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1st Quarterly  
Report  
● 2019



# Contents

Corporate Information .....	02
Director's Review .....	04

## Unconsolidated Financial Statements of Allied Bank Limited

Unconsolidated Statement of Financial Position .....	12
Unconsolidated Profit and Loss Account .....	13
Unconsolidated Statement of Comprehensive Income .....	14
Unconsolidated Statement of Cash Flow .....	15
Unconsolidated Statement of Changes in Equity .....	16
Notes to the Unconsolidated Condensed Interim Financial Statements .....	17

## Consolidated Financial Statements of Allied Bank Limited and its Subsidiary

Consolidated Statement of Financial Position .....	48
Consolidated Profit and Loss Account .....	49
Consolidated Statement of Comprehensive Income .....	50
Consolidated Statement of Cash Flow .....	51
Consolidated Statement of Changes in Equity .....	52
Notes to the Consolidated Condensed Interim Financial Statements .....	53

## Corporate Information

### Vision

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

### Mission

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

### Core Values

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

### Board of Directors

Mr. Mohammad Naeem Mukhtar	Chairman / Non-Executive Sponsor Director
Mr. Sheikh Mukhtar Ahmad	Non-Executive Sponsor Director
Mr. Muhammad Waseem Mukhtar	Non-Executive Sponsor Director
Mr. Abdul Aziz Khan	Non-Executive Director
Dr. Muhammad Akram Sheikh	Independent Director
Mr. Zafar Iqbal	Independent Director
Ms. Nazrat Bashir	Independent Director
Mr. Tahir Hassan Qureshi	Chief Executive Officer

### Audit Committee of the Board

Mr. Zafar Iqbal (Chairman)  
Mr. Muhammad Waseem Mukhtar  
Dr. Muhammad Akram Sheikh

### Board Risk Management Committee

Mr. Sheikh Mukhtar Ahmad (Chairman)  
Mr. Abdul Aziz Khan  
Dr. Muhammad Akram Sheikh  
Mr. Tahir Hassan Qureshi

### e-Vision Committee

Mr. Mohammad Naeem Mukhtar (Chairman)  
Mr. Zafar Iqbal  
Ms. Nazrat Bashir  
Mr. Tahir Hassan Qureshi

### Strategic Planning & Monitoring Committee

Mr. Muhammad Waseem Mukhtar (Chairman)  
Mr. Abdul Aziz Khan  
Ms. Nazrat Bashir  
Mr. Tahir Hassan Qureshi

### Human Resource & Remuneration Committee

Mr. Abdul Aziz Khan (Chairman)  
Mr. Muhammad Waseem Mukhtar  
Dr. Muhammad Akram Sheikh

### Company Secretary

Mr. Muhammad Raffat

### Chief Financial Officer

Mr. Muhammad Farhanullah Khan

### Shariah Board

Mufti Muhammad Iftikhar Baig  
(Chairman)

Mufti Mahmood Ahmad  
Mufti Tayyab Amin

### Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Legal Adviser

Mandviwalla & Zafar Advocates

### Shares Registrar

Central Depository Company of  
Pakistan Limited (CDCPL)

### Registered & Head Office

3 Tipu Block, New Garden Town  
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### Contact Detail



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<https://www.instagram.com/ablpk>

## Director's Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the first quarter ended March 31, 2019:

	Quarter ended March 31,		Growth
	2019	2018	
	(Rupees in million)		%
Profit after tax for the period	2,985	3,771	(21)
Accumulated profits brought forward	52,500	49,212	7
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	1	1	-
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	27	28	(4)
<b>Profit available for appropriation</b>	<b>55,512</b>	<b>53,012</b>	<b>5</b>
Final cash dividend for the year ended December 31, 2018: Rs. 2.00 per share (2018: Year ended December 31, 2017: Nil)	(2,290)	-	100
Transfer to Statutory Reserves	(298)	(377)	(21)
<b>Accumulated profits carried forward</b>	<b>52,924</b>	<b>52,635</b>	<b>1</b>
<b>Earnings Per Share (EPS) (Rs.)</b>	<b>2.61</b>	<b>3.29</b>	<b>(21)</b>

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the first quarter ended March 31, 2019:

### Economic Review

Global growth peaked in 2017 to 4% before reducing to 3.6% in 2018. The IMF is projecting it to decline to 3.3% in 2019 and the outlook is primarily driven by the issues related to US-China trade talks, macroeconomic imbalances, credit and fiscal tightening along with the normalization of monetary policy in the advanced economies.

The IMF has further highlighted that amidst the ongoing macroeconomic adjustment challenges, Pakistan's economy is projected to grow at only 2.9% in 2019. The key factors triggering this subdued GDP growth includes the GoP's ongoing measures to curtail current account and fiscal deficits, which have resulted in inflationary pressure and reduction in development spending along with deceleration in consumer demand, capital investment and credit expansion during the quarter under review.

Consequently, notable contraction in current account deficit was registered, with a fall of 29% to US\$ 9,588 million during July'18-Mar'19 as compared to US\$13,589 million in the corresponding period. While import bill shrank by 8% for July'18-Mar'19, alarmingly the total exports also declined by 1%.

While Foreign Direct Investment (FDI) have slowed down significantly as several CPEC related projects approached completion and non-CPEC related FDI initiatives by the incumbent government are at nascent stages. However, Foreign remittances have posted a healthy growth rate of 8.7% YoY and stood at US\$ 16,095 million during July'19-Mar'19. Furthermore, timely Inflows from friends of Pakistan have assisted to sustain the foreign exchange (FX) reserves to US\$ 17,398 million as on March 31, 2019.

PKR – USD parity remained under pressure as much of the bilateral lending support was utilized for financing current account deficit and repayment of financial commitments. Resultantly, PKR continued to decline against US\$ during the quarter ended March 2019 to close at approximately Rs. 141 against US\$. Going forward, positive outcome of the negotiation with IMF is expected to assist in stabilizing the parity levels.

Economy continued to remain engulfed with burgeoning fiscal deficit, which swelled by 2.7% of GDP in the first half of FY19 as compared to 2.3% in the corresponding period, owing primarily to higher interest payments on domestic and foreign debts along with shortfall in fiscal revenue collections. Total tax collection stood at 40.8% of the annual target of Rs. 4,398 billion in the first half of FY19 as compared to 42.2%, which has been the first half average in the last five financial years.

In view of the ongoing exchange rate movements, upward adjustments in gas and electricity tariffs and rising oil prices, the core inflation reached to 8.5% YoY at end March 2019; highest in last five years. In consideration of these developments, State Bank of Pakistan maintained its monetary tightening stance and increased the Policy rate by 75 basis points to 10.75% during the quarter under review.

Corresponding to the falling aggregate demand, contraction was also witnessed in the Large-Scale Manufacturing (LSM) by 1.7% in the first eight months period of FY19 as compared to 6.6% growth in the corresponding period. This lackluster performance is primarily due to downtick in performance of iron and steel, pharmaceutical, sugar, cement and textile sectors.

In view of the prevailing uncertainty investors sentiments remained bearish, as the KSE-100 index closed at 38,649 as at end March 2019 as against 41,911 as at end June 2018 showing a decline of 8%. Resultantly, PSX's ability to sustain the MSCI's emerging market index remains in doubt and downgrade to the frontier market status remains a possibility. Simultaneously, the

ongoing evaluation by Financial Action Task Force (FATF) of Pakistan's efforts in implementing its action plan to address terrorism financing and money laundering pose another significant challenge for the regulators.

Money supply (M2) witness a growth rate of 2% during quarter ended March 2019, mainly driven by 4% increase in Currency in circulation which stood at Rs. 4,723 billion at end March'19. The industry deposits remained stagnant and registered a growth rate of just 1% during the quarter ended Mar'19 to close at Rs.13,408 billion.

Overall investments dropped significantly to Rs.5,718 billion at end March 2019 from Rs.7,545 billion at end of December 2018, mainly due to the prevalent rising interest rate scenario. Going forward as interest rates stabilize, repricing of investments from shorter tenor to longer tenor Pakistan Investment Bonds might be witnessed at industry level, in view of IMF conditionalities.

Industry gross advances stood at Rs. 7,725 billion as at end March 2019 and did not show any notable movement from end December level of Rs. 7,719 billion. Likewise, industry total assets declined by 4.5% at end March 2019 to close at Rs.17,484 billion as compared to December 2018 closing of Rs. 18,317 billion.

## Financial Performance

Despite rising interest rate scenario, outlook for the banking sector in 2019 remains immersed in challenges stemming from a suppressed economic outlook, imposition of stringent regulatory and compliance costs, arbitrary super tax imposition, rising cost of doing business, emerging disruptive challenges and evolving customer dynamics.

In line with the emerging dynamics of the banking sector, Your Bank prudently managed the earning asset mix in line with rising interest rate scenario, supplemented by a multi-dimensional risk management framework, invested in robust technologies geared towards digital transformation and compliance risk control platforms, further augmented its conventional and Islamic banking product suite, expanded customer outreach while focusing on service quality to further enrich user experience for the valued customers. Despite the aforementioned challenges, this pragmatic strategy enabled the Bank to post a solid performance during the quarter under review.

The positive volumetric growth in average earning assets and improving spreads, enabled Your Bank's to increase net interest income by 20%, which aggregated to reach Rs.9,585 million for the quarter ended March 31, 2019 as compared to Rs. 8,012 million in the corresponding period.

The Bank continued to maintain focus on diversifying revenue streams with emphasis on the growth of fee-based income. Accordingly, non-mark-up income reached Rs. 2,537 million for the quarter ended March 31, 2019 with major contribution from fee-based income that registered a strong growth of 20% and stood at Rs.1,386 million for the quarter ended March 2019 as compared to Rs. 1,156 million in the corresponding period.

Capitalizing on the opportunities in the interbank FX market, Your Bank posted a significant growth of 132% in income from dealing in foreign currencies, closing the quarter at Rs.630 million as compared to Rs.272 million in the corresponding period last year.

Your Bank had already divested and repriced its significant fixed income investment portfolio in 2018, in view of the evolving monetary policy stance of the SBP. While the stock markets remained volatile, the Bank maintained its policy to hold the dividend yielding blue-chip shares portfolio. Accordingly, no capital gains were realized during the quarter under review, against Rs. 1,343 million realized in the corresponding quarter.

Your Bank's multi-pronged strategy encompasses focus on enhancement of financial inclusion and customer onboarding. Customer outreach is being pro-actively augmented across the country through conventional and digital channels respectively, to facilitate both the abovementioned objectives.

The overall branch network expanded to 1,345 conventional branches and 117 Islamic banking branches. Similarly, ATM network increased to a total of 1,397 ATMs including 302 off-site ATMs installed at strategic locations across the country.

Despite the aforementioned devaluation led inflationary pressures and the Bank's continued investment in the customer outreach and technology infrastructure, automation led saving initiatives and centralization of operations enabled Your Bank to restrict growth in non-markup expenses to 11%. This increase also includes the impact of the new deposit protection insurance cost levied by the State Bank of Pakistan from the third quarter of 2018.

Driven by a robust risk management framework, proactive monitoring and recovery efforts, the net provision reversal against Non-Performing Loans aggregated to Rs. 176 million for the quarter ended March 31, 2019.

Resultantly, Your Bank's Profit Before Tax increased to Rs.6,250 million for the quarter ended March 2019, compared to Rs. 6,075 million in corresponding period of last year.

Profit after current year taxation amounted to Rs. 4,084 million as against last year's Profit after current year taxation of Rs. 3,771 million, showing an increase of 8%.

However, the finance Supplementary Amendment Act while eliminating the phased reduction of Super tax charge introduced through Finance Act, 2018, has also enacted an incremental Super tax levy, at the rate of 4% for Tax Year 2018, thereby cumulative Super Tax of Rs. 1,099 million was accounted for in the current quarter as against Nil charge in the corresponding period of last year.

In view of above developments, Your Bank's Profit After Tax for the quarter closed at Rs. 2,985 million. EPS of Your Bank stood at Rs. 2.61 per share against an EPS of Rs.3.29 per share last year. Despite a significant additional taxation liability, Return on Equity (ROE) and Return on Assets (ROA) also stood at a robust level of approximately 14% and 1% respectively.

Your Bank accomplished a significant milestone during the quarter under review upon crossing the Rs. 1,000 billion mark in the deposit base. Total deposits stood at Rs.1,007,542 million as at end March 2019 compared to Rs.984,475 million at end December 2018; thus, registering a growth of 2.3% for the quarter, well above the industry growth of 1%. Moreover, focus on low/no costs deposit mobilization yielded results as the CASA deposit mix stood at 79% as at March 31, 2019.

## Director's Review

In line with the stagnancy in the overall industry advances, gross advances portfolio closed at Rs. 436,658 million. Persistent focus on maintaining industry's leading risk management framework, enabled Your Bank to further reduce the 's Non-Performing Loan portfolio to Rs.15,688 million at end March 2019 from Rs.16,065 million as at December 2018.

Infection and coverage ratio as at March 31, 2019 stood at 3.6% and 98% respectively; significantly outperforming the December 2018 industry infection and coverage ratio of 8% and 83.8% respectively. No FSV benefit was availed while determining the provision against Non-Performing advances, allowed under guidelines of the State Bank of Pakistan.

In order to manage the evolving interest rate risk, surplus liquidity was diverted towards Lendings to financial institutions, having the shortest tenors, which closed at Rs. 165,740 million. While the investment portfolio duration was optimized and overall portfolio reduced to close at Rs. 476,874 million; in line with the aforementioned reduction in the industry's total investment portfolio. Accordingly, the totals assets of Your Bank closed at Rs. 1,242,221 million

The Bank's equity base closed at Rs.107,579 million. Capital Adequacy Ratio of the Bank stood at 22.8% against the statutory requirement of 11.9% which is indicative of a strong capital positioning of Your Bank.

### Future Outlook

As the government is implementing wide-ranging economic measures to address the aforementioned daunting challenges while simultaneously meeting the pre-requisites of a fresh IMF program, the overall economy shall require some time to restore stability and enhance future growth prospects, as imbalances are corrected and structural reforms take hold.

Banking sector outlook also remains challenging in view of expected suppressed economic activity and resultant pressures on asset quality, inflationary impacts on the cost of doing business, rising regulatory compliance requirements and on-going investments towards innovative business transformation initiatives to cope with the emerging disruptive challenges.

Your Bank's long term multi-pronged strategy ensures that the Bank remains well placed to face the aforementioned operating environment-with continued investment towards augmenting the entire product suite with particular focus on further enriching digital banking solutions, augmenting advanced level of risk management framework and technology platforms, expanding outreach and customer touch points geared toward enhanced user experience, capitalizing on Your Bank's strong capital base to explore all avenues for quality credit expansion while simultaneously improving operational efficiencies across the Bank. Your Bank's key initiatives during 2019 include further expansion in Mobile and Branchless banking respectively.

### Entity Rating

Pakistan Credit Rating Agency (PACRA) maintained long term rating of AAA (Triple A) and short-term rating of A1+ (A One Plus) respectively. These ratings indicate very high credit quality of the organization.

### Corporate Governance Rating

JCR-VIS assigned 'CGR 9+' rating to Allied Bank Limited (ABL); affirming a high level of corporate governance.

### Board of Directors

Composition of the Board of Directors and Board sub-committees is disclosed in the corporate information section of the report.

### Acknowledgement

On behalf of Allied Bank, we would like to express our gratitude to the loyal customers for their trust and confidence placed in our services, appreciation to our employees for their dedication and hard work, gratefulness to our shareholders for their continued support and acknowledge patronage of State Bank of Pakistan, Securities and Exchange Commission and other regulatory bodies.

For and on behalf of the Board of Directors.

Tahir Hassan Qureshi  
Chief Executive Officer

Mohammad Naeem Mukhtar  
Chairman Board of Directors

Lahore  
Date: April 25, 2019



## ڈائریکٹرز کا تجزیہ

معزز شیئر ہولڈرز

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2019 کو اختتام پزیر کیلی سرمایہ کے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

سرمایہ مختتمہ 31 مارچ			
اضافہ	2018	2019	
فی صد	ملین روپے		
(21%)	3,771	2,985	بعد از ٹیکس منافع
7%	49,212	52,500	گزشتہ جمع شدہ منافع
-	1	1	غیر بینکاری اثاثہ جات کی قدر دینیائش سے غیر تخصیص شدہ منافع میں منتقلی۔ خالص از ٹیکس
(4%)	28	27	معین اثاثہ جات کی قدر دینیائش سے غیر تخصیص شدہ منافع میں منتقلی۔ خالص از ٹیکس
5%	53,012	55,512	تصرف کے لیے دستیاب منافع
			حتمی پیش ڈیویڈنڈ برائے سال مختتمہ 31 دسمبر 2018-200 روپے فی حصص
100%	(--)	(2,290)	(2018: سال مختتمہ 31 دسمبر 2017 - NIL)
(21%)	(377)	(298)	ضوابطی ریٹرو میں منتقلی
1%	52,635	52,924	آگے منتقل کیا گیا جمع شدہ منافع
(21%)	3.29	2.61	فی حصص آمدنی (EPS) روپے

بورڈ انتہائی مسرت کے ساتھ 31 مارچ 2019 کو اختتام پزیر کیلی سرمایہ کے لیے 2 روپے فی حصص کے عبوری کیش ڈیویڈنڈ کا اعلان کرتا ہے۔ (31 مارچ 2018: 2.00 روپے فی حصص)۔

### معاشی جائزہ

عالمی نمو 2017 میں 4 فیصد تک بڑھی جو کہ 2018 میں کم ہو کر 3.6 فیصد ہو گئی۔ عالمی مالیاتی فنڈ (IMF) کی پیش گوئی کے مطابق سال 2019 میں یہ شرح کم ہو کر 3.3 فیصد رہ جائے گی۔ اس منفی پیش بینی کی بنیادی وجوہات میں چین اور امریکہ کے مابین تجارتی تعلق میں کشیدگی، میکرو اکانامک (کلاں معاشی) عدم توازن، کریڈٹ اور مالیاتی نظام میں سختی اور اس کے ساتھ ترقی یافتہ معیشتوں میں مانیٹری پالیسی کی بحالی جیسے عوامل شامل ہیں۔

آئی ایم ایف نے اس خدشے کا بھی اظہار کیا ہے کہ میکرو اکانامکس میں جاری موافقت کے چیلنجز میں گھرے رہنے کی وجہ سے پاکستان کی معیشت سال 2019ء میں 2.9 فیصد تک کی شدید سست روی کا شکار رہے گی۔ بی ڈی پی کی اس ناقص داخلی نمو پر اثر انداز ہونے والے عوامل میں اس زبردستی سرمایہ کے دوران حکومت پاکستان کے کرنٹ اکاؤنٹ اور مالیاتی خسارہ کو کم کرنے کے اقدامات، جن کے باعث افزائی زر کا دباؤ درجش ہے، ترقیاتی اخراجات میں کمی اور اس کے ساتھ صارفین کی طلب، کپٹل سرمایہ کاری اور قرضہ جات کے فروغ میں کمی شامل ہیں۔

اس کے نتیجے میں کرنٹ اکاؤنٹ کے خسارہ میں نمایاں کمی واقع ہوئی جو کہ جولائی 2018ء سے مارچ 2019ء کے دوران اپنی تھیلی مدت کی 13,589 ملین امریکی ڈالرز کی سطح سے 29 فیصد کمی کے ساتھ 9,588 ملین امریکی ڈالرز پر درج ہوا۔ جبکہ درآمدات کے بل میں جولائی 2018ء تا مارچ 2019ء میں 8 فیصد کمی متزنی ہوئی۔ ایک توجہ طلب پہلو یہ بھی ہے کہ کل برآمدات میں بھی 1 فیصد کمی واقع ہوئی۔

اگرچہ سی بی کے متعلقہ کمی پریکٹس کے اپنی بحال کے قریب پہنچنے اور سی بی کے علاوہ پریکٹس کا ابھی متعلقہ حکومتوں کے مابین ابتدائی شکل میں ہونے کی وجہ سے غیر ملکی برادرس سرمایہ کاری نمایاں طور پر تھم رہی ہے، تاہم غیر ملکی ترسیلات زر 8.7 فیصد کمی، سال بہ سال کی بنیاد پر ہونے والی، قابل ذکر افزائش کے بعد جولائی 2018 تا مارچ 2019 کے دوران 16,095 ملین امریکی ڈالرز پر رپورٹ ہوئیں۔ مزید برآں پاکستان کے دوست ممالک سے ملنے والی بروقت مالی امانت کے باعث غیر ملکی زرمبادلہ کے ذخائر 31 مارچ 2019ء تک 17,398 ملین امریکی ڈالرز پر درج ہوئے۔ پاکستانی روپے اور امریکی ڈالر کی شرح تبادلہ پر دباؤ برقرار رہا

کیونکہ دو طرفہ تعلقات کی بناء پر حاصل ہونے والے قرضوں کی معاونت کرنٹ اکاؤنٹ خسارہ کی کمی اور اپنی مالی ادائیگیوں کی ذمہ داریوں کو پورا کرنے میں استعمال ہوئی۔ جس کے باعث پاکستانی روپے میں ڈالر کے مقابلہ میں تیزی کا رجحان برقرار رہا اور اس کی شرح 31 مارچ 2019ء کو اختتام پذیر سرمایہ کے دوران تقریباً 141 روپے فی ڈالر پر بند ہوئی۔ مستقبل میں آئی ایم ایف سے مثبت مذاکرات کی صورت میں تبادلہ کی شرح میں استحکام پیدا ہونے کی قوی امید کی جاسکتی ہے۔

معیشت مالیاتی خسارہ کے بڑھتے ہوئے پوچھ تلے مسلسل دبی ہوئی ہے جس کا حجم گزشتہ تقابلی عرصہ کی 2.3 فیصد کی شرح سے مزید بڑھتا ہوا مالی سال 2019ء کے پہلے نصف عرصہ میں جی ڈی پی کے 2.7 فیصد تک جا پہنچا۔ جس کی بنیادی وجہ اندرونی اور بیرونی قرضوں کے ہماری سود کی ادائیگیاں اور داخلی آمدن کی وصولیوں میں کمی تھی۔ کل ٹیکس کی وصولیوں مالی سال 2019 کے پہلے نصف عرصہ میں 4,398 ملین روپے کے سالانہ ہدف 40.86 فیصد رہیں جبکہ ان وصولیوں کی اوسط شرح گزشتہ پانچ سال کے پہلے نصف عرصوں میں 42.2 فیصد رہی تھی۔ موجودہ شرح تبادلہ کی جاری صورتحال، تیل اور گیس کی قیمتوں میں اضافہ کی مطابقت اور تیل کی بڑھتی ہوئی قیمتوں کے تناظر میں خالص افزا زر مارچ 2019ء کے اختتام تک، سال بہ سال کی بنیاد پر، 8.5 فیصد کی سطح تک جا پہنچا جو کہ گزشتہ پانچ سالوں کی بلند ترین سطح ہے۔ ان واقعات کو مدنظر رکھتے ہوئے انٹرنیٹ بینک آف پاکستان نے اپنے کزنے مالیاتی بنیاد کو برقرار رکھا ہے اور پالیسی ریٹ کو 75 بی بی ایس کے اضافہ کے ساتھ اس زیر تجزیہ سرمایہ کے دوران 10.75 فیصد پر مقرر کیا ہے۔

گرتی ہوئی مجموعی طلب کی مطابقت میں بڑے پیمانے کی صنعت (ایم ایس ایم) میں بھی مالی سال 2019ء کے پہلے آٹھ ماہ کے دوران انحطاط پذیری کی روش دکھائی گئی جو کہ گزشتہ سال کی تقابلی مدت میں 6.6 فیصد کی نمو کے مقابلہ میں مالی سال 2019ء کے پہلے آٹھ ماہ کے دوران 1.7 فیصد کی سطح پر جا پہنچا۔ اس تباہی کارکردگی کی بنیادی وجہ میں لوہے اور سٹیل، فارماسیوٹیکل، کپڑے، سینٹ اور ٹیکسٹائل کے شعبوں میں افزائش کا نہ ہونا تھا۔

اس غیر یقینی کی جاری صورتحال کے پیش نظر سرمایہ کاروں کا اعتماد متزلزل رہا اور کے ایس ای 100 انڈیکس جون 2018 میں 41,911 کی سطح سے 8 فیصد کی کمی کے ساتھ مارچ 2019 کے اختتام پر 38,649 پوائنٹس پر بند ہوا۔ جس کے نتیجے میں پاکستان سٹاک ایکسچینج کی ایم ایس سی آئی (MSCI) کی ایگریگٹ مارکیٹ انڈیکس کی حیثیت کو برقرار رکھنے کی صلاحیت خدشات کا کفار رہی اور اس کی فریگز مارکیٹ کی حیثیت پر تیزی پیدا نہیں ہوئی۔ اسی اثناء میں اس کے ساتھ فیصل ایٹنٹ ٹرانس فونز (ایف آئی ایف) کی جانب سے پاکستان کی طرف دیکھتے ہوئے رقم کی فراہمی اور مٹی لاٹورگ کے تدارک کیلئے اپنے ایٹنٹ پلان کے نفاذ کی کوشش کے جائزہ کی صورتحال بھی ریگولیزر کیلئے ایک بڑے پیمانے کی حیثیت رکھتا ہے۔

دولت کی رسد (ایم 2)، کرنسی کی سرکولیشن میں 4 فیصد کے اضافے کے ذریعہ مارچ 2019 کے اختتام تک 2 فیصد کی ترقی کے باعث 4,723 ملین روپے پر جا پہنچا۔ صنعت کے ڈیپازٹس میں جمود کی کمی برقرار رہی اور مارچ 2019ء کو اختتام پذیر سرمایہ کے دوران محض 1 فیصد کی نمو کے ساتھ 13,408 ملین روپے پر بند ہوئے۔

سرمایہ کاری کے مجموعی حجم میں موجودہ شرح سود میں بڑھتی کی صورتحال کے باعث نمایاں کمی ہوئی۔ جو کہ دسمبر 2018ء کے اختتام کی 7,545 ملین روپے کی سطح سے مارچ 2019ء کے اختتام تک 5,718 ملین روپے پر درج ہوئی۔ آگے بڑھتے ہوئے جیسے جیسے انٹرنٹ ریٹ میں استحکام پیدا ہوگا تو اس کے ساتھ سرمایہ کاری میں، آئی ایم ایف کی شرائط کے تناظر میں، قبیل سے طویل مدت کے پاکستان انویسٹمنٹ بانڈز میں تبدیلی بھی دکھائی جاسکتی ہے۔

صنعت کے کل قرضہ جات دسمبر کے اختتام تک 7,719 ملین روپے کی حد سے کسی قابل ذکر تبدیلی کے بغیر مارچ 2019ء کے اختتام تک 7,725 ملین روپے پر رہے۔ اسی طرح صنعت کے گھل اداچات دسمبر 2018 تک 18,317 ملین روپے کی سطح سے 4.8 فیصد کی کمی کے ساتھ مارچ 2019 کے اختتام تک 17,484 ملین روپے پر درج کیے گئے۔

### مالیاتی کارکردگی

بڑھتے ہوئے شرح سود کی صورتحال کے باوجود بینکاری کے شعبہ کی سال 2019 کیلئے پیش میں ایک محدود معاشی اندازے، سخت ضوابط اور فیصلی لاگت کے نفاذ، سپر ٹیکس کے خود اختیاری نفاذ، کاروبار کرنے کی بڑھتی ہوئی لاگت، رکاوٹوں کے بار بار نمودار ہوتے چیلنجز اور صارفین کی بدلتی ضروریات جیسے معاملات سے اجبرنے والے خدشات کی وجہ سے بدستور تشریح اور غیر یقینی سے دو چار ہے۔

بینکاری کے شعبہ کی تبدیل ہوتی صورتحال کے ساتھ آپ کے بینک نے بڑھتے ہوئے شرح سود کے ماحول کے مطابق اپنے پیواداری اداچات کی ترمیم کا نہایت دانشمندی سے انتظام کیا۔ اور اس کے ساتھ اضافی خدشات کے تدارک کے لئے کثیرالجہتی نظام کی تشکیل، اپنے روایتی اور اسلامی بینکاری کی پراڈکٹس کی مزید ترمیم و آدائش، جدید ترین ٹیکنالوجی میں سرمایہ کاری تاکہ اپنی ڈیجیٹل ٹرانسفارمیشن اور فیصلی خدشات کی گھرائی کے نظام میں بہتری ہو سکے، اپنے معزز صارفین کے مشاہدات کو مزید خوب تر بنانے کیلئے اپنی خدمات کے معیار پر توجہ اور اس کے ساتھ اپنے صارفین تک اپنی استطاعت کو فروغ بھی دیا گیا۔ مندرجہ بالا تمام چیلنجز کے باوجود بینک کو اپنی نتیجہ خیز حکمت عملی کے باعث اس زیر تجزیہ سرمایہ کے دوران ایک مضبوط اور توانا کارکردگی دکھانے کا موقع ملا۔

اوسط پیواداری اداچات میں ایک مثبت اور شاندار نمو اور بہتر ہوتے پریڈز (Spreads) کے ذریعے آپ کے بینک نے اپنی خالص انٹرنٹ آمدنی میں 20 فیصد کا اضافہ حاصل کیا۔ جو کہ اپنی تقابلی عرصہ میں 8,012 ملین روپے کی نسبت 31 مارچ 2019 پر اختتام پذیر سرمایہ کے دوران مجموعی طور پر 9,585 ملین روپے پر درج ہوئی۔ مجموعی طور پر بینک اپنی آمدن کے ذرائع میں تنوع پر اپنی مسلسل توجہ برقرار رکھے ہوئے ہیں۔ خاص طور پر فیس سے متعلق آمدنی کی نمو پر پانچویں 31 مارچ 2019ء کو اختتام پذیر سرمایہ میں ماہی میں غیر مارک اپ آمدنی 2,537 ملین روپے پر پہنچ گئی۔ اس میں فیس سے متعلق آمدنی کا اہم کردار رہا جو کہ گزشتہ تقابلی مدت کی 1,156 ملین روپے کی سطح سے 20 فیصد کی قابل ذکر اور مضبوط ترقی کے ساتھ مارچ 2019 کو اختتام پذیر سرمایہ کے دوران 1,386 ملین روپے پر درج کی گئی۔

انٹر بینک فارن ایکسیچج مارکیٹ میں پیدا ہونے والے مواقع سے مستفید ہوتے ہوئے آپ کے بینک نے غیر ملکی کرنسیوں کے لین دین سے حاصل ہونے والی آمدنی 132 فیصد کا ایک شاندار اضافہ حاصل کیا جو کہ اپنے گزشتہ سال کے تقابلی عرصہ کے 272 ملین روپے کے حجم کی نسبت اس سرمایہ کے اختتام تک 630 ملین روپے بند ہوئی۔

اسٹیٹ بینک آف پاکستان کے مابین پالیسی کے بنیاد میں ارتقاء کے پیش نظر آپ کا بینک سال 2018ء میں، پیپلے ہی اپنی مبین آمدنی کی نمایاں سرمایہ کاری کی ہیئت میں ترمیمی اور آگے قدر کی ازاد تفتیش کر چکا ہے۔ اگرچہ اسٹاک مارکیٹ میں طیران پسندی کی فضاء برقرار ہے تاہم آپ کے بینک نے ڈیویڈنڈ کے حامل بلوچپ (Blue Chip) حصص کے پورٹ فولیو کو گرفت میں رکھنے کی اپنی پالیسی کو جاری رکھا چنانچہ اس زر تجزیہ سرمایہ کے دوران اپنی پختگی تقابلی سرمایہ میں حاصل شدہ 1,343 ملین روپے کی نسبت کوئی کمیشن لین حاصل نہیں کیا۔

آپ کے بینک کی سیر الاٹنح حکمت عملی اپنی بھرپور توجہ کے ساتھ مالی شمولیت اور نئے صارفین میں اضافہ کا مکمل احاطہ کئے ہوئے ہے۔ ان دونوں مقاصد کے حصول میں سہولت کی خاطر روایتی اور ڈیجیٹل چینلرز کے ذریعے پورے ملک میں صارفین تک اپنی رسائی کے ذرائع کو نہایت پیش قدمی سے وسیع کرنے کا عمل جاری ہے۔

مجموعی برانچ نیٹ ورک بڑھتے ہوئے 1,345 روایتی برانچوں اور 117 اسلامی بینکاری کی برانچوں تک پہنچ چکا ہے۔ اسی طرح اے ٹی ایم نیٹ ورک بھی بڑھتے ہوئے 1,397 اے ٹی ایمز تک پہنچ چکا ہے۔ اس میں پورے ملک میں ایم جیہوں پر ایستادہ 302 آف سائٹ اے ٹی ایمز بھی شامل ہیں۔

مذکورہ بالا تہزی کے باعث ہونے والے افراد کے دباؤ اور بینک کے اپنے صارفین کی وسعت اور ٹیکنالوجی سے مزین بنیادی ڈھانچے میں سرمایہ کاری، خود کاریت سے مزین ہیئت کے اقدامات اور اپنے کاروبار کی مرکزیت کے باوجود آپ کے بینک نے اپنے نئے مارک اپ اخراجات کو 11 فیصد کی سطح پر محدود رکھا۔ اس اضافہ میں اسٹیٹ بینک آف پاکستان کی جانب سے جولائی 2018ء سے نافذ عمل نئے ڈیپازٹ پریکٹس انشورنس کی لاگت کا اثر بھی شامل ہے۔

خدشات کے تدارک کے ایک مضبوط نظام، پیش اقدام نگرانی اور وصولیوں کی موکو کوششوں کے باعث غیر فعال قرضوں کے خالص اخراجات (پروویژن) میں 31 مارچ 2019ء کو اختتام پذیر سرمایہ کے دوران کی کل کٹوتی (ریورسل) مجموعی طور پر 176 ملین روپے رہی۔

جس کے نتیجے میں آپ کے بینک کا منافع قبل از ٹیکس گزشتہ سال کے تقابلی عرصہ میں حاصل شدہ 6,075 ملین روپے کی نسبت مارچ 2019ء کو اختتام پذیر سرمایہ کے دوران اضافہ کے ساتھ 6,250 ملین روپے پر جا پہنچا۔

دوران سال کے محصولات (نگس) کے بعد کا منافع گزشتہ سال کے منافع بعد از ٹیکس کی 3,771 ملین روپے کی سطح سے 8 فیصد کے ساتھ 4,084 ملین روپے پر درج ہوا۔ تاہم ٹرانس سیلینٹری ایمنڈمنٹ ایکٹ (Supplementary Amendment Act) نے جہاں ٹرانس ایکٹ 2018ء کے ذریعے لگائے گئے سپر ٹیکس کی شرحوں میں قنات کا نام نہ کیا وہیں ٹیکس سال 2018ء کے لئے 4 فیصد کی شرح سے ایک اضافی پری ٹیکس بھی نافذ کر دیا۔ جس کے باعث بینک نے دوران سرمایہ میں 1,099 ملین روپے کے سپر ٹیکس کا اندراج کیا جبکہ گزشتہ سال کی اسی تقابلی مدت میں ایسے کسی خرچ کا شمار نہیں کیا گیا تھا۔

مندرجہ بالا واقعات کے پیش نظر آپ کے بینک کا اس سرمایہ کے دوران منافع بعد از ٹیکس 2,985 ملین روپے پر بند ہوا۔ آپ کے بینک کی فی حصص آمدنی گزشتہ سال کی 3.29 روپے فی حصص کی نسبت 2.61 فی حصص رہی۔ ٹیکس کی مد میں ایک نمایاں اور اضافی ذمہ داری کے باوجود اکیویٹی کی ریٹرن اور اثاثہ جات کی ریٹرن (آمدنی) بازلٹیپ تقریباً 14 فیصد اور 1 فیصد کی مضبوط سطح پر جا پہنچی۔

آپ کے بینک نے اس زر تجزیہ سرمایہ کے دوران ایک نمایاں سنگ میل عبور کرتے ہوئے اپنے ڈیپازٹس میں 1,000 ملین روپے کی سطح کو عبور کیا ہے۔ مارچ 2019ء کے اختتام پر کل ڈیپازٹس دسمبر 2018ء کے 984,475 ملین روپے کے حجم کی نسبت 1,007,542 ملین روپے پر جا پہنچے۔ چنانچہ اس س ماہ میں 2.4 فیصد کی نمو حاصل کی جو کہ صنعت کی 1 فیصد کی نمو سے خاصی بلند ہے۔ مزید برآں کم یا بغیر لاگت کے ڈیپازٹس کے حصول پر خصوصی توجہ کے باعث 31 مارچ 2019ء تک کاسا (CASA) ڈیپازٹس کی ترکیب کی شرح 79 فیصد تک پہنچ گئی۔

صنعت کے مجموعی قرضہ جات میں یکسانیت اور جمود کی مطابقت میں کل قرضہ جات کا پورٹ فولیو 436,658 ملین روپے پر درج ہوا۔ صنعت کے بہترین خدشات کے تدارک کے نظام پر اپنے مسلسل ارتکاز کو برقرار رکھنے کے سبب آپ کے بینک نے اپنے غیر فعال قرضوں کے پورٹ فولیو کو دسمبر 2018ء کی 16,065 ملین روپے کی سطح کی نسبت مزید کمی کے ساتھ 15,688 ملین روپے پر درج کیا ہے۔

31 مارچ 2019ء تک انٹیکسٹ اور کوریج کی شرح کا تناسب بازلٹیپ 3.6 فیصد اور 98 فیصد رہا جو کہ صنعت کے دسمبر 2018ء کے انٹیکسٹ اور کوریج شرح کے بازلٹیپ 8 فیصد اور 83.8 فیصد کے تناسب سے نمایاں طور پر بہتر نتائج کا مظہر ہے۔ اسٹیٹ بینک آف پاکستان کے رہنمائی کے اصولوں کے تحت اجازت کے باوجود غیر فعال قرضوں کے اخراجات کے تعین میں جبری فروخت کے فوائد کا شمار نہیں کیا گیا ہے۔

شرع مد میں تبدیلیوں سے جڑے خدشات کے تدارک کے لیے اضافی وسائل کارخ مابین اداروں کو مختصر مدت کے قرضہ جات کی فراہمی کی طرف موڑا گیا جو کہ

65,740 ملین روپے پر بند ہوئے۔ صنعت کے مجموعی سرمایہ کاری کے پورٹ فولیو میں مندرجہ بالا کسی کی موافقت میں بینک کی سرمایہ کاری کے پورٹ فولیو کی مدت میں بہتری لائی گئی ہے اور مجموعی پورٹ فولیو کو محدود رکھتے ہوئے 476,874 ملین روپے پر ریکارڈ کیا گیا۔ چنانچہ آپ کے بینک کے کل اثاثہ جات 1,242,221 ملین روپے پر اختتام پذیر ہوئے۔

بینک کے سرمائے کی اساس 107,579 ملین روپے کی ایک مضبوط سطح پر درج کی گئی سرمائے کی مزدونیت (کیپٹل ایڈیکویسی) کی شرح 11.9 فیصد کی مطلوبہ قانونی سطح کی نسبت 22.8 فیصد کی سطح پر رہی جو کہ آپ کے بینک کے سرمائے کی مستحکم حیثیت کا عکاس ہے۔

### مستقبل کی پیش بینی

جیسا کہ حکومت مذکورہ بالا پر بیان کن چیلنجز سے نپٹنے کے لیے وسیع البیاد معاشی اقدامات کا نفاذ کر رہی ہے اور اس کے ساتھ ساتھ آئی ایم ایف کے نئے پروگرام کی بنیادی شرائط کو پورا کرنے کی کوشش میں مصروف ہے؛ مجموعی معیشت میں استحکام کی بحالی اور مستقبل میں نمو کے مواقع کو پیدا ہونے میں کچھ وقت درکار ہوگا کیونکہ عدم توازن میں درگمی کے آثار ہیں اور تعمیری اصلاحات اپنی جگہ بنا رہے ہیں۔

بینکاری کے شعبہ کی پیش بینی بھی اثاثہ جات کے معیار پر متوقع کمزور معاشی سرگرمی اور اس سے متعلقہ دباؤ، کاروبار کرنے کی لاگت پر افراط زر کے اثرات، بڑھتی ہوئی ضمنیاتی قیلمی مطالبات اور گاہے بگاہے نمودار ہوتے انتشار کے چیلنجز کا سامنا کرنے کے لیے کاروباری ہیئت میں جدیدیت کے اقدامات میں جاری سرمایہ کاری کے باعث خدشات کا شکار ہے۔

آپ کے بینک کی کثیرالانشاخ حکمت عملی اس امر کو یقینی بناتی ہے کہ آپ کے بینک مذکورہ بالا سخت کاروباری ماحول کا احسن طریقہ سے سامنا کرتا رہے اور اپنی پراڈکٹس میں اضافہ اور فروغ حاصل کرنے کے عمل میں سرمایہ کاری کو جاری رکھے خصوصاً ڈیجیٹل بینکاری کے شعبہ کو مزید پراثر بنائے، خدشات کے تدارک کے نظام اور ٹیکنالوجی پلیٹ فارمز میں اضافہ کرے اپنی رسائی اور صارفین کے بہتر تجربہ اور مشاہدے کے مواقع اور جگہوں میں وسعت اختیار کرے، آپ کے بینک کی مضبوط سرمائی اساس کی بنیاد پر معیاری قرضہ جات کے فروغ کے تمام راستوں کو تلاش کرے اور اس کے ساتھ ساتھ پورے بینک میں اپنی کارکردگی کی استطاعت میں اضافہ کرے۔ سال 2019 میں آپ کے بینک کی طرف سے اٹھائے گئے اہم اقدامات میں موبائل اور براؤز لیس (Branch Less) بینکاری کا مزید فروغ سرفہرست ہے۔

### اسٹیبل ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے طویل المدتی ریٹنگ کو "AAA" (ٹرپل اے) اور قلیل المدتی ریٹنگ کی سطح "A1+" (اے ون پلس) پر برقرار رکھا ہے۔ یہ ریٹنگ ادارے کے کریڈٹ کے اعلیٰ معیار کا مظہر ہیں۔

### کارپوریٹ گورننس ریٹنگ

جے سی آر - وی آئی ایس (JCR-VIS) نے کارپوریٹ گورننس کی بلند ترین سطح کا اعتراف کرتے ہوئے الائیڈ بینک لمیٹڈ کو "CGR+9" کی سطح پر ریٹ کیا ہے۔

### بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز اور بورڈ کی نجی کمیٹی کی ساخت رپورٹ کے کارپوریٹ حصے میں ظاہر کر دی گئی ہے۔

### تسلیم و تحسین:

الائیڈ بینک لمیٹڈ کی جانب سے ہم اپنے قابل قدر صارفین کا ہماری خدمات پر غیر متزلزل اعتماد، اپنے شرافت ممبرز کا اگلی انتھک خدمات اور محنت پر، ہم اپنے معزز حشر ہولڈرز کا اگے بھرپور تعاون اور یقین پر اور سیکورٹی اینڈ ایکیٹیو کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور دیگر انتظامی اداروں کا ان کی مسلسل رضامندی پر شکریا ادا کرتے ہیں۔

منجانب و برائے بورڈ آف ڈائریکٹرز

محمد نعیم مختار  
چیرمین بورڈ آف ڈائریکٹرز

ظاہر حسین قریشی  
چیف ایگزیکٹو آفیسر

لاہور

25 اپریل 2019

# UNCONSOLIDATED **FINANCIAL STATEMENTS**

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for the three months period ended March 31, 2019

# Unconsolidated Statement of Financial Position

(Un-audited) as at March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	88,853,067	99,188,414
Balances with other banks	8	715,986	2,575,055
Lendings to financial institutions - net	9	165,740,164	53,785,679
Investments - net	10	476,873,684	671,228,285
Advances - net	11	421,284,517	438,318,894
Fixed assets	12	51,191,517	50,378,537
Intangible assets	13	1,549,691	1,749,054
Deferred tax assets		-	-
Other assets - net	14	36,012,356	33,382,185
		1,242,220,982	1,350,606,103
<b>LIABILITIES</b>			
Bills payable	16	7,302,629	7,752,959
Borrowings	17	89,850,519	225,882,986
Deposits and other accounts	18	1,007,542,453	984,475,183
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	4,344,524	4,755,428
Other liabilities	20	25,602,270	20,434,714
		1,134,642,395	1,243,301,270
<b>NET ASSETS</b>		<b>107,578,587</b>	<b>107,304,833</b>
<b>REPRESENTED BY</b>			
Share capital	21	11,450,739	11,450,739
Reserves		20,647,490	20,276,515
Surplus on revaluation of assets - net of tax	22	22,556,471	23,077,174
Unappropriated profit		52,923,887	52,500,405
		107,578,587	107,304,833

## CONTINGENCIES AND COMMITMENTS

23

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

Chief Financial Officer

President and Chief Executive Officer

Director

Chairman

Director

# Unconsolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
Mark-up / return / interest earned	25	24,344,388	15,674,319
Mark-up / return / interest expensed	26	14,759,298	7,661,829
<b>Net mark-up / interest income</b>		<b>9,585,090</b>	<b>8,012,490</b>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	27	1,386,295	1,156,468
Dividend income		429,252	549,576
Foreign exchange income		630,434	271,769
Income from derivatives		-	-
(Loss) / gain on securities - net	28	(4,376)	1,343,221
Other income	29	95,224	32,532
<b>Total non-markup / interest income</b>		<b>2,536,829</b>	<b>3,353,566</b>
<b>Total income</b>		<b>12,121,919</b>	<b>11,366,056</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	30	5,914,062	5,232,067
Workers welfare fund		132,045	129,195
Other charges	31	30,044	94,195
<b>Total non-markup / interest expenses</b>		<b>6,076,151</b>	<b>5,455,457</b>
<b>Profit before provisions</b>		<b>6,045,768</b>	<b>5,910,599</b>
Net reversal against provisions and write offs	32	(203,754)	(429,875)
Extra-ordinary / unusual items		-	265,226
<b>PROFIT BEFORE TAXATION</b>		<b>6,249,522</b>	<b>6,075,248</b>
Taxation	33	3,264,766	2,304,530
<b>PROFIT AFTER TAXATION</b>		<b>2,984,756</b>	<b>3,770,718</b>
In Rupees			
<b>Basic and Diluted earnings per share</b>	34	<b>2.61</b>	<b>3.29</b>

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

Chief Financial Officer

President and Chief Executive Officer

Director

Chairman

Director

## Unconsolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	Rupees in '000	
<b>Profit after taxation for the period</b>	2,984,756	3,770,718
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches	72,499	173,877
Movement in (deficit) / surplus on revaluation of investments - net of tax	(493,353)	538,747
	(420,854)	712,624
<b>Total comprehensive income</b>	<b>2,563,902</b>	<b>4,483,342</b>

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

Chief Financial Officer

President and Chief Executive Officer

Director

Chairman

Director



# Unconsolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,249,522	6,075,248
Less: Dividend income		(429,252)	(549,576)
		5,820,270	5,525,672
<b>Adjustments:</b>			
Depreciation		803,325	938,338
Amortization		109,773	95,937
Net reversal against provisions and write offs	32	(154,198)	(423,859)
Unrealized gain on revaluation of 'held-for-trading' securities		1,786	-
Provision for workers welfare fund		132,045	129,195
Gain on sale of fixed assets - net		(82,613)	(10,293)
		810,118	729,318
		6,630,388	6,254,990
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(111,954,485)	(120,122,200)
'Held-for-trading' securities		(3,886,665)	24,826,109
Advances		17,178,743	(14,175,562)
Other assets (excluding advance taxation)		(3,194,331)	3,868,425
		(101,856,738)	(105,603,228)
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		(450,330)	12,722,132
Borrowings		(135,914,149)	(165,230,420)
Deposits and other accounts		23,067,270	22,071,832
Other liabilities (excluding current taxation)		4,865,679	2,081,506
		(108,431,530)	(128,354,950)
		(203,657,880)	(227,703,188)
Income tax paid		(2,438,011)	(1,382,607)
<b>Net cash flow used in operating activities</b>		(206,095,891)	(229,085,795)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net realizations from 'available-for-sale' securities		197,380,945	224,558,395
Net realization / (investments) in 'held-to-maturity' securities		19,541	(153,086)
Dividend received		74,567	479,499
Investments in fixed assets		(1,493,227)	(1,226,651)
Proceeds from sale of fixed assets		85,785	13,164
Effect of translation of net investment in foreign branches		72,499	173,877
<b>Net cash flow generated from investing activities</b>		196,140,110	223,845,198
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(2,120,317)	(1,757)
<b>Net cash flow used in financing activities</b>		(2,120,317)	(1,757)
Effect of exchange rate changes on opening cash and cash equivalents		(282,770)	(766,350)
<b>Decrease in cash and cash equivalents during the period</b>		(12,358,868)	(6,008,704)
Cash and cash equivalents at beginning of the period		101,802,615	86,677,674
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>89,443,747</b>	<b>80,668,970</b>

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

Chief Financial Officer

President and Chief Executive Officer

Director

Chairman

Director

# Unconsolidated Statement of Changes In Equity

(Un-audited) for the three months period ended March 31, 2019

	Share capital	Capital reserve Exchange translation reserve	Statutory reserve	Revenue reserve General reserve	Surplus on revaluation of			Un-appropriated profit	Total
					Investments	Fixed assets	Non-banking assets		
	Rupees in '000								
Balance as at January 01, 2018 (Audited)	11,450,739	230,954	17,743,162	6,000	10,493,343	16,004,075	1,575,633	49,212,447	106,716,353
Profit after taxation for the three months period ended March 31, 2018	-	-	-	-	-	-	-	3,770,718	3,770,718
Other Comprehensive Income									
Surplus on revaluation of investments - net of tax	-	-	-	-	538,747	-	-	-	538,747
Effect of translation of net investment in foreign branches	-	173,877	-	-	-	-	-	-	173,877
	-	173,877	-	-	538,747	-	-	-	712,624
Transfer to statutory reserve	-	-	377,072	-	-	-	-	(377,072)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(28,065)	-	28,065	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(599)	599	-
Balance as at March 31, 2018	11,450,739	404,831	18,120,234	6,000	11,032,090	15,976,010	1,575,034	52,634,757	111,199,895
Profit after taxation for the nine months period ended December 31, 2018	-	-	-	-	-	-	-	9,109,800	9,109,800
Other Comprehensive Income									
Deficit on revaluation of investments - net of tax	-	-	-	-	(5,846,321)	-	-	-	(5,846,321)
Deficit on revaluation of fixed assets - net of tax	-	-	-	-	-	(136,403)	-	-	(136,403)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	562,176	1,217	563,393
Re-measurement gain on defined benefit obligation-net of tax	-	-	-	-	-	-	-	454,522	454,522
Effect of translation of net investment in foreign branches	-	834,470	-	-	-	-	-	-	834,470
	-	834,470	-	-	(5,846,321)	(136,403)	562,176	455,739	(4,130,339)
Transfer to statutory reserve	-	-	910,980	-	-	-	-	(910,980)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(84,198)	-	84,198	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,214)	1,214	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended December 31, 2017 (Rs. 1.75 per ordinary share)	-	-	-	-	-	-	-	(2,003,879)	(2,003,879)
First interim cash dividend for the year ended December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Third interim cash dividend for the year ended December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(8,874,323)	(8,874,323)
Balance as at December 31, 2018 (Audited)	11,450,739	1,239,301	19,031,214	6,000	5,185,769	15,755,409	2,135,996	52,500,405	107,304,833
Profit after taxation for the three months period ended March 31, 2019	-	-	-	-	-	-	-	2,984,756	2,984,756
Other Comprehensive Income									
Deficit on revaluation of investments - net of tax	-	-	-	-	(493,353)	-	-	-	(493,353)
Effect of translation of net investment in foreign branches	-	72,499	-	-	-	-	-	-	72,499
	-	72,499	-	-	(493,353)	-	-	-	(420,854)
Transfer to statutory reserve	-	-	298,476	-	-	-	-	(298,476)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(26,793)	-	26,793	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(557)	557	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended December 31, 2018 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at March 31, 2019	11,450,739	1,311,800	19,329,690	6,000	4,692,416	15,728,616	2,135,439	52,923,887	107,578,587

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

Chief Financial Officer

President and Chief Executive Officer

Director

Chairman

Director

# Notes to the Unconsolidated Condensed Interim Financial Statements

## (Un-audited) for the three months period ended March 31, 2019

### 1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,343 (December 31, 2018: 1,343) branches in Pakistan including 117 (December 31, 2018: 117) Islamic banking branches, 1 branch (December 31, 2018: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2018: 1) in Bahrain. The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is ‘AAA’. Short term rating of the Bank is ‘A1+’.

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

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

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

### 2. BASIS OF PRESENTATION

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

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

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

#### 2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 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 SECP dated April 28, 2008, International Financial Reporting Standard

# Notes to the Unconsolidated Condensed Interim Financial Statements

## (Un-audited) for the three months period ended March 31, 2019

7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

### 2.1.3 IFRS 9 'Financial Instruments'

IFRS-9 has been globally adopted from January 01, 2018. The standard stipulates a paradigm shift from incurred loss model to expected credit loss model (ECL). The prudential regulations currently allow provisioning against bad debts on the aging based model. There is also a major shift in subsequent measurement of investments with reference to booking of realized and unrealized gains / losses.

With respect to domestic operations, SECP vide S.R.O.229(I)/2019 dated February 14, 2019 has deferred applicability of IFRS-9 till June 30, 2019, while SBP is in process of impact assessment and its implementation plan.

The adoption of the said standard by the overseas branch as per the requirement of regulatory regime, has resulted in additional ECL provisioning requirement of Rs. 6.3 million.

### 2.1.4 IFRS 16 'Leases'

SECP vide S.R.O.434(I)/2018 dated April 09, 2018, has directed the companies to follow IFRS 16 – Leases instead of IAS 17- Leases, for annual reporting periods beginning on or after January 01, 2019. The banks through the Pakistan Bank Association, approached SBP with reference to the underlying issues and sought the deferment in implementation. As part of the evaluation process of IFRS-16, SBP has advised the banks, to conduct an impact assessment, which the Bank has complied with.

As the matter remains under the review of SBP, the requirements of this standard have not been considered in the preparation of these unconsolidated condensed interim financial statements. Had the requirements of IFRS 16 been applied, the profit before tax (PBT) for the quarter ended March 31, 2019 would have been lower by Rs. 113.579 million, total assets would have been higher by Rs. 11,167 million and total liabilities would have been higher by Rs. 11,280 million.

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

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

2.1.7 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2018

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in preparing the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2018.

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## 3.1 Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2019, except as already mentioned in note 2.1.3 and 2.1.4, are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these financial statements.

State Bank of Pakistan prescribed a new format for interim financial statements of banks effective from the accounting year starting from January 01, 2019. Accordingly, these interim financial statements are prepared in accordance with the new format.

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

The following standard will be effective for accounting periods beginning on or after April 01, 2019:

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after July 1, 2018).

The Bank understands that this is not likely to have an impact on the Bank's financial statements.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements for the year ended December 31, 2018.

## 5. BASIS OF MEASUREMENT

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

- Investments;
- Certain fixed assets;
- Staff retirement and other benefits;
- Non-banking assets acquired in satisfaction of claims; and
- Derivative financial instruments.

## 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual unconsolidated financial statements for the year ended December 31, 2018.

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	14,478,145	15,271,580
Foreign currencies	941,406	1,008,439
	<b>15,419,551</b>	<b>16,280,019</b>
<b>Remittances in transit</b>	<b>520,293</b>	<b>591,133</b>
<b>With State Bank of Pakistan (SBP) in</b>		
Local currency current accounts	38,047,452	38,599,518
Foreign currency current account	14,677	81,311
Foreign currency deposit accounts (non-remunerative)	5,313,173	4,722,714
Foreign currency deposit accounts (remunerative)	15,919,782	14,128,800
	<b>59,295,084</b>	<b>57,532,343</b>
<b>With National Bank of Pakistan in</b>		
Local currency current accounts	13,488,906	24,610,744
<b>Prize Bonds</b>	<b>129,233</b>	<b>174,175</b>
	<b>88,853,067</b>	<b>99,188,414</b>
<b>8 BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In deposit accounts	-	2,000,000
<b>Outside Pakistan</b>		
In current accounts	290,609	268,512
In deposit accounts	425,377	306,543
	<b>715,986</b>	<b>2,575,055</b>
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	-	5,500,000
Repurchase agreement lendings (Reverse Repo)	155,081,241	44,455,680
Musharaka lendings	5,050,000	2,500,000
Bai muajjal receivable with financial institutions	5,608,923	1,029,999
Certificates of investment	70,000	70,000
Letters of placement	-	300,000
	<b>165,810,164</b>	<b>53,855,679</b>
Less: Provision held against lendings to financial institutions	(70,000)	(70,000)
Lendings to financial institutions - net of provision	<b>165,740,164</b>	<b>53,785,679</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019		(Audited) December 31, 2019	
	Classified Lending	Provision Held	Classified Lending	Provision Held
Rupees in '000				
<b>9.1 Category of classification</b>				
<b>Domestic</b>				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
<b>Total</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>

	March 31, 2019				(Audited) December 31, 2018			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
<b>10 INVESTMENTS</b>								
<b>10.1 Investments by type:</b>								
<b>Held-for-trading securities</b>								
Federal Government Securities	3,886,665	-	(1,786)	3,884,879	-	-	-	-
<b>Available-for-sale securities</b>								
Federal Government Securities*	411,505,897	(28,856)	(1,186,140)	410,290,901	610,683,028	(21,248)	(1,608,458)	609,053,322
Shares	25,331,514	(2,266,130)	8,280,630	31,346,014	25,390,405	(2,266,130)	9,572,003	32,696,278
Non Government Debt Securities	13,587,417	(21,071)	(24,444)	13,541,902	11,732,046	(21,071)	(47,874)	11,663,101
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	63,834	-	76,381	140,215	63,834	-	62,436	126,270
	451,526,354	(2,316,057)	7,146,427	456,356,724	648,907,005	(2,308,449)	7,978,107	654,576,663
<b>Held-to-maturity securities</b>								
Federal Government Securities	16,132,081	-	-	16,132,081	16,151,622	-	-	16,151,622
Non Government Debt Securities	346,090	(346,090)	-	-	346,090	(346,090)	-	-
	16,478,171	(346,090)	-	16,132,081	16,497,712	(346,090)	-	16,151,622
<b>Subsidiaries</b>								
	500,000	-	-	500,000	500,000	-	-	500,000
<b>Total Investments</b>	<b>472,391,190</b>	<b>(2,662,147)</b>	<b>7,144,641</b>	<b>476,873,684</b>	<b>665,904,717</b>	<b>(2,654,539)</b>	<b>7,978,107</b>	<b>671,228,285</b>

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

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	(Audited)	
	March 31, 2019	December 31, 2018
Rupees in '000		
<b>10.1.1 Investments given as collateral</b>		
Market Treasury Bills	34,364,915	158,411,120
Pakistan Investment Bonds	677,700	10,077,521
GOP Foreign Currency Sukuks (US\$)	1,856,074	4,451,600
GOP Foreign Currency Bonds (US\$)	525,992	710,569
<b>Total Investments given as collateral</b>	<b>37,424,681</b>	<b>173,650,810</b>
<b>10.2 Provision for diminution in value of investments</b>		
<b>10.2.1 Opening balance</b>	2,654,539	2,705,403
<b>Exchange adjustments</b>	294	1,557
Charge / reversals		
Charge for the period / year	7,314	112,794
Reversals for the period / year	-	(3,776)
Reversal on disposals period / year	-	(161,439)
	7,314	(52,421)
<b>Closing Balance</b>	<b>2,662,147</b>	<b>2,654,539</b>

	(Audited)			
	March 31, 2019		December 31, 2018	
	NPL	Provision	NPL	Provision
Rupees in '000				
<b>10.2.2 Particulars of provision against debt securities</b>				
<b>Category of Classification</b>				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	367,161	367,161	367,161	367,161
	367,161	367,161	367,161	367,161
<b>Overseas</b>				
Not past due but impaired*	9,881,331	28,856	9,756,796	21,248
Overdue by:				
Upto 90 days	-	-	-	-
91 to 180 days	-	-	-	-
181 to 365 days	-	-	-	-
>365 days	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>10,248,492</b>	<b>396,017</b>	<b>10,123,957</b>	<b>388,409</b>

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

The State Bank of Pakistan (SBP) has not granted any relaxation in any classification / provisioning during the period ended March 31, 2019.

10.3 The market value of securities classified as held-to-maturity as at March 31, 2019 amounted to Rs. 15,603.3 million (December 31, 2018: Rs. 15,579.4 million).



# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	Performing		Non Performing		Total	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Rupees in '000							
11	ADVANCES						
	Loans, cash credits, running finances, etc.	412,035,892	428,894,557	14,192,499	14,569,294	426,228,391	443,463,851
	Islamic financing and related assets	39.3 6,873,401	6,927,030	-	-	6,873,401	6,927,030
	Bills discounted and purchased	2,060,676	1,982,031	1,495,347	1,495,347	3,556,023	3,477,378
	Advances - gross	11.1 420,969,969	437,803,618	15,687,846	16,064,641	436,657,815	453,868,259
	Provision against advances						
	Specific	11.2 & 11.3 -	-	(15,356,310)	(15,533,497)	(15,356,310)	(15,533,497)
	General	11.3 (16,988)	(15,868)	-	-	(16,988)	(15,868)
		(16,988)	(15,868)	15,356,310	15,533,497	(15,373,298)	(15,549,365)
	Advances - net of provision	420,952,981	437,787,750	331,536	531,144	421,284,517	438,318,894

(Audited)  
March 31, 2019      December 31, 2018

		Rupees in '000	
11.1	Particulars of advances (Gross)		
	In local currency	434,682,996	443,643,826
	In foreign currencies	1,974,819	10,224,433
		436,657,815	453,868,259

11.2 Advances include Rs. 15,687.846 million (December 31, 2018: Rs. 16,064.641 million) which have been placed under non-performing status as detailed below:

	(Audited)			
	March 31, 2019		December 31, 2018	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
Rupees in '000				
Category of Classification:				
Domestic				
Other Assets Especially Mentioned	33,460	1,300	38,425	2,231
Substandard	160,625	39,896	436,938	109,035
Doubtful	357,294	178,647	334,094	167,047
Loss	15,136,467	15,136,467	15,255,184	15,255,184
	15,687,846	15,356,310	16,064,641	15,533,497

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019			(Audited) December 31, 2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
<b>11.3 Particulars of provision against advances</b>						
Opening balance	15,533,497	15,868	15,549,365	16,702,236	11,701	16,713,937
Charge for the year	41,219	1,120	42,339	500,412	4,167	504,579
Reversals	(218,406)	-	(218,406)	(1,637,415)	-	(1,637,415)
	(177,187)	1,120	(176,067)	(1,137,003)	4,167	(1,132,836)
Amounts written off	-	-	-	(31,736)	-	(31,736)
Closing balance	15,356,310	16,988	15,373,298	15,533,497	15,868	15,549,365

11.3.2 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. 01 dated October 21, 2011.

	Note	(Audited)	
		March 31, 2019	December 31, 2018
Rupees in '000			
<b>12 FIXED ASSETS</b>			

Capital work-in-progress	12.1	2,393,791	2,338,494
Property and equipment		48,797,726	48,040,043
		51,191,517	50,378,537

## 12.1 Capital work-in-progress

Civil works	1,866,222	1,855,180
Advances to suppliers	527,569	483,314
	2,393,791	2,338,494

## 12.2 Additions to fixed assets

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

	March 31, 2019	March 31, 2018
	Rupees in '000	
Capital work-in-progress	306,019	313,586
<b>Property and equipment</b>		
Freehold land	504,081	956,763
Leasehold land	25	11,011
Building on freehold land	117,079	219,087
Building on leasehold land	73,135	90,814
Furniture and fixture	72,236	49,845
Electrical office and computer equipment	367,566	594,017
Vehicles	233,706	65,840
Others-Building Improvements	159,582	275,039
	1,527,410	2,262,416
<b>Total</b>	<b>1,833,429</b>	<b>2,576,002</b>

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2019

### 12.3 Disposal of fixed assets

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

	March 31, 2019	March 31, 2018
	Rupees in '000	
Furniture and fixture	64	131
Electrical office and computer equipment	1,596	808
Vehicles	1,386	1,850
<b>Total</b>	<b>3,046</b>	<b>2,789</b>

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>13 INTANGIBLE ASSETS</b>		
Capital work-in-progress	123,025	337,076
Computer Software	1,426,666	1,411,978
	<b>1,549,691</b>	<b>1,749,054</b>

### 13.1 Additions to intangible assets

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

	March 31, 2019	March 31, 2018
	Rupees in '000	
Directly purchased	124,462	199,304
<b>Total</b>	<b>124,462</b>	<b>199,304</b>

### 13.2 Disposals of intangible assets

No intangible assets disposed off during the period.

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>14</b>	<b>OTHER ASSETS</b>		
	Income / Mark-up accrued in local currency - net of provision	13,848,253	11,777,626
	Income / Mark-up accrued in foreign currency - net of provision	494,088	293,994
	Advances, deposits, advance rent and other prepayments	1,915,730	883,302
	Advance taxation (payments less provisions)	3,726,862	4,626,194
	Non-banking assets acquired in satisfaction of claims	1,943,243	1,947,348
	Branches adjustment account	1,157,140	-
	Mark to market gain on forward foreign exchange contracts	1,391,577	2,698,766
	Acceptances	4,389,682	4,183,083
	Due from the employees' retirement benefit schemes		
	Benevolent fund	121,035	115,915
	Pension fund	4,713,677	4,560,065
	Fraud and forgeries	506,409	502,115
	Stationery and stamps in hand	224,014	190,398
	Overdue FBN / FBD	75,200	72,441
	HRC agent receivable	55,761	111,098
	Receivable from SBP - customers encashments	38,856	12,572
	Suspense Account	10,370	7,898
	Charges receivable	31,655	23,043
	Excise duty	11	11
	Others	5,801	3,561
		34,649,364	32,009,430
	Less: Provision held against other assets	14.1 (796,111)	(787,203)
	Other assets (net of provision)	33,853,253	31,222,227
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,159,103	2,159,958
	Other Assets - total	36,012,356	33,382,185
<b>14.1</b>	<b>Provision held against other assets</b>		
	Advances, deposits, advance rent and other prepayments	210,421	209,506
	Provision against fraud and forgeries	506,409	502,115
	Overdue FBN / FBD	24,295	24,295
	Charges receivable	31,655	23,043
	Suspense account	6,453	6,453
	Others	17,469	22,382
		796,111	787,203
<b>14.1.1</b>	<b>Movement in provision held against other assets</b>		
	Opening balance	787,203	747,062
	Charge for the period / year	16,150	96,695
	Reversals	(1,595)	(12,000)
	Written off / adjusted	(5,647)	(44,554)
	Closing balance	796,111	787,203

## 15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2019 and December 31, 2018.

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>16</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	7,302,629	7,752,959
<b>17</b>	<b>BORROWINGS</b>		
	Secured		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	-	157,248,800
	Under Export Refinance Scheme	17,451,504	17,913,692
	Under Long Term Financing Facility	17,132,095	14,053,626
		34,583,599	189,216,118
	Repurchase agreement borrowings from Financial Institutions	36,686,721	14,559,563
	<b>Total Secured</b>	<b>71,270,320</b>	<b>203,775,681</b>
	Unsecured		
	Call borrowings	14,021,667	11,861,797
	Trading liability	4,341,431	9,987,849
	Overdrawn nostro accounts	125,306	243,624
	Other borrowings	91,795	14,035
	<b>Total Unsecured</b>	<b>18,580,199</b>	<b>22,107,305</b>
		<b>89,850,519</b>	<b>225,882,986</b>

	(Audited)						
	March 31, 2019			December 31, 2018			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
<b>18</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>						
	Customers						
	Current deposits	300,397,876	25,991,581	326,389,457	292,438,272	16,841,868	311,280,140
	Savings deposits	380,697,776	14,623,928	395,321,704	365,456,206	24,707,235	390,163,441
	Term deposits	125,717,144	65,591,278	191,308,422	120,847,788	50,092,266	170,940,054
	Others	18,948,017	33,673	18,981,690	31,335,721	32,615	31,368,336
		825,760,813	106,240,460	932,001,273	810,077,987	93,673,984	903,751,971
	Financial Institutions						
	Current deposits	5,664,439	13,033	5,677,472	20,552,284	27,949	20,580,233
	Savings deposits	28,719,042	-	28,719,042	54,634,073	-	54,634,073
	Term deposits	23,019,050	99,195	23,118,245	4,950,750	52,735	5,003,485
	Others	18,026,421	-	18,026,421	505,421	-	505,421
		75,428,952	112,228	75,541,180	80,642,528	80,684	80,723,212
		<b>901,189,765</b>	<b>106,352,688</b>	<b>1,007,542,453</b>	<b>890,720,515</b>	<b>93,754,668</b>	<b>984,475,183</b>

18.1 This includes deposits eligible to be covered under insurance arrangement amounting to Rs. 585,901 million December 31, 2018 (Dec 2017: 513,218 million).

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>19 DEFERRED TAX LIABILITIES</b>			
<b>Deductible Temporary Differences on</b>			
Provision against investments		(19,093)	(19,093)
Provision against other assets		(38,959)	(38,959)
Provision against off balance sheet obligations		(14,824)	(14,824)
Provision against advances		(23,748)	(46,313)
Post retirement medical benefits		(42,980)	(42,980)
Workers welfare fund		(836,423)	(790,207)
		(976,027)	(952,376)
<b>Taxable Temporary Differences on</b>			
Surplus on revaluation of fixed assets		1,139,720	1,154,147
Surplus on revaluation of investments		2,526,685	2,792,338
Surplus on revaluation on non-banking assets		23,663	23,962
Actuarial gains		338,631	338,631
Accelerated tax depreciation / amortization		1,278,646	1,385,520
Excess of investment in finance lease over written down value of leased assets		13,206	13,206
		5,320,551	5,707,804
		<b>4,344,524</b>	<b>4,755,428</b>
<b>20 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		6,877,023	2,366,943
Mark-up / return / interest payable in foreign currencies		817,691	343,307
Accrued expenses		985,292	1,032,259
Retention money payable		326,387	306,416
Unearned commission and income on bills discounted		125,214	123,294
Acceptances		4,389,682	4,183,083
Unclaimed dividends		303,928	291,816
Dividend payable		189,774	32,055
Branch adjustment account		-	280,134
Provision for:			
Gratuity		444,655	444,655
Employees' medical benefits		1,355,237	1,332,925
Employees' compensated absences		604,872	606,216
early retirement		352,024	-
Payable to defined contribution plan		63,691	3,306
Provision against off-balance sheet obligations	20.1	306,342	306,342
Security deposits against lease		698,371	693,151
ATM / POS settlement account		481,075	932,311
Charity fund		34	3
Home Remittance Cell overdraft		610,011	701,908
With-holding tax payable		233,551	688,375
Sundry deposits		2,000,564	2,427,652
Workers welfare fund payable		2,389,779	2,257,734
Others		2,047,073	1,080,829
		<b>25,602,270</b>	<b>20,434,714</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

			(Audited)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	Rupees in '000			
<b>20.1 Provision against off-balance sheet obligations</b>				
Opening balance	306,342	306,342		
Charge for the period / year	-	-		
Reversals	-	-		
Net reversal	-	-		
Closing balance	<u>306,342</u>	<u>306,342</u>		
	(Audited)		(Audited)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	Rupees in '000		Rupees in '000	
<b>21 SHARE CAPITAL</b>				
<b>21.1 Authorized capital</b>				
	<u>1,500,000,000</u>	<u>1,500,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>
			Ordinary shares of Rs.10/- each	
<b>21.2 Issued, subscribed and paid-up capital</b>				
Fully paid-up Ordinary shares of Rs. 10/- each				
406,780,094	406,780,094	406,780,094	4,067,801	4,067,801
720,745,186	720,745,186	720,745,186	7,207,452	7,207,452
			Issued as bonus shares	
1,127,525,280	1,127,525,280	1,127,525,280	11,275,253	11,275,253
	9,148,550	9,148,550	91,486	91,486
	8,400,000	8,400,000	84,000	84,000
	<u>1,145,073,830</u>	<u>1,145,073,830</u>	<u>11,450,739</u>	<u>11,450,739</u>

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 969,396,610 (84.66%) [December 31, 2018: 967,911,610 (84.53%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>22</b>	<b>SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
Surplus arising on revaluation of:			
Fixed assets		16,868,335	16,909,555
Non-banking assets acquired in satisfaction of claims		2,159,103	2,159,958
Available-for-sale securities		7,219,101	7,978,107
		26,246,539	27,047,620
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,139,720)	(1,154,146)
Non-banking assets acquired in satisfaction of claims		(23,663)	(23,962)
Available-for-sale securities		(2,526,685)	(2,792,338)
		(3,690,068)	(3,970,446)
Surplus on revaluation of assets - net of tax		22,556,471	23,077,174

## 23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	27,199,715	28,018,148
Commitments	23.2	401,192,132	342,770,483
Other contingent liabilities	23.3	7,393,019	8,738,009
		435,784,866	379,526,640

### 23.1 Guarantees

Financial guarantees		4,446,900	4,434,872
Performance guarantees		6,323,853	6,656,657
Other guarantees		16,428,962	16,926,619
		27,199,715	28,018,148

### 23.2 Commitments

#### Documentary credits and short term trade related transactions:

letters of credit		62,014,725	68,457,757
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	256,337,659	207,509,971
forward government securities transactions	23.2.2	72,248,725	57,768,858
operating leases	23.2.3	7,390,299	6,018,458
Commitments for acquisition of:			
fixed assets		3,095,139	2,895,671
intangible assets		105,585	119,768
		401,192,132	342,770,483

#### 23.2.1 Commitments in respect of forward foreign exchange contracts

Purchase		168,244,892	137,056,586
Sale		88,092,767	70,453,385
		256,337,659	207,509,971



# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>23.2.2 Commitments in respect of forward government securities transactions</b>		
Purchase	65,765,303	57,768,858
Sale	6,483,422	-
	<u>72,248,725</u>	<u>57,768,858</u>
<b>23.2.3 Commitments in respect of operating leases</b>		
Not later than one year	1,277,727	1,101,928
Later than one year and not later than five years	3,825,034	3,231,233
Later than five years	2,287,538	1,685,297
	<u>7,390,299</u>	<u>6,018,458</u>
<b>23.3 Other contingent liabilities</b>		
<b>23.3.1 Claims against the Bank not acknowledged as debt</b>	<u>7,393,019</u>	<u>8,738,009</u>

23.3.2 The income tax assessments of the Bank have been finalized upto and including tax year 2018 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2018, income tax authorities made certain add backs with aggregate tax impact of Rs.25,587 million (December 31, 2018: 24,332 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Bank on aggregate sum of Rs.25,587 million (December 31, 2018: 24,332 million). The management is confident that the outcome of these appeals / references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,641 million (December 31, 2018: 1,536 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 1,641 million (December 31, 2018: 1,536 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 900 million (December 31, 2018: 900 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 900 million (December 31, 2018: 900 million).

23.3.3 As a result of default by Fateh Textile Mills to terms of compromise decree passed in August 2002 by the Honourable High Court of Sindh, 16,376,106 shares of ABL were sold in accordance with section 19 (3) of the Financial Institutions (Recovery of Finances) Ordinance, 2001, after complying with the due and complete transparent process. Sealed bids were invited from interested parties. The bidding process was scheduled for July 23, 2004 and the Rs. 25 per share was fixed reserve price. On the bid date, the highest offer for these shares was received at a rate of Rs. 25.51 per share. The bid was approved and the successful bidder had deposited an amount of Rs. 417.75 million with the Bank.

Fateh Textile Mills Limited filed suit in the High Court of Sindh challenging the above sale of shares. The High Court had not granted a stay order against the said sale. The sale of shares was, therefore, concluded.

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2019

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

### 24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies used to recognize and disclose derivatives and definitions are same as those disclosed in audited annual unconsolidated financial statements as at December 31, 2018.

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
<b>25 MARK-UP / RETURN / INTEREST EARNED</b>			
On:			
Loans and advances		10,635,991	6,246,060
Investments		9,280,550	9,119,479
Lendings to financial institutions		4,355,274	287,459
Balances with banks		72,573	21,321
		<u>24,344,388</u>	<u>15,674,319</u>
<b>26 MARK-UP / RETURN / INTEREST EXPENSED</b>			
On:			
Deposits		11,882,441	6,310,991
Borrowings		2,190,195	1,150,098
Cost of foreign currency swaps against foreign currency deposits		686,662	200,740
		<u>14,759,298</u>	<u>7,661,829</u>
<b>27 FEE AND COMMISSION INCOME</b>			
Card related fees (debit and credit cards)		374,596	327,103
Branch banking customer fees		340,285	297,997
Commission on remittances including home remittances		229,384	108,525
Investment banking fees		251,824	271,824
Commission on trade		85,965	84,229
Commission on cash management		28,075	26,470
Commission on guarantees		24,114	27,768
Commission on bancassurance		30,368	7,837
Credit related fees		20,609	3,893
Consumer finance related fees		1,075	822
		<u>1,386,295</u>	<u>1,156,468</u>
<b>28 (LOSS) / GAIN ON SECURITIES</b>			
Realised - net	28.1	(2,590)	1,343,221
Unrealised - 'held for trading'	10.1	(1,786)	-
		<u>(4,376)</u>	<u>1,343,221</u>

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	Rupees in '000	
<b>28.1 Realised (loss) / gain on:</b>		
Federal government securities	(1,161)	1,343,221
Shares	(1,237)	-
Non government debt securities	(192)	-
	<u>(2,590)</u>	<u>1,343,221</u>
<b>29 OTHER INCOME</b>		
Recovery of written off mark-up and charges	107	337
Gain on sale of fixed assets - net	82,845	10,346
Other assets disposal	10,389	19,900
Rent on property	1,178	1,279
Fee for attending Board meetings	705	670
	<u>95,224</u>	<u>32,532</u>
<b>30 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	<b>2,881,626</b>	<b>2,835,767</b>
<b>Property expense:</b>		
Depreciation	560,010	478,866
Rent and taxes	500,226	389,105
Utilities cost	198,540	141,906
Security (including guards)	191,756	167,157
Repair and maintenance (including janitorial charges)	116,476	102,860
Insurance	16,908	15,011
	<u>1,583,916</u>	<u>1,294,905</u>
<b>Information technology expenses:</b>		
Depreciation	155,786	120,949
Amortization	109,773	95,936
Network charges	129,822	117,801
Software maintenance	89,492	74,260
Hardware maintenance	29,980	35,470
Others	1,678	2,787
	<u>516,531</u>	<u>447,203</u>
<b>Other operating expenses:</b>		
Insurance	243,258	37,075
Outsourced service costs	140,294	120,607
Stationery and printing	101,258	63,683
Cash in Transit service charge	85,149	61,061
Marketing, advertisement and publicity	59,979	91,528
Depreciation	50,870	29,464
Travelling and conveyance	32,088	29,063
Postage and courier charges	30,164	24,183
NIFT clearing charges	27,972	25,539
Communication	22,458	20,382
Legal and professional charges	21,747	21,352
Auditors Remuneration	7,234	4,227
Directors fees and allowances	5,204	4,218
Fees and allowances to Shariah Board	1,514	1,833
Donations	1,596	54,237
Others	101,204	65,740
	<u>931,989</u>	<u>654,192</u>
	<b>5,914,062</b>	<b>5,232,067</b>

## Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
<b>31 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		-	20,967
Education cess		-	7,756
Depreciation - non-banking assets		4,959	4,949
Others		25,000	60,469
Other assets written off		85	54
		<u>30,044</u>	<u>94,195</u>
<b>32 PROVISIONS AND WRITE OFFS - NET</b>			
Provision / (reversal) for diminution in the value of investments	10.2.1	7,314	(12)
Reversal against loans and advances	11.3	(176,067)	(505,847)
Provision against other assets	14.1.1	14,555	62,000
Provision against off balance sheet obligations		-	20,000
Bad debts written off directly		(154,198)	(423,859)
Recovery against written off bad debts		(49,556)	(6,016)
		<u>(203,754)</u>	<u>(429,875)</u>

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>33 TAXATION</b>			
Current - for the period	33.1	2,574,885	2,410,871
- for prior year	33.2	834,833	-
		<u>3,409,718</u>	<u>2,410,871</u>
Deferred - current		(144,952)	(106,341)
		<u>3,264,766</u>	<u>2,304,530</u>

33.1 This also includes proportionate super tax charge of Rs. 264.091 million, levied on taxable income of the Bank for the tax year 2020 vide Finance Supplementary (Second Amendment) Act, 2019.

33.2 This represents super tax levied retrospectively on taxable income of the Bank for the tax year 2018 vide Finance Supplementary (Second Amendment) Act, 2019.

### 34 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation		<u>2,984,756</u>	<u>3,770,718</u>
Number of Shares			
Weighted average number of ordinary shares outstanding during the year		<u>1,145,073,830</u>	<u>1,145,073,830</u>
Rupees			
Earnings per share - basic and diluted		<u>2.61</u>	<u>3.29</u>

There is no dilution effect on basic earnings per share.



# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

March 31, 2018

	Carrying Value			Fair Value							
	Held to Maturity	Held for Trading	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000										
<b>On-Balance sheet Financial Instruments</b>											
Financial assets-measured at fair value											
Investments											
Shares / Open Ended Mutual Funds	-	-	30,241,640	-	-	-	30,241,640	30,115,370	126,270	-	30,241,640
Federal Government Securities	-	-	609,053,323	-	-	-	609,053,323	609,053,323	-	-	609,053,323
Non Government Debt Securities	-	-	2,986,706	-	-	-	2,986,706	2,986,706	-	-	2,986,706
Financial assets - not measured at fair value											
Cash and balances with treasury banks							99,188,414				
Balances with other banks							2,575,055				
Lending to Financial institutions							53,785,769				
Advances							438,318,894				
Other assets							28,989,381				
Investments (HTM, unlisted ordinary shares, term certificates, sukuk, subsidiaries)	16,151,622		12,794,895				28,946,517	30,115,370	619,166,290		642,281,669
	16,151,622		655,076,684	492,104,663	130,751,860	1,294,084,799					
<b>Financial liabilities measured at fair value</b>											
Trading Liability							9,987,849				9,987,849
<b>Financial liabilities - not measured at fair value</b>											
Bills payable							7,752,959				7,752,959
Borrowings							215,895,137				215,895,137
Deposits and other accounts							984,475,183				984,475,183
Other liabilities							19,848,238				19,848,238
Off-balance sheet financial instruments-measured at fair value							1,227,971,517				1,227,971,517
Forward purchase of foreign exchange contracts							137,056,586				137,056,586
Forward sale of foreign exchange contracts							70,453,385				70,453,385
Forward purchase of Federal Government securities contracts							57,768,858				57,768,858
							207,509,971				207,509,971

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019			(Audited) December 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees in '000					
<b>35.1 Fair value of non-financial assets</b>						
Fixed assets	-	40,189,374	-	-	39,636,178	-
Non-banking assets	-	4,102,346	-	-	4,107,906	-

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

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV rates.
Non-Government Debt Securities	Marked to Market on the basis of MUFAP rates.
Foreign exchange contracts	Marked to Market on the basis of SBP rates.
Open ended mutual funds	Marked to Market on the basis of MUFAP rates.

	March 31, 2019					
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
<b>36 SEGMENT INFORMATION</b>						
<b>36.1 Segment Details with respect to Business Activities</b>						
<b>Profit &amp; Loss</b>						
Net mark-up/return/profit	9,722,909	(10,920,833)	10,408,464	281,609	92,941	9,585,090
Inter segment revenue - net	(9,764,229)	20,095,427	(10,293,130)	-	(38,068)	-
Non mark-up / return / interest income	944,393	822,725	633,101	35,218	101,392	2,536,829
Total Income	903,073	9,997,319	748,435	316,827	156,265	12,121,919
Segment direct expenses	141,294	3,641,543	27,973	287,586	1,977,755	6,076,151
Inter segment expense allocation	-	-	-	-	-	-
Total expenses	141,294	3,641,543	27,973	287,586	1,977,755	6,076,151
Provisions	(78,685)	14,698	-	-	(139,767)	(203,754)
Profit before tax	840,464	6,341,078	720,462	29,241	(1,681,723)	6,249,522
<b>Balance Sheet</b>						
Cash & Bank balances	53,150	30,977,826	53,019,880	1,884,151	3,634,046	89,569,053
Investments	53,152,477	-	413,605,482	9,615,724	500,000	476,873,684
Net inter segment lending	(386,428,472)	934,099,890	(577,101,539)	-	29,430,121	-
Lendings to financial institutions	2,351,036	-	155,081,241	10,658,923	(2,351,036)	165,740,164
Advances - performing	382,358,631	22,712,510	-	6,873,395	9,008,445	420,952,981
Advances - non-performing	120,114	211,422	-	-	-	331,536
Others	6,868,056	8,873,267	1,949,298	1,703,268	69,359,675	88,753,564
Total Assets	58,474,993	996,874,915	46,554,362	30,735,461	109,581,251	1,242,220,982
Borrowings	44,811,979	3,670,598	43,718,745	-	(2,350,803)	89,850,519
Subordinated debt	-	-	-	-	-	-
Deposits & other accounts	-	978,078,875	-	26,776,777	2,686,801	1,007,542,453
Net inter segment borrowing	-	-	-	-	-	-
Others	1,458,037	9,898,730	3,468,985	1,576,400	20,847,271	37,249,423
Total liabilities	46,270,016	991,648,203	47,187,730	28,353,177	21,183,269	1,134,642,395
Equity / Reserves	12,204,977	5,226,712	(633,368)	2,382,284	88,397,982	107,578,587
Total Equity and liabilities	58,474,993	996,874,915	46,554,362	30,735,461	109,581,251	1,242,220,982
Contingencies and commitments	74,494,326	13,868,859	328,586,384	798,748	18,036,549	435,784,866

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

March 31, 2018

	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sale (Treasury)	Islamic Banking	Others	Total
Rupees in '000						
<b>Profit &amp; Loss</b>						
Net mark-up/return/profit	5,780,342	(5,767,867)	7,873,981	130,152	(4,118)	8,012,490
Inter segment revenue - net	(5,289,359)	12,051,652	(6,225,460)	-	(536,833)	-
Non mark-up / return / interest income	998,802	690,124	1,617,833	14,561	32,246	3,353,566
<b>Total Income</b>	<b>1,489,785</b>	<b>6,973,909</b>	<b>3,266,354</b>	<b>144,713</b>	<b>(508,705)</b>	<b>11,366,056</b>
Segment direct expenses	127,683	3,110,045	26,503	228,927	2,227,525	5,720,683
<b>Total expenses</b>	<b>127,683</b>	<b>3,110,045</b>	<b>26,503</b>	<b>228,927</b>	<b>2,227,525</b>	<b>5,720,683</b>
Provisions	(317,028)	5,114	-	-	(117,961)	(429,875)
<b>Profit before tax</b>	<b>1,679,130</b>	<b>3,858,750</b>	<b>3,239,851</b>	<b>(84,214)</b>	<b>(2,618,269)</b>	<b>6,075,248</b>
<b>Balance Sheet</b>						
Cash & Bank balances	79,354	44,090,551	47,880,283	4,157,592	5,555,689	101,763,469
Investments	53,748,130	-	606,731,062	10,249,093	500,000	671,228,285
Net inter segment lending	(402,000,239)	893,698,327	(529,115,678)	1,705,552	35,712,038	-
Lendings to financial institutions	3,610,409	-	50,255,680	3,529,999	(3,610,409)	53,785,679
Advances - performing	394,210,101	27,977,670	-	6,927,022	8,672,957	437,787,750
Advances - non-performing	347,513	183,631	-	-	-	531,144
<b>Others</b>	<b>4,772,402</b>	<b>7,977,518</b>	<b>2,236,843</b>	<b>1,641,756</b>	<b>68,881,257</b>	<b>85,509,776</b>
<b>Total Assets</b>	<b>54,767,670</b>	<b>973,927,697</b>	<b>177,988,190</b>	<b>28,211,014</b>	<b>115,711,532</b>	<b>1,350,606,103</b>
Borrowings	42,470,266	3,912,691	183,088,196	-	(3,588,167)	225,882,986
Subordinated debt	-	-	-	-	-	-
Deposits & other accounts	-	957,686,063	-	24,632,633	2,156,487	984,475,183
Net inter segment borrowing	-	-	-	-	-	-
<b>Others</b>	<b>2,326,844</b>	<b>12,328,943</b>	<b>(3,680,842)</b>	<b>326,877</b>	<b>21,641,279</b>	<b>32,943,101</b>
<b>Total liabilities</b>	<b>44,797,110</b>	<b>973,927,697</b>	<b>179,407,354</b>	<b>24,959,510</b>	<b>20,209,599</b>	<b>1,243,301,270</b>
Equity / Reserves	9,970,560	-	(1,419,164)	3,251,504	95,501,933	107,304,833
<b>Total Equity and liabilities</b>	<b>54,767,670</b>	<b>973,927,697</b>	<b>177,988,190</b>	<b>28,211,014</b>	<b>115,711,532</b>	<b>1,350,606,103</b>
Contingencies and commitments	83,808,051	12,033,029	265,278,829	582,318	17,824,413	379,526,640



# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## RELATED PARTY TRANSACTIONS

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

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

	March 31, 2019					December 31, 2018								
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
	Rupees in 1000													
<b>Balances with other banks</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Lendings to financial institutions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(out)-net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	500,000	351	-	25,000	-	-	-	500,000	351	-	-
Investment made during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed/disposed off during the period/year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000	351	-	25,000	-	-	-	500,000	351	-	25,000
Provision for diminution in value of investments	-	-	-	-	4,649	-	-	-	-	-	-	4,649	-	-
<b>Advances</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	8,704	264,404	-	-	-	593	-	17,029	252,674	-	-	-	(67)
Addition during the period/year	-	5,716	14,990	-	-	-	1,627	-	13,304	112,248	-	-	-	8,011
Repaid during the period/year	-	(7,153)	(27,672)	-	-	-	(1,977)	-	(21,659)	(102,179)	-	-	-	(7,361)
Transfer in/(out)-net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	7,267	251,112	-	-	-	243	-	8,704	264,404	-	-	-	593
Provision held against advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-



# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## 37.1 RELATED PARTY TRANSACTIONS

	March 31, 2019				March 31, 2018									
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
	Rupees in '000													
<b>Income</b>														
Mark-up/return/interest earned	-	74	4,901	-	-	-	-	-	197	3,533	-	-	-	-
Fee and commission income	-	2	20	2,189	18	-	172	-	3	13	2,195	15	-	108
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain on sale of securities	-	-	-	-	-	-	421	-	-	-	-	-	-	-
Rental Income	-	-	-	1,178	-	-	-	-	-	-	1,279	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>														
Mark-up/return/interest paid	-	566	159	527	316	-	178,435	-	1,356	110	253	144	-	127,416
Directors meeting fee	-	4,900	-	-	-	-	-	-	4,050	-	-	-	-	-
Remuneration	-	7,460	60,537	-	-	-	-	-	6,848	58,309	-	-	-	-
Other expenses**	-	-	-	-	110	-	-	-	-	-	-	30,000	-	-
Rent expense	-	-	-	-	3,403	-	-	-	-	-	-	2,906	-	-
*Charge in respect of staff reliefment benefit funds*	-	-	-	-	-	-	14,390	-	-	-	-	-	-	356,979
Insurance premium paid	-	25	61	-	-	-	-	-	25	61	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Shares held by the holding company, outstanding at the end of year are included in note 19 to these unconsolidated condensed interim financial statements.

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

\*\*Rent expense of ABL Branch with associated company Ibrahimi Fibres Limited was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan. During the period ended March 31, 2019, certain moveable assets having cumulative net book value of Rs. Nil were disposed off for Rs. 56,000 to the Key Management Personnel of the Bank.

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	(Audited) March 31, 2019	December 31, 2018
	Rupees in '000	
<b>38 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	11,450,739	11,450,739
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital		
Eligible Additional Tier 1 (ADT 1) Capital	75,659,374	75,040,687
Total Eligible Tier 1 Capital	-	-
Eligible Tier 2 Capital	75,659,374	75,040,687
Total Eligible Capital (Tier 1 + Tier 2)	20,577,738	21,171,279
	96,237,112	96,211,966
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk		
Market Risk	304,846,973	317,173,241
Operational Risk	39,393,074	38,020,880
Total	77,614,261	77,614,260
	421,854,308	432,808,381
<b>Common Equity Tier 1 Capital Adequacy ratio</b>		
Tier 1 Capital Adequacy Ratio	17.93%	17.34%
Total Capital Adequacy Ratio	17.93%	17.34%
	22.81%	22.23%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	75,659,374	75,040,687
Total Exposures	1,385,593,460	1,633,878,538
Leverage Ratio	5.46%	4.59%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	439,430,267	397,968,465
Total Net Cash Outflow	241,973,101	262,615,154
Liquidity Coverage Ratio	181.60%	151.54%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	937,357,171	913,354,244
Total Required Stable Funding	499,578,317	491,398,752
Net Stable Funding Ratio	187.63%	185.87%

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## 39. ISLAMIC BANKING BUSINESS

The Bank is operating 117 (December 31, 2018: 117 and March 31, 2018: 117) Islamic Banking Branches and 10 (December 31, 2018: 10 and March 31, 2018: 0) Islamic Banking Windows at the end of the period.

		March 31, 2019	December 31, 2018
(Audited)			
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks		1,838,123	2,111,510
Balances with other banks		46,028	2,046,081
Due from financial institutions	39.1	10,658,923	3,529,999
Investments	39.2	9,615,724	10,249,093
Islamic financing and related assets - net	39.3	6,873,393	6,927,022
Fixed assets		1,185,641	1,139,785
Intangible assets		861	893
Due from Head Office		-	799,045
Other assets		517,309	501,078
		<b>30,736,002</b>	<b>27,304,506</b>
<b>LIABILITIES</b>			
Bills payable		146,439	146,954
Due to financial institutions		-	-
Deposits and other accounts	39.4	26,776,777	24,632,632
Due to Head Office		116,682	-
Subordinated debt		-	-
Other liabilities		1,313,819	179,923
		<b>28,353,717</b>	<b>24,959,509</b>
<b>NET ASSETS</b>		<b>2,382,285</b>	<b>2,344,997</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		3,200,000	3,200,000
Reserves		(305)	(305)
Surplus on revaluation of assets		59,551	51,504
Unappropriated loss	39.5	(876,961)	(906,202)
		<b>2,382,285</b>	<b>2,344,997</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	39.6		

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	March 31, 2018
Rupees in '000		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended March 31, 2019 is as follows:		
Profit / return earned	39.7	566,794
Profit / return expensed	39.8	285,185
<b>Net Profit / return</b>	<b>281,609</b>	<b>129,851</b>
<b>OTHER INCOME</b>		
Fee and Commission Income	38,636	15,061
Dividend Income	-	-
Foreign Exchange loss	(3,464)	(262)
Loss on securities	(203)	-
Other Income	249	63
Total other income	35,218	14,862
<b>Total Income</b>	<b>316,827</b>	<b>144,713</b>
<b>OTHER EXPENSES</b>		
Operating expenses	287,586	228,927
Workers Welfare Fund	-	-
Other charges	-	-
Total other expenses	287,586	228,927
Profit / (loss) before provisions	29,241	(84,214)
Provisions and write offs - net	-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<b>29,241</b>	<b>(84,214)</b>
Taxation	-	-
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>29,241</b>	<b>(84,214)</b>

	(Audited)					
	March 31, 2019			December 31, 2018		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
<b>39.1 Due from Financial Institutions</b>						
Due from Financial Institutions						
Bai Muajjal Receivable from other Financial Institutions	5,608,923	-	5,608,923	1,029,999	-	1,029,999
Musharaka Lending	5,050,000	-	5,050,000	2,500,000	-	2,500,000
	<b>10,658,923</b>	<b>-</b>	<b>10,658,923</b>	<b>3,529,999</b>	<b>-</b>	<b>3,529,999</b>

	(Audited)							
	March 31, 2019				December 31, 2018			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
<b>39.2 Investments by Segments</b>								
<b>Federal Government Securities:</b>								
-Ijarah Sukuks	900,000	-	(9,540)	890,460	3,350,837	-	(16,997)	3,333,840
-Other Federal Securities	-	-	-	-	-	-	-	-
	900,000	-	(9,540)	890,460	3,350,837	-	(16,997)	3,333,840
<b>Non Government Debt Securities</b>								
-Listed	160,086	-	(253)	159,833	172,579	-	(842)	171,737
-Unlisted	8,565,431	-	-	8,565,431	6,743,516	-	-	6,743,516
	8,725,517	-	(253)	8,725,264	6,916,095	-	(842)	6915253
<b>Total Investments</b>	<b>9,625,517</b>	<b>-</b>	<b>(9,793)</b>	<b>9,615,724</b>	<b>10,266,932</b>	<b>-</b>	<b>(17,839)</b>	<b>10,249,093</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>39.3 Islamic financing and related assets</b>		
Ijarah	253,332	268,514
Murabaha	69,115	74,796
Diminishing Musharaka	2,066,545	2,628,167
<b>Salam</b>	<b>30,000</b>	<b>20,643</b>
<b>Business Musharka - Financings</b>	<b>4,096,099</b>	<b>3,626,407</b>
Staff Ijarah	310,919	272,629
Staff - Diminishing Musharka	47,391	35,874
<b>Gross Islamic financing and related assets</b>	<b>6,873,401</b>	<b>6,927,030</b>
Less: provision against Islamic financings		
- Specific	-	-
- General	8	8
	<b>8</b>	<b>8</b>
<b>Islamic financing and related assets - net of provision</b>	<b>6,873,393</b>	<b>6,927,022</b>
<b>39.4 Deposits</b>		
Customers		
Current deposits	5,031,701	4,625,036
Savings deposits	9,601,138	9,363,085
Term deposits	3,452,014	1,237,301
Other deposits	1,734,417	2,667,097
	<b>19,819,270</b>	<b>17,892,519</b>
Financial Institutions		
<b>Current deposits</b>	<b>7,496</b>	<b>3,822</b>
Savings deposits	4,550,011	6,736,291
Term deposits	2,400,000	-
Other deposits	-	-
	<b>6,957,507</b>	<b>6,740,113</b>
	<b>26,776,777</b>	<b>24,632,632</b>
<b>39.5 Islamic Banking Business Unappropriated Profit / (Loss)</b>		
Opening Balance	(906,202)	(557,392)
Add: Islamic Banking profit/(loss) for the period	29,241	(348,810)
Less: Taxation	-	-
Less: Reserves	-	-
Less: Transferred / Remitted to Head Office	-	-
Closing Balance	<b>(876,961)</b>	<b>(906,202)</b>
<b>39.6 Contingencies and Commitments</b>		
-Guarantees	176,474	96,846
-Commitments	648,840	485,472
-Other contingencies	751,004	-
	<b>1,576,318</b>	<b>582,318</b>

# Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	Rupees in '000	
<b>39.7 Profit/Return Earned of Financing, Investments and Placement</b>		
Profit earned on:		
Financing	176,005	76,811
Investments	267,787	143,005
Placements	123,002	18,490
	<u>566,794</u>	<u>238,306</u>
<b>39.8 Profit on Deposits and other Dues Expensed</b>		
Deposits and other accounts	118,862	98,233
<b>Due to Financial Institutions</b>	<b>122,579</b>	<b>10,132</b>
Profit paid on Musharaka borrowings	43,331	-
Profit paid on Mudaraba borrowings	256	-
Other profit expenses	157	90
	<u>285,185</u>	<u>108,455</u>

## 40 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 40.1 The Board of Directors of the Bank in its meeting held on April 25, 2019 has proposed interim cash dividend for the quarter ended March 31, 2019 of Rs. 2 per share (March 31, 2018: cash dividend Rs. 2 per share). The unconsolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2019 do not include the effect of these appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2019.

## 41 GENERAL

- 41.1 Comparative figures have been re-classified, re-arranged or additionally incorporated in these financial statements wherever necessary to facilitate comparison and better presentation in accordance with new format prescribed by SBP vide BPRD Circular no. 5 of 2019.

## 42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 25, 2019 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive Officer

Director

Chairman

Director



# CONSOLIDATED FINANCIAL STATEMENTS

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for the three months period ended March 31, 2019

# Consolidated Statement of Financial Position

(Un-audited) as at March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>ASSETS</b>			
Cash and balances with treasury banks	7	88,853,067	99,188,414
Balances with other banks	8	708,171	2,564,202
Lendings to financial institutions - net	9	165,740,164	53,785,679
Investments - net	10	478,384,518	672,587,309
Advances - net	11	421,321,164	438,357,880
Fixed assets	12	51,211,439	50,399,773
Intangible assets	13	1,555,980	1,756,127
Deferred tax assets		-	-
Other assets - net	14	36,372,074	33,751,113
		1,244,146,577	1,352,390,497
<b>LIABILITIES</b>			
Bills payable	16	7,302,629	7,752,959
Borrowings	17	89,850,519	225,882,986
Deposits and other accounts	18	1,007,531,857	984,463,067
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	4,349,228	4,751,359
Other liabilities	20	25,939,561	20,750,315
		1,134,973,794	1,243,600,686
<b>NET ASSETS</b>		<b>109,172,783</b>	<b>108,789,811</b>
<b>REPRESENTED BY</b>			
Share capital	21	11,450,739	11,450,739
Reserves		20,647,490	20,276,515
Surplus on revaluation of assets - net of tax	22	22,556,471	23,077,174
Unappropriated profit		54,518,083	53,985,383
		109,172,783	108,789,811

## CONTINGENCIES AND COMMITMENTS

23

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

# Consolidated Profit and Loss Account

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
Mark-up / return / interest earned	25	24,344,612	15,674,572
Mark-up / return / interest expensed	26	14,758,771	7,661,576
<b>Net mark-up / interest income</b>		<b>9,585,841</b>	<b>8,012,996</b>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	27	1,532,528	1,306,130
Dividend income		429,389	549,576
Foreign exchange income		630,434	271,769
Income from derivatives		-	-
Gain on securities - net	28	77,373	1,400,499
Other income	29	94,046	31,253
<b>Total non-markup / interest income</b>		<b>2,763,770</b>	<b>3,559,227</b>
<b>Total Income</b>		<b>12,349,611</b>	<b>11,572,223</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	30	6,007,698	5,337,024
Workers welfare fund		134,726	131,219
Other charges	31	30,044	94,195
<b>Total non-markup / interest expenses</b>		<b>6,172,468</b>	<b>5,562,438</b>
<b>Profit before provisions</b>		<b>6,177,143</b>	<b>6,009,785</b>
Net reversal against provisions and write offs	32	(203,754)	(429,875)
Extra-ordinary / unusual items		-	265,226
<b>PROFIT BEFORE TAXATION</b>		<b>6,380,897</b>	<b>6,174,434</b>
Taxation	33	3,286,923	2,330,192
<b>PROFIT AFTER TAXATION</b>		<b>3,093,974</b>	<b>3,844,242</b>
In Rupees			
<b>Basic and Diluted earnings per share</b>	34	<b>2.70</b>	<b>3.36</b>

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

## Consolidated Statement of Comprehensive Income

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	March 31, 2018
	Rupees in '000	
Profit after taxation for the period	3,093,974	3,844,242
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Effect of translation of net investment in foreign branches	72,499	173,877
Movement in (deficit) / surplus on revaluation of investments - net of tax	(493,353)	538,747
	(420,854)	712,624
Total Comprehensive Income	2,673,120	4,556,866

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

# Consolidated Cash Flow Statement

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,380,897	6,174,434
Less: Dividend income		(429,252)	(549,576)
		5,951,645	5,624,858
<b>Adjustments:</b>			
Depreciation		804,877	941,078
Amortization		110,557	95,937
Net reversal against provisions and write offs	32	(154,198)	(423,859)
Unrealized gain on revaluation of 'held-for-trading' securities		(34,236)	(53,001)
Provision for workers welfare fund		134,726	131,219
Gain on sale of fixed assets - net		(83,363)	(10,293)
		778,363	681,081
		6,730,008	6,305,939
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(111,954,485)	(120,122,200)
Held-for-trading securities		(3,932,392)	23,025,809
Advances		17,196,620	(14,173,535)
Other assets (excluding advance taxation)		(3,186,869)	3,852,198
		(101,877,126)	(107,417,728)
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		(450,330)	12,722,132
Borrowings		(135,914,149)	(165,230,420)
Deposits and other accounts		23,056,674	22,085,241
Other liabilities (excluding current taxation)		4,889,168	3,854,382
		(108,418,637)	(126,568,665)
		(203,565,755)	(227,680,454)
Income tax paid		(2,457,989)	(1,400,667)
<b>Net cash flow used in operating activities</b>		<b>(206,023,744)</b>	<b>(229,081,121)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net realizations from 'available-for-sale' securities		197,380,945	224,558,395
Net realizations / (investment) in 'held-to-maturity' securities		19,541	(153,086)
Dividend received		74,567	479,499
Investments in fixed assets		(1,563,051)	(1,229,359)
Proceeds from sale of fixed assets		86,500	13,214
Effect of translation of net investment in foreign branches		72,499	173,877
<b>Net cash flow generated from investing activities</b>		<b>196,071,001</b>	<b>223,842,540</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(2,120,317)	(1,757)
<b>Net cash flow used in financing activities</b>		<b>(2,120,317)</b>	<b>(1,757)</b>
Effect of exchange rate changes on opening cash and cash equivalents		(282,770)	(766,350)
<b>Decrease in cash and cash equivalents during the period</b>		<b>(12,355,830)</b>	<b>(6,006,688)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>101,791,762</b>	<b>86,666,594</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>89,435,932</b>	<b>80,659,906</b>

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

# Consolidated Statement of Changes in Equity

(Un-audited) for the three months period ended March 31, 2019

	Share capital	Capital reserve	Statutory reserve	Revenue reserve	Surplus on revaluation of			Un-appropriated profit	Total
		Exchange translation reserve		General reserve	Investments	Fixed assets	Non-banking assets		
Rupees in '000									
Balance as at January 01, 2018 (Audited)	11,450,739	230,954	17,743,162	6,000	10,493,343	16,004,075	1,575,633	50,546,126	108,050,032
Profit after taxation for the three months period ended March 31, 2018	-	-	-	-	-	-	-	3,844,242	3,844,242
Other Comprehensive Income									
Surplus on revaluation of investments - net of tax	-	-	-	-	538,747	-	-	-	538,747
Effect of translation of net investment in foreign branches	-	173,877	-	-	-	-	-	-	173,877
	-	173,877	-	-	538,747	-	-	-	712,624
Transfer to statutory reserve	-	-	377,072	-	-	-	-	(377,072)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(28,065)	-	28,065	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(599)	599	-
Balance as at March 31, 2018	11,450,739	404,831	18,120,234	6,000	11,032,090	15,976,010	1,575,034	54,041,960	112,606,898
Profit after taxation for the nine months period ended December 31, 2018	-	-	-	-	-	-	-	9,187,575	9,187,575
Other Comprehensive Income									
Deficit on revaluation of investments - net of tax	-	-	-	-	(5,846,321)	-	-	-	(5,846,321)
Deficit on revaluation of fixed assets - net of tax	-	-	-	-	-	(136,403)	-	-	(136,403)
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	562,176	1,217	563,393
Re-measurement gain on defined benefit obligation-net of tax	-	-	-	-	-	-	-	454,522	454,522
Effect of translation of net investment in foreign branches	-	834,470	-	-	-	-	-	-	834,470
	-	834,470	-	-	(5,846,321)	(136,403)	562,176	455,739	(4,130,339)
Transfer to statutory reserve	-	-	910,980	-	-	-	-	(910,980)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net of tax	-	-	-	-	-	(84,198)	-	84,198	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(1,214)	1,214	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended	-	-	-	-	-	-	-	-	-
December 31, 2017 (Rs. 1.75 per ordinary share)	-	-	-	-	-	-	-	(2,003,879)	(2,003,879)
First interim cash dividend for the year ended	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Second interim cash dividend for the year ended	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Third interim cash dividend for the year ended	-	-	-	-	-	-	-	(8,874,323)	(8,874,323)
December 31, 2018 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	(8,874,323)	(8,874,323)
Balance as at December 31, 2018 (Audited)	11,450,739	1,239,301	19,031,214	6,000	5,185,769	15,755,409	2,135,996	53,985,383	108,789,811
Profit after taxation for the nine months period ended March 31, 2019	-	-	-	-	-	-	-	3,093,974	3,093,974
Other Comprehensive Income									
Deficit on revaluation of investments - net of tax	-	-	-	-	(493,353)	-	-	-	(493,353)
Effect of translation of net investment in foreign branches	-	72,499	-	-	-	-	-	-	72,499
	-	72,499	-	-	(493,353)	-	-	-	(420,854)
Transfer to statutory reserve	-	-	298,476	-	-	-	-	(298,476)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit-net tax	-	-	-	-	-	(26,793)	-	26,793	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to un-appropriated profit-net of tax	-	-	-	-	-	-	(557)	557	-
Transactions with owners, recognized directly in equity									
Final cash dividend for the year ended	-	-	-	-	-	-	-	-	-
December 31, 2018 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	(2,290,148)	(2,290,148)
Balance as at March 31, 2019	11,450,739	1,311,800	19,329,690	6,000	4,692,416	15,728,616	2,135,439	54,518,083	109,172,783

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## 1 STATUS AND NATURE OF BUSINESS

The "Group" consist of:

### Holding Company

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,343 (December 31, 2018: 1,343) branches in Pakistan including 117 (December 31, 2018: 117) Islamic banking branches, 1 branch (December 31, 2018: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (December 31, 2018: 1) in Bahrain. The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

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

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

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

### Subsidiary Company

ABL Asset Management Company Limited ("the Company") is a public unlisted company, incorporated in Pakistan as a limited liability company on October 12, 2007 under the repealed Companies Ordinance, 1984. The Company has received certificate of commencement of business on 31 December, 2007. The 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). The Company has also obtained license to carry out business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005. The registered office of the Company is situated at Plot no. 14, Main Boulevard, DHA Phase VI, Lahore (previously at 11-B Lalazar, M.T Khan Road Karachi). The Company is a wholly owned subsidiary of Allied Bank Limited (the holding company).

The management quality rating of the Company, as assigned by JCR-VIS Crediting Rating Company Limited, is AM2++ (Stable) in December 2018.

ABL Asset Management company is managing following funds:

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

## 2 BASIS OF PRESENTATION

These consolidated condensed interim financial statements consist of holding company and its subsidiary company for quarter ended March 31, 2019.

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

These consolidated condensed interim financial statements have been presented in Pakistan Rupees (PKR),

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank, in the environment as well. The amounts are rounded to nearest thousand.

## 2.1 STATEMENT OF COMPLIANCE

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

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

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

2.1.2 The SBP, vide BSD Circular 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 SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments Disclosure' (IFRS 7), has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

### 2.1.3 IFRS 9 'Financial Instruments'

IFRS-9 has been globally adopted from January 01, 2018. The standard stipulates a paradigm shift from incurred loss model to expected credit loss model (ECL). The prudential regulations currently allow provisioning against bad debts on the aging based model. There is also a major shift in subsequent measurement of investments with reference to booking of realized and unrealized gains / losses.

With respect to domestic operations, SECP vide S.R.O.229(I)/2019 dated February 14, 2019 has deferred applicability of IFRS-9 till June 30, 2019, while SBP is in process of reviewing industry wide impact assessment and formalize its implementation plan.

The adoption of the said standard by the overseas branch as per the requirement of regulatory regime, has resulted in additional ECL provisioning requirement of Rs. 6.3 million.

### 2.1.4 IFRS 16 'Leases'

SECP vide S.R.O.434(I)/2018 dated April 09, 2018, has directed the companies to follow IFRS 16 – Leases instead of IAS 17- Leases, for annual reporting periods beginning on or after January 01, 2019. The banks through the Pakistan Bank Association, approached SBP with reference to the underlying issues and sought the deferment in implementation. As part of the evaluation process of IFRS-16, SBP has advised the banks, to conduct an impact assessment, which the Bank has complied with.

As the matter remains under the review of SBP, the requirements of this standard have not been considered in the preparation of these consolidated condensed interim financial statements. Had the requirements of IFRS 16 been applied, the profit before tax (PBT) for the quarter ended March 31, 2019 would have been lower



# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

by Rs. 113,579 million, total assets would have been higher by Rs. 11,167 million, total liabilities would have been higher by Rs. 11,280 million.

- 2.1.5 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.1.6 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IFIS). The standard will result in certain new disclosures in the financial statements of the Bank.
- 2.1.7 These consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2018

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparing the audited annual consolidated financial statements of the Bank for the year ended December 31, 2018.

## 3.1 STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO ACCOUNTING AND REPORTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2019, except as already mentioned in note 2.1.3 and 2.1.4, are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these financial statements.

State Bank of Pakistan prescribed a new format for interim financial statements of banks effective from the accounting year starting from January 01, 2019. Accordingly, these interim financial statements are prepared in accordance with the new format.

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

The following standard will be effective for accounting periods beginning on or after April 01, 2019:

- IFRS 15' Revenue from contracts with customers' (effective for annual periods beginning on or after July 1, 2018).

The Bank understands that this is not likely to have an impact on the Bank's financial statements.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2018.

## 5 BASIS OF MEASUREMENT

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

- Investments;
- Certain fixed assets;
- Staff retirement and other benefits;
- Non-banking assets acquired in satisfaction of claims; and
- Derivative financial instruments.

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## 6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2018.

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	14,478,145	15,271,580
Foreign currencies	941,406	1,008,439
	15,419,551	16,280,019
<b>Remittances in transit</b>	620,293	691,133
<b>With State Bank of Pakistan (SBP) in</b>		
Local currency current accounts	38,047,452	38,599,518
Foreign currency current account	14,677	81,311
Foreign currency deposit accounts (non-remunerative)	5,313,173	4,722,714
Foreign currency deposit accounts (remunerative)	15,919,782	14,128,800
	59,295,084	57,532,343
<b>With National Bank of Pakistan in</b>		
Local currency current accounts	13,488,906	24,610,744
<b>Prize Bonds</b>	129,233	174,175
	88,853,067	99,188,414
<b>8 BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In deposit accounts	-	2,000,000
<b>Outside Pakistan</b>		
In current accounts	282,794	257,659
In deposit accounts	425,377	306,543
	708,171	2,564,202
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	-	5,500,000
Repurchase agreement lendings (Reverse Repo)	155,081,241	44,455,680
Musharaka lendings	5,050,000	2,500,000
Bai muajjal receivable with other financial institutions	5,608,923	1,029,999
Certificates of investment	70,000	70,000
Letters of placement	-	300,000
	165,810,164	53,855,679
Less: Provision held against lendings to financial institutions	(70,000)	(70,000)
Lendings to financial institutions - net of provision	165,740,164	53,785,679

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	(Audited)			
	March 31, 2019		December 31, 2018	
	Classified Lending	Provision Held	Classified Lending	Provision Held
	Rupees in '000			
<b>9.1 Category of classification</b>				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	70,000	70,000	70,000	70,000
<b>Total</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>	<b>70,000</b>

	(Audited)							
	March 31, 2019				December 31, 2018			
	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
<b>10 INVESTMENTS</b>								
<b>10.1 Investments by type:</b>								
<b>Held-for-trading securities</b>								
Federal Government Securities	3,886,665	-	(1,786)	3,884,879	-	-	-	-
Open Ended Mutual Funds	1,974,812	-	36,022	2,010,834	1,912,351	-	(53,328)	1,859,023
	5,861,477	-	34,236	5,895,713	1,912,351	-	(53,328)	1,859,023
<b>Available-for-sale securities</b>								
Federal Government Securities*	411,505,897	(28,856)	(1,186,140)	410,290,901	610,683,028	(21,248)	(1,608,457)	609,053,323
Shares	25,331,514	(2,266,130)	8,280,630	31,346,014	25,390,404	(2,266,130)	9,572,004	32,696,278
Non Government Debt Securities	13,587,417	(21,071)	(24,444)	13,541,902	11,732,046	(21,071)	(47,874)	11,663,101
Foreign Securities	1,037,692	-	-	1,037,692	1,037,692	-	-	1,037,692
Open Ended Mutual Funds	63,834	-	76,381	140,215	63,834	-	62,436	126,270
	451,526,354	(2,316,057)	7,146,427	456,356,724	648,907,004	(2,308,449)	7,978,109	654,576,664
<b>Held-to-maturity securities</b>								
Federal Government Securities	16,132,081	-	-	16,132,081	16,151,622	-	-	16,151,622
Non Government Debt Securities	346,090	(346,090)	-	-	346,090	(346,090)	-	-
	16,478,171	(346,090)	-	16,132,081	16,497,712	(346,090)	-	16,151,622
<b>Total Investments</b>	<b>73,866,002</b>	<b>(2,662,147)</b>	<b>7,180,663</b>	<b>478,384,518</b>	<b>667,317,067</b>	<b>(2,654,539)</b>	<b>7,924,781</b>	<b>672,587,309</b>

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

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

		(Audited)	
		March 31, 2019	December 31, 2018
Rupees in '000			
<b>10.1.1</b>	<b>Investments given as collateral</b>		
	Market Treasury Bills	34,364,915	158,411,120
	Pakistan Investment Bonds	677,700	10,077,521
	GOP Foreign Currency Sukuks (US\$)	1,856,074	4,451,600
	GOP Foreign Currency Bonds (US\$)	525,992	710,569
	<b>Total Investments given as collateral</b>	<b>37,424,681</b>	<b>173,650,810</b>
<b>10.2</b>	<b>Provision for diminution in value of investments</b>		
<b>10.2.1</b>	<b>Opening balance</b>	2,654,539	2,705,403
	Exchange adjustments	294	1,557
	Charge / reversals		
	Charge for the period / year	7,314	112,794
	Reversals for the period / year	-	(3,776)
	Reversal on disposals	-	(161,439)
		7,314	(52,421)
	<b>Closing Balance</b>	<b>2,662,147</b>	<b>2,654,539</b>

		(Audited)			
		March 31, 2019		December 31, 2018	
		NPI	Provision	NPI	Provision
Rupees in '000					
<b>10.2.2</b>	<b>Particulars of provision against debt securities</b>				
	<b>Category of Classification</b>				
	<b>Domestic</b>				
	Other assets especially mentioned	-	-	-	-
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	367,161	367,161	367,161	367,161
		367,161	367,161	367,161	367,161
	<b>Overseas</b>				
	Not past due*	9,881,331	28,856	9,756,796	21,248
	Overdue by:				
	Upto 90 days	-	-	-	-
	91 to 180 days	-	-	-	-
	181 to 365 days	-	-	-	-
	> 365 days	-	-	-	-
		-	-	-	-
	<b>Total</b>	<b>10,248,492</b>	<b>396,017</b>	<b>10,123,957</b>	<b>388,409</b>

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

The State Bank of Pakistan (SBP) has not granted any relaxation in any classification / provisioning during the period ended March 31, 2019.

**10.3** The market value of securities classified as held-to-maturity as at March 31, 2019 amounted to Rs. 15,603.3 million (December 31, 2018: Rs. 15,579.4 million).

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

Note	(Audited)		(Audited)		(Audited)		
	Performing		Non Performing		Total		
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018	
<b>Rupees in '000</b>							
11	<b>ADVANCES</b>						
	Loans, cash credits, running finances, etc.	412,072,539	428,933,543	14,192,499	14,569,294	426,265,038	443,502,837
	Islamic financing and related assets	6,873,401	6,927,030	-	-	6,873,401	6,927,030
	Bills discounted and purchased	2,060,676	1,982,031	1,495,347	1,495,347	3,556,023	3,477,378
	<b>Advances - gross</b>	<b>421,006,616</b>	<b>437,842,604</b>	<b>15,687,846</b>	<b>16,064,641</b>	<b>436,694,462</b>	<b>453,907,245</b>
	<b>Provision against advances</b>						
	Specific	11.2 & 11.3	-	(15,356,310)	15,533,497	15,356,310	15,533,497
	General	11.3	(16,988)	(15,868)	-	(16,988)	(15,868)
			(16,988)	(15,868)	15,533,497	15,373,298	15,549,965
	<b>Advances - net of provision</b>	<b>420,989,628</b>	<b>437,826,736</b>	<b>331,536</b>	<b>531,144</b>	<b>421,321,164</b>	<b>438,357,880</b>

(Audited)  
March 31, 2019    December 31, 2018

		<b>Rupees in '000</b>	
11.1	<b>Particulars of advances (Gross)</b>		
	In local currency		443,682,812
	In foreign currencies		10,224,433
		<b>436,694,462</b>	<b>453,907,245</b>

11.2 Advances include Rs. 15,687.846 million (December 31, 2018: Rs. 16,064.641 million) which have been placed under non-performing status as detailed below:

Category of Classification:	(Audited)			
	March 31, 2019		December 31, 2018	
	Non Performing Loans	Specific Provision	Non Performing Loans	Specific Provision
<b>Rupees in '000</b>				
<b>Domestic</b>				
Other Assets Especially Mentioned	33,460	1,300	38,425	2,231
Substandard	160,625	39,896	436,938	109,035
Doubtful	357,294	178,647	334,094	167,047
Loss	15,136,467	15,136,467	15,255,184	15,255,184
	<b>15,687,846</b>	<b>15,356,310</b>	<b>16,064,641</b>	<b>15,533,497</b>

## Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019			(Audited) December 31, 2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
<b>11.3</b>	<b>Particulars of provision against advances</b>					
Opening balance	15,533,497	15,868	15,549,365	16,702,236	11,701	16,713,937
Charge for the period / year	41,219	1,120	42,339	500,412	4,167	504,579
Reversals	(218,406)	-	(218,406)	(1,637,415)	-	(1,637,415)
	(177,187)	1,120	(176,067)	(1,137,003)	4,167	(1,132,836)
Amounts written off	-	-	-	(31,736)	-	(31,736)
Closing balance	15,356,310	16,988	15,373,298	15,533,497	15,868	15,549,365

11.3.2 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. 01 dated October 21, 2011.

	Note	(Audited)	
		March 31, 2019	December 31, 2018
Rupees in '000			
<b>12</b>	<b>FIXED ASSETS</b>		
Capital work-in-progress	12.1	2,393,791	2,338,494
Property and equipment		48,817,648	48,061,279
		<u>51,211,439</u>	<u>50,399,773</u>

### 12.1 Capital work-in-progress

Civil works	1,866,222	1,855,180
Advances to suppliers	527,569	483,314
	<u>2,393,791</u>	<u>2,338,494</u>

### 12.2 Additions to fixed assets

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

	March 31, 2019	March 31, 2018
Rupees in '000		
Capital work-in-progress	306,019	313,586
<b>Property and equipment</b>		
Freehold land	504,081	956,763
Leasehold land	25	11,011
Building on freehold land	117,079	219,087
Building on leasehold land	73,135	90,814
Furniture and fixture	72,236	49,845
Electrical office and computer equipment	367,804	594,119
Vehicles	233,706	65,840
Others-Building Improvements	159,582	275,039
	<u>1,527,648</u>	<u>2,262,518</u>
Total	<u>1,833,667</u>	<u>2,576,104</u>

## Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

### 12.3 Disposal of fixed assets

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

	March 31, 2019	March 31, 2018
	Rupees in '000	
Furniture and fixture	64	131
Electrical office and computer equipment	1,596	815
Vehicles	1,386	1,850
Total	<u>3,046</u>	<u>2,796</u>

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>13 INTANGIBLE ASSETS</b>		
Capital work-in-progress	126,939	340,990
Computer Software	1,429,041	1,415,137
	<u>1,555,980</u>	<u>1,756,127</u>

### 13.1 Additions to intangible assets

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

	March 31, 2019	March 31, 2018
	Rupees in '000	
Directly purchased	124,462	200,796
Total	<u>124,462</u>	<u>200,796</u>

### 13.2 Disposals of intangible assets

No intangible assets disposed off during the period.

## Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>14</b>	<b>OTHER ASSETS</b>		
	Income / Mark-up accrued in local currency - net of provision	13,848,253	11,777,626
	Income / Mark-up accrued in foreign currency - net of provision	494,088	293,994
	Advances, deposits, advance rent and other prepayments	2,270,975	1,254,352
	Advance taxation (payments less provisions)	3,731,334	4,624,072
	Non-banking assets acquired in satisfaction of claims	1,943,243	1,947,348
	Branches adjustment account	1,157,140	-
	Mark to market gain on forward foreign exchange contracts	1,391,577	2,698,766
	Acceptances	4,389,682	4,183,083
	Due from the employees' retirement benefit schemes		
	Benevolent fund	121,035	115,915
	Pension fund	4,713,677	4,560,065
	Fraud and forgeries	506,409	502,115
	Stationery and stamps in hand	224,014	190,398
	Overdue FBN / FBD	75,200	72,441
	HRC agent receivable	55,761	111,098
	Receivable from SBP - customers encashments	38,856	12,572
	Charges receivable	31,655	23,043
	Suspense Account	10,370	7,898
	Excise duty	11	11
	Others	5,802	3,561
		35,009,082	32,378,358
	Less: Provision held against other assets	14.1 (796,111)	(787,203)
	Other assets (net of provision)	34,212,971	31,591,155
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,159,103	2,159,958
	Other Assets - total	36,372,074	33,751,113
<b>14.1</b>	<b>Provision held against other assets</b>		
	Advances, deposits, advance rent and other prepayments	210,421	209,506
	Fraud and forgeries	506,409	502,115
	Overdue FBN / FBD	24,295	24,295
	Charges receivable	31,655	23,043
	Suspense account	6,453	6,453
	Others	16,878	21,791
		796,111	787,203
<b>14.1.1</b>	<b>Movement in provision held against other assets</b>		
	Opening balance	787,203	747,062
	Charge for the period / year	16,150	96,695
	Reversals	(1,595)	(12,000)
	Written off / adjusted	(5,647)	(44,554)
	Closing balance	796,111	787,203

### 15 CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2019 and December 31, 2018.



# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>16</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	7,302,629	7,752,959

		March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>17</b>	<b>BORROWINGS</b>		
	<b>Secured</b>		
	Borrowings from State Bank of Pakistan		
	Repurchase agreement borrowings	-	157,248,800
	Under Export Refinance Scheme	17,451,504	17,913,692
	Under Long Term Financing Facility	17,132,095	14,053,626
		34,583,599	189,216,118
	Repurchase agreement borrowings from Financial Institutions	36,686,721	14,559,563
	<b>Total secured</b>	<b>71,270,320</b>	<b>203,775,681</b>
	<b>Unsecured</b>		
	Call borrowings	14,021,667	11,861,797
	Trading liability	4,341,431	9,987,849
	Overdrawn nostro accounts	125,306	243,624
	Other borrowings	91,795	14,035
	<b>Total unsecured</b>	<b>18,580,199</b>	<b>22,107,305</b>
		<b>89,850,519</b>	<b>225,882,986</b>

	March 31, 2019			(Audited) December 31, 2018			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Rupees in '000							
<b>18</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>						
	<b>Customers</b>						
	Current deposits	300,397,876	25,991,581	326,389,457	292,438,272	18,841,868	311,280,140
	Savings deposits	380,697,776	14,623,928	395,321,704	365,456,206	24,707,235	390,163,441
	Term deposits	125,717,144	65,591,278	191,308,422	120,847,788	50,092,266	170,940,054
	Others	18,948,017	33,673	18,981,690	31,335,721	32,615	31,368,336
		825,760,813	106,240,460	932,001,273	810,077,987	93,673,984	903,751,971
	<b>Financial Institutions</b>						
	Current deposits	5,664,439	13,033	5,677,472	20,552,284	27,949	20,580,233
	Savings deposits	28,708,446	-	28,708,446	54,621,957	-	54,621,957
	Term deposits	23,019,050	99,195	23,118,245	4,950,750	52,735	5,003,485
	Others	18,026,421	-	18,026,421	505,421	-	505,421
		75,418,356	112,228	75,530,584	80,630,412	80,684	80,711,096
		901,179,169	106,352,688	1,007,531,857	890,708,399	93,754,668	984,463,067

18.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 585,901 million (December 31, 2018: 513,218 million).

## Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	(Audited)	
	March 31, 2019	December 31, 2018
	Rupees in '000	
<b>19 DEFERRED TAX LIABILITIES</b>		
Deductible Temporary Differences on		
Provision against investments	(19,093)	(19,093)
Provision against other assets	(38,959)	(38,959)
Provision against off balance sheet obligations	(14,824)	(14,824)
Provision against advances	(23,748)	(46,313)
Post retirement medical benefits	(42,980)	(42,980)
Workers welfare fund	(836,423)	(790,207)
	(976,027)	(952,376)
Taxable Temporary Differences on		
Surplus on revaluation of fixed assets	1,139,720	1,154,147
Surplus on revaluation of investments	2,530,792	2,787,505
Surplus on revaluation on non-banking assets	23,663	23,962
Actuarial gains	338,631	338,631
Accelerated tax depreciation / amortization	1,279,243	1,386,284
Excess of investment in finance lease over written down value of leased assets	13,206	13,206
	5,325,255	5,703,735
	4,349,228	4,751,359

		(Audited)	
	Note	March 31, 2019	December 31, 2018
		Rupees in '000	
<b>20 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		6,877,023	2,366,943
Mark-up / return / interest payable in foreign currencies		817,691	343,307
Accrued expenses		1,070,315	1,101,822
Retention money payable		326,387	306,416
Unearned commission and income on bills discounted		125,214	123,294
Acceptances		4,389,682	4,183,083
Unclaimed dividends		303,928	291,816
Dividend payable		189,774	32,055
Branch adjustment account		-	280,134
Provision for:			
Gratuity		444,655	444,655
Employees' medical benefits		1,355,237	1,332,925
Employees' compensated absences		604,872	606,216
Early retirement		352,024	-
Payable to defined contribution plan		63,691	3,306
Provision against off-balance sheet obligations	20.1	306,342	306,342
Security deposits against lease		698,371	693,151
ATM / POS settlement account		481,075	932,311
Charity fund balance		34	3
Home Remittance Cell overdraft		610,011	701,908
With-holding tax payable		235,751	690,598
Sundry deposits		2,000,564	2,427,652
Workers welfare fund payable		2,431,783	2,297,057
Others		2,255,137	1,285,321
		25,939,561	20,750,315

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

		(Audited)	
		March 31, 2019	December 31, 2018
Rupees in '000			
<b>20.1</b>	<b>Provision against off-balance sheet obligations</b>		
	Opening balance	306,342	306,342
	Charge for the period / year	-	-
	Reversals	-	-
	Net reversal	-	-
	Closing balance	306,342	306,342

## 21 SHARE CAPITAL

### 21.1 Authorized capital

		(Audited)		(Audited)	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
		No. of shares		Rupees in '000	
		1,500,000,000	1,500,000,000	15,000,000	15,000,000
	Ordinary shares of Rs.10/- each				

### 21.2 Issued, subscribed and paid-up capital

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

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 969,396,610 (84.66%) [December 31, 2018: 967,911,610 (84.53%)] ordinary shares of Rs. 10 each respectively, as at reporting date.

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>22</b>	<b>SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
Surplus arising on revaluation of:			
Fixed assets		16,868,335	16,909,555
Non-banking assets acquired in satisfaction of claims		2,159,103	2,159,958
Available-for-sale securities		7,219,101	7,978,107
		26,246,539	27,047,620
Deferred tax on surplus on revaluation of:			
Fixed assets		(1,139,720)	(1,154,146)
Non-banking assets acquired in satisfaction of claims		(23,663)	(23,962)
Available-for-sale securities		(2,526,685)	(2,792,338)
		(3,690,068)	(3,970,446)
Surplus on revaluation of assets - net of tax		22,556,471	23,077,174
<b>23</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
Guarantees	23.1	27,199,715	28,018,148
Commitments	23.2	401,150,378	342,834,074
Other contingent liabilities	23.3	7,393,019	8,738,009
		435,743,112	379,590,231
<b>23.1</b>	<b>Guarantees</b>		
Financial guarantees		4,446,900	4,434,872
Performance guarantees		6,323,853	6,656,657
Other guarantees		16,428,962	16,926,619
		27,199,715	28,018,148
<b>23.2</b>	<b>Commitments</b>		
Documentary credits and short term trade related transactions:			
letters of credit		62,014,725	68,457,757
Commitments in respect of:			
forward foreign exchange contracts	23.2.1	256,337,659	207,509,971
forward government securities transactions	23.2.2	72,248,725	57,768,858
operating leases	23.2.3	7,390,299	6,018,458
Commitments for acquisition of:			
fixed assets		3,095,139	2,895,671
intangible assets		105,585	119,768
Other Commitments		63,831	63,591
		401,255,963	342,834,074
<b>23.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
Purchase		168,244,892	137,056,586
Sale		88,092,767	70,453,385
		256,337,659	207,509,971

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>23.2.2</b>	<b>Commitments in respect of forward government securities transactions</b>		
	Purchase	65,765,303	57,768,858
	Sale	6,483,422	-
		<u>72,248,725</u>	<u>57,768,858</u>
<b>23.2.3</b>	<b>Commitments in respect of operating leases</b>		
	Not later than one year	1,277,727	1,101,928
	Later than one year and not later than five years	3,825,034	3,231,233
	Later than five years	2,287,538	1,685,297
		<u>7,390,299</u>	<u>6,018,458</u>
<b>23.3</b>	<b>Other contingent liabilities</b>		
<b>23.3.1</b>	Claims against the Bank not acknowledged as debt	7,393,019	8,738,009

**23.3.2** The income tax assessments of the Group have been finalized upto and including tax year 2018 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2018, income tax authorities made certain add backs with aggregate tax impact of Rs.25,599 million (2018: 24,344 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.25,599 million (2018: 24,344 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2018 and created an arbitrary demand of Rs. 1,661 million (2018: 1,556 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Group; therefore, no provision has been made against the said demand of Rs. 1,661 million (2018: 1,556 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 and Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 900 million (2018: 900 million). The Group's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 900 million (2018: 900 million).

**23.3.3** As a result of default by Fateh Textile Mills to terms of compromise decree passed in August 2002 by the Honourable High Court of Sindh, 16,376,106 shares of ABL were sold in accordance with section 19 (3) of the Financial Institutions (Recovery of Finances) Ordinance, 2001, after complying with the due and complete transparent process. Sealed bids were invited from interested parties. The bidding process

## Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

was scheduled for July 23, 2004 and the Rs. 25 per share was fixed reserve price. On the bid date, the highest offer for these shares was received at a rate of Rs. 25.51 per share. The bid was approved and the successful bidder had deposited an amount of Rs. 417.75 million with the Bank.

Fateh Textile Mills Limited filed suit in the High Court of Sindh challenging the above sale of shares. The High Court had not granted a stay order against the said sale. The sale of shares was, therefore; concluded.

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

### 24 DERIVATIVE INSTRUMENTS

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

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

The accounting policies used to recognize and disclose derivatives and definitions are same as those disclosed in audited annual consolidated financial statements as at December 31, 2018.

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
<b>25</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	Loans and advances	10,636,263	6,246,358
	Investments	9,280,550	9,119,479
	Lendings to financial institutions	4,355,274	287,459
	Balances with banks	72,525	21,276
		<u>24,344,612</u>	<u>15,674,572</u>
<b>26</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	11,881,914	6,310,738
	Borrowings	2,190,195	1,150,098
	Cost of foreign currency swaps against foreign currency deposits	686,662	200,740
		<u>14,758,771</u>	<u>7,661,576</u>
<b>27</b>	<b>FEE AND COMMISSION INCOME</b>		
	Card related fees (debit and credit cards)	374,596	327,103
	Branch banking customer fees	488,708	447,751
	Commission on remittances including home remittances	229,384	108,525
	Investment banking fees	251,824	271,824
	Commission on trade	85,965	84,229
	Commission on cash management	25,962	26,397
	Commission on guarantees	24,114	27,768
	Commission on bancassurance	30,368	7,837
	Credit related fees	20,532	3,874
	Consumer finance related fees	1,075	822
		<u>1,532,528</u>	<u>1,306,130</u>
<b>28</b>	<b>GAIN ON SECURITIES</b>		
	Realised - net	28.1	43,137
	Unrealised - held for trading	10.1	34,236
			<u>77,373</u>
			<u>1,400,499</u>
<b>28.1</b>	<b>Realised gain / (loss) on:</b>		
	Federal government securities	(1,161)	1,343,221
	Shares	(1,237)	-
	Non Government debt securities	(192)	-
	Open Ended Mutual Funds	45,727	4,277
		<u>43,137</u>	<u>1,347,498</u>
<b>29</b>	<b>OTHER INCOME</b>		
	Recovery of written off mark-up and charges	107	337
	Gain on sale of fixed assets - net	82,845	10,346
	Other assets disposal	10,389	19,900
	Rent on property	-	-
	Fee for attending Board meetings	705	670
		<u>94,046</u>	<u>31,253</u>

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	Note	March 31, 2019	March 31, 2018
Rupees in '000			
<b>30</b>	<b>OPERATING EXPENSES</b>		
	Total compensation expense	2,927,411	2,877,277
	<b>Property expense:</b>		
	Depreciation	561,562	480,804
	Rent and taxes	503,505	394,423
	Utilities cost	201,359	142,494
	Security (including guards)	191,756	167,157
	Repair and maintenance (including janitorial charges)	116,476	104,584
	Insurance	17,889	15,775
		1,592,547	1,305,237
	<b>Information technology expenses:</b>		
	Depreciation	155,786	120,949
	Amortization	110,557	96,738
	Network charges	129,822	117,801
	Software maintenance	89,492	74,260
	Hardware maintenance	29,980	35,470
	Others	1,678	2,787
		517,315	448,005
	<b>Other operating expenses:</b>		
	Insurance	243,258	37,075
	Outsourced service costs	140,294	120,607
	Stationery and printing	101,959	64,117
	Cash in Transit service charge	85,149	61,061
	Marketing, advertisement and publicity	83,423	116,644
	Depreciation	50,870	29,464
	Postage and courier charges	32,949	27,373
	Travelling and conveyance	32,098	31,299
	NIFT clearing charges	27,972	25,539
	Communication	22,458	20,382
	Legal and professional charges	22,088	22,036
	Auditors Remuneration	7,381	4,409
	Directors fees and allowances	5,804	4,618
	Fees and allowances to Shariah Board	1,514	1,833
	Donations	1,596	54,237
	Others	111,612	85,811
		970,425	706,505
		6,007,698	5,337,024
<b>31</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	-	20,967
	Education cess	-	7,756
	Depreciation - non-banking assets	4,959	4,949
	Others	25,000	60,469
	Other assets written off	85	54
		30,044	94,195
<b>32</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provision / (reversal) for diminution in the value of investments	10.2.1	7,314
			(12)
	Reversal against loans and advances	11.3	(176,067)
			(505,847)
	Provision against other assets	14.1.1	14,555
			62,000
	Provision against off balance sheet obligations		-
			20,000
			(154,198)
	Recovery of written off bad debts		(49,556)
			(6,016)
			(203,754)
			(429,875)



## Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

		March 31, 2019	March 31, 2018
Rupees in '000			
<b>33</b>	<b>TAXATION</b>		
	Current - for the period	33.1	2,597,042
	- for prior year	33.2	834,833
		3,431,875	2,436,533
	Deferred - current	(144,952)	(106,341)
		3,286,923	2,330,192

**33.1** This also includes proportionate super tax charge of Rs. 264.091 million, levied on taxable income of the Bank for the tax year 2020 vide Finance Supplementary (Second Amendment) Act, 2019.

**33.2** This represents super tax levied retrospectively on taxable income of the Bank for the tax year 2018 vide Finance Supplementary (Second Amendment) Act, 2019.

### 34 EARNINGS PER SHARE - BASIC AND DILUTED

	Profit after taxation	3,093,974	3,844,242
Number of Shares			
	Weighted average number of ordinary shares outstanding during the year	1,145,073,830	1,145,073,830
Rupees			
	Earnings per share - basic and diluted	2.70	3.36

There is no dilution effect on basic earnings per share.



# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## 35 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	December 31, 2018 (Audited)					Fair Value			
	Carrying Value					Level 1	Level 2	Level 3	Total
	Held to Maturity	Held for Trading	Available for Sale	Financing and receivables	Other financial assets				
Rupees in '000									
<b>On-Balance sheet Financial Instruments</b>									
Financial assets-measured at fair value									
Investments									
Shares / Open Ended Mutual Funds	-	1,859,024	30,241,640	-	-	32,100,664	30,115,370	1,985,294	32,100,664
Federal Government Securities	-	-	609,053,323	-	-	609,053,323	-	609,053,323	609,053,323
Non Government Debt Securities	-	-	2,986,706	-	-	2,986,706	-	2,986,706	2,986,706
<b>Financial assets-not measured at fair value</b>									
Cash and balances with treasury banks*	-	-	-	-	99,188,414	-	-	-	-
Balances with other banks	-	-	-	-	2,564,202	-	-	-	-
Lendings	-	-	-	53,785,679	-	-	-	-	-
Advances	-	-	-	438,357,880	-	-	-	-	-
Other assets	-	-	-	-	29,986,261	-	-	-	-
Investments (HTM, unlisted ordinary shares, term certificates, sukuk, subsidiaries)	16,151,622	-	12,294,994	-	-	-	-	-	-
<b>Financial liabilities-measured at fair value</b>									
Trading Liability	-	9,987,849	-	-	-	-	-	9,987,849	9,987,849
<b>Financial liabilities-not measured at fair value</b>									
Bills payable	-	-	-	-	7,752,959	-	-	-	-
Borrowings	-	-	-	-	225,882,986	-	-	-	-
Deposits and other accounts	-	-	-	-	984,463,067	-	-	-	-
Other liabilities	-	-	-	-	20,165,409	-	-	-	-
	-	9,987,849	-	-	1,238,264,421	-	-	9,987,849	9,987,849
<b>Off-balance sheet financial instruments-measured at fair value</b>									
Forward purchase of foreign exchange contracts	-	-	-	-	137,056,596	-	-	-	137,056,596
Forward sale of foreign exchange contracts	-	-	-	-	-	-	-	-	-
Forward purchase of Federal Government securities	-	-	-	-	70,453,385	-	-	-	70,453,385
	-	-	-	-	57,768,858	-	-	-	57,768,858

# Notes to the Consolidated Condensed Interim Financial Statements

## (Un-audited) for the three months period ended March 31, 2019

### 35.1 Fair value of non-financial assets

	March 31, 2019				December 31, 2018 (Audited)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000							
Fixed assets	-	40,189,374	-	40,189,374	-	39,636,178	-	39,636,178
Non-banking assets	-	4,102,346	-	4,102,346	-	4,107,306	-	4,107,306

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

Item	Valuation approach and input used
Federal Government Securities	Marked to Market on the basis of PKRV rates.
Non-Government Debt Securities	Marked to Market on the basis of MUFAP rates.
Foreign exchange contracts	Marked to Market on the basis of SBP rates.
Open ended mutual funds	Marked to Market on the basis of MUFAP rates.

	March 31, 2019							Total
	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management	Others		
	Rupees in '000							
<b>36 SEGMENT INFORMATION</b>								
<b>36.1 Segment Details with respect to Business Activities</b>								
<b>Profit &amp; Loss</b>								
Net mark-up/return/profit	9,722,909	(10,920,833)	10,408,464	281,609	751	92,941	9,585,841	
Inter segment revenue - net	(9,764,229)	20,095,427	(10,293,130)	-	-	(38,068)	-	
Non mark-up / return / interest income	944,393	822,725	633,101	35,218	230,308	98,025	2,763,770	
<b>Total Income</b>	<b>903,073</b>	<b>9,997,319</b>	<b>748,435</b>	<b>316,827</b>	<b>231,059</b>	<b>152,898</b>	<b>12,349,611</b>	
Segment direct expenses	141,294	3,641,543	27,973	287,586	99,684	1,974,388	6,172,468	
<b>Total expenses</b>	<b>141,294</b>	<b>3,641,543</b>	<b>27,973</b>	<b>287,586</b>	<b>99,684</b>	<b>1,974,388</b>	<b>6,172,468</b>	
Provisions	(78,685)	14,698	-	-	-	(139,767)	(203,754)	
<b>Profit before tax</b>	<b>840,464</b>	<b>6,341,078</b>	<b>720,462</b>	<b>29,241</b>	<b>131,375</b>	<b>(1,681,723)</b>	<b>6,380,897</b>	
<b>Balance Sheet</b>								
Cash & Bank balances	53,150	30,977,826	53,019,880	1,884,151	2,781	3,623,450	89,561,238	
Investments	53,152,477	-	413,605,483	9,615,724	2,010,834	2,878,400	481,262,918	
Net inter segment lending/borrowing	(386,428,472)	934,099,890	(577,101,539)	-	-	29,430,121	-	
Lendings to financial institutions	2,351,036	-	155,081,241	10,658,923	-	(5,229,436)	162,861,764	
Advances - performing	382,358,631	22,712,510	-	6,873,395	36,647	9,008,445	420,989,628	
Advances - non-performing	120,114	211,422	-	-	-	-	331,536	
Others	6,868,056	8,702,679	1,949,298	1,703,268	387,772	69,528,420	89,139,493	
<b>Total Assets</b>	<b>58,474,992</b>	<b>996,704,327</b>	<b>46,554,363</b>	<b>30,735,461</b>	<b>2,438,034</b>	<b>109,239,400</b>	<b>1,244,146,577</b>	
Borrowings	44,811,979	3,670,598	43,718,745	-	-	(2,350,803)	89,850,519	
Subordinated debt	-	-	-	-	-	-	-	
Deposits & other accounts	-	978,078,875	-	26,776,777	-	2,676,205	1,007,531,857	
Others	1,458,037	9,898,730	3,468,985	1,576,400	343,839	20,845,427	37,591,418	
<b>Total liabilities</b>	<b>46,270,016</b>	<b>991,648,203</b>	<b>47,187,730</b>	<b>28,353,177</b>	<b>343,839</b>	<b>21,170,829</b>	<b>1,134,973,794</b>	
Equity	12,204,976	5,056,124	(633,367)	2,382,284	2,094,195	88,068,571	109,172,783	
<b>Total Equity &amp; liabilities</b>	<b>58,474,992</b>	<b>996,704,327</b>	<b>46,554,363</b>	<b>30,735,461</b>	<b>2,438,034</b>	<b>109,239,400</b>	<b>1,244,146,577</b>	
<b>Contingencies and commitments</b>	<b>74,492,526</b>	<b>13,868,859</b>	<b>328,586,384</b>	<b>798,748</b>	<b>1,800</b>	<b>17,930,964</b>	<b>435,679,281</b>	

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

March 31, 2018

	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management	Others	Total
Rupees in '000							
<b>Profit &amp; Loss</b>							
Net mark-up/return/profit	5,780,342	(5,767,867)	7,873,981	130,152	506	(4,118)	8,012,996
Inter segment revenue - net	(5,289,359)	12,051,652	(6,225,460)	-	-	(536,833)	-
Non mark-up / return / interest income	998,802	690,124	1,617,833	14,561	209,136	28,771	3,559,227
<b>Total Income</b>	<b>1,489,785</b>	<b>6,973,909</b>	<b>3,266,354</b>	<b>144,713</b>	<b>209,642</b>	<b>(512,180)</b>	<b>11,572,223</b>
Segment direct expenses	127,683	3,110,045	26,503	228,927	110,455	2,224,051	5,827,664
<b>Total expenses</b>	<b>127,683</b>	<b>3,110,045</b>	<b>26,503</b>	<b>228,927</b>	<b>110,455</b>	<b>2,224,051</b>	<b>5,827,664</b>
Provisions	(317,028)	5,114	-	-	-	(117,961)	(429,875)
<b>Profit before tax</b>	<b>1,679,130</b>	<b>3,858,750</b>	<b>3,239,851</b>	<b>(84,214)</b>	<b>99,187</b>	<b>(2,618,270)</b>	<b>6,174,434</b>

December 31, 2018 (Audited)

	Corporate & Investment Banking	Commercial and Retail Banking	Trading & Sales (Treasury)	Islamic Banking	Asset Management	Others	Total
Rupees in '000							
<b>Balance Sheet</b>							
Cash & Bank balances	79,354	44,090,551	47,880,283	4,157,592	1,263	5,543,573	101,752,616
Investments	53,748,130	-	606,731,062	10,249,093	1,859,024	-	672,587,309
Net inter segment lending/borrowing	(402,000,239)	893,698,327	(529,115,678)	1,705,552	-	35,712,038	-
Lendings to financial institutions	3,610,409	-	50,255,680	3,529,999	-	(3,610,409)	53,785,679
Advances - performing	394,210,102	27,977,670	-	6,927,022	38,985	8,672,957	437,826,736
Advances - non-performing	347,513	183,631	-	-	-	-	531,144
Others	4,772,403	7,977,518	2,236,843	1,641,756	406,822	68,871,671	85,907,013
<b>Total Assets</b>	<b>54,767,672</b>	<b>973,927,697</b>	<b>177,988,190</b>	<b>28,211,014</b>	<b>2,306,094</b>	<b>115,189,830</b>	<b>1,352,390,497</b>
Borrowings	42,470,267	3,912,691	183,088,196	-	-	(3,588,168)	225,882,966
Subordinated debt	-	-	-	-	-	-	-
Deposits & other accounts	-	957,686,064	-	24,632,633	-	2,144,370	984,463,067
Others	2,326,845	12,328,942	(3,680,842)	326,877	321,117	21,631,694	33,254,633
<b>Total liabilities</b>	<b>44,797,112</b>	<b>973,927,697</b>	<b>179,407,354</b>	<b>24,959,510</b>	<b>321,117</b>	<b>20,187,896</b>	<b>1,243,600,686</b>
Equity	9,970,560	-	(1,419,164)	3,251,504	1,984,977	95,001,934	108,789,811
<b>Total Equity &amp; liabilities</b>	<b>54,767,672</b>	<b>973,927,697</b>	<b>177,988,190</b>	<b>28,211,014</b>	<b>2,306,094</b>	<b>115,189,830</b>	<b>1,352,390,497</b>
<b>Contingencies and commitments</b>	<b>83,806,271</b>	<b>12,033,028</b>	<b>265,278,829</b>	<b>582,318</b>	<b>1,780</b>	<b>17,824,414</b>	<b>379,526,640</b>

# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

## RELATED PARTY TRANSACTIONS

The Group has related party relationships with its parent, subsidiary, companies with common directorship, directors, employee benefit plans and key management personnel including their associates. Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	March 31, 2019					December 31, 2018 (Audited)						
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
	Rupees in '000											
<b>Balances with other banks</b>	-	-	-	-	-	-	-	-	-	-	-	-
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Lendings to financial institutions</b>	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period/year	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the period/year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(out)-net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Investments</b>	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	-	-	351	-	1,912,351	-	-	-	351	-	1,765,318
Investment made during the period/year	-	-	-	-	-	1,542,254	-	-	-	-	-	1,772,598
Investment redeemed/disposed off during the period/year	-	-	-	-	-	(1,475,345)	-	-	-	-	-	(1,652,072)
Surplus	-	-	-	-	-	(4,449)	-	-	-	-	-	(18,493)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	25,000
Closing balance	-	-	-	351	-	1,974,811	-	-	351	-	-	1,912,351
Provision for diminution in value	-	-	-	4,649	-	-	-	-	-	4,649	-	-
<b>Advances</b>	-	-	-	-	-	-	-	-	-	-	-	-
Opening balance	-	8,704	264,404	-	-	593	-	17,029	252,674	-	-	(57)
Addition during the period/year	-	5,716	14,380	-	-	1,627	-	13,304	112,248	-	-	8,011
Repaid during the period/year	-	(7,153)	(27,672)	-	-	(1,977)	-	(21,629)	(102,179)	-	-	(7,361)
Transfer in/(out)-net	-	-	-	-	-	-	-	-	1,661	-	-	-
Closing balance	-	7,267	251,112	-	-	243	-	8,704	264,404	-	-	593
Provision held against advances	-	-	-	-	-	-	-	-	-	-	-	-



# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019			March 31, 2018								
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
	Rupees in '000											
<b>Income</b>												
Mark-up/return/interest earned	-	74	4,901	-	-	-	-	197	3,533	-	-	-
Sales commission	-	-	-	-	-	6,599	-	-	-	-	-	8,045
Fee and commission income	-	2	20	18	-	122,201	-	3	13	15	-	120,486
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain on sale of securities	-	-	-	-	-	421	-	-	-	-	-	(35)
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>												
Mark-up/return/interest paid	-	566	159	316	-	178,435	-	1,356	110	144	-	127,418
Directors meeting fee	-	5,500	-	-	-	-	-	4,450	-	-	-	-
Remuneration	-	7,460	64,029	-	-	-	-	6,948	82,256	-	-	-
Other expenses**	-	-	-	110	-	-	-	-	-	30,000	-	-
Rent expense	-	-	-	7,020	-	-	-	-	-	-	6,523	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	-	-	-	-	-	-	356,034
Insurance premium paid	-	25	61	-	-	15,741	-	25	61	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-	-	-

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

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

\*\*Rent expense of ABL Branch with associated company (Ibrahim Fibres Limited) was carried out on terms other than that of arms length with prior permission of State Bank of Pakistan.

During the period ended March 31, 2019, certain moveable assets having cumulative net book value of Rs. Nil were disposed off for Rs. 56,000 to the Key Management Personnel of the Bank.



# Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the three months period ended March 31, 2019

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>38 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	11,450,739	11,450,739
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	76,185,591	75,372,381
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	76,185,591	75,372,381
Eligible Tier 2 Capital	19,899,986	20,564,931
Total Eligible Capital (Tier 1 + Tier 2)	96,085,577	95,937,312
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	303,084,660	315,518,950
Market Risk	39,583,605	40,673,396
Operational Risk	78,800,062	78,800,062
Total	421,468,327	434,992,408
Common Equity Tier 1 Capital Adequacy ratio	18.08%	17.33%
Tier 1 Capital Adequacy Ratio	18.08%	17.33%
Total Capital Adequacy Ratio	22.80%	22.05%

	March 31, 2019	(Audited) December 31, 2018
	Rupees in '000	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	76,185,591	75,372,381
Total Exposures	1,386,580,904	1,634,600,480
Leverage Ratio	5.49%	4.61%

## 39 NON ADJUSTING EVENT AFTER THE REPORTING DATE

- 39.1 The Board of Directors of the Bank in its meeting held on April 25, 2019 has proposed interim cash dividend for the quarter ended March 31, 2019 of Rs. 2.00 per share (March 31, 2018: cash dividend Rs. 2.00 per share). The consolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2019 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2019.

## 40 GENERAL

- 40.1 Comparative figures have been re-classified, re-arranged or additionally incorporated in these financial statements wherever necessary to facilitate comparison and better presentation in accordance with new format prescribed by SBP vide BPRD circular no. 5 of 2019.

## 41 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 25, 2019 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman





