642,781
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(10,856,951)	-	-	-	(10,856,951)
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(174,267)	-	-	(174,267)
Effect of change in tax rate on revaluation surplus of non banking assets - net of tax	-	-	-	-	-	-	(1,721)	-	(1,721)
Effect of change in tax rate on remeasurement of defined benefit obligations - net of tax	-	-	-	-	-	-	-	34,462	34,462
Effect of translation of net investment in foreign branches	-	2,640,685	-	-	-	-	-	-	2,640,685
	-	2,640,685	-	-	(10,856,951)	(174,267)	(1,721)	34,462	(8,357,792)
Transfer to statutory reserve	-	-	1,262,822	-	-	-	-	(1,262,822)	-
Transfer of revaluation surplus on change in use - net of tax	-	-	-	-	-	100,467	(100,467)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(93,128)	-	93,128	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(900)	900	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(25,775)	25,775	-
Transactions with owners recognized directly in equity									
Final cash dividend for the year ended December 31, 2021 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
First interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(6,870,444)	(6,870,444)
Balance as at September 30, 2022	11,450,739	5,441,920	25,239,653	6,000	(14,978,787)	22,601,595	810,313	76,486,298	127,057,731
Profit after taxation for three months ended December 31, 2022	-	-	-	-	-	-	-	8,604,704	8,604,704
Other Comprehensive Income - net of tax									
Deficit on revaluation of investments - net of tax	-	-	-	-	(3,155,078)	-	-	-	(3,155,078)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	72,430	-	72,430
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	83,349	83,349
Effect of translation of net investment in foreign branches	-	(108,680)	-	-	-	-	-	-	(108,680)
	-	(108,680)	-	-	(3,155,078)	-	72,430	83,349	(3,107,979)
Transfer to statutory reserve	-	-	856,560	-	-	-	-	(856,560)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(31,043)	-	31,043	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(293)	293	-
Transactions with owners recognized directly in equity									
Third interim cash dividend for the year ended December 31, 2022 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at December 31, 2022 (Audited)	11,450,739	5,333,240	26,096,213	6,000	(18,133,865)	22,570,552	882,450	82,058,979	130,264,308
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	29,031,445	29,031,445
Other Comprehensive Income - net of tax									
Surplus on revaluation of investments - net of tax	-	-	-	-	90,234	-	-	-	90,234
Effect of change in tax rate on revaluation surplus of fixed assets - net of tax	-	-	-	-	-	(248,344)	-	-	(248,344)
Effect of change in tax rate on revaluation surplus of non-banking assets - net of tax	-	-	-	-	-	-	(2,700)	-	(2,700)
Effect of change in tax rate on re-measurement of defined benefit obligation - net of tax	-	-	-	-	-	-	-	42,981	42,981
Effect of translation of net investment in foreign branches	-	2,790,695	-	-	-	-	-	-	2,790,695
	-	2,790,695	-	-	90,234	(248,344)	(2,700)	42,981	2,672,866
Transfer to statutory reserve	-	-	2,866,158	-	-	-	-	(2,866,158)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(52,110)	-	52,110	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(965)	965	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended December 31, 2022 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
First interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
Second interim cash dividend for the year ended December 31, 2023 (Rs. 2.5 per ordinary share)	-	-	-	-	-	-	-	(2,862,685)	(2,862,685)
	-	-	-	-	-	-	-	(8,588,055)	(8,588,055)
Balance as at September 30, 2023	11,450,739	8,123,935	28,962,371	6,000	(18,043,631)	22,270,098	878,785	99,732,267	153,380,564

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

ALLIED BANK LIMITED
CONSOLIDATED CASH FLOW STATEMENT
(UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023	September 30, 2022
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		58,456,934	33,103,223
Less: Dividend income		(2,716,315)	(2,058,149)
		<u>55,740,619</u>	<u>31,045,074</u>
Adjustments:			
Depreciation - Operating Fixed Assets		3,435,607	3,090,184
Depreciation - Non Banking Assets		7,504	5,701
Depreciation on right of use assets		1,320,040	1,285,860
Interest expense on lease liability		870,244	755,248
Amortization		453,899	385,737
Net provisions and write offs	32	2,537,829	(610,725)
Unrealized loss / (gain) on revaluation of 'held-for-trading' securities		(107,943)	117,599
Provision for workers welfare fund		1,208,627	695,471
Charge for defined benefit plans		355,257	311,994
Loss / (gain) on sale of fixed assets		2,112	(3,898)
Loss / (gain) on sale of non-banking assets and other assets		-	3,063
		<u>10,083,176</u>	<u>6,036,234</u>
		<u>65,823,795</u>	<u>37,081,308</u>
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(70,898,666)	31,421,378
Held-for-trading securities		609,821	(7,428,814)
Advances		87,953,520	(20,289,602)
Other assets (excluding advance taxation)		(57,235,759)	(36,252,818)
		<u>(39,571,084)</u>	<u>(32,549,856)</u>
Increase / (Decrease) in operating liabilities			
Bills payable		(4,400,510)	(751,810)
Borrowings		(221,047,457)	(110,516,223)
Deposits and other accounts		182,052,953	137,896,349
Other liabilities (excluding current taxation)		31,046,094	26,611,064
		<u>(12,348,920)</u>	<u>53,239,380</u>
		<u>13,903,791</u>	<u>57,770,832</u>
Income tax paid		(26,010,374)	(13,503,477)
Defined benefits paid		(498,359)	(445,555)
Net cash flow (used in) / generated from operating activities		<u>(12,604,942)</u>	<u>43,821,800</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net (investments) / realizations in 'available-for-sale' securities		71,856,343	(35,613,773)
Net investments in 'held-to-maturity' securities		(285,929)	(2,807,460)
Dividend received		2,296,573	1,733,528
(Investments) in fixed assets and intangible assets		(11,059,451)	(5,875,439)
Proceeds from sale of fixed assets		26,267	33,803
Effect of translation of net investment in foreign branches		2,790,694	2,640,685
Net cash flow generated / (used in) from investing activities		<u>65,624,497</u>	<u>(39,888,656)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(1,876,240)	(1,729,005)
Dividend paid		(8,559,745)	(6,857,464)
Net cash flow used in financing activities		<u>(10,435,985)</u>	<u>(8,586,469)</u>
Increase / (Decrease) in cash and cash equivalents during the period		<u>42,583,570</u>	<u>(4,653,325)</u>
Cash and cash equivalents at beginning of the period		91,592,279	127,094,355
Effect of exchange rate changes on opening cash and cash equivalents		(683,219)	(1,982,059)
		<u>90,909,060</u>	<u>125,112,296</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		<u>133,492,630</u>	<u>120,458,971</u>

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

1 STATUS AND NATURE OF BUSINESS

The "Group" consist of :

Holding Company

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,472 (December 31, 2022: 1,451) branches in Pakistan including 122 (December 31, 2022: 117) Islamic banking branches, 1 branch (December 31, 2022: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2022: 1) in Bahrain.

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

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

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

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

Subsidiary Company

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

The Company has been assigned an Asset Manager rating of 'AMI' by Pakistan Credit Rating Agency Limited (denoting a very High Management Quality with Stable Outlook) dated October 28, 2022

ABL Asset Management Company is managing the following funds:

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

2 BASIS OF PRESENTATION

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

2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' (IAS 39) and International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Please refer to note 3.2 for applicability of IFRS 9. Further, according to a notification of SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 New Standards, Interpretations and amendments adopted by the Bank

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

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

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

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

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

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5 BASIS OF MEASUREMENT

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

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

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2022.

ALLIED BANK LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

ALLIED BANK LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
9	LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings - foreign currency		3,452,861	3,622,894
Repurchase agreement lendings (Reverse Repo)		91,668,000	21,599,301
Musharaka lendings		4,000,000	3,000,000
Certificates of investment		70,000	70,000
		99,190,861	28,292,195
Less: Provision held against lendings to financial institutions	9.1	(70,000)	(70,000)
Lendings to financial institutions - net of provision		99,120,861	28,222,195

(Audited)			
September 30, 2023		December 31, 2022	
Classified Lending	Provision held	Classified Lending	Provision held
Rupees in '000			

9.1 Category of classification

Domestic

Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
Total	70,000	70,000	70,000	70,000

ALLIED BANK LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	September 30, 2023				(Audited) December 31, 2022			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
10 INVESTMENTS								
10.1 Investments by type:								
Held-for-trading securities								
Federal Government Securities	88,321	-	(358)	87,963	139,467	-	(134)	139,333
Open Ended Mutual Funds and Pension Funds	3,680,499	-	108,301	3,788,800	4,239,175	(1,100)	(138,653)	4,099,422
	3,768,820	-	107,943	3,876,763	4,378,642	(1,100)	(138,787)	4,238,755
Available-for-sale securities								
Federal Government Securities*	983,239,115	(1,367,161)	(38,300,789)	943,571,165	1,051,634,469	(309,078)	(32,350,404)	1,018,974,987
Shares	15,395,655	(958,888)	2,955,980	17,392,747	18,642,536	(1,670,628)	573,308	17,545,216
Non Government Debt Securities	25,756,451	(21,071)	(36,381)	25,698,999	26,593,534	(21,071)	(34,153)	26,538,310
Foreign Securities	1,770	-	-	1,770	1,770	-	-	1,770
Open Ended Mutual Funds	25,000	-	1,521	26,521	25,000	-	(2,549)	22,451
	1,024,417,991	(2,347,120)	(35,379,669)	986,691,202	1,096,897,309	(2,000,777)	(31,813,798)	1,063,082,734
Held-to-maturity securities								
Federal Government Securities	59,692,761	-	-	59,692,761	59,395,021	-	-	59,395,021
Non Government Debt Securities	308,826	(308,826)	-	-	320,637	(320,637)	-	-
	60,001,587	(308,826)	-	59,692,761	59,715,658	(320,637)	-	59,395,021
Total Investments	1,088,188,398	(2,655,946)	(35,271,726)	1,050,260,726	1,160,991,609	(2,322,514)	(31,952,585)	1,126,716,510

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

ALLIED BANK LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

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

10.2.2 Particulars of provision against debt securities

Category of classification

Domestic

Other assets specially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	329,897	329,897	341,708	341,708
	329,897	329,897	341,708	341,708

Overseas

Not past due but impaired**	19,531,444	1,367,161	14,772,409	309,078
Overdue by:	-	-	-	-
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
> 365 days	-	-	-	-

Total	19,861,341	1,697,058	15,114,117	650,786
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* NPI stands for Non-performing Investments.

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

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

ALLIED BANK LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	Performing		Non Performing		Total	
		Audited		Audited		Audited	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Rupees in '000							
11	ADVANCES						
Loans, cash credits, running finances, etc.		692,998,511	773,528,741	11,959,057	11,718,805	704,957,568	785,247,546
Islamic financing and related assets	39.3	61,060,977	66,745,947	5,729	9,675	61,066,706	66,755,622
Bills discounted and purchased		2,151,888	2,688,351	1,372,761	1,375,202	3,524,649	4,063,553
Advances - gross	11.1	756,211,376	842,963,039	13,337,547	13,103,682	769,548,923	856,066,721
Provision against advances							
Specific	11.2 & 11.3	-	-	(12,802,501)	(11,738,558)	(12,802,501)	(11,738,558)
General	11.3	(286,414)	(109,603)	-		(286,414)	(109,603)
		(286,414)	(109,603)	(12,802,501)	(11,738,558)	(13,088,915)	(11,848,161)
Advances - net of provision		755,924,962	842,853,436	535,046	1,365,124	756,460,008	844,218,560
						(Audited)	
						September 30, 2023	December 31, 2022
						Rupees in '000	
11.1	Particulars of advances (Gross)						
	In local currency					718,195,694	824,231,038
	In foreign currencies					51,353,229	31,835,683
						769,548,923	856,066,721

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

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

11.3 Particulars of provision against advances

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

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

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

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		(Audited)	
		September	December 31,
		30, 2023	2022
		Rupees in '000	
12	FIXED ASSETS		
	Capital work-in-progress	8,439,801	4,317,914
	Property and equipment	72,113,765	69,623,941
	Right-of-use Assets	8,543,557	7,881,981
		89,097,123	81,823,836
12.1	Capital work-in-progress		
	Civil works	6,599,315	3,304,808
	Equipment	95,171	44,592
	Advances to suppliers	1,745,315	968,514
		8,439,801	4,317,914
12.2	Additions to fixed assets		
	The following additions are made to property and equipment during the period:		
	Capital work-in-progress	5,620,804	2,700,542
	Property and equipment		
	Freehold land	810,785	1,079,542
	Leasehold land	10	143,086
	Building on freehold land	514,566	1,516,692
	Building on leasehold land	45,753	168,968
	Furniture and fixture	319,446	147,106
	Electrical office and computer equipment	3,487,659	1,581,628
	Vehicles	287,935	36,140
	Others-building improvements	507,952	565,560
		5,974,106	5,238,722
	Right-of-use Assets	2,138,862	1,652,201
	Total	13,733,772	9,591,465
12.3	Disposal of fixed assets		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furniture and fixture	1,314	560
	Electrical office and computer equipment	6,823	8,647
	Vehicles	132	1,396
	Building on freehold land	-	12,290
	Building improvements	-	6
	Total	8,269	22,899

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		(Audited)	
		September	December 31,
		30, 2023	2022
		Rupees in '000	
13	INTANGIBLE ASSETS		
	Capital work-in-progress	433,742	275,227
	Computer Software	2,714,740	2,697,918
		3,148,482	2,973,145
13.1	Capital work-in-progress		
	Software	430,868	272,353
	Advances to suppliers	2,874	2,874
		433,742	275,227
13.2	Additions to intangible assets		
	The following additions are made to intangible assets during the period:		
	Capital work-in-progress	261,675	144,285
	Software	184,279	442,749
	Total	445,954	587,034
13.3	Disposals of intangible assets		
	The net book value of intangible assets disposed off during the period is Nil.		

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	(Audited)	
	September 30, 2023	December 31, 2022
	Rupees in '000	
14 DEFERRED TAX ASSETS		
Deductible Temporary Differences on		
Provision against investments	19,093	19,093
Provision against other assets	38,959	38,959
Provision against off-balance sheet obligations	14,824	14,824
Provision against advances	503,573	360,393
Deficit on revaluation of investments	17,336,038	13,679,933
Actuarial losses	351,010	308,030
Investment in Finance Lease Liability	2,666	24,512
Post retirement medical benefits	42,980	49,639
Workers welfare fund	2,384,738	1,578,570
	20,693,881	16,073,953
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	(1,978,079)	(1,779,801)
Surplus on revaluation of non-banking assets	(21,119)	(15,071)
Accelerated tax depreciation / amortization	(1,362,175)	(1,228,559)
Excess of investment in finance lease over written down value of leased assets	(13,206)	(13,206)
	(3,374,579)	(3,036,637)
	17,319,302	13,037,316

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	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
15 OTHER ASSETS			
Income / Mark-up accrued in local currency		83,169,005	49,449,867
Income / Mark-up accrued in foreign currency		832,685	1,368,623
Advances, deposits, advance rent and other prepayments		8,849,545	2,199,847
Non-banking assets acquired in satisfaction of claims		642,590	603,545
Branches adjustment account		8,613,165	22,909
Mark to market gain on forward foreign exchange contracts		-	88,177
Mark to market gain on forward government securities transactions		93,407	5,613
Acceptances		5,672,388	4,249,363
Due from the employees' retirement benefit schemes			
Pension fund		5,378,637	4,943,030
Fraud and forgeries		566,962	508,935
Stationery and stamps in hand		1,011,542	554,145
Overdue Foreign Bills Negotiated or Discounted		309,775	213,136
Home Remittance Cell agent receivable		1,427	3,511
Receivable from State Bank of Pakistan		33,799	29,684
Charges receivable		39,451	40,497
ATM / Point of Sale settlement account		2,456,009	1,041,549
Suspense Account		737	122
Others		115,903	68,137
		<u>117,787,027</u>	<u>65,390,690</u>
Less: Provision held against other assets	15.1	<u>(1,108,205)</u>	<u>(755,808)</u>
Other assets (net of provision)		116,678,822	64,634,882
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		<u>899,903</u>	<u>901,797</u>
Other Assets - Total		<u>117,578,725</u>	<u>65,536,679</u>

15.1 Provision held against other assets

Advances, deposits, advance rent and other prepayments	213,333	131,125
Provision against fraud and forgeries	566,962	508,935
Overdue Foreign Bills Negotiated / Discounted	212,014	24,295
Charges receivable	39,451	39,600
Others	76,445	51,853
	<u>1,108,205</u>	<u>755,808</u>

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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	(Audited)	
	September 30, 2023	December 31, 2022
	Rupees in '000	
15.1.1 Movement in provision held against other assets		
Opening balance	755,808	760,152
Charge for the period / year	409,243	111,279
Reversals	(55,569)	(101,280)
Net charge	353,674	9,999
Amounts written off	(1,277)	(14,343)
Closing balance	<u>1,108,205</u>	<u>755,808</u>

16 CONTINGENT ASSETS

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

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

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	(Audited)	
	September 30, 2023	December 31, 2022
Rupees in '000		
18 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Repurchase agreement borrowings	165,000,000	400,000,000
Under export refinance scheme	26,675,984	36,313,038
Under payroll refinance scheme	-	58,349
Under long term financing facility	35,906,679	38,403,037
Under financing scheme for renewable energy	666,116	639,435
Under temporary economic refinance scheme	12,925,173	13,273,360
Under refinance scheme for modernization of SMEs	10,227	16,364
Refinance and credit guarantee scheme for women entrepreneurs	15,185	11,018
Under refinance scheme for wages and salaries	146,402	163,580
	241,345,766	488,878,181
Repurchase agreement borrowings from Financial Institutions	55,722,838	12,499,527
	297,068,604	501,377,708
Unsecured		
Call borrowings	10,323,161	5,524,914
Overdrawn nostro accounts	54,554	435,271
Musharaka borrowing	1,500,000	23,050,000
Other borrowings	40,000	26,600
	11,917,715	29,036,785
	308,986,319	530,414,493

19 DEPOSITS AND OTHER ACCOUNTS

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

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

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

20.1 Provision against off-balance sheet obligations

Opening balance	298,904	298,904
Charge for the period / year	-	-
Reversals for the period / year	-	-
Closing balance	298,904	298,904

21 SHARE CAPITAL

21.1 Authorized capital

		(Audited)			
September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
No. of shares				Rupees in '000	
1,500,000,000	1,500,000,000			15,000,000	15,000,000
		Ordinary shares of Rs.10/- each			

21.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each					
406,780,094	406,780,094			4,067,801	4,067,801
720,745,186	720,745,186			7,207,452	7,207,452
1,127,525,280	1,127,525,280			11,275,253	11,275,253
18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)					
9,148,550	9,148,550			91,486	91,486
8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.					
8,400,000	8,400,000			84,000	84,000
1,145,073,830	1,145,073,830			11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [December 31, 2022: 1,030,566,368 (90.00%)] ordinary shares of Rs. 10 each, as at reporting date.

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	Note	(Audited)	
		September 30, 2023	December 31, 2022
Rupees in '000			
22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) arising on revaluation of:			
Fixed assets		24,248,177	24,350,352
Non-banking assets acquired in satisfaction of claims		899,904	901,797
Available-for-sale securities		<u>(35,379,669)</u>	<u>(31,813,798)</u>
		<u>(10,231,588)</u>	<u>(6,561,649)</u>
Deferred tax on (surplus) / deficit on revaluation of:			
Fixed assets		(1,978,079)	(1,779,800)
Non-banking assets acquired in satisfaction of claims		(21,119)	(19,347)
Available-for-sale securities		<u>17,336,038</u>	<u>13,679,933</u>
		<u>15,336,840</u>	<u>11,880,786</u>
Surplus on revaluation of assets - net of tax		<u><u>5,105,252</u></u>	<u><u>5,319,137</u></u>
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	<u>60,724,677</u>	49,109,776
Commitments	23.2	<u>426,675,672</u>	408,199,232
Other contingent liabilities	23.3	<u>6,947,206</u>	7,005,967
		<u><u>494,347,555</u></u>	<u><u>464,314,975</u></u>
23.1 Guarantees			
Financial guarantees		<u>5,678,155</u>	5,225,364
Performance guarantees		<u>14,391,811</u>	11,296,136
Other guarantees		<u>40,654,711</u>	32,588,276
		<u><u>60,724,677</u></u>	<u><u>49,109,776</u></u>
23.2 Commitments			
Documentary credits and short term trade related transactions:			
letters of credit		<u>123,359,337</u>	139,083,930
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	<u>274,710,865</u>	238,516,233
forward government securities transactions	23.2.2	<u>21,165,343</u>	24,046,280
operating leases	23.2.3	<u>245,574</u>	231,174
Commitments for acquisition of:			
fixed assets		<u>7,149,991</u>	5,676,076
intangible assets		<u>44,562</u>	645,539
		<u><u>426,675,672</u></u>	<u><u>408,199,232</u></u>
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		<u>167,260,533</u>	160,636,134
Sale		<u>107,450,332</u>	77,880,099
		<u><u>274,710,865</u></u>	<u><u>238,516,233</u></u>
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		<u>19,714,450</u>	22,219,131
Sale		<u>1,450,893</u>	1,827,149
		<u><u>21,165,343</u></u>	<u><u>24,046,280</u></u>
23.2.3 Commitments in respect of operating leases			
Not later than one year		<u>72,070</u>	58,039
Later than one year and not later than five years		<u>146,427</u>	128,510
Later than five years		<u>27,077</u>	44,625
		<u><u>245,574</u></u>	<u><u>231,174</u></u>
23.3 Other contingent liabilities			
23.3.1 Claims against the Bank not acknowledged as debt		<u><u>6,947,206</u></u>	<u><u>7,005,967</u></u>

ALLIED BANK LIMITED

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23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2022 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2022, income tax authorities made certain add backs with aggregate tax impact of Rs. 34,841 million (2022: 32,741 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.34,841 million (2022: 32,741 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and created an arbitrary demand of Rs. 2,029 million (2022: 1,700 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2022: 1,700 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2022: 1,144 million). The Bank's appeals before CIR(A) / Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2022: 1,144 million).

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

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24 DERIVATIVE INSTRUMENTS

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

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

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

Note	Nine Months Ended		Quarter Ended		
	September 30,	September 30,	September 30,	September 30,	
	2023	2022	2023	2022	
	Rupees in '000		Rupees in '000		
25 MARK-UP / RETURN / INTEREST EARNED					
On:					
Loans and advances	104,121,360	49,542,569	37,377,157	20,384,206	
Investments	154,853,768	95,258,671	55,168,229	38,082,321	
Lendings to financial institutions	4,114,994	2,682,956	2,292,442	1,461,552	
Balances with banks	955,817	75,587	305,722	59,407	
	264,045,939	147,559,783	95,143,550	59,987,486	
26 MARK-UP / RETURN / INTEREST EXPENSED					
On:					
Deposits	121,301,539	68,257,643	48,552,000	28,935,524	
Borrowings	57,339,821	30,038,753	14,275,496	12,086,820	
Cost of foreign currency swaps against foreign currency deposits	3,873,064	3,069,713	1,992,489	774,976	
Interest expense on lease liability	870,244	755,248	310,263	260,558	
	183,384,668	102,121,357	65,130,248	42,057,878	
27 FEE AND COMMISSION INCOME					
Card related fees (debit and credit cards)	3,907,178	2,581,434	1,454,025	1,024,358	
Branch banking customer fees	2,518,122	1,940,428	976,246	625,861	
Commission on remittances including home remittances	583,781	526,452	201,573	151,522	
Investment banking fees	562,469	651,193	12,472	182,106	
Commission on trade	446,864	403,945	164,128	135,045	
Commission on cash management	297,222	211,407	104,807	55,551	
Commission on guarantees	137,448	104,549	41,295	35,976	
Commission on bancassurance	15,059	49,892	9,301	16,201	
Credit related fees	28,683	19,969	10,143	7,295	
Consumer finance related fees	21,761	13,121	5,194	4,271	
	8,518,587	6,502,390	2,979,184	2,238,186	
28 GAIN / (LOSS) ON SECURITIES					
Realised - net	28.1	443,601	1,165,098	(56,659)	31,383
Unrealised - held for trading	10.1	(358)	(119,522)	(27,082)	10,029
Unrealised - forward government securities		87,794	4,292	73,852	(4,149)
		531,037	1,049,868	(9,889)	37,263
28.1 Realised gain / (loss) on:					
Federal government securities		187,399	173,091	31,159	(25,741)
Shares		(265,108)	985,205	(316,378)	53,947
Non government debt securities		-	(16)	-	-
Open ended mutual funds		521,310	6,818	228,560	3,177
		443,601	1,165,098	(56,659)	31,383

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	Nine Months Ended		Quarter Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees in '000		Rupees in '000	
29 OTHER INCOME				
Recovery of written off mark-up and charges	3,200	27,566	2,289	-
(Loss) / gain on sale of fixed assets - net	(2,112)	3,898	(2,273)	3,286
(Loss) on sale of non-banking assets - net	-	(3,063)	-	-
Other assets disposal	34,026	40,627	22,594	39,784
Fee for attending Board meetings	1,432	1,218	274	259
Gain on sale of islamic financing and related assets	27,278	7,588	12,205	2,212
	63,824	77,834	35,089	45,541
30 OPERATING EXPENSES				
Total compensation expense	14,346,302	12,789,253	4,805,218	4,384,966
Property expense:				
Depreciation	3,701,266	3,515,625	1,267,556	1,188,191
Rent and taxes	269,167	248,597	88,656	86,404
Utilities cost	2,001,735	1,448,306	809,857	684,927
Security (including guards)	1,362,196	1,026,640	454,256	402,128
Repair and maintenance (including janitorial charges)	1,169,152	878,475	416,816	358,790
Insurance	87,857	77,742	32,616	26,594
	8,591,373	7,195,385	3,069,757	2,747,034
Information technology expenses:				
Depreciation	820,377	628,960	297,487	218,473
Amortization	453,899	385,737	167,280	133,653
Network charges	646,931	587,506	225,809	211,070
Software maintenance	1,850,569	853,605	616,477	296,755
Hardware maintenance	446,760	310,380	149,194	81,225
Others	3,062	3,074	1,276	1,157
	4,221,598	2,769,262	1,457,523	942,333
Other operating expenses:				
Insurance	1,317,995	1,172,644	441,201	394,480
Outsourced service costs	970,453	763,196	335,592	323,114
Stationery and printing	508,694	300,836	193,791	125,968
Cash in Transit service charge	387,854	328,758	123,478	151,386
Marketing, advertisement and publicity	1,082,183	785,649	319,677	295,989
Depreciation	234,003	231,458	81,154	76,685
Travelling and conveyance	273,882	226,210	102,423	85,680
Postage and courier charges	163,607	140,964	(1,509)	50,625
NIFT clearing charges	152,515	138,166	52,310	49,289
Communication	123,171	122,363	38,050	29,018
Legal and professional charges	151,328	189,214	60,726	44,209
Auditors Remuneration	22,250	10,858	12,021	5,862
Directors fees and allowances	52,341	38,021	17,834	11,638
Fees and allowances to Shariah Board	6,761	4,199	2,150	-
Training and development	121,544	98,503	57,581	45,452
Brokerage expenses	46,674	75,648	12,959	22,199
Card related expenses	1,697,503	791,957	472,252	285,031
Donations	45,770	97,552	28,430	33,137
Others	1,288,752	615,894	447,388	268,965
	8,647,280	6,132,090	2,797,108	2,298,727
	35,806,553	28,885,990	12,129,606	10,373,060

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS

35.1 Fair value of financial assets

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

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

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

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

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

	September 30, 2023				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	941,705,318	-	941,705,318	-	941,705,318
Shares	20,868,087	17,052,766	3,815,321	-	20,868,087
Non-Government Debt Securities	13,289,379	-	13,289,379	-	13,289,379
Financial assets - disclosed but not measured at fair value					
Investments (Federal government securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	74,397,942	-	-	-	-
Cash and balances with treasury banks	132,109,455	-	-	-	-
Balances with other banks	1,437,729	-	-	-	-
Lendings	99,120,861	-	-	-	-
Advances	756,460,008	-	-	-	-
Other assets	101,009,841	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,424,194	-	59,424,194	-	59,424,194
Non-banking assets	1,542,493	-	1,542,493	-	1,542,493
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	167,260,533	-	167,260,533	-	167,260,533
Forward sale of foreign exchange	107,450,332	-	107,450,332	-	107,450,332
Forward purchase of government securities transactions	19,714,450	-	19,714,450	-	19,714,450
Forward sale of government securities transactions	1,450,893	-	1,450,893	-	1,450,893

	December 31, 2022 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,017,093,239	-	1,017,093,239	-	1,017,093,239
Shares	21,288,514	17,166,641	4,121,873	-	21,288,514
Non-Government Debt Securities	13,134,767	-	13,134,767	-	13,134,767
Financial assets - disclosed but not measured at fair value					
Investments (Federal government securities, unlisted ordinary shares, term certificates, sukuks, subsidiaries, Bai muajjal)	74,952,790	-	-	-	-
Cash and balances with treasury banks	87,913,426	-	-	-	-
Balances with other banks	3,439,468	-	-	-	-
Lendings	28,222,195	-	-	-	-
Advances	845,640,176	-	-	-	-
Other assets	56,467,341	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	59,099,625	-	59,099,625	-	59,099,625
Non-banking assets	1,505,342	-	1,505,342	-	1,505,342
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	160,636,134	-	160,636,134	-	160,636,134
Forward sale of foreign exchange	77,880,099	-	77,880,099	-	77,880,099
Forward purchase of government securities transactions	22,219,131	-	22,219,131	-	22,219,131
Forward sale of government securities transactions	1,827,149	-	1,827,149	-	1,827,149

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36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

	September 30, 2023						
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
Profit & Loss							
Net mark-up/return/profit	90,041,873	(111,992,350)	96,313,992	6,081,644	(323,642)	539,754	80,661,271
Inter segment revenue - net	(91,137,110)	207,734,858	(104,566,897)	-	-	(12,030,851)	-
Non mark-up / return / interest income	3,918,050	5,443,733	5,946,875	478,435	1,472,934	350,509	17,610,536
Total Income	2,822,813	101,186,241	(2,306,030)	6,560,079	1,149,292	(11,140,588)	98,271,807
Segment direct expenses	613,366	16,552,880	186,860	1,380,957	779,425	17,769,145	37,282,633
Total expenses	613,366	16,552,880	186,860	1,380,957	779,425	17,769,145	37,282,633
Provisions	(2,090,334)	(534,513)	(287,719)	(3,476)	-	383,802	(2,532,240)
Profit before tax	119,113	84,098,848	(2,780,609)	5,175,646	369,867	(28,525,931)	58,456,934
Balance Sheet							
Cash & Bank balances	32,165	41,579,910	74,282,193	10,181,711	128,661	7,342,544	133,547,184
Investments	47,412,468	-	970,462,717	28,596,741	3,788,800	-	1,050,260,726
Net inter segment lending	(630,922,928)	1,506,724,390	(957,513,495)	(4,138,083)	-	85,850,116	-
Lendings to financial institutions	3,452,861	-	99,930,408	4,000,000	-	(8,262,408)	99,120,861
Advances - performing	660,405,245	24,781,388	-	61,060,085	234,427	9,730,231	756,211,376
Advances - non-performing	40,736	226,477	-	5,729	-	13,064,605	13,337,547
Provision against advances	(245,989)	(160,088)	-	(7,363)	-	(12,675,475)	(13,088,915)
Advances - net	660,199,992	24,847,777	-	61,058,451	234,427	10,119,361	756,460,008
Operating fixed assets	157,291	52,926,092	9,251	946,706	427,968	37,778,297	92,245,605
Others	10,550,657	21,733,617	44,430,863	6,932,700	496,250	50,753,940	134,898,027
Total Assets	90,882,506	1,647,811,786	231,601,937	107,578,226	5,076,106	183,581,850	2,266,532,411
Borrowings	84,592,253	2,386,755	225,817,392	4,452,328	-	(8,262,409)	308,986,319
Deposits & other accounts	4,479,619	1,609,450,409	-	86,282,473	-	4,137,931	1,704,350,432
Net inter segment borrowing	-	-	-	-	-	-	-
Others	1,810,634	35,974,622	5,784,545	4,354,862	1,678,202	50,212,231	99,815,096
Total liabilities	90,882,506	1,647,811,786	231,601,937	95,089,663	1,678,202	46,087,753	2,113,151,847
Equity / Reserves	-	-	-	12,488,563	5,094,628	135,797,373	153,380,564
Total Equity and liabilities	90,882,506	1,647,811,786	231,601,937	107,578,226	6,772,830	181,885,126	2,266,532,411
Contingencies and commitments	158,919,275	21,250,020	295,876,208	3,861,721	3,080	15,177,606	494,034,116
	September 30, 2022						
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	'Rupees in '000						
Profit & Loss							
Net mark-up/return/profit	40,748,227	(62,819,207)	64,653,285	2,443,677	(3,649)	416,093	45,438,426
Inter segment revenue - net	(43,530,837)	120,494,717	(68,677,853)	-	-	(8,286,027)	-
Non mark-up / return / interest income	4,527,362	4,017,520	7,265,757	276,236	532,883	210,266	16,830,024
Total Income	1,744,752	61,693,030	3,241,189	2,719,913	529,234	(7,659,668)	62,268,450
Segment direct expenses	535,812	14,687,160	190,655	1,193,898	450,281	12,804,002	29,861,808
Total expenses	535,812	14,687,160	190,655	1,193,898	450,281	12,804,002	29,861,808
Provisions	(187,178)	(128,318)	-	(1,200)	-	1,013,277	696,581
Profit before tax	1,021,762	46,877,552	3,050,534	1,524,815	78,953	(19,450,393)	33,103,223
	December 31, 2022 (Audited)						
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Asset Management Company	Others	Total
	Rupees in '000						
Balance Sheet							
Cash & Bank balances	118,949	23,235,294	52,356,522	9,172,647	13,066	6,447,853	91,344,331
Investments	41,851,146	-	1,052,517,808	28,248,134	4,099,422	-	1,126,716,510
Net inter segment lending	(677,012,766)	1,338,867,914	(744,862,684)	(2,112,619)	-	85,120,155	-
Lendings to financial institutions	3,622,894	-	25,361,758	3,000,000	-	(3,762,457)	28,222,195
Advances - performing	726,427,837	40,639,969	-	66,762,206	250,384	8,882,643	842,963,039
Advances - non-performing	632,538	506,437	-	9,675	-	11,955,032	13,103,682
Provision against advances	(340,782)	(184,235)	-	(3,886)	-	(11,319,258)	(11,848,161)
Advances - net	726,719,593	40,962,171	-	66,767,995	250,384	9,518,417	844,218,560
Operating fixed assets	146,400	51,949,842	8,416	1,222,069	429,655	31,040,599	84,796,981
Others	6,314,510	14,881,391	28,651,784	3,434,983	436,631	24,854,696	78,573,995
Total Assets	101,760,726	1,469,896,612	414,033,604	109,733,209	5,229,158	153,219,263	2,253,872,572
Borrowings	89,126,377	4,761,729	412,961,398	27,105,292	-	(3,540,303)	530,414,493
Deposits & other accounts	10,383,466	1,436,908,922	-	71,870,126	-	3,113,336	1,522,275,850
Others	2,250,883	28,225,961	1,072,206	3,445,447	2,201,121	33,722,303	70,917,921
Total liabilities	101,760,726	1,469,896,612	414,033,604	102,420,865	2,201,121	33,295,336	2,123,608,264
Equity / Reserves	-	-	-	7,312,344	3,028,037	119,923,927	130,264,308
Total Equity and liabilities	101,760,726	1,469,896,612	414,033,604	109,733,209	5,229,158	153,219,263	2,253,872,572
Contingencies and commitments	166,531,969	18,581,086	262,562,513	3,027,651	3,080	13,608,676	464,314,975

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37 RELATED PARTY TRANSACTIONS

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

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

	September 30, 2023					(Audited) December 31, 2022				
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Balances with other banks	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	-	-	4,099,423	-	-	-	-	2,420,097
Investment made during the period/year	-	-	-	-	33,634,747	-	-	-	-	3,674,104
Investment redeemed/disposed off during the period/year	-	-	-	-	(34,053,670)	-	-	-	-	(1,855,025)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(139,753)
(Deficit)/surplus	-	-	-	-	108,301	-	-	-	-	-
Closing balance	-	-	-	-	3,788,801	-	-	-	-	4,099,423
Advances										
Opening balance	-	66,875	416,615	961,477	2,935	-	63,811	360,191	-	1,242
Addition during the period/year	-	86,497	186,881	57,150,988	14,588	-	66,521	163,059	18,724,508	20,000
Repaid during the period/year	-	(35,082)	(157,422)	(57,273,057)	(16,429)	-	(63,457)	(106,635)	(17,763,032)	(18,307)
Closing balance	-	118,289	446,074	839,408	1,094	-	66,875	416,615	961,476	2,935

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	September 30, 2023					(Audited) December 31, 2022				
	Parent	Directors	Key management personnel	Associates *	Other related parties	Parent	Directors	Key management personnel	Associates *	Other related parties
	Rupees in '000									
Other Assets										
Interest / mark-up accrued	-	12,180	94,259	4,950	-	-	5,128	93,943	11,489	-
Receivable from staff retirement fund	-	-	-	-	4,221,961	-	-	-	-	4,228,764
Other receivable	-	-	945	-	-	-	64,669	-	-	212,908
Borrowings	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	1,716	53,731	51,333	111,965	2,128,234	100,304	391,278	46,188	60,450	38,313,174
Received during the period/year	16,877,451	403,687	821,761	5,999,227	202,916,924	14,706,290	376,987	801,274	245,176	425,704,709
Withdrawn during the period/year	(15,494,766)	(396,171)	(821,219)	(6,109,248)	(201,433,627)	(14,804,878)	(714,534)	(796,129)	(193,661)	(461,889,649)
Closing balance	1,384,400	61,247	51,875	1,943	3,611,532	1,716	53,731	51,333	111,965	2,128,234
Other Liabilities										
Interest / mark-up payable	-	839	399	1	133,923	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	15,161	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Contingencies and Commitments										
Other contingencies	-	-	-	1,505,527	-	-	-	-	50,931	-

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37.1 RELATED PARTY TRANSACTIONS

	September 30, 2023					September 30, 2022				
	Parent	Directors	Key management personnel	Associates*	Other related parties	Parent	Directors	Key management personnel	Associates*	Other related parties
	Rupees in '000									
Income										
Mark-up/return/interest earned	-	8,243	13,706	29,785	104	-	3,534	10,463	15	-
Fee and commission income	4	69	146	3,113	410,068	4	73	209	2	341,643
Dividend income	-	-	-	-	142,443	-	-	-	-	75,232
Net gain on sale of securities	-	-	(94)	-	9,327	-	-	-	-	13,110
Rental Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Sales Commission	-	-	-	-	44,310	-	-	-	-	-
Expense										
Mark-up/return/interest paid	-	7,518	3,028	1,140	607,458	-	9,926	705	307	1,140,374
Directors meeting fee	-	52,000	-	-	-	-	37,600	-	-	-
Remuneration	-	82,056	427,728	-	-	-	48,435	388,157	-	-
Charge for defined benefit plans	-	1,996	17,657	-	-	-	982	15,583	-	-
Contribution to defined contribution plan	-	1,874	7,531	-	-	-	920	9,037	-	-
Other expenses**	-	-	-	6,590	-	-	-	-	38,794	-
Rent expense***	-	-	-	15,153	-	-	-	-	13,016	-
Charge in respect of staff retirement benefit funds	-	-	-	-	234,102	-	-	-	-	235,691
Insurance premium paid	-	394	1,250	-	-	-	149	629	-	-

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

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

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

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

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

ALLIED BANK LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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

39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

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

40 GENERAL

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

41 DATE OF AUTHORIZATION FOR ISSUE

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman