

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		31 March 2022	31 December 2021
	Note	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
ASSETS			
Cash and balances with treasury banks	6	14,742,992	17,608,396
Balances with other banks	7	11,941,685	9,763,588
Due from financial institutions	8	-	403,122
Investments	9	74,398,978	76,552,495
Islamic financing and related assets - net	10	97,312,360	96,202,153
Fixed assets	11	4,055,658	4,193,422
Intangible assets	12	1,322,269	1,320,367
Deferred tax assets	13	2,722,558	2,881,737
Other assets	14	9,810,661	9,192,117
		216,307,161	218,117,397
LIABILITIES			
Bills payable	15	4,282,470	3,978,696
Due to financial institutions	16	11,648,765	8,968,534
Deposits and other accounts	17	172,353,031	178,917,138
Subordinated debt	18	4,624,241	4,624,241
Deferred tax liabilities		-	-
Other liabilities	19	9,722,089	8,214,074
		202,630,596	204,702,683
NET ASSETS		13,676,565	13,414,714
REPRESENTED BY			
Share capital - net		14,500,490	14,500,490
Reserves		523,100	458,341
Surplus on revaluation of assets	20	419,159	481,104
Accumulated losses		(1,766,184)	(2,025,221)
		13,676,565	13,414,714
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Acting Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2022

		Quarter ended		
		31 March 2022	31 March 2021	
Note		----- (Rupees in '000) -----		
	Profit / return earned on Islamic financing and related assets, investments and placements	22	4,312,354	3,155,252
	Return on deposits and other dues expensed	23	(2,669,268)	(1,553,435)
	Net spread earned		1,643,086	1,601,817
Other income				
	Fee and commission income	24	258,386	256,431
	Dividend income		4,461	5,196
	Foreign exchange income		158,431	163,686
	Gain on securities	25	18,867	134,230
	Other income	26	5,769	4,996
	Total other income		445,914	564,539
	Total income		2,089,000	2,166,356
Other expenses				
	Operating expenses	27	(1,505,433)	(1,357,007)
	Workers' Welfare Fund		(11,878)	(12,613)
	Other charges	28	(40,961)	-
	Total other expenses		(1,558,272)	(1,369,620)
	Profit before provisions		530,728	796,736
	Provisions and write offs - net	29	51,284	(178,705)
	Extra ordinary / unusual items		-	-
	Profit before taxation		582,012	618,031
	Taxation	30	(258,216)	(244,879)
	Profit after taxation		323,796	373,152
----- Rupee -----				
	Profit per share - basic / diluted	31	0.24	0.27

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Acting Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2022

	Quarter ended	
	31 March 2022	31 March 2021
	---- (Rupees in '000) ----	
Profit after taxation for the quarter	323,796	373,152
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	(61,945)	(65,169)
Total comprehensive income	261,851	307,983

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Acting Chief Executive Officer

Chief Financial Officer

Chairman

Director

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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2022

	Surplus on revaluation of							
	Share capital	Capital support fund	Discount on issue of shares	Statutory reserve*	Investments	Non banking assets	Accumulated loss	Total
	(Rupees in '000)							
Balance as at 31 December 2020	13,739,628	1,393,628	(632,766)	332,231	420,894	302,615	(2,526,778)	13,029,452
Profit after taxation for the quarter	-	-	-	-	-	-	373,152	373,152
Other comprehensive loss - net of tax	-	-	-	-	(65,169)	-	-	(65,169)
Transfer to statutory reserve	-	-	-	74,630	-	-	(74,630)	-
Balance as at 31 March 2021	13,739,628	1,393,628	(632,766)	406,861	355,725	302,615	(2,228,256)	13,337,435
Profit after taxation for the period	-	-	-	-	-	-	257,399	257,399
Other comprehensive loss - net of tax	-	-	-	-	(157,338)	(18,623)	(4,159)	(180,120)
Transfer to statutory reserve	-	-	-	51,480	-	-	(51,480)	-
Transfer of surplus on revaluation of asset on disposal of non banking asset	-	-	-	-	-	(1,275)	1,275	-
Balance as at 31 December 2021	13,739,628	1,393,628	(632,766)	458,341	198,387	282,717	(2,025,221)	13,414,714
Profit after taxation for the quarter	-	-	-	-	-	-	323,796	323,796
Other comprehensive loss - net of tax	-	-	-	-	(61,945)	-	-	(61,945)
Transfer to statutory reserve	-	-	-	64,759	-	-	(64,759)	-
Balance as at 31 March 2022	13,739,628	1,393,628	(632,766)	523,100	136,442	282,717	(1,766,184)	13,676,565

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

* This represents reserve created under section 21(i)(b) of the Banking Companies Ordinance ,1962.

Acting Chief Executive Officer

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ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2022

	Note	Quarter ended	
		31 March	31 March
		2022	2021
		---- (Rupees in '000) ----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		582,012	618,031
Less: Dividend income		(4,461)	(5,196)
		577,551	612,835
Adjustments:			
Depreciation on fixed assets	27	56,156	48,627
Depreciation on right-of-use assets	27	149,438	154,251
Amortization	27	38,007	36,777
Depreciation - non banking assets	27	7,999	7,971
Provision and write-offs - net	29	(51,284)	178,705
Gain on sale of fixed assets - net	26	(1,141)	(3,657)
Finance charges on lease liability against right-of-use assets	23	37,243	39,426
Unrealized gain on revaluation of securities classified as held for trading	25	(3,715)	4,781
Workers' Welfare Fund		11,878	12,613
		244,581	479,494
		822,132	1,092,329
Increase in operating assets			
Due from financial institutions		403,122	(351,779)
Held-for-trading securities - net		3,286,197	475,812
Islamic financing and related assets - net		(1,106,280)	(9,339,631)
Others assets (excluding advance taxation)		(628,081)	(1,709,696)
		1,954,958	(10,925,294)
Increase in operating liabilities			
Bills payable		303,774	381,643
Due to financial institutions		2,680,231	7,412,753
Deposits and other accounts		(6,564,107)	(4,678,461)
Other liabilities		1,559,952	842,622
		(2,020,150)	3,958,557
Income tax paid		(58,062)	(53,901)
Net cash flows from / (used in) operating activities		698,878	(5,928,309)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(2,723,880)	(3,203,450)
Net investments in held-to-maturity securities		1,540,890	-
Dividends received		4,461	7,246
Investment in fixed assets		(108,162)	(139,810)
Proceeds from sale of fixed assets		1,564	4,627
Net cash used in investing activities		(1,285,127)	(3,331,387)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Tier II mudaraba sukuk - first issue		-	(142,858)
Payment of lease liability against right-of-use assets		(101,058)	(98,784)
Net cash used in financing activities		(101,058)	(241,642)
Decrease in cash and cash equivalents		(687,307)	(9,501,338)
Cash and cash equivalents at beginning of the quarter		27,371,984	25,950,707
Cash and cash equivalents at end of the quarter		26,684,677	16,449,369

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Acting Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director

ALBARAKA BANK (PAKISTAN) LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2022

1. STATUS AND NATURE OF BUSINESS

- 1.1** AlBaraka Bank (Pakistan) Limited (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company. The Bank was granted an Islamic Banking License BL(I)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) on 18 January 2007. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007. Upon merger of the Pakistan branches of AlBaraka Islamic Bank B.S.C. (c) with and into the Bank, fresh license no. BL(i)-01(2011) was issued by SBP on 12 March 2011, effective from close of business on 29 October 2010. The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah.

The Bank is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) (parent bank) incorporated and domiciled in Bahrain and a member of AlBaraka Banking Group.

- 1.2** During the year 2016, the shareholders of the Bank in their extra ordinary general meeting held on 22 August 2016 have approved the merger of the Bank with Burj Bank Limited under a "Scheme of Amalgamation" (the Scheme). Further, State Bank of Pakistan, through its letter no. BPRD (R&P-02)/2016/24373 dated 14 October 2016, has also approved the scheme of amalgamation and granted sanction order for the amalgamation of Ex Burj Bank Limited with and into the Bank. As of the effective date of amalgamation, the entire undertaking of Ex Burj Bank Limited including all the properties, assets and liabilities and all the rights and obligations shall, without any further act, action or deed and notwithstanding the terms of any contract or other document or any rule of law, stands amalgamated with and vest in the Bank and as a consequence, Ex Burj Bank Limited stands amalgamated with and into the Bank.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank has 175 branches including 6 sub-branches (31 December 2021: 180 branches including 6 sub-branches) in Pakistan.

- 1.3** Based on the financial statements of the Bank for the year ended 31 December 2020, VIS credit rating company limited has maintained the long-term rating at 'A+' and short-term rating at 'A1'.
- 1.4** As at 31 March 2022, the Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) stood at Rs.12.734 billion and 13.84% respectively.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the SBP vide BPRD Circular No. 02 dated 25 January 2018 and the requirements of International Accounting Standard 34, "Interim Financial Reporting".

2.1 STATEMENT OF COMPLIANCE

- 2.1.1** These 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 Exchange Commission of Pakistan (SECP).

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

- 2.1.2** These condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended 31 December 2021.

3.1 Amendments to approved accounting standards that are effective in the current quarter.

3.1.1 There are certain new and amended standards that became effective during the quarter (disclosed in note 2 to the annual financial statements of the Bank for the year ended 31 December 2021). However, such standards did not have any significant effect on this condensed interim financial statements.

3.1.2 IFRS 9 - Financial Instruments replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The SBP vide its BPRD Circular letter no. 24 of 2021 has directed the Bank to conduct IFRS 9 parallel run/assessment from period ending 31 March 2021. The Bank has complied with the requirement of BPRD Circular Letter No. 24 of 2021 regarding quarterly parallel run of IFRS 9 from period ending 31 March 2021.

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

As referred to in note 2 to the annual financial statements of the Bank for the year ended 31 December 2021, there are certain amendments to the financial reporting standards which would become effective from the next financial year, however such amendments are not expected to have a material effect on the Bank's financial statements of the period of initial application.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5. FINANCIAL RISK MANAGEMENT

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

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

		31 March 2022	31 December 2021
	Note	---- (Rupees in '000) ---- (Un-Audited)	(Audited)
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		3,157,591	2,762,250
Foreign currencies		673,679	460,262
		3,831,270	3,222,512
With State Bank of Pakistan in			
Local currency current account	6.1	8,432,028	10,982,941
Foreign currency current account	6.1	16,982	22,352
Foreign currency deposit account	6.1	1,724,762	1,756,373
		10,173,772	12,761,666
With National Bank of Pakistan in			
Local currency current account		737,942	1,624,210
Local currency deposit account		8	8
		737,950	1,624,218
		14,742,992	17,608,396

- 6.1 These include local and foreign currency amount required to be maintained by the Bank with SBP. These accounts are non-remunerative in nature.

		31 March 2022	31 December 2021
	Note	---- (Rupees in '000) ---- (Un-Audited)	(Audited)
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		38,144	144,251
In deposit account	7.1	3,798,165	8,123,328
		3,836,309	8,267,579
Outside Pakistan			
In current account		3,520,315	1,178,704
In deposit account	7.1	4,585,061	317,305
		8,105,376	1,496,009
		11,941,685	9,763,588

- 7.1 The expected return on remunerative deposits ranges from 0.08% to 10.50% (31 December 2021: 0.08% to 11.25%) per annum.

		31 March 2022	31 December 2021
	Note	---- (Rupees in '000) ---- (Un-Audited)	(Audited)
8. DUE FROM FINANCIAL INSTITUTIONS			
Bai muajjal receivable			
- from financial institutions	8.2	-	403,122
8.1 Particulars of due from financial institution			
In local currency		-	403,122

- 8.2 The return on bai muajjal is nil (31 December 2021: 9%) per annum.

9. INVESTMENTS

		31 March 2022 (Un-Audited)				31 December 2021 (Audited)				
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	
	Note	----- (Rupees in '000) -----								
9.1	Investments by type									
	Held-for-trading securities									
	Federal Government securities	9.2	2,544,322	-	280	2,544,602	5,830,519	-	(3,435)	5,827,084
	Available-for-sale securities									
	Federal Government securities		68,625,833	-	198,821	68,824,654	65,405,323	-	289,932	65,695,255
	Shares		489,245	(297,859)	6,557	197,943	602,416	(345,384)	5,830	262,862
	Non Government debt securities	9.2	1,861,230	(111,455)	12,384	1,762,159	1,395,405	(111,455)	10,260	1,294,210
	Foreign securities	9.2	550,858	-	5,913	556,771	1,400,142	-	19,203	1,419,345
			71,527,166	(409,314)	223,675	71,341,527	68,803,286	(456,839)	325,225	68,671,672
	Held-to-maturity securities									
	Federal Government securities	9.2	512,849	-	-	512,849	2,053,739	-	-	2,053,739
	Total investments		74,584,337	(409,314)	223,955	74,398,978	76,687,544	(456,839)	321,790	76,552,495

	31 March 2022 (Un-Audited)				31 December 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----							
9.2 Investments by segments								
Federal Government Securities:								
Ijarah sukuk	49,087,768	-	(201,042)	48,886,726	49,487,488	-	(248,580)	49,238,908
Bai muajjal	512,849	-	-	512,849	2,053,739	-	-	2,053,739
Other sukuk	22,082,387	-	400,143	22,482,530	21,748,354	-	535,077	22,283,431
	71,683,004	-	199,101	71,882,105	73,289,581	-	286,497	73,576,078
Shares:								
Listed companies	400,884	(271,705)	6,557	135,736	514,257	(319,230)	5,830	200,857
Unlisted companies	88,361	(26,154)	-	62,207	88,159	(26,154)	-	62,005
	489,245	(297,859)	6,557	197,943	602,416	(345,384)	5,830	262,862
Non Government Debt Securities								
Unlisted	1,861,230	(111,455)	12,384	1,762,159	1,395,405	(111,455)	10,260	1,294,210
Foreign Securities								
Government securities	550,858	-	5,913	556,771	529,994	-	18,356	548,350
Non Government debt securities	-	-	-	-	870,148	-	847	870,995
	550,858	-	5,913	556,771	1,400,142	-	19,203	1,419,345
Total investments	74,584,337	(409,314)	223,955	74,398,978	76,687,544	(456,839)	321,790	76,552,495

	31 March 2022 (Un-Audited)	31 December 2021 (Audited)
9.3 Provision for diminution in value of investments		
9.3.1 Opening balance	456,839	632,672
Charge / reversals		
Charge for the year	2,628	18,211
Reversal on disposals	(50,153)	(194,044)
	(47,525)	(175,833)
Closing balance	409,314	456,839

	31 March 2022 Non-performing investment (Un-Audited)	Provision (Rupees in '000)	31 December 2021 Non-performing investment (Audited)	Provision (Rupees in '000)
9.3.2 Particulars of provision against debt securities				
Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	111,455	111,455	111,455	111,455
	111,455	111,455	111,455	111,455

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

10. ISLAMIC FINANCING AND RELATED ASSETS

ISLAMIC FINANCING AND RELATED ASSETS		Performing		Non Performing		Total	
		31 March	31 December	31 March	31 December	31 March	31 December
		2022	2021	2022	2021	2022	2021
Note		(Rupees in '000)					
- Murabaha financing		1,776,423	2,195,843	2,471,501	2,524,867	4,247,924	4,720,711
- Advance against murabaha financing		254,843	109,511	203,337	203,337	458,180	312,848
- Export refinance under Islamic scheme		556,500	140,000	62,750	62,750	619,250	202,750
- Advance against export refinance under Islamic scheme		5,748,250	6,278,823	24,755	24,755	5,773,005	6,303,578
- Inventory against export refinance under Islamic scheme		78,000	60,000	-	-	78,000	60,000
- Diminishing musharaka and Ijarah financing		50,986,293	50,556,604	2,512,729	2,659,346	53,499,022	53,215,950
- Advance against diminishing musharaka finance		3,849,402	4,196,735	-	-	3,849,402	4,196,735
- Running musharaka		2,280,838	1,983,926	-	-	2,280,838	1,983,926
- Tijarah finance		1,810,261	2,032,777	135,200	135,200	1,945,461	2,167,977
- Over due acceptances		64,969	-	494,670	494,670	559,639	494,670
- Payment against guarantee		9,726	9,726	50,112	50,112	59,838	59,838
- Payment against documents		1,216,038	1,399,761	-	-	1,216,038	1,399,761
- Salam financing		31,911	37,364	10,140	361	42,051	37,725
- Advance against salam		6,026,701	5,853,524	2,788,030	2,768,491	8,814,731	8,622,015
- Salam inventory		11,785	196,283	-	-	11,785	196,283
- Financing against bills		571,359	1,016,451	-	-	571,359	1,016,451
- Istasna finance		241,998	341,892	576,566	578,634	818,564	920,526
- Advance against istasna		18,473,128	15,999,583	2,660,334	2,663,334	21,133,462	18,662,917
- Istasna inventory		547,873	931,669	-	-	547,873	931,669
- Qarz-e-Hasna		53,735	56,512	60,000	60,000	113,735	116,512
Islamic financing and related assets - gross		94,590,033	93,396,984	12,050,124	12,225,857	106,640,157	105,622,841
Provisions for non-performing financing							
- Specific	10.3	-	-	(9,024,906)	(9,143,140)	(9,024,906)	(9,143,140)
- General	10.3	(302,891)	(277,548)	-	-	(302,891)	(277,548)
		(302,891)	(277,548)	(9,024,906)	(9,143,140)	(9,327,797)	(9,420,688)
Islamic financing and related assets - net of provisions		94,287,142	93,119,436	3,025,218	3,082,717	97,312,360	96,202,153

10.1 Particulars of Islamic financing and related assets (Gross)

In local currency
In foreign currency

	31 March 2022	31 December 2021
	(Rupees in '000)	
	(Un-Audited)	(Audited)
In local currency	105,780,774	104,232,216
In foreign currency	859,383	1,390,625
	<u>106,640,157</u>	<u>105,622,841</u>

- 10.2** Islamic financing and related assets include Rs. 12,050.124 (31 December 2021: Rs.12,225.857) million which have been placed under non-performing status as detailed below:

Category of Classification	31 March 2022 (Un-Audited)		31 December 2021 (Audited)	
	Classified Islamic financing and related assets	Provision	Classified Islamic financing and related assets	Provision
	----- (Rupees in '000) -----			
Domestic				
Other assets especially mentioned	256,016	200	249,397	232
Substandard	456,471	70,162	696,101	67,892
Doubtful	881,237	128,842	663,066	150,794
Loss	10,456,400	8,825,702	10,617,293	8,924,222
	12,050,124	9,024,906	12,225,857	9,143,140

10.3 Particulars of provisions against non-performing Islamic financing and related assets

	31 March 2022 (Un-Audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	9,143,140	277,548	9,420,688	6,557,682	518,641	7,076,323
Charge for the quarter / year	103,603	25,343	128,946	2,742,439	58,907	2,801,346
Reversals for the quarter / year	(133,146)	-	(133,146)	(442,468)	-	(442,468)
	(29,543)	25,343	(4,200)	2,299,971	58,907	2,358,878
Amounts charge for the quarter / year - agriculture financing	273	-	273	3,319	-	3,319
	(29,270)	25,343	(3,927)	2,303,290	58,907	2,362,197
Amounts written off against provision	(88,964)	-	(88,964)	(17,832)	-	(17,832)
Transfer during the year	-	-	-	300,000	(300,000)	-
Closing balance	9,024,906	302,891	9,327,797	9,143,140	277,548	9,420,688

- 10.3.1** The above provision against non-performing Islamic financing has been computed after considering allowable forced sale value (FSV) of collateral amounting to Rs. 2,426.699 (31 December 2021: Rs. 2,452.037) million. The FSV benefit recognized is not allowed for distribution of cash or stock dividend to shareholders and bonus to employees.

- 10.3.2** The Bank maintains general reserve (provisions) in accordance with the applicable requirements of Prudential Regulations for consumer financing.

- 10.3.3** SBP vide its letter BPRD/BLRD-3/DMG/2011-1035 has allowed relaxation from further provisioning requirement against a financing exposure having a provisioning impact of Rs. 40.581 (31 December 2021: Rs. 40.581) million.

11. FIXED ASSETS

Capital work-in-progress
Property and equipment
Right-of-use asset

Note	31 March 2022	31 December 2021
	----- (Rupees in '000) ----- (Un-Audited)	(Audited)
11.1	318,151	313,871
	2,042,070	2,050,315
	1,695,437	1,829,236
	4,055,658	4,193,422

11.1 Capital work-in-progress

Civil works
Advance to suppliers
Advance for purchase of property - related party
Provisions for impairment against advance for purchase of property

290,737	285,715
27,414	28,156
251,680	251,680
(251,680)	(251,680)
-	-
318,151	313,871

Total capital work-in-progress

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

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

11.2 Additions to fixed assets

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

Capital work-in-progress	35,753	33,943
Property and equipment		
Building on leasehold land	19,155	1,191
Furniture and fixture	1,760	-
Electrical office and computer equipment	27,414	15,611
Vehicles	-	5,625
	48,329	22,427
Total	84,082	56,370

11.3 Disposal of fixed assets

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

Leasehold improvements	148	271
Furniture and fixture	4	-
Electrical office and computer equipment	270	699
Total	422	970

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

12. INTANGIBLE ASSETS

Computer software	115,026	109,587
Advance to suppliers against computer software	89,719	69,103
Core deposits	338,262	362,415
Brand	383,145	383,145
Goodwill	396,117	396,117
	1,322,269	1,320,367

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

12.1 Additions to intangible assets

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

Capital work-in-progress	33,734	23,017
Directly purchased	19,293	13,523
	53,027	36,540

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

Note	31 March 31 December	
	2022 2021	
	----- (Rupees in '000) -----	
	(Un-Audited)	(Audited)
13. DEFERRED TAX ASSETS		
Deductible temporary differences on:		
- Tax losses carried forward	946,359	944,049
- Minimum tax	287,954	228,522
- Post retirement employee benefits	25,552	25,552
- Provision against assets	1,848,854	2,115,632
- Other deductible temporary differences	25,562	20,930
	3,134,281	3,334,685
Taxable temporary differences on:		
- Surplus on revaluation of investments	(87,342)	(125,499)
- Surplus on revaluation of non-banking assets	(180,754)	(180,754)
- Accelerated tax depreciation	(143,627)	(146,695)
	(411,723)	(452,948)
	2,722,558	2,881,737
14. OTHER ASSETS		
Profit / return accrued in local currency	3,990,656	3,665,261
Profit / return accrued in foreign currency	8,308	14,307
Advances, deposits, advance rent and other prepayments	769,143	550,850
Advance taxation (payments less provisions)	100,015	101,385
Non-banking assets acquired in satisfaction of claims	1,336,778	1,344,778
Branch adjustment account	-	340,366
Unrealised gain on re-measurement of forward exchange contracts	659,480	595,036
Stamps and stationery	4,837	5,966
Acceptances	2,351,012	2,028,153
Others	276,173	231,756
	9,496,402	8,877,858
Less: Provision held against other assets	14.1 (149,212)	(149,212)
Other assets (net of provision)	9,347,190	8,728,646
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	463,471	463,471
Other assets - total	9,810,661	9,192,117
14.1 Provision held against other assets		
Non-performing receivables	148,966	148,966
Others	246	246
	149,212	149,212
15. BILLS PAYABLE		
In Pakistan	4,282,470	3,978,696
Outside Pakistan	-	-
	4,282,470	3,978,696
16. DUE TO FINANCIAL INSTITUTIONS		
Secured		
Borrowings from State Bank of Pakistan		
- Under Islamic export refinance scheme	16.1 5,115,250	6,452,476
- Under Islamic refinance scheme for payment of salaries and wages	16.2 871,596	1,130,453
- Under Islamic temporary economic refinance facility for plant and machinery	16.3 1,552,059	1,297,289
- Under Islamic refinance facility for combating Covid-19	16.4 55,216	36,688
- Under Islamic financing facility for renewable energy	16.5 51,628	51,628
	7,645,749	8,968,534
Unsecured		
Mudaraba acceptance	16.6 3,003,016	-
Musharakah acceptance	16.6 1,000,000	-
	4,003,016	-
	11,648,765	8,968,534

- 16.1** The range of profit rates on these borrowings is 1% to 2% per annum (31 December 2021: 1% to 2% per annum). The maximum limit approved by SBP to the Bank under Islamic Export Refinance Scheme is Rs.6.609 billion. These contracts will mature in September 2022.
- 16.2** SBP vide its Circular no.06 of 2020 has introduced an Islamic refinance scheme for businesses for payment of wages and salaries to combat the impact of Covid-19. The scheme aims to finance wages and salaries of permanent, contractual, daily wagers and outsourced employees. The maximum limit approved by SBP to the Bank under this scheme is Rs. 3 billion. These contracts will mature in December 2022.
- 16.3** SBP vide its Circular no. 02 of 2020 has introduced an Islamic temporary economic refinance facility to support sustainable economic growth. The facility aims to provide concessionary finance for setting up of new industrial units through purchase of new imported and locally manufactured plant and machinery. The profit rate on these borrowings is 1% (31 December 2021: 1%) per annum. The maximum limit approved by SBP to the Bank under this scheme is Rs.2 billion. These contracts will mature in March 2032.
- 16.4** SBP vide its Circular no.04 of 2020 has introduced an Islamic refinance facility to combat the impact of Covid-19. The facility aims to provide long term finance for purchase of new imported and locally manufactured medical equipments to be used for combating Covid-19 by hospitals and medical centers registered with provincials / federal agencies. The maximum limit approved by SBP to the Bank under this scheme is Rs.75 million. These contracts will mature in October 2026.
- 16.5** The profit rate on these borrowings is 2% (31 December 2021: 2%) per annum. The maximum limit approved by SBP to the Bank under this scheme is Rs. 200 million. These contracts will mature in September 2031.
- 16.6** The profit rate on these borrowings is 10.75% per annum and are due to mature by 1 April 2022.

17. DEPOSITS AND OTHER ACCOUNTS

	31 March 2022 (Un-Audited)			31 December 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
(Rupees in '000)						
Customers						
Current deposits	33,997,000	9,402,455	43,399,455	34,469,987	9,225,638	43,695,625
Savings deposits	53,904,826	6,815,993	60,720,819	58,900,348	6,869,645	65,769,993
Term deposits	44,221,460	744,400	44,965,860	48,629,110	1,108,269	49,737,379
Others	2,050,988	-	2,050,988	2,478,098	-	2,478,098
	134,174,274	16,962,848	151,137,122	144,477,543	17,203,552	161,681,095
Financial Institutions						
Current deposits	20,516	2,521	23,037	84,597	4,306	88,903
Savings deposits	20,121,874	748	20,122,622	16,004,670	720	16,005,390
Term deposits	1,070,250	-	1,070,250	1,141,750	-	1,141,750
	21,212,640	3,269	21,215,909	17,231,017	5,026	17,236,043
	155,386,914	16,966,117	172,353,031	161,708,560	17,208,578	178,917,138

18. SUBORDINATED DEBT

		31 March 2022	31 December 2021
	Note	----- (Rupees in '000) ----- (Un-Audited)	----- (Audited)
SUBORDINATED DEBT			
Tier II mudaraba sukuk - second issue	18.1	1,500,000	1,500,000
Tier II mudaraba sukuk - third issue	18.2	1,735,000	1,735,000
Additional Tier I capital	18.3	1,389,241	1,389,241
		4,624,241	4,624,241

- 18.1 In August 2017, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (second issue) based on mudaraba of Rs.1.5 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (second issue) is as follows:

Credit rating	A by JCR-VIS Credit Rating Company Limited
Issue date	22 August 2017
Tenor	7 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the seventh year
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the general depositors' pool on the basis of profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 months KIBOR + 0.75% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

- 18.2 In December 2021, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Tier-II sukuk (third issue) based on mudaraba of Rs.1.735 billion as instruments of redeemable capital under section 66 of the Companies Act, 2017. A brief description of Tier-II sukuk (third issue) is as follows:

Credit rating	A by JCR-VIS Credit Rating Company Limited
Issue date	22 December 2021
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	Bullet payment at the end of the tenth year
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the general depositors' pool on the basis of profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 6 months KIBOR + 1.5% per annum.
Call option	The Bank may call Tier-II sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The Tier-II sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit amount can be held back in respect of the Tier-II sukuk, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

- 18.3** In December 2018, the Bank issued regulatory shariah compliant unsecured, subordinated privately placed Additional Tier-I (ADT-1) capital based on modaraba of Rs.1.389 billion. A brief description of Additional Tier-I (ADT-1) capital is as follows:

Credit rating	Not rated
Issue date	26 December 2018
Tenor	Perpetual
Profit payment frequency	Monthly
Redemption	Perpetual
Expected periodic profit amount (mudaraba profit amount)	Mudaraba profit is computed under the general depositors' pool on the basis of Profit Sharing Ratio (PSR) and monthly weightages announced by the Bank. Profit rate is 1 Year KIBOR + 2.50% per annum.
Call option	The Bank may call ADT-1 Capital sukuk with prior approval of SBP after completion of five years from the date of issue.
Loss absorbency	The ADT-1 capital, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a Point of Non-Viability (PONV) trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and / or redemption amount can be held back in respect of the ADT-1 capital, if such payment will result in a shortfall in the Bank's minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) requirement.

	31 March 2022	31 December 2021
Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
	(Un-Audited)	(Audited)
19. OTHER LIABILITIES		
Return on deposits and borrowings:		
- payable in local currency	1,603,152	1,165,527
- payable in foreign currencies	1,752	1,647
Accrued expenses	579,871	490,764
Advance payments	820,975	1,014,897
Charity fund balance	53,487	77,705
Security deposits against ijarah	133,091	160,648
Payable against purchase of listed shares	3,011	2,038
Payable in respect of defined benefit plan	17,567	17,567
Takaful payable against ijarah and diminishing musharakah assets	425,009	429,178
Branch adjustment account	146,412	-
Acceptances	2,351,012	2,028,153
Lease liability against right-of-use assets	1,783,802	1,847,617
Others	1,802,948	978,333
	<u>9,722,089</u>	<u>8,214,074</u>

20. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

- Available for sale securities	9.1	223,675	325,225
- Non-banking assets acquired in satisfaction of claims	14	463,471	463,471
		687,146	788,696

Deferred tax on surplus on revaluation of:

- Available for sale securities	(87,233)	(126,838)
- Non-banking assets acquired in satisfaction of claims	(180,754)	(180,754)
	(267,987)	(307,592)
	<u>419,159</u>	<u>481,104</u>

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

		31 March 2022 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2021 ----- (Rupees in '000) ----- (Audited)
21. CONTINGENCIES AND COMMITMENTS			
- Guarantees	21.1	14,748,387	14,169,635
- Commitments	21.2	47,060,142	65,381,806
		<u>61,808,529</u>	<u>79,551,441</u>
21.1 Guarantees:			
Financial guarantees		3,194	153,194
Performance guarantees		7,240,964	7,190,353
Other guarantees		7,504,229	6,826,088
		<u>14,748,387</u>	<u>14,169,635</u>
21.2 Commitments:			
Documentary credits and short-term trade-related transactions - letters of credit		12,888,911	15,979,710
Commitments in respect of forward foreign exchange contracts	21.2.1	32,753,201	48,167,237
Commitments for acquisition of operating fixed assets		6,630	4,656
Other commitments	21.2.2	1,411,400	1,230,203
		<u>47,060,142</u>	<u>65,381,806</u>
21.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		19,160,530	29,458,882
Sale		13,592,671	18,708,355
		<u>32,753,201</u>	<u>48,167,237</u>
21.2.1.1	The maturities of the above contracts are spread over the period upto one year.		
21.2.2 Other commitments			
Commitments in respect of financing	21.2.2.1	<u>1,411,400</u>	<u>1,230,203</u>
21.2.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.		
21.3 Other contingencies			
21.3.1	There is no change in the status of contingencies disclosed in notes 21.3 and 21.4 to the financial statements for the year ended 31 December 2021.		

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

		Quarter ended	
		31 March 2022	31 March 2021
Note		(Rupees in '000)	
		(Un-Audited)	
22.	PROFIT / RETURN EARNED ON ISLAMIC FINANCING AND RELATED ASSETS, INVESTMENTS AND PLACEMENTS		
	On:		
	- Islamic financing and related assets	2,486,234	2,096,652
	- Investments	1,688,830	1,030,887
	- Due from financial institutions	79,563	26,193
	- Balances with banks	57,727	1,520
		<u>4,312,354</u>	<u>3,155,252</u>
23.	RETURN ON DEPOSITS AND OTHER DUES EXPENSED		
	On:		
	- Deposits and other accounts	2,294,268	1,330,691
	- Borrowings	47,306	36,779
	- Conversion cost against foreign currency deposits / borrowings	114,812	54,890
	- Subordinated debt	138,064	70,563
	- Finance charge on lease liability against right-of-use asset	37,243	39,426
	- SBP Islamic refinance schemes	37,575	21,086
		<u>2,669,268</u>	<u>1,553,435</u>
24.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	24,585	24,234
	Consumer finance related fees	25,923	29,688
	Debit card related fees and income	33,458	26,331
	Investment banking fees	36,089	57,940
	Commission on trade	86,674	76,594
	Commission on guarantees	37,073	22,347
	Commission on cash management	2,911	4,391
	Commission on remittances including home remittances	6,456	8,172
	Commission on bancatakaful	939	547
	Others	4,278	6,187
		<u>258,386</u>	<u>256,431</u>
25.	GAIN / LOSS ON SECURITIES		
	Realised	25.1 15,152	139,011
	Unrealised - held for trading	3,715	(4,781)
		<u>18,867</u>	<u>134,230</u>
25.1	Realised gain / (loss) on:		
	Federal Government securities	63,082	112,248
	Shares	(47,930)	26,763
		<u>15,152</u>	<u>139,011</u>
26.	OTHER INCOME		
	Rent on property	4,628	1,339
	Gain on sale of fixed assets-net	1,141	3,657
		<u>5,769</u>	<u>4,996</u>

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

		Quarter ended	
		31 March 2022	31 March 2021
Note		----- (Rupees in '000) ----- (Un-Audited)	
27. OPERATING EXPENSES			
Compensation expense			
Salaries, allowances, etc.		608,621	576,544
Charge for defined benefit and contribution plan		44,559	45,875
		653,180	622,419
Property expense			
Rent and taxes		16,938	14,828
Takaful expense		10,659	11,210
Utilities		50,475	40,951
Security (including guards)	27.1	70,901	67,082
Repair and maintenance (including janitorial charges)	27.1	20,985	19,770
Depreciation on fixed assets		18,389	15,510
Depreciation on right of use assets		149,438	154,251
Depreciation - non banking assets		7,999	7,971
Others		1,888	2,000
		347,672	333,573
Information technology expenses			
Software maintenance		90,979	39,257
Hardware maintenance		16,248	13,655
Depreciation on fixed assets		14,146	9,748
Amortisation		13,854	12,546
Network charges		19,506	20,651
Others		17,589	18,109
		172,322	113,966
Other operating expenses			
Directors' fees and allowances		22,000	13,750
Fees and allowances to Shariah Board		1,684	750
Legal and professional charges		27,788	17,165
Outsourced services costs	27.1	41,740	41,007
Travelling and conveyance		7,215	7,032
NIFT clearing charges		4,532	3,982
Depreciation on fixed assets		23,621	23,369
Amortization		24,153	24,231
Takaful and registration of Ijarah		761	3,890
Training and development		492	1,087
Postage and courier charges		10,655	5,682
Communication		11,955	12,684
Stationery and printing	27.1	33,319	23,423
Marketing, advertisement and publicity		9,851	5,597
Repair and maintenance		7,835	11,411
Auditors' remuneration		4,174	3,841
Depositors' protection		34,218	34,218
Brokerage, commission and bank charges		48,971	39,564
Others		17,295	14,366
		332,259	287,049
		1,505,433	1,357,007
27.1	These amounts include outsourcing services with regards to janitorial services, security services, contractual employees over third party contracts and printing activities.		
28. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		40,961	-
29. PROVISIONS AND WRITE OFFS - NET			
Reversal for diminution in value of investments	9.3.1	(47,525)	(32,024)
(Reversal) / provision against non-performing Islamic financing and related assets	10.3	(3,927)	200,270
Write off against other assets		168	470
Write off against fixed assets		-	9,989
		(51,284)	178,705

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

		Quarter ended	
		31 March 2022	31 March 2021
		----- (Rupees in '000) ----- (Un-Audited)	
30. TAXATION			
Current		59,432	60,220
Deferred		198,784	184,659
		<u>258,216</u>	<u>244,879</u>
31. BASIC / DILUTED EARNING PER SHARE			
Profit after taxation for the quarter		<u>323,796</u>	<u>373,152</u>
		--- Number of shares ---	
Weighted average number of ordinary shares		<u>1,373,962,760</u>	<u>1,373,962,760</u>
Basic / diluted earning per share - Rupee		<u>0.24</u>	<u>0.27</u>

32. FAIR VALUE MEASUREMENTS

Fair value is the amount for which an asset could be exchanged, or a liability transferred, between knowledgeable willing parties in an arm's length transaction.

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'held to maturity'. These securities are carried at amortized cost in order to comply with the requirements of BSD Circular No. 14 dated 24 September 2004.

Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available financial statements.

Fair value of Islamic financing and related assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of Islamic financing has been calculated in accordance with the Bank's accounting policy.

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

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

32.1 Fair value of financial assets

The following table provides the fair value measurement hierarchy of the Bank's assets:

31 March 2022 (Un-Audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	20,428,839	50,940,417	-	71,369,256
Other Securities	-	852,159	-	852,159
Shares	135,736	-	-	135,736
Foreign Securities	556,771	-	-	556,771
	21,121,346	51,792,576	-	72,913,922
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	14,742,992
Balances with other banks	-	-	-	11,941,685
Due from financial institutions	-	-	-	-
Investments	-	-	-	1,485,056
Islamic financing and related assets	-	-	-	97,312,360
Other assets	-	-	-	7,848,247
	-	-	-	133,330,340
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	19,160,530	-	19,160,530
Forward sale of foreign exchange	-	13,592,671	-	13,592,671
31 December 2021 (Audited)				
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	20,262,374	51,259,965	-	71,522,339
Other Securities	-	543,410	-	543,410
Shares	200,857	-	-	200,857
Foreign Securities	1,419,345	-	-	1,419,345
	21,882,576	51,803,375	-	73,685,951
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	17,608,396
Balances with other banks	-	-	-	9,763,588
Due from financial institutions	-	-	-	403,122
Investments	-	-	-	2,866,544
Islamic financing and related assets	-	-	-	96,202,153
Other assets	-	-	-	7,219,504
	-	-	-	134,063,307
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	29,458,882	-	29,458,882
Forward sale of foreign exchange	-	18,708,355	-	18,708,355

There were no transfer between level 2 and level 3 during the year.

32.2 Valuation techniques used in determination of fair values within level 2 and level 3

Particulars	Valuation approach and input used
Federal Government Securities	The fair value of federal government securities are determined on the basis of rates / prices sourced from Reuters
Non-Government Debt Securities	Investment in non-Government debt securities denominated in local currency are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP), Investment in non-Government debt securities denominated in other currencies are valued on the basis of rates taken from Bloomberg / Reuters.
Foreign Government Debt Securities	The fair value of overseas Government securities are denominated on the basis of rates taken from Bloomberg / Reuters.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by State Bank of Pakistan.

33. SEGMENT INFORMATION**33.1 Segment Details with respect to Business Activities**

	31 March 2022 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & Consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net profit / return earned	724,018	339,145	(866,993)	1,564,042	(117,126)	1,643,086
Inter segment revenue - net	-	-	3,293,056	-	292,928	3,585,984
Other income	122,282	50,592	90,282	178,889	3,869	445,914
Total Income	846,300	389,737	2,516,345	1,742,931	179,671	5,674,984
Segment direct expenses	(59,164)	(67,131)	(1,412,369)	(19,608)	-	(1,558,272)
Inter segment expense allocation	(696,738)	(375,141)	(742,183)	(1,771,922)	-	(3,585,984)
Total expenses	(755,902)	(442,272)	(2,154,552)	(1,791,530)	-	(5,144,256)
Provisions	82,728	(39,633)	(39,337)	47,526	-	51,284
Profit / (loss) before tax	173,126	(92,168)	322,456	(1,073)	179,671	582,012
	31 March 2022 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail & Consumer Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	84,360	-	3,138,212	8,678,586	2,841,834	14,742,992
Balances with other banks	-	-	-	11,941,685	-	11,941,685
Due from financial institutions	-	-	-	-	-	-
Investments	3,828,747	-	-	70,570,231	-	74,398,978
Net inter segment lending	-	-	147,779,866	-	10,151,289	157,931,155
Islamic financing and related assets - performing	51,303,158	13,209,687	27,864,849	-	1,909,448	94,287,142
- non-performing	1,632,470	1,003,363	389,385	-	-	3,025,218
Others	4,882,671	1,232,872	5,733,250	2,905,211	3,157,142	17,911,146
Total assets	61,731,406	15,445,922	184,905,562	94,095,713	18,059,713	374,238,316
Bills payable	-	-	4,282,470	-	-	4,282,470
Due to financial institutions	6,217,151	1,428,598	-	4,003,016	-	11,648,765
Subordinated debt	-	-	-	-	4,624,241	4,624,241
Deposits and other accounts	26,734,859	-	145,618,172	-	-	172,353,031
Net inter segment borrowing	25,752,010	14,077,974	28,599,806	89,501,365	-	157,931,155
Others	2,854,260	31,518	6,082,658	592,404	161,249	9,722,089
Total liabilities	61,558,280	15,538,090	184,583,106	94,096,785	4,785,490	360,561,751
Equity	173,126	(92,168)	322,456	(1,072)	13,274,223	13,676,565
Total equity and liabilities	61,731,406	15,445,922	184,905,562	94,095,713	18,059,713	374,238,316
Contingencies and commitments	20,044,336	8,881,934	129,059	32,753,201	3,816,300	65,624,830
	31 March 2021 (Un-Audited)					
	Corporate Banking	Commercial & SME Banking	Retail Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Profit and Loss						
Net profit / return earned	981,975	269,129	(477,028)	888,084	(60,343)	1,601,817
Inter segment revenue - net	-	-	1,866,097	-	195,375	2,061,472
Other income	131,795	51,760	84,704	292,621	3,659	564,539
Total Income	1,113,770	320,889	1,473,773	1,180,705	138,691	4,227,828
Segment direct expenses	(53,669)	(58,206)	(1,242,962)	(14,783)	-	(1,369,620)
Inter segment expense allocation	(855,090)	(251,148)	-	(955,234)	-	(2,061,472)
Total expenses	(908,759)	(309,354)	(1,242,962)	(970,017)	-	(3,431,092)
Provisions	(40,683)	(43,076)	(39,533)	32,025	(87,438)	(178,705)
Profit / (loss) before tax	164,328	(31,541)	191,278	242,713	51,253	618,031
	31 December 2021 (Audited)					
	Corporate Banking	Commercial & SME Banking	Retail Banking	Trading & Sales	Others	Total
	(Rupees in '000)					
Statement of Financial Position						
Cash and balances with treasury banks	72,122	-	15,519,647	-	2,016,627	17,608,396
Balances with other banks	-	-	-	9,763,588	-	9,763,588
Due from financial institutions	-	-	-	403,122	-	403,122
Investments	3,315,268	-	-	73,237,227	-	76,552,495
Net inter segment lending	-	-	144,984,971	-	10,568,385	155,553,356
Islamic financing and related assets - performing	49,237,159	14,698,696	27,137,093	-	2,046,488	93,119,436
- non-performing	1,694,693	1,017,962	357,784	-	12,278	3,082,717
Others	2,662,118	461,690	8,313,931	2,470,786	3,679,118	17,587,643
Total assets	56,981,360	16,178,348	196,313,426	85,874,723	18,322,896	373,670,753
Bills payable	-	-	3,978,696	-	-	3,978,696
Due to financial institutions	7,024,503	1,944,031	-	-	-	8,968,534
Subordinated debt	-	-	-	-	4,624,241	4,624,241
Deposits and other accounts	20,472,635	-	158,444,503	-	-	178,917,138
Net inter segment borrowing	27,690,014	14,892,940	28,300,100	84,670,302	-	155,553,356
Others	2,756,637	41,733	4,405,015	24,103	986,586	8,214,074
Total liabilities	57,943,789	16,878,704	195,128,314	84,694,405	5,610,827	360,256,039
Equity	(962,429)	(700,356)	1,185,112	1,180,318	12,712,069	13,414,714
Total equity and liabilities	56,981,360	16,178,348	196,313,426	85,874,723	18,322,896	373,670,753
Contingencies and commitments	25,609,282	5,770,266	4,656	48,167,237	3,816,300	83,367,741

34. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

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

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

	31 March 2022 (Un-Audited)					31 December 2021 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
	(Rupees in '000)									
Islamic financing and related assets										
Opening balance	-	-	380,424	-	380,424	-	-	260,191	-	260,191
Addition during the year	-	-	22,696	-	22,696	-	-	283,940	-	283,940
Repaid during the year	-	-	(21,908)	-	(21,908)	-	-	(118,820)	-	(118,820)
Transfer in/(out)	-	-	(16,890)	-	(16,890)	-	-	(44,887)	-	(44,887)
Closing balance	-	-	364,322	-	364,322	-	-	380,424	-	380,424
Fixed assets										
Fixed assets	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Provision for impairment	-	-	-	251,680	251,680	-	-	-	251,680	251,680
Other assets										
Profit receivable on Islamic financing and related assets	-	-	341	-	341	-	-	357	-	357

	31 March 2022 (Un-Audited)					31 December 2021 (Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
	(Rupees in '000)									
Subordinated debt	1,389,241	-	-	-	1,389,241	1,389,241	-	-	-	1,389,241
Deposits and other accounts										
Opening balance	13,845	49,643	46,691	1,093,154	1,203,333	4,414	249,380	54,832	999,524	1,308,150
Received during the year	203	7,197	85,273	2,667,015	2,759,688	9,431	88,123	410,446	8,514,973	9,022,973
Withdrawn during the year	-	(4,690)	(76,534)	(2,513,644)	(2,594,868)	-	(92,182)	(413,859)	(9,145,634)	(9,651,675)
Transfer in/(out)	-	-	(320)	-	(320)	-	(195,678)	(4,728)	724,291	523,885
Closing balance	14,048	52,150	55,110	1,246,525	1,367,833	13,845	49,643	46,691	1,093,154	1,203,333
Other Liabilities										
Return payable on deposits	-	55	293	5,550	5,898	-	47	163	1,420	1,630
Return payable on Sub-ordinated debt	193,843	-	-	-	193,843	145,680	-	-	-	145,680
Payable in respect of defined benefit plan	-	-	-	17,567	17,567	-	-	-	17,567	17,567
Other liabilities	-	-	-	657	657	-	-	-	657	657
Non-funded exposure	-	-	-	69,678	69,678	-	-	-	67,033	67,033

	Quarter ended 31 March 2022 (Un-Audited)					Quarter ended 31 March 2021 (Un-Audited)				
	Parent	Directors	Key management personnel	Other related parties	Total	Parent	Directors	Key management personnel	Other related parties	Total
	(Rupees in '000)									
Related party transactions										
Income										
Profit earned on Islamic financing and related assets	-	-	1,271	-	1,271	-	-	1,417	-	1,417
Fee and Commission income	-	-	-	939	939	-	-	-	327	327
Expense and transactions										
Return on deposits expenses	-	144	429	5,926	6,499	-	2,943	305	3,715	6,963
Salaries, allowances and benefits	-	-	64,075	-	64,075	-	-	84,752	-	84,752
Director fee and other allowances	-	22,000	-	-	22,000	-	13,750	-	-	13,750
Shariah Board fee	-	-	-	1,684	1,684	-	-	-	750	750
Contribution to defined contribution plan	-	-	-	24,173	24,173	-	-	-	25,481	25,481
Contribution to defined benefit plan	-	-	-	20,386	20,386	-	-	-	20,394	20,394
Return on Sub-ordinated loan	48,163	-	-	-	48,163	34,803	-	-	-	34,803

ALBARAKA BANK (PAKISTAN) LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2022

	31 March 2022 ----- (Rupees in '000) ----- (Un-Audited)	31 December 2021 ----- (Rupees in '000) ----- (Audited)
35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>12,734,306</u>	<u>12,475,269</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>10,021,011</u>	9,472,244
Eligible Additional Tier 1 (ADT 1) Capital	<u>1,389,241</u>	1,389,241
Total Eligible Tier 1 Capital	<u>11,410,252</u>	10,861,485
Eligible Tier 2 Capital	<u>2,768,421</u>	2,612,549
Total Eligible Capital (Tier 1 + Tier 2)	<u>14,178,673</u>	13,474,034
Risk Weighted Assets (RWAs):		
Credit Risk	<u>86,322,042</u>	86,500,506
Market Risk	<u>1,760,434</u>	2,980,642
Operational Risk	<u>14,378,880</u>	14,378,880
Total	<u>102,461,356</u>	<u>103,860,028</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>9.78%</u>	9.12%
Tier 1 Capital Adequacy Ratio	<u>11.14%</u>	10.46%
Total Capital Adequacy Ratio	<u>13.84%</u>	12.97%
The minimum capital adequacy ratio required by SBP as at 31 March 2022 is 11.5% (31 December 2021: 11.5%).		
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>11,410,252</u>	10,861,485
Total Exposures	<u>256,025,408</u>	251,518,127
Leverage Ratio	<u>4.46%</u>	4.32%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>87,913,158</u>	90,472,868
Total Net Cash Outflow	<u>47,084,298</u>	48,557,008
Liquidity Coverage Ratio	<u>186.71%</u>	186.32%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>139,013,950</u>	146,555,015
Total Required Stable Funding	<u>87,513,000</u>	87,138,883
Net Stable Funding Ratio	<u>158.85%</u>	168.19%

36. GENERAL

Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate the comparison. No significant reclassification were made during the current quarter.

Figures have been rounded off to the nearest thousand rupees.

37. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on 29 April 2022 by the Board of Directors of the Bank.

Acting Chief Executive Officer

Chief Financial Officer

Chairman

Director

Director