Dreaming a
dream together
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**Unconsolidated Condensed Interim Financial Statements of Allied Bank Limited**

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**Consolidated Condensed Interim Financial Statements of Allied Bank Limited and its Subsidiary**

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<td>30</td>
</tr>
</tbody>
</table>
Corporate Information

Board of Directors
Mohammad Naeem Mukhtar
Chairman
Sheikh Mukhtar Ahmad
Muhammad Waseem Mukhtar
Abdul Aziz Khan
Mubashir A. Akhtar
Pervaiz Iqbal Butt
A. Akbar Sharifzada
Sheikh Jalees Ahmed
Tariq Mahmood

Audit Committee of Board
Mubashir A. Akhtar
(Chairman)
Pervaiz Iqbal Butt
A. Akbar Sharifzada

Human Resource & Remuneration Committee
Abdul Aziz Khan
(Chairman)
Muhammad Waseem Mukhtar
Pervaiz Iqbal Butt
Tariq Mahmood

Company Secretary
Muhammad Raffat

Auditors
Ernst & Young Ford Rhodes
Sidat Hyder
Chartered Accountants

Legal Adviser
Haidermota & Co.
Barrister-at-Law & Corporate Counselors

Shares Registrar
Technology Trade (Pvt.) Limited

Registered & Head Office
3 Tipu Block, Main Boulevard
New Garden Town
Lahore - Pakistan
Tel: (92 42) 35880043
Postal Code 54000

Website & Email
www.abl.com
info@abl.com
Toll Free Number
0800-22522
Vision, Mission & Core Values

Vision

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

Mission

To provide value added services to our customers

To provide high tech innovative solutions to meet customers’ requirements

To create sustainable value through growth, efficiency and diversity for all stakeholders

To provide a challenging work environment and reward dedicated team members according to their abilities and performance

To play a proactive role in contributing towards the society

Core Values

Integrity
Excellence in Service
High Performance
Innovation and Growth
Directors’ Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Allied Bank Limited for the six months period ended June 30, 2013:

Financial Highlights

<table>
<thead>
<tr>
<th>(Rupees in million)</th>
<th>Half Year ended June 30,</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit After Tax</td>
<td>5,527</td>
<td>6,653</td>
</tr>
<tr>
<td>Un-appropriated profits brought forward</td>
<td>24,250</td>
<td>20,510</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of fixed assets – net of tax</td>
<td>41</td>
<td>15</td>
</tr>
<tr>
<td>Profit available for appropriation</td>
<td>29,818</td>
<td>27,178</td>
</tr>
<tr>
<td>Final cash dividend for the year ended December 31, 2012 Rs. 2 per ordinary share (2012: year ended December 31, 2011 at Rs. 2.5 per share)</td>
<td>(1,893)</td>
<td>(2,151)</td>
</tr>
<tr>
<td>Interim Cash Dividend for the year ending December 31, 2013 (2012: interim dividend for the year ended December 31, 2012)</td>
<td>(1,301)</td>
<td>(1,893)</td>
</tr>
<tr>
<td>Transfer to reserve for issue of bonus shares for the year ended December 31, 2012 @ 10% (2012: year ended December 31, 2011 @ 10%)</td>
<td>(946)</td>
<td>(658)</td>
</tr>
<tr>
<td>Transfer to Statutory Reserves</td>
<td>(553)</td>
<td>(1,331)</td>
</tr>
<tr>
<td>Un-appropriated profits carried forward</td>
<td>25,125</td>
<td>21,145</td>
</tr>
<tr>
<td>Earnings Per Share (EPS) (Rs.)</td>
<td>5.31</td>
<td>6.39</td>
</tr>
</tbody>
</table>

The Board is pleased to announce second interim cash dividend of Rs. 1.25 per share in addition to first interim cash dividend of Rs. 1.25 per share, which has already been paid. Interim Cash Dividend for the half year ended June 30, 2013 is Rs. 2.50 per share; June 30, 2012: Rs. 3.5 per share.

Economic Overview

There are some positive economic sentiments emanating from transition to a newly elected Government, resultant consumer confidence, improving trend in Large Scale Manufacturing (LSM) sector, controlled inflation expectations, adjustment of Rs. 480 billion on account of circular debt by the government and recent understanding for a three-year $ 6.6 billion extended fund facility from IMF. The market sentiments can be gauged by the recent performance of KSE-100 index which has recently surpassed unprecedented 23,500 points benchmark.

However, weak fiscal position arising from low tax revenue base and high subsidies, vulnerable external account position putting pressure on exchange parity, persistent power shortages and sensitive security conditions remain formidable socio-economic challenges and continue to be strong impediments to growth.

In May 2013, the year-on-year CPI inflation was 5.1% and the average CPI inflation for FY13 is expected to be at least 2% below the target of 9.5%. However, an increase of 1% in the General Sales Tax (GST) and expected phase-wise upward adjustment in electricity tariff pose a risk whereby average inflation for FY14 could exceed the announced target of 8% for the year.
The fiscal deficit for FY13 has been estimated to reach 8.8% of GDP. The burden of financing that sizeable deficit has fallen disproportionately on domestic sources, in particular the banking system. During July – 7th June, FY13, fiscal borrowings from the banking system for budgetary support were Rs. 1,230 billion, including Rs. 413 billion from the SBP.

The GDP growth remains under pressure and the provisional estimate of GDP growth for FY13 is 3.6 %, which is lower than the 4.3 % target for the year. Considering declining inflation and low private sector credit appetite while down playing the current balance of payment situation, the SBP in its Monetary Statement of June 2013 lowered the discount rate by 50 basis points, to 9%.

Financial Review

In view of the prevailing economic challenges and downward interest rate trajectory, Your Bank continued to focus on steady growth by maintaining quality assets portfolio and enhanced business efficiencies through various cost controlling measures. Deposits remained above December 31, 2012 level and increased to Rs. 570,222 million as at June 30, 2013; showing growth of 11% over December 31, 2012. Gross Investments increased to Rs. 281,664 million as at June 30, 2013 from Rs. 264,278 million as at December 31, 2012. Due to low private sector credit appetite and settlement of circular debt in June 2013, the Gross Advances registered a drop from December 31, 2012 level of Rs. 288,889 million to Rs. 279,430 million.

Emphasis remained on minimizing NPLs, which have reduced to Rs. 19,807 million as at June 30, 2013 as compared to Rs. 20,668 million as on December 31, 2012, showing a decrease of 4% and has adequately been provided for with the provision coverage remaining high at 89.5% as at June 30, 2013. The Bank has not taken benefit of FSV while determining the provision against NPLs as allowed under BSD Circular No. 02 of 2010 dated June 03, 2010. The balance sheet size stands at Rs. 683,576 million as at June 30, 2013 registering a growth of 8% while the Equity of the Bank as at June 30, 2013 registered a growth of 10% over December 31, 2012 level, to reach at Rs. 58,056 million.

Net Mark-up / Interest Income during the half year ended June 30, 2013 witnessed increase by Rs. 431 million to Rs. 10,390 million compared to Rs. 9,959 million in corresponding period of previous year, despite 248 bps reduction in average KIBOR rate, due to growth in average volumes of advances and investments respectively. Provision (net) for loan losses and investments has reduced to Rs. 31 million during the half year ended June 30, 2013 compared to a provision charge of Rs. 281 million in the corresponding period of previous year.

Fee, commission and brokerage income registered increase of Rs. 222 million or 16% as compared to corresponding period of previous year. The Bank has recognized compensation on delayed refunds which partially offset the reduction in dividend income and capital gain. The overall Non-Markup / Interest Income witnessed decline during the half year ended June 30, 2013 as compared to Rs. 6,862 million pertaining to corresponding period of previous year.

Non-Markup / Interest Expenses witnessed marginal increase of 3.6% for the half year ended June 30, 2013 as compared to corresponding period of previous year and remained well below the prevailing inflation rate.

The growth in earning assets volume could not completely offset the impact of the significant reduction in the benchmark policy rates and change in the profit payment methodology of savings deposits from minimum to average balances; Profit Before Tax of Your Bank stood at Rs. 7,878 million for the half year ended June 30, 2013, showing a decline by 16.3% as compared to Rs. 9,415 million for the corresponding period of previous year. Profit After Tax also declined by 16.92% to Rs. 5,527 million as compared to Rs. 6,653 million in the corresponding period of previous year. As a result the EPS stood at Rs 5.31 during the half year ended June 30, 2013 compared to Rs 6.39 in the corresponding period of previous year.
Future Outlook
With continuing challenges pertaining to macro-economic outlook, energy crisis, security related issues and low private sector credit appetite; the banking industry’s profit margins shall remain under pressure. The cumulative interest rate cuts by SBP aggregating to 5% since August 2011 coupled with recent SBP directive to pay minimum profit rate of 6% on average savings account balances has further squeezed banking sector spreads.

Despite the tough business environment, Your Bank continues to strengthen its business franchise to position ourselves to take advantage of the long-term growth opportunities, while traversing the medium term economic cycles. Your Bank remains committed to provide excellence in state of art banking services through technology based product innovation and emphasis on service quality. Your Bank’s strategic initiatives include growth of existing branch network and alternate delivery channels along with expansion in Mobile, Branchless and Islamic banking respectively, to further enhance our market share while ensuring sustainable profitability in future.

Entity & TFC Ratings
Allied Bank has long-term and short-term entity ratings of AA+ (Double A plus) and A1+ (A One Plus), respectively, assigned by The Pakistan Credit Rating Agency (PACRA). The ratings represent very high credit quality. The rating of TFC Issue of Rs. 3,000 million (Issue Date: August 28, 2009) by PACRA is AA (Double A). The ratings denote very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. Meanwhile, the rating of Bank’s earlier TFC Issue of Rs. 2,500 million (Issue Date: December 06, 2006) is also AA (Double A) assigned by JCR-VIS Credit Rating Company Ltd. (JCR-VIS).

Corporate Governance Rating
Your Bank has a Corporate Governance rating of CGR-8++, assigned by JCR-VIS, which denotes a high level of corporate governance.

Best Investment Bank Award – Euromoney
Your Bank has won the Best Investment Bank of the Year award – Pakistan from Euromoney, the world’s leading financial markets’ magazine.

Acknowledgement
We take this opportunity to thank our valued customers for their patronage, to our employees for their continued commitment, our shareholders for their trust and confidence and State Bank of Pakistan and other regulatory bodies for their continued guidance.

For and on behalf of the Board,

Tariq Mahmood
Chief Executive Officer

Date: 21 August, 2013
Place: Lahore
Introduction
We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Allied Bank Limited (the Bank) as at 30 June 2013 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and the notes to the accounts for the six month period then ended (here-in-after referred to as “interim financial information”). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the entity”. A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter
The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2013 and 2012 have not been reviewed and we do not express a conclusion on them, as we are required to review only the cumulative figures for the half year ended 30 June 2013.
# Unconsolidated Condensed Interim Statement of Financial Position

as at June 30, 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td>Un-audited</td>
<td>Audited</td>
</tr>
<tr>
<td></td>
<td>Cash and balances with treasury banks</td>
<td>50,328,313</td>
<td>43,351,653</td>
</tr>
<tr>
<td></td>
<td>Balances with other banks</td>
<td>1,379,418</td>
<td>1,029,286</td>
</tr>
<tr>
<td></td>
<td>Lendings to financial institutions</td>
<td>41,576,540</td>
<td>10,720,935</td>
</tr>
<tr>
<td>6</td>
<td>Investments</td>
<td>288,404,530</td>
<td>267,403,346</td>
</tr>
<tr>
<td>7</td>
<td>Advances</td>
<td>261,632,448</td>
<td>271,084,275</td>
</tr>
<tr>
<td>8</td>
<td>Operating fixed assets</td>
<td>20,396,875</td>
<td>19,871,173</td>
</tr>
<tr>
<td></td>
<td>Deferred tax assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other assets</td>
<td>19,857,866</td>
<td>19,861,305</td>
</tr>
<tr>
<td></td>
<td>683,575,990</td>
<td>633,321,973</td>
<td></td>
</tr>
</tbody>
</table>

| Note | LIABILITIES | |
|------|-------------|
|      | Rupees in ‘000 | Un-audited | Audited | |
|      | Bills payable | 10,537,922 | 6,203,051 | |
| 9    | Borrowings with financial institutions | 25,363,966 | 38,916,192 | |
|      | Deposits and other accounts | 570,221,875 | 514,707,055 | |
| 10   | Sub-ordinated loans | 4,866,300 | 5,490,400 | |
|      | Liabilities against assets subject to finance lease | - | - | |
|      | Deferred tax liabilities | 390,648 | 64,584 | |
|      | Other liabilities | 14,139,268 | 15,333,164 | |
|      | 625,519,979 | 580,714,446 | |

| Note | NET ASSETS | |
|------|-------------|
|      | Rupees in ‘000 | Un-audited | Audited | |
|      | 58,056,011 | 52,607,527 | |

<table>
<thead>
<tr>
<th>Note</th>
<th>REPRESENTED BY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td>Un-audited</td>
</tr>
<tr>
<td>11</td>
<td>Share capital</td>
<td>10,409,763</td>
</tr>
<tr>
<td></td>
<td>Reserves</td>
<td>11,470,728</td>
</tr>
<tr>
<td></td>
<td>Unappropriated profit</td>
<td>25,124,799</td>
</tr>
<tr>
<td></td>
<td>47,005,290</td>
<td>44,619,749</td>
</tr>
<tr>
<td></td>
<td>Surplus on revaluation of assets - net of tax</td>
<td>11,050,721</td>
</tr>
<tr>
<td></td>
<td>58,056,011</td>
<td>52,607,527</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>CONTINGENCIES AND COMMITMENTS</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td>Un-audited</td>
</tr>
<tr>
<td>12</td>
<td>The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.</td>
<td></td>
</tr>
</tbody>
</table>

Chief Financial Officer
President and Chief Executive Officer

Director
Director
Chairman
### Unconsolidated Condensed Interim Profit and Loss Account
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Mark-up / return / interest earned</th>
<th>Mark-up / return / interest expense</th>
<th>Net mark-up / interest income</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>26,151,817</td>
<td>15,761,989</td>
<td>10,389,828</td>
</tr>
<tr>
<td>14</td>
<td>24,378,492</td>
<td>14,419,048</td>
<td>9,959,444</td>
</tr>
<tr>
<td></td>
<td>13,423,276</td>
<td>8,041,707</td>
<td>5,381,569</td>
</tr>
<tr>
<td></td>
<td>12,386,414</td>
<td>7,309,014</td>
<td>5,077,400</td>
</tr>
</tbody>
</table>

**Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading' - net**

<table>
<thead>
<tr>
<th>Note</th>
<th>Provision against non-performing loans and advances and general provision - net (Reversal) / provision for diminution in the value of investments - net</th>
<th>Bad debts written off directly</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>74,831</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(43,371)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>31,460</td>
<td>281,217</td>
</tr>
<tr>
<td></td>
<td>281,217</td>
<td>74,733</td>
</tr>
<tr>
<td></td>
<td>74,733</td>
<td>321,063</td>
</tr>
</tbody>
</table>

**Mark-up / return / interest earned**

<table>
<thead>
<tr>
<th>Note</th>
<th>Provision against non-performing loans and advances and general provision - net (Reversal) / provision for diminution in the value of investments - net</th>
<th>Provision / (reversal) against off-balance sheet obligations - net</th>
<th>Total non-markup / interest income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>97,595</td>
<td>-</td>
<td>15,259,386</td>
</tr>
<tr>
<td></td>
<td>203</td>
<td>-</td>
<td>4,901,018</td>
</tr>
<tr>
<td></td>
<td>4,756,337</td>
<td>3,776,709</td>
<td>16,540,144</td>
</tr>
</tbody>
</table>

**NON MARK-UP / INTEREST INCOME**

<table>
<thead>
<tr>
<th>Note</th>
<th>Fee, commission and brokerage income</th>
<th>Dividend income</th>
<th>Income from dealing in foreign currencies</th>
<th>Gain on sale of securities</th>
<th>Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading' - net</th>
<th>Other income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,604,628</td>
<td>1,195,982</td>
<td>168,523</td>
<td>786,086</td>
<td>6,906</td>
<td>1,138,893</td>
</tr>
<tr>
<td></td>
<td>1,382,204</td>
<td>3,329,282</td>
<td>293,820</td>
<td>1,735,640</td>
<td>(792)</td>
<td>121,763</td>
</tr>
<tr>
<td></td>
<td>793,178</td>
<td>190,549</td>
<td>98,460</td>
<td>168,264</td>
<td>6,906</td>
<td>1,125,098</td>
</tr>
<tr>
<td></td>
<td>660,384</td>
<td>1,612,046</td>
<td>156,149</td>
<td>1,491,172</td>
<td>203</td>
<td>51,470</td>
</tr>
</tbody>
</table>

**NON MARK-UP / INTEREST EXPENSES**

<table>
<thead>
<tr>
<th>Note</th>
<th>Administrative expenses</th>
<th>Provision / (reversal) against other assets - net</th>
<th>Provision / (reversal) against off-balance sheet obligations - net</th>
<th>Total non-markup / interest expenses</th>
<th>Extra-ordinary / unusual items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,183,171</td>
<td>24,000</td>
<td>3,400</td>
<td>15,259,386</td>
<td>4,901,018</td>
</tr>
<tr>
<td></td>
<td>6,854,964</td>
<td>(6,542)</td>
<td>25,894</td>
<td>7,125,018</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,696,974</td>
<td>12,000</td>
<td>3,400</td>
<td>3,776,709</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,507,078</td>
<td>82,000</td>
<td>(30,758)</td>
<td>3,680,260</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,125,098</td>
<td>121,940</td>
<td>-</td>
<td>8,727,761</td>
<td>-</td>
</tr>
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</table>

**PROFIT BEFORE TAXATION**

<table>
<thead>
<tr>
<th>Note</th>
<th>Taxation</th>
<th>Provision / (reversal) against other assets - net</th>
<th>Provision / (reversal) against off-balance sheet obligations - net</th>
<th>Total non-markup / interest expenses</th>
<th>Extra-ordinary / unusual items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,878,305</td>
<td>2,271,757</td>
<td>2,886,665</td>
<td>7,125,018</td>
<td>9,415,126</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,886,665</td>
<td>1,152,993</td>
<td>1,125,098</td>
<td>3,912,582</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,152,993</td>
<td>1,453,521</td>
<td>1,125,098</td>
<td>5,047,501</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,453,521</td>
<td>(14,496)</td>
<td>1,125,098</td>
<td>5,047,501</td>
</tr>
</tbody>
</table>

**PROFIT AFTER TAXATION**

<table>
<thead>
<tr>
<th>Note</th>
<th>Taxation</th>
<th>Provision / (reversal) against other assets - net</th>
<th>Provision / (reversal) against off-balance sheet obligations - net</th>
<th>Total non-markup / interest expenses</th>
<th>Extra-ordinary / unusual items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,527,022</td>
<td>5,527,022</td>
<td>5,527,022</td>
<td>5,527,022</td>
<td>5,527,022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,700,626</td>
<td>3,608,476</td>
<td>5,527,022</td>
<td>3,608,476</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Taxation</th>
<th>Provision / (reversal) against other assets - net</th>
<th>Provision / (reversal) against off-balance sheet obligations - net</th>
<th>Total non-markup / interest expenses</th>
<th>Extra-ordinary / unusual items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>6,652,808</td>
<td>6,652,808</td>
<td>6,652,808</td>
<td>6,652,808</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,608,476</td>
<td>3,608,476</td>
<td>5,527,022</td>
<td>3,608,476</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.
## Unconsolidated Condensed Interim Statement of Comprehensive Income
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th></th>
<th>Half Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in '000</td>
<td></td>
</tr>
<tr>
<td>Profit after taxation for the period</td>
<td>5,527,022</td>
<td>6,652,808</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of net investment in foreign wholesale branch</td>
<td>11,776</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>5,538,798</td>
<td>6,652,808</td>
</tr>
</tbody>
</table>

Surplus / (deficit) on revaluation of ‘available for sale’ securities and ‘operating fixed assets’ are presented under a separate head below equity as ‘surplus / (deficit) on revaluation of assets’ in accordance with the requirements specified by the State Bank of Pakistan vide its BSD Circular No. 20 dated August 04, 2000 and BSD Circular No. 10 dated July 13, 2004 respectively and Companies Ordinance, 1984.

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.
## Unconsolidated Condensed Interim Statement of Cash Flows
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Half Year Ended</th>
<th>June 30,</th>
<th>June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Rupees in ‘000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>7,878,305</td>
<td>9,415,126</td>
</tr>
<tr>
<td>Less: Dividend income</td>
<td>(1,195,982)</td>
<td>(3,329,282)</td>
</tr>
<tr>
<td><strong>Adjustments for non-cash items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation / amortization</td>
<td>810,051</td>
<td>548,315</td>
</tr>
<tr>
<td>Provision against non-performing loans, advances and general provision - net</td>
<td>74,831</td>
<td>874,030</td>
</tr>
<tr>
<td>(Reversal) for diminution in the value of investments - net</td>
<td>(43,371)</td>
<td>(592,813)</td>
</tr>
<tr>
<td>Unrealized (loss)/ gain on revaluation of ‘held-for-trading’ securities - net</td>
<td>(6,906)</td>
<td>792</td>
</tr>
<tr>
<td>Provision against off balance sheet obligations - net</td>
<td>3,400</td>
<td>25,894</td>
</tr>
<tr>
<td>Provision / (reversal) against other assets - net</td>
<td>24,000</td>
<td>(6,542)</td>
</tr>
<tr>
<td>(Reversal) for diminution in the value of investments - net</td>
<td>(43,371)</td>
<td>(592,813)</td>
</tr>
<tr>
<td>Unrealized (loss)/ gain on revaluation of ‘held-for-trading’ securities - net</td>
<td>(6,906)</td>
<td>792</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>863,508</td>
<td>835,378</td>
</tr>
<tr>
<td><strong>(Increase) / decrease in operating assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lendings to financial institutions</td>
<td>(30,855,605)</td>
<td>(11,892,681)</td>
</tr>
<tr>
<td>Net investments in ‘held-for-trading’ securities</td>
<td>(67,157)</td>
<td>(1,481,503)</td>
</tr>
<tr>
<td>Advances - net</td>
<td>9,376,996</td>
<td>(17,151,850)</td>
</tr>
<tr>
<td>Other assets (excluding advance taxation) - net</td>
<td>(613,144)</td>
<td>(757,904)</td>
</tr>
<tr>
<td><strong>Increase in operating assets</strong></td>
<td>(22,158,910)</td>
<td>(31,283,938)</td>
</tr>
<tr>
<td><strong>Increase / (Decrease) in operating liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills payable</td>
<td>4,334,871</td>
<td>(20,718)</td>
</tr>
<tr>
<td>Borrowings from financial institutions</td>
<td>(13,740,928)</td>
<td>(17,567,732)</td>
</tr>
<tr>
<td>Deposits and other accounts</td>
<td>55,514,820</td>
<td>55,030,179</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(1,213,322)</td>
<td>(123,522)</td>
</tr>
<tr>
<td><strong>Increase in operating liabilities</strong></td>
<td>44,895,441</td>
<td>37,318,207</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>27,980,244</td>
<td>8,215,383</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investments in ‘available-for-sale’ securities</td>
<td>(16,234,276)</td>
<td>(1,566,097)</td>
</tr>
<tr>
<td>Net investments in ‘held-to-maturity’ securities</td>
<td>(1,298,981)</td>
<td>913,850</td>
</tr>
<tr>
<td>Dividend income received</td>
<td>1,842,112</td>
<td>3,654,301</td>
</tr>
<tr>
<td>Investments in operating fixed assets</td>
<td>(1,378,070)</td>
<td>(1,770,489)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>40,815</td>
<td>15,512</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale branch</td>
<td>(11,776)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash (used in) / generated from investing activities</strong></td>
<td>(17,040,176)</td>
<td>1,247,077</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of sub-ordinated loans</td>
<td>(624,100)</td>
<td>(1,100)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(3,177,878)</td>
<td>(4,022,109)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(3,801,978)</td>
<td>(4,023,209)</td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents during the period</strong></td>
<td>7,138,090</td>
<td>5,439,251</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>44,380,939</td>
<td>38,124,951</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the period</strong></td>
<td>51,519,029</td>
<td>43,564,202</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

Director

Chief Executive Officer

Director

Chairman
Unconsolidated Condensed Interim Statement of Changes in Equity
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Capital Reserves</th>
<th>Revenue Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>Share Premium</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Repees ‘000</td>
<td>8,603,120</td>
</tr>
<tr>
<td></td>
<td>(1,004,601)</td>
</tr>
<tr>
<td>Transfers with owners recognized directly in equity</td>
<td></td>
</tr>
<tr>
<td>Transfer to reserve for issue of bonus shares for the year ended December 31, 2011 @ 10%</td>
<td></td>
</tr>
<tr>
<td>860,311</td>
<td>(201,056)</td>
</tr>
<tr>
<td>Final cash dividend for the year ended December 31, 2011 (Rs. 2.10 per ordinary share)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interim cash dividend for the year ended December 31, 2011 (Rs. 2.00 per ordinary share)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to statutory reserve</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at June 30, 2012 - restated</td>
<td>9,463,421</td>
</tr>
<tr>
<td>Changes in equity during the half year ended December 31, 2012</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended December 31, 2012</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners recognized directly in equity</td>
<td></td>
</tr>
<tr>
<td>Second Interim cash dividend for the year ended December 31, 2012 (Rs. 1.30 per ordinary share)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Third Interim cash dividend for the year ended December 31, 2012 (Rs. 1 per ordinary share)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transferred from surplus on realization of fixed assets to un-appropriated profit - net of tax</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale bank branch</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at December 31, 2012 - restated</td>
<td>9,463,421</td>
</tr>
<tr>
<td>Changes in equity during the half year ended June 30, 2013</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended June 30, 2013</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners recognized directly in equity</td>
<td></td>
</tr>
<tr>
<td>Transfer to reserve for issue of bonus shares for the year ended December 31, 2012 @ 10%</td>
<td></td>
</tr>
<tr>
<td>946,342</td>
<td>-</td>
</tr>
<tr>
<td>Issue of bonus shares</td>
<td></td>
</tr>
<tr>
<td>Final cash dividend for the year ended December 31, 2012 (Rs. 2 per ordinary share)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interim cash dividend for the year ending December 31, 2013 (Rs. 1.25 per ordinary share)</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transferred from surplus on realization of fixed assets to un-appropriated profit - net of tax</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale bank branch</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at June 30, 2013</td>
<td>10,409,763</td>
</tr>
</tbody>
</table>

* These were created as a result of merger of Ibrahim Leasing Limited and First Allied Bank Modaraba into Allied Bank Limited. The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer
Director

President and Chief Executive Officer
Director

Chairman
Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2013

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 all stock exchanges in Pakistan. The Bank operates a total of 879 (2012: 873) branches in Pakistan, 1 branch (2012: 1) in Karachi Export Processing Zone, and 1 wholesale banking branch (2012: 1) in Bahrain. The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is ‘AA+'. Short term rating of the Bank is ‘A1+'. The Bank is the holding company of ABL Asset Management Company Limited.

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

2 STATEMENT OF COMPLIANCE

2.1 These unconsolidated condensed interim financial statements of the Bank for the half year ended June 30, 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP). In case where requirements of provisions and directives issued under the Banking Companies Ordinance, 1962, Companies Ordinance 1984 and the directives issued by SBP differ, the directives issued by SBP shall prevail.

2.2 The SBP, vide BSD Circular 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. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 “Financial Instruments Disclosure” has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

2.3 These unconsolidated condensed interim financial statements represent the separate standalone condensed interim financial statements of the bank. The consolidated condensed interim financial statements of the banks and its subsidiary company are presented separately.

2.4 These unconsolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

3 BASIS OF MEASUREMENT

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

- Investments
- Operating fixed assets
- Derivatives

4 BASIS OF PRESENTATION

The disclosures included in these unconsolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2012.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

5.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those applied in preparing the most recent annual unconsolidated financial statements of the Bank other than those disclosed in Note 5.3 below.

5.2 The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2012.
5.3 Amendments to International Financial Reporting Standards (IFRSs) and interpretation of IFRSs adopted by the Bank

Effective January 1, 2013 the Bank has adopted revised IAS 19 “Employees Benefits” and as a consequence has changed its accounting policy retrospectively related to recognition of actuarial gains and losses and past service cost relating to employee benefit plans. The adoption of this standard requires restatement of previous financial statements. The nature and effect, including restatement of prior period figures, of this change in accounting policy is disclosed below.

<table>
<thead>
<tr>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupees in ‘000</td>
<td></td>
</tr>
<tr>
<td>Impact on statement of financial position:</td>
<td></td>
</tr>
<tr>
<td>Net decrease in employee benefit plan</td>
<td>(1,436,550)</td>
</tr>
<tr>
<td>Net increase in equity</td>
<td>1,436,550</td>
</tr>
</tbody>
</table>

The Bank follows a consistent practice of conducting actuarial valuation annually at each year end and also considers that the above does not have material impact on Bank’s Condensed Interim Profit and Loss Account and basic & diluted EPS.

In addition, few amendments and interpretation of IFRSs became effective during the current period, however the adoption of such revision, amendments and interpretation of the standards did not have any impact on the financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2013 but are yet to be notified by the Securities Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

6. LENDING TO FINANCIAL INSTITUTIONS

<table>
<thead>
<tr>
<th>Note</th>
<th>June 30, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>39,576,540</td>
<td>8,270,935</td>
</tr>
<tr>
<td>6.2</td>
<td>70,000</td>
<td>520,000</td>
</tr>
<tr>
<td>6.3</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td></td>
<td>41,646,540</td>
<td>10,790,935</td>
</tr>
<tr>
<td>Provision against lendings to financial institutions</td>
<td>(70,000)</td>
<td>(70,000)</td>
</tr>
<tr>
<td></td>
<td>41,576,540</td>
<td>10,720,935</td>
</tr>
</tbody>
</table>

6.1 These are short-term lendings to various financial institutions against the government securities. These carry mark-up at rate, ranging between 8.00% to 9.85% (2012: 8.99% to 9.95%) per annum and will mature on various dates latest by August 8, 2013.

6.2 This represents a classified certificate of investment amounting to Rs. 70 million.

6.3 These call money lendings carry markup at rate 9.95% (2012: 9.75%) and will mature on various dates latest by July 16, 2013.

7. INVESTMENTS

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.1</td>
<td>281,139,024</td>
<td>7,265,506</td>
<td>288,404,530</td>
</tr>
<tr>
<td>Prior year - December 31, 2012 (Audited)</td>
<td>248,843,089</td>
<td>18,560,257</td>
<td>267,403,346</td>
</tr>
</tbody>
</table>
### 7.1 Investments by types

#### ‘Held-for-trading’ securities

<table>
<thead>
<tr>
<th>Ordinary Shares</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>67,157</td>
<td>-</td>
<td>67,157</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### ‘Available-for-sale’ securities

- **Market treasury bills**
  - Held by Bank: 210,255,583
  - Given as collateral: 7,249,866
  - Total: 217,505,449
- **Pakistan investment bonds**
  - Held by Bank: 148,091
  - Given as collateral: 148,091
  - Total: 296,182
- **Ordinary shares of listed companies / certificates of mutual funds**
  - Held by Bank: 15,257,157
  - Given as collateral: 1,692,292
  - Total: 16,949,449
- **Preference shares**
  - Held by Bank: 149,355
  - Given as collateral: 149,355
  - Total: 298,710
- **Units of open end mutual funds**
  - Held by Bank: 752,563
  - Given as collateral: 1,692,292
  - Total: 2,444,855
- **Investment in related parties**
  - Held by Bank: 281,816
  - Given as collateral: 281,816
  - Total: 563,632
- **Pakistan investment bonds**
  - Held by Bank: 26,865,059
  - Given as collateral: 26,818,371
  - Total: 53,683,430
- **Foreign currency bonds (US$)**
  - Held by Bank: 4,165,417
  - Given as collateral: 2,612,263
  - Total: 6,777,680
- **TFCs, Debentures, Bonds and PTCs**
  - Held by Bank: 4,252,429
  - Given as collateral: 4,553,290
  - Total: 8,805,719

#### ‘Held-to-maturity’ securities

<table>
<thead>
<tr>
<th>Pakistan investment bonds</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>26,865,059</td>
<td>-</td>
<td>26,865,059</td>
<td>53,730,114</td>
<td>-</td>
<td>26,818,371</td>
<td>79,548,485</td>
</tr>
<tr>
<td>4,165,417</td>
<td>-</td>
<td>4,165,417</td>
<td>6,330,834</td>
<td>-</td>
<td>2,612,263</td>
<td>8,943,097</td>
</tr>
<tr>
<td>4,252,429</td>
<td>-</td>
<td>4,252,429</td>
<td>8,504,858</td>
<td>-</td>
<td>4,553,290</td>
<td>13,058,148</td>
</tr>
</tbody>
</table>

#### Subsidiary

- **ABL Asset Management Company Limited**
  - Held by Bank: 500,000
  - Given as collateral: 500,000
  - Total: 1,000,000

#### Provision for diminution in the value of investments

<table>
<thead>
<tr>
<th>Provision for diminution in the value of investments</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,690,272)</td>
<td>-</td>
<td>(1,690,272)</td>
<td>(1,690,272)</td>
<td>(1,947,781)</td>
<td>-</td>
<td>(1,947,781)</td>
</tr>
</tbody>
</table>

#### Investment (net of provisions)

<table>
<thead>
<tr>
<th>Investment (net of provisions)</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>272,724,345</td>
<td>-</td>
<td>279,974,211</td>
<td>272,724,345</td>
<td>243,857,389</td>
<td>18,472,671</td>
<td>262,330,060</td>
</tr>
</tbody>
</table>

#### Unrealized Gain on revaluation of ‘held-for-trading’ securities

<table>
<thead>
<tr>
<th>Unrealized Gain on revaluation of ‘held-for-trading’ securities</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,906</td>
<td>-</td>
<td>6,906</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Surplus on revaluation of ‘available-for-sale’ securities

<table>
<thead>
<tr>
<th>Surplus on revaluation of ‘available-for-sale’ securities</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,407,773</td>
<td>15,640</td>
<td>8,423,413</td>
<td>4,985,700</td>
<td>87,586</td>
<td>5,073,286</td>
<td></td>
</tr>
</tbody>
</table>

#### Total investments at market value

<table>
<thead>
<tr>
<th>Total investments at market value</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
<th>Held by Bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>281,139,024</td>
<td>7,265,506</td>
<td>288,404,530</td>
<td>248,843,089</td>
<td>18,560,257</td>
<td>267,403,346</td>
<td></td>
</tr>
</tbody>
</table>
8. ADVANCES

Loans, cash credits, running finances, etc. - in Pakistan  
Net investment in finance lease - in Pakistan
266,494,431  
1,845,781

Bills discounted and purchased (excluding treasury bills)
Payable in Pakistan  
Payable outside Pakistan
2,497,425 8,592,791  
2,390,263 1,651,473

11,090,216  
4,041,736

Advances - gross
279,430,428

Provision for non-performing advances 8.1 & 8.3
(17,717,424)  
(17,797,980)

General provision against consumer financing 8.1 & 8.3
(80,556)  
(52,090)

(17,805,032)

Advances - net of provision
261,632,448  
271,084,275

8.1 Advances include Rs. 19,806.715 million (2012: Rs. 20,667.561 million) which have been placed under non-performing status as detailed below:-

<table>
<thead>
<tr>
<th>Category of Classification</th>
<th>June 30, 2013 (Un-audited)</th>
<th>December 31, 2012 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Classified Advances</td>
<td>Provision</td>
</tr>
<tr>
<td></td>
<td>Domestic</td>
<td>Overseas</td>
</tr>
<tr>
<td>Other Assets Especially</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentioned</td>
<td>49,509</td>
<td>-</td>
</tr>
<tr>
<td>Substandard</td>
<td>502,530</td>
<td>-</td>
</tr>
<tr>
<td>Doubtful</td>
<td>3,502,394</td>
<td>-</td>
</tr>
<tr>
<td>Loss</td>
<td>15,752,282</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>19,806,715</td>
<td>-</td>
</tr>
</tbody>
</table>

8.2 No benefit of Forced Sale Value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 02 dated June 03, 2010.
8.3  Particulars of provision against non-performing advances and general provision

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2013 (Un-audited)</th>
<th>December 31, 2012 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Specific</td>
<td>General</td>
</tr>
<tr>
<td></td>
<td>Rupees in '000</td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>17,752,942</td>
<td>52,090</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>1,302,239</td>
<td>28,466</td>
</tr>
<tr>
<td>Reversals</td>
<td>(1,255,874)</td>
<td>-</td>
</tr>
<tr>
<td>Charged to profit and loss account</td>
<td>46,365</td>
<td>28,466</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(81,883)</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>17,717,424</td>
<td>80,556</td>
</tr>
</tbody>
</table>

9.  BORROWINGS WITH FINANCIAL INSTITUTION

Details of Borrowings (Secured / Unsecured)

Secured
- Borrowings from State Bank of Pakistan: 15,709,821
- Repurchase agreement borrowings: 6,930,690

Unsecured
- Call borrowings: 2,493,247
- Overdrawn nostro accounts: 188,702
- Other Borrowings: 41,506

9. BORROWINGS WITH FINANCIAL INSTITUTION

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2013</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in '000</td>
<td></td>
</tr>
<tr>
<td>Secured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from State Bank of Pakistan</td>
<td>15,709,821</td>
<td>18,891,729</td>
</tr>
<tr>
<td>Repurchase agreement borrowings</td>
<td>6,930,690</td>
<td>18,220,505</td>
</tr>
<tr>
<td>Unsecured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call borrowings</td>
<td>2,493,247</td>
<td>1,553,957</td>
</tr>
<tr>
<td>Overdrawn nostro accounts</td>
<td>188,702</td>
<td>-</td>
</tr>
<tr>
<td>Other Borrowings</td>
<td>41,506</td>
<td>250,001</td>
</tr>
<tr>
<td>Total</td>
<td>2,733,455</td>
<td>1,803,958</td>
</tr>
</tbody>
</table>

10. DEPOSITS AND OTHER ACCOUNTS

Customers
- Fixed deposits: 160,081,633
- Savings deposits: 134,497,422
- Current accounts - remunerative: 95,985,787
  - Non - remunerative: 174,322,935
  - Total: 564,887,777

Financial Institutions
- Remunerative deposits: 4,941,599
- Non - remunerative deposits: 392,499
  - Total: 570,221,875
11. SHARE CAPITAL

11.1 Authorised capital

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>December 31,</td>
<td>June 30,</td>
<td>December 31,</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>No. of shares</td>
<td>1,500,000,000</td>
<td>1,500,000,000</td>
<td>Ordinary shares of Rs. 10 each</td>
<td>15,000,000</td>
</tr>
</tbody>
</table>

11.2 Issued, subscribed and paid–up capital

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>December 31,</td>
<td>June 30,</td>
<td>December 31,</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>No. of shares</td>
<td>406,780,094</td>
<td>406,780,094</td>
<td>Fully paid in cash</td>
<td>4,067,801</td>
</tr>
<tr>
<td></td>
<td>616,647,565</td>
<td>522,013,365</td>
<td>Issued as bonus shares</td>
<td>6,166,476</td>
</tr>
<tr>
<td></td>
<td>1,023,427,659</td>
<td>928,793,459</td>
<td></td>
<td>10,234,277</td>
</tr>
</tbody>
</table>

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 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 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.

Ibrahim Fibers Limited, related party of the Bank, holds 176,401,742 (16.95%) [December 31, 2012: 226,365,220 (23.92%)] ordinary shares of Rs.10 each, as at reporting date.
Notes to the Unconsolidated Condensed Interim Financial Statements
(Un-audited) for the half year ended June 30, 2013

12 CONTINGENCIES AND COMMITMENTS

12.1 Direct credit substitutes
Guarantees in favour of:
Banks and financial institutions
Guarantees in favour of:

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>491,712</td>
<td>473,823</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12.2 Transaction-related contingent liabilities
Guarantees in favour of:
Government
Others

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>18,029,316</td>
<td>18,513,854</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td>12,804,685</td>
<td>12,703,025</td>
</tr>
</tbody>
</table>

12.3 Trade-related contingent liabilities

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>56,594,074</td>
<td>54,546,360</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12.4 Claims against the Bank not acknowledged as debt

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>5,741,542</td>
<td>5,929,382</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12.5 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

12.6 Commitments in respect of forward foreign exchange contracts
Purchase
Sale

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>41,728,909</td>
<td>35,605,257</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td>21,483,015</td>
<td>9,400,993</td>
</tr>
</tbody>
</table>

12.7 Commitments in respect of:
Civil works
Acquisition of operating fixed assets

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>1,306,211</td>
<td>495,414</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td>950,584</td>
<td>706,733</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>2,256,795</td>
<td>1,202,147</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12.8 Commitments in respect of lease financing

<table>
<thead>
<tr>
<th>Rupees in '000</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013</td>
<td>139,970</td>
<td>192,274</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12.9 Contingencies
12.9.1 There is no change in the status of contingencies, set out in note 22.10 to the unconsolidated financial statements of the Bank for the year ended December 31, 2012, except for the contingency as mentioned below:

12.9.2 The income tax assessments of the Bank have been finalized up to and including tax year 2012 for local and Azad Kashmir operations. While finalizing income tax assessments up to tax year 2012, income tax authorities made certain add backs with aggregate tax impact of Rs. 12,952 million (2012: Rs. 11,471 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 appellate forums against unfavorable decisions. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs. 12,952 million (2012: Rs. 11,471 million). The management is confident that the outcome of these appeals 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 2005, 2006 and tax year 2008 to 2012 and created an arbitrary demand of Rs. 1,081 million (2012: Rs. 219 million). The Bank’s appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) for adjudication. The management is confident that these appeals will be decided in favor of the Bank and therefore, no provision has been made against the said demand of Rs. 1,081 million (2012: Rs. 219 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 thereby creating an arbitrary demand of Rs. 257 million (2012: Rs. 110 million). The Bank’s appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) 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. 257 million (2012: Rs. 110 million).
## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2013

### 13 MARK-UP / RETURN / INTEREST EARNED

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On loans and advances</td>
<td>13,945,345</td>
<td>16,080,003</td>
<td>7,249,223</td>
<td>8,358,508</td>
</tr>
<tr>
<td><strong>On investments in:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Available-for-sale’ securities</td>
<td>9,499,780</td>
<td>5,625,160</td>
<td>4,769,038</td>
<td>2,581,580</td>
</tr>
<tr>
<td>‘Held-to-maturity’ securities</td>
<td>1,986,435</td>
<td>2,003,626</td>
<td>999,321</td>
<td>983,294</td>
</tr>
<tr>
<td>‘Held-for-Trading’ securities</td>
<td>-</td>
<td>27,171</td>
<td>-</td>
<td>25,230</td>
</tr>
<tr>
<td></td>
<td>11,486,215</td>
<td>7,655,957</td>
<td>5,768,359</td>
<td>3,590,104</td>
</tr>
<tr>
<td>On deposits with financial institutions</td>
<td>12,103</td>
<td>1,657</td>
<td>9,323</td>
<td>25</td>
</tr>
<tr>
<td>On securities purchased under resale agreements</td>
<td>598,660</td>
<td>619,256</td>
<td>323,198</td>
<td>426,174</td>
</tr>
<tr>
<td>On certificates of investment</td>
<td>14,457</td>
<td>-</td>
<td>4,123</td>
<td>-</td>
</tr>
<tr>
<td>On letters of placement</td>
<td>-</td>
<td>2,499</td>
<td>-</td>
<td>241</td>
</tr>
<tr>
<td>On call money lending</td>
<td>95,037</td>
<td>19,120</td>
<td>69,050</td>
<td>11,362</td>
</tr>
<tr>
<td></td>
<td>26,151,817</td>
<td>24,378,492</td>
<td>13,423,276</td>
<td>12,386,414</td>
</tr>
</tbody>
</table>

### 14 MARK-UP / RETURN / INTEREST EXPENSED

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>12,860,685</td>
<td>10,639,122</td>
<td>6,619,763</td>
<td>5,709,895</td>
</tr>
<tr>
<td>Long term borrowing</td>
<td>118,702</td>
<td>122,634</td>
<td>59,748</td>
<td>59,141</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>929,700</td>
<td>1,271,754</td>
<td>457,395</td>
<td>346,227</td>
</tr>
<tr>
<td>Call money borrowing</td>
<td>46,179</td>
<td>238,613</td>
<td>32,528</td>
<td>119,212</td>
</tr>
<tr>
<td>Brokerage and commission</td>
<td>67,228</td>
<td>73,126</td>
<td>36,644</td>
<td>40,559</td>
</tr>
<tr>
<td>Markup on sub-ordinated loans</td>
<td>295,745</td>
<td>369,494</td>
<td>143,791</td>
<td>181,891</td>
</tr>
<tr>
<td>Other short term borrowings</td>
<td>1,443,750</td>
<td>1,704,305</td>
<td>691,838</td>
<td>852,089</td>
</tr>
<tr>
<td></td>
<td>15,761,989</td>
<td>14,419,048</td>
<td>8,041,707</td>
<td>7,309,014</td>
</tr>
</tbody>
</table>

### 15 Other income includes compensation on delayed refunds amounting to Rs 1,066.805 million (2012: Nil) under section 171 of the Income Tax Ordinance 2001 pertaining to Assessment Year / Tax Years 1997-98 to 2006. This compensation has been calculated at the rates applicable under section 171 on the amount of refund for the period commencing at the end of the three months of refund becoming due to the Bank and the date of adjustment of refund by the income tax authorities.

### 16 EARNINGS PER SHARE - BASIC AND DILUTED

<table>
<thead>
<tr>
<th></th>
<th>Half Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profits after taxation for the period attributable to ordinary shareholders</td>
<td>5,527,022</td>
<td>6,652,808</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares outstanding during the period</td>
<td>1,040,976,209</td>
<td>1,040,976,209</td>
</tr>
<tr>
<td>Earnings per share - basic and diluted for the period</td>
<td>5.31</td>
<td>6.39</td>
</tr>
</tbody>
</table>

There is no dilution effect on basic earnings per share.

### 16.1 The corresponding figure of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the Bank during the period.
17. RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its subsidiary, companies with common directorship, directors, employee benefit plans and key management personnel. Contributions to the accounts in respect of staff retirement benefits are made in accordance with actual 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.

<table>
<thead>
<tr>
<th>Rupees in `000</th>
<th>Directors</th>
<th>Associated Companies</th>
<th>Subsidiary</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>43,842</td>
<td>1,833,333</td>
<td>-</td>
<td>162,016</td>
<td>200</td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>49,969</td>
<td>-</td>
<td>203,005</td>
<td>3,185</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>14,610</td>
<td>-</td>
<td>65,651</td>
<td>3,630</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>14,847</td>
<td>2,000,000</td>
<td>-</td>
<td>76,199</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>3,051</td>
<td>-</td>
<td>190,691</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>43,842</td>
<td>1,833,333</td>
<td>-</td>
<td>162,016</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rupees in `000</th>
<th>Directors</th>
<th>Associated Companies</th>
<th>Subsidiary</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>33,653</td>
<td>41,011</td>
<td>5,680</td>
<td>27,640</td>
<td>5,675,814</td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>17,270</td>
<td>48,958</td>
<td>5,710</td>
<td>3,185</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>2,671,787</td>
<td>(5,359,761)</td>
<td>(328,932)</td>
<td>(23,136,461)</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>6,315,996</td>
<td>13,708,833</td>
<td>(935,691)</td>
<td>(296,498)</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>52,924</td>
<td>44,518</td>
<td>10,570</td>
<td>46,171</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>33,653</td>
<td>41,011</td>
<td>5,680</td>
<td>5,675,814</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rupees in `000</th>
<th>Directors</th>
<th>Associated Companies</th>
<th>Subsidiary</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>1,250</td>
<td>-</td>
<td>5,438</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>878</td>
<td>-</td>
<td>6,144</td>
<td>2,096,020</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>14,099</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>2,691,149</td>
<td>3,543,268</td>
<td>347,463</td>
<td>25,746,004</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>6,532,379</td>
<td>13,700,859</td>
<td>310,582</td>
<td>327,706,930</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>33,653</td>
<td>41,011</td>
<td>5,680</td>
<td>5,675,814</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>17,270</td>
<td>48,958</td>
<td>5,710</td>
<td>3,185</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>-</td>
<td>279,650</td>
<td>5,269,430</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>219,130</td>
<td>500,000</td>
<td>122,642</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>52,924</td>
<td>44,518</td>
<td>10,570</td>
<td>46,171</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>33,653</td>
<td>41,011</td>
<td>5,680</td>
<td>5,675,814</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rupees in `000</th>
<th>Directors</th>
<th>Associated Companies</th>
<th>Subsidiary</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>3,051</td>
<td>-</td>
<td>190,691</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>43,842</td>
<td>1,833,333</td>
<td>-</td>
<td>162,016</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rupees in `000</th>
<th>Directors</th>
<th>Associated Companies</th>
<th>Subsidiary</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>3,051</td>
<td>-</td>
<td>190,691</td>
<td>169</td>
<td></td>
</tr>
<tr>
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<td>1,833,333</td>
<td>-</td>
<td>162,016</td>
<td>200</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Rupees in `000</th>
<th>Directors</th>
<th>Associated Companies</th>
<th>Subsidiary</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2013 (Un-audited)</td>
<td>3,051</td>
<td>-</td>
<td>190,691</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td>December 31, 2012 (Audited)</td>
<td>43,842</td>
<td>1,833,333</td>
<td>-</td>
<td>162,016</td>
<td>200</td>
</tr>
</tbody>
</table>

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2013
Notes to the Unconsolidated Condensed Interim Financial Statements
(Un-audited) for the half year ended June 30, 2013

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

<table>
<thead>
<tr>
<th></th>
<th>Corporate Finance</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Period Ended June 30, 2013 (Un-audited)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td>337,367</td>
<td>918,748</td>
<td>20,127,694</td>
<td>25,263,390</td>
<td>460,467</td>
<td>(16,054,831)</td>
<td>31,052,835</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>(139,288)</td>
<td>(1,497,689)</td>
<td>(16,516,928)</td>
<td>(23,219,615)</td>
<td>(207,124)</td>
<td>16,054,831</td>
<td>(25,525,813)</td>
</tr>
<tr>
<td>Net Income</td>
<td>198,079</td>
<td>(578,941)</td>
<td>3,610,766</td>
<td>2,043,775</td>
<td>253,343</td>
<td>-</td>
<td>5,527,022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Corporate Finance</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Period Ended June 30, 2012 (Un-audited)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td>337,167</td>
<td>1,527,281</td>
<td>19,827,741</td>
<td>26,148,818</td>
<td>327,556</td>
<td>(16,928,154)</td>
<td>31,240,409</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>(155,094)</td>
<td>(2,004,763)</td>
<td>(15,137,939)</td>
<td>(24,058,930)</td>
<td>(159,029)</td>
<td>16,928,154</td>
<td>(24,587,601)</td>
</tr>
<tr>
<td>Net Income</td>
<td>182,073</td>
<td>(477,482)</td>
<td>4,689,802</td>
<td>2,089,888</td>
<td>168,527</td>
<td>-</td>
<td>6,652,808</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Corporate Finance</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at June 30, 2013 (Un-audited)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Assets (Gross)</td>
<td>455,362</td>
<td>40,496,997</td>
<td>124,258,329</td>
<td>538,764,650</td>
<td>559,271</td>
<td>704,534,609</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Corporate Finance</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at December 31, 2012 (Audited)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Assets (Gross) - Restated</td>
<td>324,474</td>
<td>9,456,172</td>
<td>122,401,581</td>
<td>522,024,483</td>
<td>342,883</td>
<td>654,549,593</td>
</tr>
</tbody>
</table>

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees.

19.2 Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation of transactions for the purpose of comparison. However, no significant reclassifications have been made in these unconsolidated condensed interim financial statements, except as mentioned in note 5.3.

19.3 The Board of Directors of the Bank in its meeting held on 21 August, 2013 approved interim cash dividend for the half year ended 30 June, 2013 at Rs. 1.25 per share (30 June, 2012: Rs. 1.5). The unconsolidated condensed interim financial statements for the half year ended 30 June, 2013 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 21 August, 2013 by the Board of Directors of the Bank.

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman
Consolidated Condensed Interim Financial Statements
for the half year ended June 30, 2013
Consolidated Condensed Interim Statement of Financial Position  
as at June 30, 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>December 31,</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td>Restated</td>
<td></td>
</tr>
</tbody>
</table>

**ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees in '000</th>
<th>Rupees in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with treasury banks</td>
<td>50,328,363</td>
<td>43,351,703</td>
</tr>
<tr>
<td>Balances with other banks</td>
<td>1,379,424</td>
<td>1,029,292</td>
</tr>
<tr>
<td>Lendings to financial institutions</td>
<td>41,576,540</td>
<td>10,720,935</td>
</tr>
<tr>
<td>Investments</td>
<td>288,754,244</td>
<td>267,682,679</td>
</tr>
<tr>
<td>Advances</td>
<td>261,662,226</td>
<td>271,115,683</td>
</tr>
<tr>
<td>Operating fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>19,908,507</td>
<td>19,925,659</td>
</tr>
</tbody>
</table>

**LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees in '000</th>
<th>Rupees in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bills payable</td>
<td>10,537,922</td>
<td>6,203,051</td>
</tr>
<tr>
<td>Borrowings with financial institutions</td>
<td>25,363,966</td>
<td>38,916,192</td>
</tr>
<tr>
<td>Deposits and other accounts</td>
<td>570,215,475</td>
<td>514,702,444</td>
</tr>
<tr>
<td>Sub-ordinated loans</td>
<td>4,866,300</td>
<td>5,490,400</td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>391,338</td>
<td>65,419</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>14,177,085</td>
<td>15,375,470</td>
</tr>
</tbody>
</table>

**NET ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees in '000</th>
<th>Rupees in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58,464,272</td>
<td>52,955,221</td>
</tr>
</tbody>
</table>

**REPRESENTED BY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees in '000</th>
<th>Rupees in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>10,409,763</td>
<td>9,463,421</td>
</tr>
<tr>
<td>Reserves</td>
<td>11,470,728</td>
<td>10,906,250</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td>25,533,060</td>
<td>24,597,845</td>
</tr>
</tbody>
</table>

**CONTINGENCIES AND COMMITMENTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rupees in '000</th>
<th>Rupees in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus on revaluation of assets - net of tax</td>
<td>11,050,721</td>
<td>7,987,705</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.
## Consolidated Condensed Interim Profit and Loss Account
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Mark-up / return / interest earned</th>
<th>Mark-up / return / interest expensed</th>
<th>Provision against non-performing loans and advances and general provision - net (Reversal) / provision for diminution in the value of investments - net</th>
<th>Bad debts written off directly</th>
<th>Net mark-up / interest income</th>
<th>NON MARK-UP / INTEREST INCOME</th>
<th>NON MARK-UP / INTEREST EXPENSES</th>
<th>PROFIT BEFORE TAXATION</th>
<th>PROFIT AFTER TAXATION</th>
<th>Earnings per share - Basic and Diluted (in Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>14</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark-up / return / interest earned</td>
<td>26,153,174</td>
<td>24,384,196</td>
<td>13,423,687</td>
<td>12,387,136</td>
<td>10,391,691</td>
<td>10,011,319</td>
<td>5,382,298</td>
<td>5,143,371</td>
<td>15,415,760</td>
<td>16,813,974</td>
</tr>
<tr>
<td>Mark-up / return / interest expensed</td>
<td>15,761,483</td>
<td>14,372,877</td>
<td>8,041,389</td>
<td>7,243,765</td>
<td>10,360,231</td>
<td>9,730,102</td>
<td>5,307,565</td>
<td>4,822,308</td>
<td>7,775,347</td>
<td>8,907,653</td>
</tr>
<tr>
<td>Provision against non-performing loans and advances and general provision - net (Reversal) / provision for diminution in the value of investments - net</td>
<td>74,831</td>
<td>874,030</td>
<td>97,595</td>
<td>303,434</td>
<td>31,460</td>
<td>281,217</td>
<td>74,733</td>
<td>321,063</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision against non-performing loans and advances and general provision - net</td>
<td>-</td>
<td>-</td>
<td>(43,371)</td>
<td>(22,862)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debts written off directly</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,460</td>
<td>281,217</td>
<td>74,733</td>
<td>321,063</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net mark-up / interest income after provisions</td>
<td>10,391,691</td>
<td>10,011,319</td>
<td>5,382,298</td>
<td>5,143,371</td>
<td>15,415,760</td>
<td>16,813,974</td>
<td>7,775,347</td>
<td>8,907,653</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON MARK-UP / INTEREST INCOME</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee, commission and brokerage income</td>
<td>1,717,282</td>
<td>1,570,942</td>
<td>857,244</td>
<td>761,800</td>
<td>5,055,529</td>
<td>7,083,872</td>
<td>2,467,782</td>
<td>4,085,345</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend income</td>
<td>1,195,982</td>
<td>3,329,282</td>
<td>190,549</td>
<td>1,612,046</td>
<td>15,415,760</td>
<td>16,813,974</td>
<td>7,775,347</td>
<td>8,907,653</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from dealing in foreign currencies</td>
<td>168,523</td>
<td>293,820</td>
<td>98,460</td>
<td>156,149</td>
<td>1,138,942</td>
<td>121,763</td>
<td>1,125,108</td>
<td>51,470</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on sale of securities</td>
<td>804,206</td>
<td>1,740,595</td>
<td>186,113</td>
<td>1,495,229</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gain / (loss) on revaluation of investments classified as ‘held-for-trading’ - net</td>
<td>30,594</td>
<td>27,470</td>
<td>10,308</td>
<td>8,651</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>15</td>
<td>1,138,942</td>
<td>121,763</td>
<td>1,125,108</td>
<td>15,415,760</td>
<td>16,813,974</td>
<td>7,775,347</td>
<td>8,907,653</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-markup / interest income</td>
<td>5,055,529</td>
<td>7,083,872</td>
<td>2,467,782</td>
<td>4,085,345</td>
<td>15,415,760</td>
<td>16,813,974</td>
<td>7,775,347</td>
<td>8,907,653</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NON MARK-UP / INTEREST EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>7,267,740</td>
<td>7,009,208</td>
<td>3,737,309</td>
<td>3,627,606</td>
<td>7,467,086</td>
<td>7,281,740</td>
<td>3,817,958</td>
<td>3,802,062</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision / (reversal) against other assets - net</td>
<td>24,000</td>
<td>(6,542)</td>
<td>12,000</td>
<td>82,000</td>
<td>3,400</td>
<td>25,894</td>
<td>3,400</td>
<td>(30,758)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision against off-balance sheet obligations - net</td>
<td>3,400</td>
<td>25,894</td>
<td>3,400</td>
<td>(30,758)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other charges</td>
<td>171,946</td>
<td>253,180</td>
<td>65,249</td>
<td>123,214</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-markup / interest expenses</td>
<td>7,467,086</td>
<td>7,281,740</td>
<td>3,817,958</td>
<td>3,802,062</td>
<td>15,415,760</td>
<td>16,813,974</td>
<td>7,775,347</td>
<td>8,907,653</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extra-ordinary / unusual items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROFIT BEFORE TAXATION</td>
<td>7,948,674</td>
<td>9,532,234</td>
<td>3,957,389</td>
<td>5,105,591</td>
<td>7,467,086</td>
<td>7,281,740</td>
<td>3,817,958</td>
<td>3,802,062</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>2,281,776</td>
<td>2,916,412</td>
<td>1,161,210</td>
<td>1,470,001</td>
<td>2,361,158</td>
<td>2,791,553</td>
<td>1,220,139</td>
<td>1,454,993</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred</td>
<td>79,382</td>
<td>(124,859)</td>
<td>58,929</td>
<td>(15,008)</td>
<td>2,361,158</td>
<td>2,791,553</td>
<td>1,220,139</td>
<td>1,454,993</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROFIT AFTER TAXATION</td>
<td>5,587,516</td>
<td>6,740,681</td>
<td>2,737,250</td>
<td>3,650,598</td>
<td>5,808,934</td>
<td>5,520,195</td>
<td>2,607,829</td>
<td>2,458,505</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share - Basic and Diluted (in Rupees)</td>
<td>5.37</td>
<td>6.48</td>
<td>2.63</td>
<td>3.51</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.
### Consolidated Condensed Interim Statement of Comprehensive Income
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th></th>
<th>Half Year Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2013</td>
<td>June 30, 2012</td>
</tr>
<tr>
<td>Profit after taxation for the period</td>
<td>5,587,516</td>
<td>6,740,681</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of net investment in foreign wholesale branch</td>
<td>11,776</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>5,599,292</td>
<td>6,740,681</td>
</tr>
</tbody>
</table>

Surplus / (deficit) on revaluation of ‘available for sale’ securities and ‘operating fixed assets’ are presented under a separate head below equity as ‘surplus / (deficit) on revaluation of assets’ in accordance with the requirements specified by the State Bank of Pakistan vide its BSD Circular No. 20 dated August 04, 2000 and BSD Circular No. 10 dated July 13, 2004 respectively and Companies Ordinance, 1984.

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.
Consolidated Condensed Interim Statement of Cash Flows  
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Half Year Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>June 30,</td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Restated Rupees in '000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>7,948,674</td>
<td>9,415,126</td>
</tr>
<tr>
<td>Less: Dividend income</td>
<td>(1,195,982)</td>
<td>(3,329,282)</td>
</tr>
<tr>
<td><strong>Adjustments for non-cash items:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation / amortization</td>
<td>811,787</td>
<td>548,315</td>
</tr>
<tr>
<td>Provision against non-performing loans, advances and general provision - net</td>
<td>74,831</td>
<td>874,030</td>
</tr>
<tr>
<td>(Reversal) for diminution in the value of investments - net</td>
<td>(43,371)</td>
<td>(592,813)</td>
</tr>
<tr>
<td>Unrealized (loss) / gain on revaluation of 'held-for-trading' securities - net</td>
<td>(36,594)</td>
<td>792</td>
</tr>
<tr>
<td>Provision against off balance sheet obligations - net</td>
<td>3,400</td>
<td>25,894</td>
</tr>
<tr>
<td>Provision / (reversal) against other assets - net</td>
<td>24,000</td>
<td>(6,542)</td>
</tr>
<tr>
<td>Loss / (gain) on sale of fixed assets</td>
<td>1,454</td>
<td>(14,298)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>841,507</td>
<td>835,378</td>
</tr>
<tr>
<td><strong>(Increase) / decrease in operating assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lendings to financial institutions</td>
<td>(30,855,605)</td>
<td>(11,892,681)</td>
</tr>
<tr>
<td>Net investments in 'held-for-trading' securities</td>
<td>(128,776)</td>
<td>(1,481,503)</td>
</tr>
<tr>
<td>Advances - net</td>
<td>9,378,626</td>
<td>(17,151,850)</td>
</tr>
<tr>
<td>Other assets (excluding advance taxation) - net</td>
<td>(597,819)</td>
<td>(757,904)</td>
</tr>
<tr>
<td><strong>Net Cash Flows (used in) / generated from investing activities</strong></td>
<td>(22,203,574)</td>
<td>(31,283,938)</td>
</tr>
<tr>
<td><strong>Increase / (decrease) in operating liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills payable</td>
<td>4,334,871</td>
<td>(20,718)</td>
</tr>
<tr>
<td>Borrowings from financial institutions</td>
<td>(13,740,928)</td>
<td>(17,567,732)</td>
</tr>
<tr>
<td>Deposits and other accounts</td>
<td>55,513,031</td>
<td>55,030,179</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(1,217,811)</td>
<td>(123,522)</td>
</tr>
<tr>
<td><strong>Net Cash Flows from Operating Activities</strong></td>
<td>27,966,039</td>
<td>8,215,383</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investments in 'available-for-sale' securities</td>
<td>(16,219,279)</td>
<td>(1,566,097)</td>
</tr>
<tr>
<td>Net investments in 'held-to-maturity' securities</td>
<td>(1,298,981)</td>
<td>913,850</td>
</tr>
<tr>
<td>Dividend income received</td>
<td>1,842,112</td>
<td>3,654,301</td>
</tr>
<tr>
<td>Investments in operating fixed assets</td>
<td>(1,378,969)</td>
<td>1,770,489</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>40,922</td>
<td>15,512</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale branch</td>
<td>(11,776)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Cash Flows (used in) / generated from investing activities</strong></td>
<td>(17,025,971)</td>
<td>1,247,077</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of sub-ordinated loans</td>
<td>(624,100)</td>
<td>(1,100)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(3,177,878)</td>
<td>(4,022,109)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(3,801,978)</td>
<td>(4,023,209)</td>
</tr>
<tr>
<td><strong>Increase in cash and cash equivalents during the period</strong></td>
<td>7,138,090</td>
<td>5,439,251</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of the period</strong></td>
<td>44,380,995</td>
<td>38,124,951</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</strong></td>
<td>51,519,085</td>
<td>43,564,202</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Condensed Interim financial Statements
Consolidated Condensed Interim Statement of Changes in Equity
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Share Premium</th>
<th>Exchange Reserve</th>
<th>Bonus Issue Reserve</th>
<th>Special Reserve</th>
<th>Merger Reserve</th>
<th>Statutory Reserve</th>
<th>Revenue Reserve General Reserve</th>
<th>Un-appropriated Profit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rspees in '000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at 1 January, 2012 - as previously reported</td>
<td>8,605,110</td>
<td>201,056</td>
<td>-</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>8,153,030</td>
<td>6,000</td>
<td>20,395,727</td>
</tr>
<tr>
<td>Effect of retrospective change in accounting policy with respect to accounting for aumal gains and losses referred to note 5.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>255,337</td>
<td>-</td>
<td>255,337</td>
</tr>
<tr>
<td>Balance as at 1 January, 2012 - as previously reported</td>
<td>8,605,110</td>
<td>201,056</td>
<td>-</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>8,153,030</td>
<td>6,000</td>
<td>20,650,904</td>
</tr>
<tr>
<td>Changes in equity during the half year June 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended June 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the half year June 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners recognized directly in equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to reserve for issue of bonus shares for the year ended December 31, 2011 @ 10%</td>
<td>860,311</td>
<td>(20,056)</td>
<td>-</td>
<td>-</td>
<td>860,311</td>
<td>(960,311)</td>
<td>-</td>
<td>-</td>
<td>(658,957)</td>
</tr>
<tr>
<td>Final cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interim cash dividend for the year ended December 31, 2012 (Rs. 2.00 per ordinary share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at June 30, 2012 - as previously reported</td>
<td>9,463,421</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>9,488,193</td>
<td>-</td>
<td>25,597,845</td>
</tr>
<tr>
<td>Changes in equity during the half year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the half year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of retrospective change in accounting policy with respect to accounting for aumal gains and losses referred to note 5.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale bank branch</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 1 January, 2012 - as previously reported</td>
<td>8,603,110</td>
<td>201,856</td>
<td>-</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>9,483,592</td>
<td>6,000</td>
<td>25,533,651</td>
</tr>
<tr>
<td>Changes in equity during the half year ended June 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended June 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the half year ended June 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners recognized directly in equity</td>
<td>-</td>
<td>-</td>
<td>10,198</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Second interim cash dividend for the year ended December 31, 2012 (Rs. 1.25 per ordinary share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Third interim cash dividend for the year ended December 31, 2012 (Rs. 1 per ordinary share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to statutory reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,004,601</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at June 30, 2012 - as previously reported</td>
<td>9,463,421</td>
<td>-</td>
<td>-</td>
<td>10,198</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>9,483,592</td>
<td>6,000</td>
</tr>
<tr>
<td>Changes in equity during the half year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the half year ended December 31, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale bank branch</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at 1 January, 2012 - as previously reported</td>
<td>8,603,110</td>
<td>201,856</td>
<td>-</td>
<td>10,198</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>8,153,030</td>
<td>6,000</td>
</tr>
<tr>
<td>Changes in equity during the half year ended June 30, 2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the half year ended June 30, 2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net profit for the half year ended June 30, 2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of translation of net investment in foreign wholesale bank branch</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners recognized directly in equity</td>
<td>-</td>
<td>-</td>
<td>11,776</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Issue of bonus shares</td>
<td>946,342</td>
<td>-</td>
<td>946,342</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Final cash dividend for the year ended December 31, 2012 (Rs. 2 per ordinary share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interim cash dividend for the year ended December 31, 2013 (Rs. 1.25 per ordinary share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,330,562</td>
<td>-</td>
</tr>
<tr>
<td>Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to statutory reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,004,601</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at June 30, 2013</td>
<td>10,409,763</td>
<td>-</td>
<td>21,974</td>
<td>-</td>
<td>11,776</td>
<td>-</td>
<td>67,995</td>
<td>333,864</td>
<td>10,488,193</td>
</tr>
</tbody>
</table>

| * These were created as a result of merger of Ibrahim Leasing Limited and First Allied Bank Modaraba into Allied Bank Limited.

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer
President and Chief Executive Officer
Chairman
1 STATUS AND NATURE OF BUSINESS

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 all stock exchanges in Pakistan. The Bank operates a total of 879 (2012: 873) branches in Pakistan, 1 branch (2012: 1) in Karachi Export Processing Zone, and 1 wholesale banking branch (2012: 1) in Bahrain. The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA+'. Short term rating of the Bank is 'A1+'. The Bank is the holding company of ABL Asset Management Company Limited.

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

Subsidiary Company

ABL Asset Management Company Limited, a wholly owned subsidiary of the Bank, is a public unlisted company incorporated in Pakistan as a limited liability company on October 12, 2007 under the Companies Ordinance, 1984. The subsidiary company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry out 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, 2003). The subsidiary company received certificate of commencement of business on December 31, 2007. The registered office of the subsidiary company is situated at 11-B Lalazar, M.T. Khan Road, Karachi. The Management quality rating of the company, as assigned by JCR-VIS credit rating company limited, is AM2 (Stable).

ABL Asset Management company is managing following open ended funds:

- ABL-Income Fund Launched on September 20, 2008
- ABL-Stock Fund Launched on June 28, 2009
- ABL-Cash Fund Launched on July 31, 2010
- ABL-Islamic Income Fund Launched on July 31, 2010
- ABL-Government securities Fund Launched on November 30, 2011
- ABL-AMC Capital Protected Fund Launched on June 01, 2012
- ABL-Islamic Fund Launched on June 11, 2013

2 STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements of the Bank for the half year ended June 30, 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP). In case where requirements of provisions and directives issued under the Banking Companies Ordinance, 1962, Companies Ordinance 1984 and the directives issued by SBP differ, the directives issued by SBP shall prevail.

2.2 The SBP, vide BSD Circular 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. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 “Financial Instruments Disclosure” has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

2.3 These consolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

3 BASIS OF MEASUREMENT

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

- Investments
- Operating fixed assets
- Derivatives

4 BASIS OF PRESENTATION

The disclosures included in these consolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2012.
Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2013

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

5.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these consolidated condensed interim financial statements are same as those applied in preparing the most recent annual consolidated financial statements of the Bank other than those disclosed in Note 5.3 below.

5.2 The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2012.

5.3 Amendments to International Financial Reporting Standards (IFRSs) and interpretation of IFRSs adopted by the Bank

Effective January 1, 2013 the Bank has adopted revised IAS 19 “Employees Benefits” and as a consequence has changed its accounting policy retrospectively related to recognition of actuarial gains and losses and past service cost relating to employee benefit plans. The adoption of this standard requires restatement of previous financial statements. The nature and effect, including restatement of prior period figures, of this change in accounting policy is disclosed below.

Impact on statement of financial position:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in '000</td>
<td></td>
</tr>
<tr>
<td>Net decrease in employee benefit plan</td>
<td>(1,436,550)</td>
<td>(255,117)</td>
</tr>
<tr>
<td>Net increase in equity</td>
<td>1,436,550</td>
<td>255,117</td>
</tr>
</tbody>
</table>

The Bank follows a consistent practice of conducting actuarial valuation annually at each year end and also considers that the above does not have material impact on Bank's Condensed Interim Profit and Loss Account and basic & diluted EPS.

In addition, few amendments and interpretation of IFRSs became effective during the current period, however the adoption of such revision, amendments and interpretation of the standards did not have any impact on the financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2013 but are yet to be notified by the Securities Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

6. LENDINGS TO FINANCIAL INSTITUTIONS

6.1 These are short-term lendings to various financial institutions against the government securities. These carry mark-up at rate, ranging between 8.00% to 9.85% (2012: 8.99% to 9.95%) per annum and will mature on various dates latest by August 8, 2013.

6.2 This includes a classified certificate of Investment amounting to Rs. 70 million.

6.3 These call money lendings carry markup at rate 9.95% (2012: 9.75%) and will mature on various dates latest by July 16, 2013.
## 7. INVESTMENTS

### Held-for-trading’ securities

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>281,488,738</td>
<td>7,265,506</td>
<td>288,754,244</td>
</tr>
</tbody>
</table>

### Available-for-sale’ securities

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>249,122,422</td>
<td>18,560,257</td>
<td>267,682,679</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Held-to-maturity’ securities

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Investment at cost

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Provision for diminution in the value of investments

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Investment (net of provisions)

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Unrealized Gain on revaluation of ‘held-for-trading’ securities

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Surplus on revaluation of ‘available-for-sale’ securities

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total investments at market value

<table>
<thead>
<tr>
<th>Note</th>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Consolidated Condensed Interim Financial Statements
(Un-audited) for the half year ended June 30, 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Un-audited June 30, 2013</th>
<th>Audited December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 8. ADVANCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans, cash credits, running finances, etc. - in Pakistan</td>
<td>266,524,209</td>
<td>283,063,975</td>
</tr>
<tr>
<td>Net investment in finance lease - in Pakistan</td>
<td>1,845,781</td>
<td>1,815,004</td>
</tr>
<tr>
<td>Bills discounted and purchased (excluding treasury bills)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable in Pakistan</td>
<td>2,497,425</td>
<td>2,390,263</td>
</tr>
<tr>
<td>Payable outside Pakistan</td>
<td>8,592,791</td>
<td>1,651,473</td>
</tr>
<tr>
<td></td>
<td>11,090,216</td>
<td>4,041,736</td>
</tr>
<tr>
<td><strong>Advances - gross</strong></td>
<td>279,460,206</td>
<td>288,920,715</td>
</tr>
<tr>
<td>Provision for non-performing advances 8.1 &amp; 8.3</td>
<td>(17,717,424)</td>
<td>(17,752,942)</td>
</tr>
<tr>
<td>General provision against consumer financing 8.1 &amp; 8.3</td>
<td>(80,556)</td>
<td>(52,090)</td>
</tr>
<tr>
<td></td>
<td>(17,797,980)</td>
<td>(17,805,032)</td>
</tr>
<tr>
<td><strong>Advances - net of provision</strong></td>
<td>261,662,226</td>
<td>271,115,683</td>
</tr>
</tbody>
</table>

8.1 Advances include Rs. 19,806.715 million (2012: Rs. 20,667.561 million) which have been placed under non-performing status as detailed below:-

<table>
<thead>
<tr>
<th>Category of Classification</th>
<th>Classified Advances</th>
<th>Provision required</th>
<th>Provision held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>Overseas</td>
<td>Total</td>
<td>Rupees in '000</td>
</tr>
<tr>
<td>Other Assets Especially Mentioned</td>
<td>49,509</td>
<td>49,509</td>
<td>-</td>
</tr>
<tr>
<td>Substandard</td>
<td>502,530</td>
<td>502,530</td>
<td>123,918</td>
</tr>
<tr>
<td>Doubtful</td>
<td>3,502,394</td>
<td>3,502,394</td>
<td>2,048,067</td>
</tr>
<tr>
<td>Loss</td>
<td>15,752,282</td>
<td>15,752,282</td>
<td>15,545,439</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>19,806,715</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category of Classification</th>
<th>Classified Advances</th>
<th>Provision required</th>
<th>Provision held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>Overseas</td>
<td>Total</td>
<td>Rupees in '000</td>
</tr>
<tr>
<td>Other Assets Especially Mentioned</td>
<td>62,814</td>
<td>62,814</td>
<td>-</td>
</tr>
<tr>
<td>Substandard</td>
<td>608,677</td>
<td>608,677</td>
<td>151,422</td>
</tr>
<tr>
<td>Doubtful</td>
<td>4,750,195</td>
<td>4,750,195</td>
<td>2,405,112</td>
</tr>
<tr>
<td>Loss</td>
<td>15,245,875</td>
<td>15,245,875</td>
<td>15,196,408</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>20,667,561</td>
</tr>
</tbody>
</table>

8.2 No benefit of Forced Sale Value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 02 dated June 03, 2010.
### 8.3 Particulars of provision against non-performing loans & advances and general provision

<table>
<thead>
<tr>
<th></th>
<th>(Un-audited)</th>
<th>(Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2013</td>
<td>December 31, 2012</td>
</tr>
<tr>
<td>Specific</td>
<td>General</td>
<td>Total</td>
</tr>
<tr>
<td>Rupees in '000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>17,752,942</td>
<td>52,090</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>(1,255,874)</td>
<td>(28,466)</td>
</tr>
<tr>
<td>Reversals</td>
<td>1,302,239</td>
<td>28,466</td>
</tr>
<tr>
<td>Charged to profit and loss account</td>
<td>46,365</td>
<td>28,466</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(81,883)</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>17,717,424</td>
<td>80,556</td>
</tr>
</tbody>
</table>

Un-audited Audited  
June 30, December 31,  
2013 2012

### 9. BORROWINGS WITH FINANCIAL INSTITUTION

**Details of Borrowings (Secured / Unsecured)**

**Secured**

- Borrowings from State Bank of Pakistan: 15,709,821
- Repurchase agreement borrowings: 6,930,690

**Unsecured**

- Call borrowings: 2,493,247
- Overdrawn nostro accounts: 188,702
- Other Borrowings: 2,723,455

### 10. DEPOSITS AND OTHER ACCOUNTS

**Customers**

- Fixed deposits: 160,081,633
- Savings deposits: 134,491,022
- Current accounts - remunerative: 95,985,787
- - Non - remunerative: 145,711,362

**Financial Institutions**

- Remunerative deposits: 4,941,599
- Non - remunerative deposits: 392,499

**Total**

- Remunerative deposits: 570,215,475
- Non - remunerative deposits: 514,702,444
11. SHARE CAPITAL

11.1 Authorised capital

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>June 30, 2013</td>
<td>December 31, 2013</td>
</tr>
<tr>
<td>1,500,000,000</td>
<td>1,500,000,000</td>
<td>Ordinary shares of Rs. 10 each</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2012</th>
<th>December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupees in ‘000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15,000,000</td>
<td>15,000,000</td>
<td></td>
</tr>
</tbody>
</table>

11.2 Issued, subscribed and paid–up capital

Fully paid–up Ordinary shares of Rs. 10 each

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>June 30, 2013</td>
<td>December 31, 2013</td>
</tr>
<tr>
<td>406,780,094</td>
<td>406,780,094</td>
<td>Ordinary Shares</td>
</tr>
<tr>
<td>616,647,565</td>
<td>522,013,365</td>
<td></td>
</tr>
<tr>
<td>1,023,427,659</td>
<td>928,793,459</td>
<td></td>
</tr>
</tbody>
</table>

| Rupees in ‘000   |          |          |
| 4,067,801        | 4,067,801 |
| 6,166,476        | 5,220,134 |
| 10,234,277       | 9,287,935 |

Ibrahim Fibers Limited, related party of the Bank, holds 176,401,742 (16.95%) [December 31, 2012: 226,365,220 (23.92%)] ordinary shares of Rs. 10 each, as at reporting date.

12. CONTINGENCIES AND COMMITMENTS

12.1 Direct credit substitutes

Guarantees in favour of:
Banks and financial institutions

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>June 30, 2013</td>
<td>December 31, 2013</td>
</tr>
<tr>
<td>8,400,000</td>
<td>8,400,000</td>
<td></td>
</tr>
<tr>
<td>1,040,976,209</td>
<td>946,342,009</td>
<td></td>
</tr>
</tbody>
</table>

| Rupees in ‘000    |          |          |
| 84,000            | 84,000    |

12.2 Transaction-related contingent liabilities

Guarantees in favour of:
Government

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>June 30, 2013</td>
<td>December 31, 2013</td>
</tr>
<tr>
<td>18,029,316</td>
<td>18,513,854</td>
<td></td>
</tr>
<tr>
<td>12,804,685</td>
<td>12,703,025</td>
<td></td>
</tr>
<tr>
<td>30,834,001</td>
<td>31,216,879</td>
<td></td>
</tr>
</tbody>
</table>

12.3 Trade-related contingent liabilities

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>June 30, 2013</td>
<td>December 31, 2013</td>
</tr>
<tr>
<td>56,594,074</td>
<td>54,546,360</td>
<td></td>
</tr>
</tbody>
</table>

12.4 Claims against the Bank not acknowledged as debt

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of shares</td>
<td>June 30, 2013</td>
<td>December 31, 2013</td>
</tr>
<tr>
<td>5,741,542</td>
<td>5,929,382</td>
<td></td>
</tr>
</tbody>
</table>

12.5 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.
12.6 Commitments in respect of forward foreign exchange contracts

<table>
<thead>
<tr>
<th></th>
<th>Rupees in ‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase</td>
<td>41,728,909</td>
</tr>
<tr>
<td>Sale</td>
<td>21,483,015</td>
</tr>
</tbody>
</table>

12.7 Commitments in respect of:

<table>
<thead>
<tr>
<th></th>
<th>Rupees in ‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil works</td>
<td>1,306,211</td>
</tr>
<tr>
<td>Acquisition of operating fixed assets</td>
<td>950,584</td>
</tr>
<tr>
<td></td>
<td>2,256,795</td>
</tr>
</tbody>
</table>

12.8 Commitments in respect of lease financing

<table>
<thead>
<tr>
<th></th>
<th>Rupees in ‘000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>139,970</td>
</tr>
</tbody>
</table>

12.9 Contingencies

12.9.1 There is no change in the status of contingencies, set out in note 22.10 to the consolidated financial statements of the Bank for the year ended December 31, 2012, except for the contingency as mentioned below:

12.9.2 The income tax assessments of the Bank have been finalized up to and including tax year 2012 for local and Azad Kashmir operations. While finalizing income tax assessments up to tax year 2012, income tax authorities made certain add backs with aggregate tax impact of Rs. 12,952 million (2012: Rs. 11,471 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 appellate forums against unfavorable decisions. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs. 12,952 million (2012: Rs. 11,471 million). The management is confident that the outcome of these appeals 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 2005, 2006 and tax year 2008 to 2012 and created an arbitrary demand of Rs. 1,081 million (2012 Rs. 219 million). The Bank’s appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) for adjudication. The management is confident that these appeals will be decided in favor of the Bank and therefore, no provision has been made against the said demand of Rs. 1,081 million (2012 Rs. 219 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 thereby creating an arbitrary demand of Rs. 257 million (2012 Rs. 110 million). The Bank’s appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) 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. 257 million (2012 Rs. 110 million).
Notes to the Consolidated Condensed Interim Financial Statements
(UN-audited) for the half year ended June 30, 2013

### Half Year Ended Quarter Ended

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
<td>Rupees in '000</td>
</tr>
</tbody>
</table>

#### 13 MARK-UP / RETURN / INTEREST EARNED

**On loans and advances**

- 13,945,891 16,080,371 7,249,490 8,358,780

**On investments in:**

- **'Available-for-sale' securities**
  - 9,500,450 5,630,478 4,769,039 2,586,898
- **'Held-to-maturity' securities**
  - 1,986,435 2,003,626 999,321 983,294
- **'Held-for-Trading' securities**
  - - 27,171 - 21,750

**On deposits with financial institutions**

- 12,244 1,675 9,466 (1,363)

**On securities purchased under resale agreements**

- 598,660 619,256 323,198 426,174

**On certificates of investment**

- 14,457 - 4,123 -

**On letters of placement**

- - 2,499 - 241

**On call money lending**

- 95,037 19,120 69,050 -

**Total**

- 11,486,885 7,661,275 5,768,360 3,591,942

#### 14 MARK-UP / RETURN / INTEREST EXPENSED

**Deposits**

- 12,860,179 10,638,525 6,619,445 5,709,523

**Long term borrowing**

- 118,702 122,634 59,748 59,141

**Securities sold under repurchase agreements**

- 929,700 1,271,754 457,395 346,227

**Call money borrowing**

- 46,179 238,613 32,528 119,212

**Brokerage and commission**

- 67,228 27,552 36,644 (24,318)

**Markup on sub-ordinated loans**

- 295,745 369,494 143,791 181,891

**Other short term borrowings**

- 1,443,750 1,704,305 691,838 852,089

**Total**

- 15,761,483 14,372,877 8,041,389 7,243,765

#### 15 Other income includes compensation on delayed refunds amounting to Rs 1,066.805 million (2012: Nil) under section 171 of the Income Tax Ordinance 2001 pertaining to Assessment Year / Tax Years 1997-98 to 2006. This compensation has been calculated at the rates applicable under section 171 on the amount of refund for the period commencing at the end of the three months of refund becoming due to the Bank and the date of adjustment of refund by the income tax authorities.

#### 16 EARNINGS PER SHARE - BASIC AND DILUTED

**Profit after taxation for the period attributable to ordinary shareholders**

- 5,587,516 6,740,681 2,737,250 3,650,598

**Weighted average number of ordinary shares outstanding during the period.**

- 16.1 1,040,976,209 1,040,976,209 2,737,250 3,650,598

**Earnings per share - basic and diluted for the period**

- 16.1 5.37 6.48 2.63 3.51

There is no dilution effect on basic earnings per share.

**The corresponding figure of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the Bank during the period.**
RELATED PARTY TRANSACTIONS

The group has related party relationships with companies with common directorship, directors, employee benefit plans and key management personnel.

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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>Directors</td>
<td>Associated Companies</td>
</tr>
<tr>
<td>Loans at the beginning of the period/year</td>
<td>43,842</td>
<td>1,833,333</td>
</tr>
<tr>
<td>Loans given during the period/year</td>
<td>14,610</td>
<td>-</td>
</tr>
<tr>
<td>Loans repaid/adjustment during the period/year</td>
<td>(55,401)</td>
<td>(1,833,333)</td>
</tr>
<tr>
<td>Loans at the end of the period/year</td>
<td>3,051</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>Directors</td>
<td>Associated Companies</td>
</tr>
<tr>
<td>Deposits at the beginning of the period/year</td>
<td>33,653</td>
<td>41,011</td>
</tr>
<tr>
<td>Deposits received during the period/year</td>
<td>2,691,149</td>
<td>3,543,268</td>
</tr>
<tr>
<td>Deposits repaid during the period/year</td>
<td>(2,671,878)</td>
<td>(3,539,761)</td>
</tr>
<tr>
<td>Deposits at the end of the period/year</td>
<td>52,924</td>
<td>44,518</td>
</tr>
<tr>
<td>Nostro balances</td>
<td>Directors</td>
<td>Associated Companies</td>
</tr>
<tr>
<td>Lendings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in shares / open end mutual funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net receivable from staff retirement benefit funds</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Un-audited

#### June 30, 2013

<table>
<thead>
<tr>
<th>Directors</th>
<th>Associated companies</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,250</td>
<td>5,640</td>
<td>-</td>
</tr>
</tbody>
</table>

| Mark-up earned | 1,250 | - | 5,640 | - |
| Income on Placements | - | 808 | - | - |
| Dividend Income | - | - | - | - |
| Capital (Loss) | - | - | - | - |
| Sales commission | - | - | - | 257 |
| Management fee sharing expense | - | - | - | - |
| Management fee income | - | - | - | - |
| Mark-up expense on Deposits | 1,060 | 12 | 251 | 306,547 |
| Fee commission / bank charges | 7 | 16 | 23 | 118 |
| Interest expense on Borrowings | - | 98 | - | - |
| Director's meeting fee | 4,500 | - | - | - |
| Remuneration | - | - | 188,317 | - |
| NIFT charges | - | - | - | 35,533 |
| Rent Expense | - | 9,667 | - | - |
| Change / (reversal) in respect of staff retirement benefit funds | - | - | - | 54,450 |

<table>
<thead>
<tr>
<th>Rupees '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,250</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>4,500</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
</tbody>
</table>

#### June 30, 2012

<table>
<thead>
<tr>
<th>Directors</th>
<th>Associated companies</th>
<th>Key management personnel</th>
<th>Other related parties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>878</td>
<td>6,144</td>
<td>-</td>
</tr>
</tbody>
</table>

| Mark-up earned | 878 | - | 6,144 | - |
| Income on Placements | - | 26 | - | - |
| Dividend Income | - | - | - | 2,096,020 |
| Capital (Loss) | - | - | - | (14,999) |
| Sales commission | - | - | - | 434 |
| Management fee sharing expense | - | - | - | 111 |
| Management fee income | - | - | - | - |
| Mark-up expense on Deposits | 392 | - | 35 | 29,714 |
| Fee commission / bank charges | - | - | - | 169 |
| Interest expense on Borrowings | - | - | - | 48,113 |
| Director's meeting fee | 3,250 | - | - | - |
| Remuneration | - | - | 208,526 | - |
| NIFT charges | - | - | - | 47,946 |
| Rent Expense | - | 8,036 | - | - |
| Change / (reversal) in respect of staff retirement benefit funds | - | - | - | 100,093 |

<table>
<thead>
<tr>
<th>Rupees '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>878</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>3,250</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
<tr>
<td>-</td>
</tr>
</tbody>
</table>

---

### Notes to the Consolidated Condensed Interim Financial Statements

(Concluded for the half year ended June 30, 2013)
18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:-

<table>
<thead>
<tr>
<th>Segment</th>
<th>Corporate</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Asset Management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Period Ended June 30, 2013 (Un-audited)</td>
<td>337,367</td>
<td>918,748</td>
<td>20,127,694</td>
<td>25,263,390</td>
<td>460,467</td>
<td>156,869</td>
<td>31,208,703</td>
</tr>
<tr>
<td>Total Income</td>
<td>(139,288)</td>
<td>(1,497,689)</td>
<td>(16,516,928)</td>
<td>(23,219,615)</td>
<td>(207,124)</td>
<td>(96,375)</td>
<td>25,621,187</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>198,079</td>
<td>(578,941)</td>
<td>3,610,766</td>
<td>2,043,775</td>
<td>253,343</td>
<td>60,494</td>
<td>5,587,516</td>
</tr>
<tr>
<td>Net Income</td>
<td>198,079</td>
<td>(578,941)</td>
<td>3,610,766</td>
<td>2,043,775</td>
<td>253,343</td>
<td>60,494</td>
<td>5,587,516</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Corporate</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Asset Management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Period Ended June 30, 2012 (Un-audited)</td>
<td>337,167</td>
<td>1,527,281</td>
<td>19,827,741</td>
<td>26,148,818</td>
<td>327,556</td>
<td>273,893</td>
<td>31,514,302</td>
</tr>
<tr>
<td>Total Income</td>
<td>(155,094)</td>
<td>(2,004,763)</td>
<td>(15,137,939)</td>
<td>(24,058,930)</td>
<td>(159,029)</td>
<td>(186,020)</td>
<td>24,773,621</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>182,073</td>
<td>(477,482)</td>
<td>4,689,802</td>
<td>2,089,888</td>
<td>168,527</td>
<td>87,873</td>
<td>6,740,681</td>
</tr>
<tr>
<td>Net Income</td>
<td>182,073</td>
<td>(477,482)</td>
<td>4,689,802</td>
<td>2,089,888</td>
<td>168,527</td>
<td>87,873</td>
<td>6,740,681</td>
</tr>
</tbody>
</table>

As at June 30, 2013 (Un-audited)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Corporate</th>
<th>Trading &amp; Sales</th>
<th>Retail Banking</th>
<th>Commercial Banking</th>
<th>Payment &amp; Settlement</th>
<th>Asset Management</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Assets (Gross)</td>
<td>455,362</td>
<td>40,496,997</td>
<td>123,749,567</td>
<td>538,764,650</td>
<td>559,271</td>
<td>949,130</td>
<td>704,974,977</td>
</tr>
<tr>
<td>As at December 31, 2012 (Audited)</td>
<td>324,474</td>
<td>9,456,172</td>
<td>121,899,229</td>
<td>522,024,483</td>
<td>342,883</td>
<td>888,576</td>
<td>654,935,817</td>
</tr>
</tbody>
</table>

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees.

19.2 Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation of transactions for the purpose of comparison. However, no significant reclassifications have been made in these consolidated condensed interim financial statements.

19.3 The Board of Directors of the Bank in its meeting held on 21 August, 2013 has approved interim cash dividend for the half year ended 30 June, 2013 at Rs. 1.25 per share (30 June, 2012: Rs. 1.5). The consolidated condensed interim financial statements for the half year ended 30 June, 2013 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

20 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 21 August, 2013 by the Board of Directors of the Bank.

Chief Financial Officer
Director

President and Chief Executive Officer
Director
Chairman