

INDEPENDENT AUDITORS' REPORT TO THE SHARE HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of the Allied Bank Limited (the Bank) as at 30 June 2012 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and the notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2012 and 2011 have not been reviewed and we do not express a conclusion on them, as we are required to review only the cumulative figures for the half year ended 30 June 2012.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Engagement Partner:

Naseem Akbar

Date : 16 August, 2012

Place : Lahore

KPMG Taseer Hadi & Co.

Chartered Accountants

Engagement Partner:

Kamran I. Yousafi

Unconsolidated Condensed Interim Statement of Financial Position

as at June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		41,890,508	36,479,758
Balances with other banks		1,673,694	1,679,085
Lendings to financial institutions	6	13,254,435	1,361,754
Investments	7	199,142,078	195,694,122
Advances	8	260,711,294	244,433,474
Operating fixed assets		19,307,972	18,087,011
Deferred tax assets		814,017	751,908
Other assets		19,504,697	17,211,827
		556,298,695	515,698,939
LIABILITIES			
Bills payable		3,994,599	4,015,317
Borrowings from financial institutions	9	32,391,576	49,993,200
Deposits and other accounts	10	454,591,855	399,561,676
Sub-ordinated loans		5,491,500	5,492,600
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		13,220,067	13,296,342
		509,689,597	472,359,135
NET ASSETS		46,609,098	43,339,804
REPRESENTED BY:			
Share capital	11	9,463,421	8,603,110
Reserves		9,891,451	8,762,745
Unappropriated profit		20,890,347	20,254,503
		40,245,219	37,620,358
Surplus on revaluation of assets - net of tax		6,363,879	5,719,446
		46,609,098	43,339,804

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Profit and Loss Account (Un-audited) for the half year ended June 30, 2012

Note	Half Year Ended		Quarter Ended		
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	
Rupees in '000					
Mark-up / return / interest earned	13	24,378,492	24,572,858	12,386,414	12,280,188
Mark-up / return / interest expensed	14	14,419,048	12,196,500	7,309,014	6,102,637
Net mark-up / interest income		9,959,444	12,376,358	5,077,400	6,177,551
Provision against non-performing loans and advances and general provision - net (Reversal) / provision for diminution in the value of investments - net		874,030	1,039,519	303,434	649,909
Bad debts written off directly		(592,813)	(47,038)	17,629	30,921
		-	-	-	-
		281,217	992,481	321,063	680,830
Net mark-up / interest income after provisions		9,678,227	11,383,877	4,756,337	5,496,721
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		1,382,204	1,487,856	660,384	739,414
Dividend income		3,329,282	758,690	1,612,046	431,873
Income from dealing in foreign currencies		293,820	370,514	156,149	270,504
Gain / (Loss) on sale of securities		1,735,640	369,385	1,491,172	101,311
Unrealized (loss) / gain on revaluation of investments classified as held-for-trading - net		(792)	(797)	203	(797)
Other income		121,763	22,596	51,470	12,997
Total non-markup / interest income		6,861,917	3,008,244	3,971,424	1,555,302
		16,540,144	14,392,121	8,727,761	7,052,023
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		6,854,964	6,372,690	3,507,078	3,079,768
(Reversal) / provision against other assets - net		(6,542)	156,871	82,000	144,871
Provision / (reversal) against off-balance sheet obligations - net		25,894	(24,866)	(30,758)	(1,750)
Other charges		250,702	323,659	121,940	116,056
Total non-markup / interest expenses		7,125,018	6,828,354	3,680,260	3,338,945
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,415,126	7,563,767	5,047,501	3,713,078
Taxation					
Current		2,886,665	2,788,618	1,453,521	1,360,719
Prior years		-	-	-	-
Deferred		(124,347)	(257,739)	(14,496)	(169,556)
		2,762,318	2,530,879	1,439,025	1,191,163
PROFIT AFTER TAXATION		6,652,808	5,032,888	3,608,476	2,521,915
			Restated		Restated
Earnings per share - Basic and Diluted (in Rupees)	15	7.03	5.32	3.81	2.66

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) for the half year ended June 30, 2012

	Half Year Ended		Quarter Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Rupees in '000				
Profit after taxation for the period	6,652,808	5,032,888	3,608,476	2,521,915
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	6,652,808	5,032,888	3,608,476	2,521,915

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

The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Cash Flows

(Un-audited) for the half year ended June 30, 2012

Half Year Ended
June 30, June 30,
2012 2011
Rupees in '000

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	9,415,126	7,563,767
Less: Dividend income	3,329,282	758,690
	6,085,844	6,805,077

Adjustments for non-cash charges:

Depreciation / amortization	548,315	484,724
Provision against non-performing loans, advances and general provision - net	874,030	1,039,519
(Reversal) in provision of diminution in the value of investments - net	(592,813)	(47,038)
Unrealized loss on revaluation of held for trading securities - net	792	797
Provision / (reversals) against off balance sheet obligations - net	25,894	(24,866)
(Reversal) / provision against other assets - net	(6,542)	156,871
Gain on sale of fixed assets	(14,298)	(900)
	835,378	1,609,107
	6,921,222	8,414,184

Decrease / (increase) in operating assets

Lendings to financial institutions	(11,892,681)	(24,517,063)
Held for trading securities	(1,481,503)	(1,161,372)
Advances	(17,151,850)	10,323,438
Other assets (excluding advance taxation) - net	(757,904)	87,346
	(31,283,938)	(15,267,651)

Increase / (decrease) in operating liabilities

Bills payable	(20,718)	(690,052)
Borrowings from financial institutions	(17,567,732)	117,462
Deposits and other accounts	55,030,179	35,016,686
Other liabilities	(123,522)	(850,681)
	37,318,207	33,593,415

Income tax paid

12,955,491	26,739,948
(4,740,108)	(2,946,275)

Net cash flows from operating activities

8,215,383	23,793,673
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CASH FLOWS FROM INVESTING ACTIVITIES

Net investments in available for sale securities	(1,566,097)	(20,648,049)
Proceed from disposal of held to maturity securities	913,850	340,026
Dividend income received	3,654,301	583,812
Investments in operating fixed assets	(1,770,489)	(1,216,283)
Proceeds from sale of fixed assets	15,512	7,448
	1,247,077	(20,933,046)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of sub-ordinated loans	(1,100)	(1,100)
Dividends paid	(4,022,109)	(1,545,353)
	(4,023,209)	(1,546,453)

Increase in cash and cash equivalents during the period

5,439,251	1,314,174
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Cash and cash equivalents at beginning of the period

38,124,951	31,750,995
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CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

43,564,202	33,065,169
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The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited) for the half year ended June 30, 2012

	Share Capital	Share Premium	Statutory Reserve	Bonus Issue Reserve	Special Reserve*	Merger Reserve*	General Reserve	Un-appropriated Profit	Total
	Rupees in '000								
Balance as at January 01, 2011	7,821,009	983,957	6,125,094	-	67,995	333,864	6,000	15,828,533	31,166,452
<i>Changes in equity during the half year ended June 30, 2011</i>									
Total comprehensive income for the half year ended June 30, 2011	-	-	-	-	-	-	-	5,032,888	5,032,888
<i>Transactions with owners recognized directly in equity</i>									
Transfer to reserve for issue of bonus shares for the year ended December 31, 2010 @ 10%	-	(782,101)	-	782,101	-	-	-	-	-
Issue of bonus shares	782,101	-	-	(782,101)	-	-	-	-	-
Final cash dividend for the year ended December 31, 2010 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	(1,564,202)	(1,564,202)
	782,101	(782,101)	-	-	-	-	-	(1,564,202)	(1,564,202)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	14,602	14,602
Transfer to statutory reserve	-	-	1,006,578	-	-	-	-	(1,006,578)	-
Balance as at June 30, 2011	8,603,110	201,856	7,131,672	-	67,995	333,864	6,000	18,305,243	34,649,740
<i>Changes in equity during the half year ended December 31, 2011</i>									
Total comprehensive income for the six months ended December 31, 2011	-	-	-	-	-	-	-	5,106,793	5,106,793
<i>Transactions with owners recognized directly in equity</i>									
Interim cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)	-	-	-	-	-	-	-	(2,150,777)	(2,150,777)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	14,602	14,602
Transfer to statutory reserve	-	-	1,021,358	-	-	-	-	(1,021,358)	-
Balance as at December 31, 2011	8,603,110	201,856	8,153,030	-	67,995	333,864	6,000	20,254,503	37,620,358
<i>Changes in equity during the half year ended June 30, 2012</i>									
Total comprehensive income for the half year ended June 30, 2012	-	-	-	-	-	-	-	6,652,808	6,652,808
<i>Transactions with owners recognized directly in equity</i>									
Transfer to reserve for issue of bonus shares for the year ended December 31, 2011 @ 10%	-	(201,856)	-	860,311	-	-	-	(658,455)	-
Issue of bonus shares	860,311	-	-	(860,311)	-	-	-	-	-
Final cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)	-	-	-	-	-	-	-	(2,150,777)	(2,150,777)
Interim cash dividend for the year ending December 31, 2012 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	(1,892,684)	(1,892,684)
	860,311	(201,856)	-	-	-	-	-	(4,701,916)	(4,043,461)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	15,514	15,514
Transfer to statutory reserve	-	-	1,330,562	-	-	-	-	(1,330,562)	-
Balance as at June 30, 2012	9,463,421	-	9,483,592	-	67,995	333,864	6,000	20,890,347	40,245,219

* These were created as a result of merger of Ibrahim Leasing Limited and First Allied Bank Modaraba into Allied Bank Limited. The annexed notes 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Director

Chief Financial Officer

Director

President and Chief Executive Officer

Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

1. STATUS AND NATURE OF BUSINESS

Allied Bank Limited (“the Bank”), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on all stock exchanges in Pakistan. The Bank operates a total of 838 (2011: 837) branches in Pakistan including the Karachi Export Processing Zone Branch (overseas business unit). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is ‘AA+’. Short term rating of the Bank is ‘A1+’. The Bank is the holding company of ABL Asset Management Company Limited.

The registered office of the Bank is situated at “3-4 Tipu Block, Main Boulevard, New Garden Town, Lahore”.

2. STATEMENT OF COMPLIANCE

- 2.1 These unconsolidated condensed interim financial statements of the Bank for the half year ended June 30, 2012 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan. In case where requirements of provisions and directives issued under the Banking Companies Ordinance, 1962, Companies Ordinance 1984 and the directives issued by State Bank of Pakistan differs, the directives issued by SBP shall prevail.
- 2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 “Financial Instruments: Disclosures” 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.
- 2.3 These unconsolidated condensed interim financial statements represent the separate standalone condensed interim financial statements of the bank. The consolidated condensed interim financial statements of the banks and its subsidiary company are presented separately.
- 2.4 These unconsolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

3. BASIS OF MEASUREMENT

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts and certain investments, commitments in respect of forward exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

4. BASIS OF PRESENTATION

The disclosures included in these unconsolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for complete annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2011.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

5. Summary of significant accounting policies, estimates and risk management policies

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

5.2 The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2011.

5.3 During the period, following amendment to accounting standards became effective.

- IAS 12 – Income Taxes (Amendment) - Recovery of Underlying Assets

Adoption of the above amendment did not have any material effect on the condensed interim financial statements.

Note	Un-audited June 30, 2012	Audited December 31, 2011
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Rupees in '000

6. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	6.1	13,254,435	1,361,754
Certificates of investment	6.2	70,000	70,000
		<u>13,324,435</u>	<u>1,431,754</u>
Provision against lendings to financial institutions		<u>(70,000)</u>	<u>(70,000)</u>
		<u>13,254,435</u>	<u>1,361,754</u>

6.1 These are short-term lendings to various financial institutions against the government securities. These carry mark-up at rate, ranging between 11.45% and 11.95% (2011: 11.90 %) per annum and will mature on various dates latest by July 18, 2012.

6.2 This represents non performing certificates of investment.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

	Note	Held by Bank	Given as Collateral	Total
Rupees in '000				
7. Investments				
As on June 30, 2012 (Un-audited)	7.1	186,840,894	12,301,184	199,142,078
Prior year - December 31, 2011 (Audited)	7.1	165,806,713	29,887,409	195,694,122

Note	Un-audited As at June 30, 2012			Audited As at December 31, 2011		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Rupees in '000						

7.1 Investments by types:

Held for trading securities

Market Treasury Bills	1,481,503	-	1,481,503	-	-	-
	1,481,503	-	1,481,503	-	-	-

Available for sale securities

Market Treasury Bills	78,290,497	12,342,924	90,633,421	92,151,063	29,859,590	122,010,653
Pakistan Investment Bonds	147,543	-	147,543	147,290	-	147,290
Ordinary shares of listed companies / certificates of mutual funds	13,004,503	-	13,004,503	10,727,056	-	10,727,056
Preference shares	149,355	-	149,355	149,355	-	149,355
Units of open end mutual funds	9,970,504	-	9,970,504	5,210,776	-	5,210,776
Ordinary shares of unlisted companies	1,632,306	-	1,632,306	1,643,673	-	1,643,673
Investment in related parties						
- Unlisted shares	242,496	-	242,496	242,496	-	242,496
- Units of open end mutual funds	40,045,133	-	40,045,133	13,690,232	-	13,690,232
Sukuk Bonds	3,409,034	-	3,409,034	3,598,872	-	3,598,872
Term Finance Certificates (TFCs)	2,897,214	-	2,897,214	3,250,449	-	3,250,449
	149,788,585	12,342,924	162,131,509	130,811,262	29,859,590	160,670,852

Held to maturity securities

Pakistan Investment Bonds	27,176,942	-	27,176,942	27,574,628	-	27,574,628
Foreign Currency Bonds (US\$)	2,090,880	-	2,090,880	1,591,392	-	1,591,392
TFCs, Debentures, Bonds and PTCs	4,751,210	-	4,751,210	5,766,862	-	5,766,862
	34,019,032	-	34,019,032	34,932,882	-	34,932,882

Subsidiary

ABL Asset Management Company Limited	500,000	-	500,000	500,000	-	500,000
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Investments at cost	185,789,120	12,342,924	198,132,044	166,244,144	29,859,590	196,103,734
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Provision for diminution in the value of investments	7.2	(2,005,508)	-	(2,005,508)	(2,703,761)	-	(2,703,761)
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Investments (net of provisions)		183,783,612	12,342,924	196,126,536	163,540,383	29,859,590	193,399,973
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Unrealized loss on revaluation of held for trading securities		(792)	-	(792)	-	-	-
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Surplus on revaluation of available for sale securities		3,058,074	(41,740)	3,016,334	2,266,330	27,819	2,294,149
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Total investments		186,840,894	12,301,184	199,142,078	165,806,713	29,887,409	195,694,122
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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

	Note	Un-audited June 30, 2012 Rupees in '000	Audited December 31, 2011
7.2 Provision for diminution in the value of investments			
Opening balance		2,703,761	2,681,810
Charge for the year		19,332	344,752
Reversals / transfers		(612,145)	(115,749)
Net charge		(592,813)	229,003
Reversal as gain on disposal		(105,044)	(75,417)
Amounts written off		(396)	(131,635)
Closing balance		<u>2,005,508</u>	<u>2,703,761</u>
8. ADVANCES			
Loans, cash credits, running finances, etc. - in Pakistan		272,395,925	256,549,230
Net investment in finance lease - in Pakistan		1,817,706	1,748,858
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		1,857,734	1,769,188
Payable outside Pakistan		2,180,219	2,069,915
		<u>4,037,953</u>	<u>3,839,103</u>
Advances - gross		278,251,584	262,137,191
Provision for non-performing advances	8.1	(17,498,372)	(17,671,070)
General provision against consumer financing		(41,918)	(32,647)
		<u>(17,540,290)</u>	<u>(17,703,717)</u>
Advances - net of provision		<u>260,711,294</u>	<u>244,433,474</u>
8.1	Advances include Rs. 20,984.321 million (2011: Rs. 20,452.465 million) which have been placed under non-performing status as detailed below:-		

Category of Classification	June 30, 2012 (Un-audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other assets especially mentioned	29,690	-	29,690	-	-
Substandard	1,330,666	-	1,330,666	331,554	331,554
Doubtful	4,834,703	-	4,834,703	2,392,618	2,392,618
Loss	14,789,262	-	14,789,262	14,774,200	14,774,200
	<u>20,984,321</u>	<u>-</u>	<u>20,984,321</u>	<u>17,498,372</u>	<u>17,498,372</u>

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

Category of Classification	December 31, 2011 (Audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
Rupees in '000					
Other assets especially mentioned	63,380	-	63,380	-	-
Substandard	1,780,543	-	1,780,543	444,292	444,292
Doubtful	2,711,866	-	2,711,866	1,331,198	1,331,198
Loss	15,896,676	-	15,896,676	15,895,580	15,895,580
	<u>20,452,465</u>	<u>-</u>	<u>20,452,465</u>	<u>17,671,070</u>	<u>17,671,070</u>

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

8.3 Provision against non-performing loans and advances and general provision

	June 30, 2012 (Un-audited)			December 31, 2011 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	17,671,070	32,647	17,703,717	15,420,788	9,474	15,430,262
Charge for the period / year	2,098,703	9,271	2,107,974	4,354,209	23,173	4,377,382
Reversals	(1,233,944)	-	(1,233,944)	(1,667,361)	-	(1,667,361)
Charged to profit and loss account	864,759	9,271	874,030	2,686,848	23,173	2,710,021
Amounts written off	(1,037,457)	-	(1,037,457)	(436,566)	-	(436,566)
Closing balance	<u>17,498,372</u>	<u>41,918</u>	<u>17,540,290</u>	<u>17,671,070</u>	<u>32,647</u>	<u>17,703,717</u>

Un-audited
June 30,
2012
Audited
December 31,
2011
Rupees in '000

9. BORROWINGS WITH FINANCIAL INSTITUTIONS

Details of borrowings (Secured / Unsecured)

Secured

Borrowings from State Bank of Pakistan	17,279,804	18,569,393
Repurchase agreement borrowings	11,940,880	29,474,488

Unsecured

Call borrowings	3,127,134	1,915,427
Other borrowings	43,758	-
Overdrawn nostro accounts	-	33,892
	<u>3,170,892</u>	<u>1,949,319</u>
	<u>32,391,576</u>	<u>49,993,200</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000			
10. DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		114,412,961	110,061,707
Savings deposits		113,929,121	106,783,680
Current accounts - Remunerative		79,888,623	57,667,849
- Non - remunerative		145,270,692	124,121,553
		453,501,397	398,634,789
Financial Institutions			
Remunerative deposits		699,196	560,816
Non - remunerative deposits		391,262	366,071
		454,591,855	399,561,676

11 SHARE CAPITAL

11.1 Authorized capital

Un-audited June 30, 2012	Audited December 31, 2011		Un-audited June 30, 2012	Audited December 31, 2011
No. of shares			Rupees in '000	
<u>1,500,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs.10/- each	<u>15,000,000</u>	<u>15,000,000</u>

11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each

Un-audited June 30, 2012	Audited December 31, 2011	Ordinary shares	Un-audited June 30, 2012	Audited December 31, 2011
No. of shares			Rupees in '000	
<u>406,780,094</u>	<u>406,780,094</u>	Fully paid in cash	<u>4,067,801</u>	<u>4,067,801</u>
<u>522,013,365</u>	<u>435,982,273</u>	Issued as bonus shares	<u>5,220,134</u>	<u>4,359,823</u>
<u>928,793,459</u>	<u>842,762,367</u>		<u>9,287,935</u>	<u>8,427,624</u>
		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)	<u>91,486</u>	<u>91,486</u>
<u>9,148,550</u>	<u>9,148,550</u>			
		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	<u>84,000</u>	<u>84,000</u>
<u>8,400,000</u>	<u>8,400,000</u>			
<u>946,342,009</u>	<u>860,310,917</u>		<u>9,463,421</u>	<u>8,603,110</u>

Ibrahim Fibers Limited, related party of the Bank, holds 226,365,220 (23.92%) [December 31, 2011: 270,786,564 (31.4%)] ordinary shares of Rs.10 each, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000		
12. CONTINGENCIES AND COMMITMENTS		
12.1 Direct credit substitutes		
Guarantees in favour of:		
Banks and financial institutions	606,923	611,478
12.2 Transaction-related contingent liabilities		
Guarantees in favour of:		
Government	23,287,869	14,010,962
Others	12,276,973	21,208,164
	35,564,842	35,219,126
12.3 Trade-related contingent liabilities	52,158,187	52,324,035
12.4 Claims against the Bank not acknowledged as debt	3,981,909	4,210,600
12.5 Commitment to extend credit		

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

	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000		
12.6 Commitments in respect of forward foreign exchange contracts		
Purchase	41,919,913	49,580,813
Sale	28,021,375	25,543,453
12.7 Commitments in respect of operating fixed assets		
Civil works	1,034,741	1,496,831
Acquisition of operating fixed assets	520,588	504,141
	1,555,329	2,000,972
12.8 Commitments in respect of lease financing	131,082	110,472
12.9 Commitments in respect of Market Treasury Bills	-	3,926,578
12.10 Contingencies		

12.10.1 There is no change in the status of contingencies, set out in note 22.11 to the unconsolidated financial statements of the Bank for the year ended December 31, 2011, except for the contingency as mentioned below:

12.10.2 The income tax assessments of the Bank have been finalized upto and including tax year 2011 for local and Azad Kashmir operations. While finalizing income tax assessments upto tax year 2011, income tax authorities made certain add backs with aggregate tax impact of Rs.12,301 million (2011: 10,718 million). As a result of appeals filed by the Bank before appellate authorities, the add backs with tax impact amounting to Rs.2,524 million (2011: 2,524 million) and Rs.9,229 million (2011: 9,229 million) were set-aside and deleted respectively. While giving appeal effects on most of the deleted issues, a refund of Rs.5,940 million (2011: 5,940 million) has been determined. Against most of the deleted and set-aside issues, Department is in appeal before higher appellate authorities. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs.12,301 million (2011: 10,718 million). The management is hopeful that the outcome of these appeals will be in favor of the Bank.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

Note	Half Year ended		Quarter ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	————— Rupees in '000 —————			
13. MARK-UP / RETURN / INTEREST EARNED				
On loans and advances	16,080,003	16,550,130	8,358,508	8,089,727
On investments in:				
Available for sale securities	5,625,160	6,440,747	2,581,580	3,393,323
Held to maturity securities	2,003,626	363,293	983,294	174,357
Held for trading securities	27,171	1,450	25,230	1,450
	7,655,957	6,805,490	3,590,104	3,569,130
On deposits with financial institutions	1,657	923	25	726
On securities purchased under resale agreements	619,256	1,171,415	426,174	587,411
On certificates of investment	-	5,682	-	3,542
On letters of placement	2,499	3,616	241	3,616
On call money lending	19,120	35,602	11,362	26,036
	24,378,492	24,572,858	12,386,414	12,280,188
14. MARK-UP / RETURN / INTEREST EXPENSED				
Deposits	10,639,122	10,014,682	5,709,895	4,965,117
Long term borrowing	122,634	155,775	59,141	76,858
Securities sold under repurchase agreements	1,271,754	90,938	346,227	61,062
Call money borrowing	238,613	69,910	119,212	39,689
Brokerage and commission	73,126	52,197	40,559	21,156
Markup on sub-ordinated loans	369,494	402,323	181,891	203,261
Other short term borrowings	1,704,305	1,410,675	852,089	735,494
	14,419,048	12,196,500	7,309,014	6,102,637
15. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation for the period attributable to ordinary shareholders	6,652,808	5,032,888	3,608,476	2,521,915
	————— Number of Shares —————			
Weighted average number of ordinary shares outstanding during the period	15.1	Restated 946,342,009	946,342,009	Restated 946,342,009
	————— Rupees —————			
Earnings per share - basic and diluted for the period	15.1	Restated 7.03	3.81	Restated 2.66
There is no dilution effect on basic earnings per share.				
15.1	The corresponding figures of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the Bank during the period.			

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

For the Period Ended June 30, 2012 (Un-audited)							
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Eliminations	Total	
Rupees in '000							
Total Income	337,167	1,527,281	19,827,741	26,148,818	327,556	(16,928,154)	31,240,409
Total Expenses	(155,094)	(2,004,763)	(15,137,939)	(24,058,930)	(159,029)	16,928,154	(24,587,601)
Net Income	<u>182,073</u>	<u>(477,482)</u>	<u>4,689,802</u>	<u>2,089,888</u>	<u>168,527</u>	<u>-</u>	<u>6,652,808</u>

For the Period Ended June 30, 2011 (Un-audited)							
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Eliminations	Total	
Rupees in '000							
Total Income	313,841	1,398,205	14,167,665	22,265,825	336,237	(10,900,671)	27,851,102
Total Expenses	(158,796)	(1,166,489)	(12,105,428)	(19,830,103)	(188,069)	10,900,671	(22,548,214)
Net Income	<u>155,045</u>	<u>231,716</u>	<u>2,062,237</u>	<u>2,435,722</u>	<u>148,168</u>	<u>-</u>	<u>5,032,888</u>

As at June 30, 2012 (Un-audited)						
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Total	
Rupees in '000						
Segment Assets Gross	<u>375,192</u>	<u>13,914,949</u>	<u>106,211,940</u>	<u>456,161,973</u>	<u>331,882</u>	<u>576,995,936</u>

As at December 31, 2011 (Audited)						
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Total	
Rupees in '000						
Segment Assets Gross	<u>218,401</u>	<u>559,815</u>	<u>109,238,971</u>	<u>426,931,605</u>	<u>326,217</u>	<u>537,275,009</u>

18. GENERAL

- 18.1 Figures have been rounded off to the nearest thousand rupees.
- 18.2 Corresponding figures have been re-arranged and reclassified to reflect more appropriate presentation of transactions for the purpose of comparison. However, no significant reclassifications have been made in these unconsolidated condensed interim financial statements.
- 18.3 The Board of Directors of the Bank in its meeting held on August 16, 2012 has approved second interim cash dividend for the year ending December 31, 2012 at Rs. 1.5 per share (June 30, 2011: Cash dividend of Rs. 2.5 per share). The unconsolidated condensed interim financial statements for the half year ended June 30, 2012 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

19. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 16 August, 2012 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Financial Statements
for the half year ended June 30, 2012

Consolidated Condensed Interim Statement of Financial Position

as at June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		41,890,558	36,479,765
Balances with other banks		1,673,753	1,679,121
Lendings to financial institutions	6	13,254,435	1,361,754
Investments	7	199,313,701	195,789,638
Advances	8	260,732,904	244,439,837
Operating fixed assets		19,318,519	18,095,123
Deferred tax assets		813,505	750,972
Other assets		19,557,820	17,292,402
		556,555,195	515,888,612
LIABILITIES			
Bills payable		3,994,599	4,015,317
Borrowings from financial institutions	9	32,391,576	49,993,200
Deposits and other accounts	10	454,590,515	399,560,790
Sub-ordinated loans		5,491,500	5,492,600
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		13,249,016	13,347,347
		509,717,206	472,409,254
NET ASSETS		46,837,989	43,479,358
REPRESENTED BY			
Share capital	11	9,463,421	8,603,110
Reserves		9,891,451	8,762,745
Unappropriated profit		21,119,434	20,395,717
		40,474,306	37,761,572
Surplus on revaluation of assets - net of tax		6,363,683	5,717,786
		46,837,989	43,479,358

CONTINGENCIES AND COMMITMENTS

12

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Profit and Loss Account

(Un-audited) for the half year ended June 30, 2012

	Note	Half Year Ended		Quarter Ended	
		June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Rupees in '000					
Mark-up / return / interest earned	13	24,384,196	24,580,069	12,388,525	12,283,856
Mark-up / return / interest expensed	14	14,372,877	12,188,836	7,243,765	6,083,200
Net mark-up / interest income		10,011,319	12,391,233	5,144,760	6,200,656
Provision against non-performing loans and advances and general provision - net (Reversal) / provision for diminution in the value of investments - net		874,030	1,039,519	303,434	649,909
Bad debts written off directly		(592,813)	(47,038)	17,629	30,921
		-	-	-	-
		281,217	992,481	321,063	680,830
Net mark-up / interest income after provisions		9,730,102	11,398,752	4,823,697	5,519,826
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		1,570,942	1,590,757	760,411	792,852
Dividend income		3,329,282	758,690	1,612,046	431,873
Income from dealing in foreign currencies		293,820	370,514	156,149	270,504
Gain on sale of securities		1,740,595	372,915	1,495,229	103,005
Unrealized gain on revaluation of investments classified as held for trading - net		27,470	20,009	8,651	8,852
Other income		121,763	22,594	51,470	12,995
Total non-markup / interest income		7,083,872	3,135,479	4,083,956	1,620,081
		16,813,974	14,534,231	8,907,653	7,139,907
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses (Reversal) / provision against other assets - net		7,009,208	6,465,057	3,627,606	3,143,697
Provision / (reversal) against off-balance sheet obligations - net		(6,542)	156,871	82,000	144,871
Other charges		25,894	(24,866)	(30,758)	(1,750)
		253,180	324,654	123,214	116,535
Total non-markup / interest expenses		7,281,740	6,921,716	3,802,062	3,403,353
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,532,234	7,612,515	5,105,591	3,736,554
Taxation					
Current		2,916,412	2,817,936	1,470,001	1,384,968
Prior years		-	-	-	-
Deferred		(124,859)	(277,549)	(15,008)	(189,366)
		2,791,553	2,540,387	1,454,993	1,195,602
PROFIT AFTER TAXATION		6,740,681	5,072,128	3,650,598	2,540,952
Earnings per share - Basic and Diluted (in Rupees)	15	7.12	Restated 5.36	3.86	Restated 2.69

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) for the half year ended June 30, 2012

	Half Year Ended		Quarter Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	Rupees in '000			
Profit after taxation for the period	6,740,681	5,072,128	3,650,598	2,540,952
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	6,740,681	5,072,128	3,650,598	2,540,952

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

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer
Director

President and Chief Executive Officer
Director

Chairman

Consolidated Condensed Interim Statement of Cash Flows

(Un-audited) for the half year ended June 30, 2012

	Half Year Ended	
	June 30, 2012	June 30, 2011
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,532,234	7,612,515
Less: Dividend income	3,329,282	758,690
	<u>6,202,952</u>	<u>6,853,825</u>
Adjustments for non-cash charges:		
Depreciation / amortization	550,026	487,268
Provision against non-performing loans, advances and general provision - net	874,030	1,039,519
(Reversal) in provision of diminution in the value of investments - net	(592,813)	(47,038)
Unrealized loss on revaluation of held for trading securities - net	(27,470)	(20,009)
Provision / (reversals) against off balance sheet obligations - net	25,894	(24,866)
(Reversal)/provision against other assets - net	(6,542)	156,871
Gain on sale of fixed assets	(14,298)	(898)
	<u>808,827</u>	<u>1,590,847</u>
	7,011,779	8,444,672
Increase / (decrease) in operating assets		
Lendings to financial institutions	(11,892,681)	(24,517,063)
Held for trading securities	(1,657,882)	(1,178,199)
Advances	(17,167,094)	10,323,947
Other assets (excluding advance taxation) - net	(726,088)	82,014
	<u>(31,443,745)</u>	<u>(15,289,301)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(20,718)	(690,052)
Borrowings from financial institutions	(17,567,732)	117,462
Deposits and other accounts	55,029,725	35,018,526
Other liabilities	(145,595)	(853,188)
	<u>37,295,680</u>	<u>33,592,748</u>
	12,863,714	26,748,119
Income tax paid	(4,774,219)	(2,972,939)
Net cash flows from operating activities	<u>8,089,495</u>	<u>23,775,180</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in 'available-for-sale' securities	(1,436,099)	(20,648,046)
Proceed from disposal of 'held-to-maturity' securities	913,850	340,026
Dividend income received	3,654,301	583,812
Investments in operating fixed assets	(1,774,809)	(1,217,438)
Proceeds from sale of fixed assets	15,788	7,447
Net cash flows from / (used in) investing activities	<u>1,373,031</u>	<u>(20,934,199)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of sub-ordinated loans	(1,100)	(1,100)
Dividends paid	(4,022,109)	(1,545,353)
Net cash used in financing activities	<u>(4,023,209)</u>	<u>(1,546,453)</u>
Increase in cash and cash equivalents during the period	<u>5,439,317</u>	<u>1,294,528</u>
Cash and cash equivalents at beginning of the period	<u>38,124,994</u>	<u>31,751,190</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>43,564,311</u>	<u>33,045,718</u>

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited) for the half year ended June 30, 2012

	Share Capital	Share Premium	Statutory Reserve	Bonus Issue Reserve	Special Reserve*	Merger Reserve*	General Reserve	Un-appropriated Profit	Total
	Rupees in '000								
Balance as at 1 January, 2011	7,821,009	983,957	6,125,094	-	67,995	333,864	6,000	15,853,255	31,191,174
<i>Changes in equity during the half year ended June 30, 2011</i>									
Total comprehensive income for the half year ended June 30, 2011	-	-	-	-	-	-	-	5,072,128	5,072,128
<i>Transactions with owners recognised directly in equity</i>									
Transfer to reserve for issue of bonus shares for the year ended December 31, 2010 @ 10%	-	(782,101)	-	782,101	-	-	-	-	-
Issue of bonus shares	782,101	-	-	(782,101)	-	-	-	-	-
Final cash dividend for the year ended December 31, 2010 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	(1,564,202)	(1,564,202)
	782,101	(782,101)	-	-	-	-	-	(1,564,202)	(1,564,202)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	14,602	14,602
Transfer to statutory reserve	-	-	1,006,578	-	-	-	-	(1,006,578)	-
Balance as at June 30, 2011	8,603,110	201,856	7,131,672	-	67,995	333,864	6,000	18,369,205	34,713,702
<i>Changes in equity during the half year ended December 31, 2011</i>									
Total comprehensive income for the six months ended December 31, 2011	-	-	-	-	-	-	-	5,184,045	5,184,045
<i>Transactions with owners recognized directly in equity</i>									
Interim cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)	-	-	-	-	-	-	-	(2,150,777)	(2,150,777)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	14,602	14,602
Transfer to statutory reserve	-	-	1,021,358	-	-	-	-	(1,021,358)	-
Balance as at December 31, 2011	8,603,110	201,856	8,153,030	-	67,995	333,864	6,000	20,395,717	37,761,572
<i>Changes in equity during the half year ended June 30, 2012</i>									
Total comprehensive income for the half year ended June 30, 2012	-	-	-	-	-	-	-	6,740,681	6,740,681
<i>Transactions with owners recognized directly in equity</i>									
Transfer to reserve for issue of bonus shares for the year ended December 31, 2011 @ 10%	-	(201,856)	-	860,311	-	-	-	(658,455)	-
Issue of bonus shares	860,311	-	-	(860,311)	-	-	-	-	-
Final cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)	-	-	-	-	-	-	-	(2,150,777)	(2,150,777)
Interim cash dividend for the year ending December 31, 2012 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	(1,892,684)	(1,892,684)
	860,311	(201,856)	-	-	-	-	-	(4,701,916)	(4,043,461)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	15,514	15,514
Transfer to statutory reserve	-	-	1,330,562	-	-	-	-	(1,330,562)	-
Balance as at June 30, 2012	9,463,421	-	9,483,592	-	67,995	333,864	6,000	21,119,434	40,474,306

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

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

Chief Financial Officer
Director

President and Chief Executive Officer
Director

Chairman

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

1. STATUS AND NATURE OF BUSINESS

The Group consists of:

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled Bank, engaged in commercial banking and related services. The Bank is listed on all stock exchanges in Pakistan. The Bank operates a total of 838 (2011: 837) branches in Pakistan including the Karachi Export Processing Zone Branch (overseas business unit). The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA+'. Short term rating of the Bank is 'A1+'. The Bank is the holding company of ABL Asset Management Company Limited.

The registered office of the Bank is situated at "3-4 Tipu Block, Main Boulevard, New Garden Town, Lahore".

Subsidiary Company

ABL Asset Management Company Limited, a wholly owned subsidiary of the Bank, is a public unlisted company incorporated in Pakistan as a limited liability company on October 12, 2007 under the Companies Ordinance, 1984. The subsidiary company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry out Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131[I] 2007 (the NBFC Rules, 2003). The subsidiary company received certificate of commencement of business on December 31, 2007. The registered office of the subsidiary company is situated at 11-B Lalazar, M.T. Khan Road, Karachi. The Management quality rating of the company, as assigned by JCR-VIS credit rating company limited, is AM2-.

ABL Asset Management company is managing following open ended funds:

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

2. STATEMENT OF COMPLIANCE

- 2.1 These consolidated condensed interim financial statements of the Bank for the half year ended June 30, 2012 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan. In case where requirements of provisions and directives issued under the Banking Companies Ordinance, 1962, Companies Ordinance 1984 and the directives issued by State Bank of Pakistan differs, the directives issued by SBP shall prevail.
- 2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" 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.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

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

3. BASIS OF MEASUREMENT

These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts and certain investments, commitments in respect of forward exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

4. BASIS OF PRESENTATION

The disclosures included in these consolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for complete annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2011.

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

- 5.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these consolidated condensed interim financial statements are same as those applied in preparing the most recent annual consolidated financial statements of the Bank. Other than those disclosed in Note 5.3 below.
- 5.2 The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2011.
- 5.3 During the period, following amendment to accounting standards became effective.
- IAS 12 – Income Taxes (Amendment) – Recovery of Underlying Assets

Adoption of the above amendment did not have any material effect on the interim financial statements.

	Note	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000			
6. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	6.1	13,254,435	1,361,754
Certificates of investment	6.2	70,000	70,000
		13,324,435	1,431,754
Provision against lendings to financial institutions		(70,000)	(70,000)
		13,254,435	1,361,754

6.1 These are short-term lendings to various financial institutions against the government securities. These carry mark-up at rate, ranging between 11.45% and 11.95% (2011: 11.90 %) per annum and will mature on various dates latest by 18 July, 2012.

6.2 This represents non performing certificates of investment.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

7. Investments	Note	Held by	Given as	Total
		Bank	Collateral	
Rupees in '000				
As on June 30, 2012 (Un-audited)	7.1	187,012,517	12,301,184	199,313,701
Prior year – December 31, 2011 (Audited)	7.1	165,902,229	29,887,409	195,789,638

Un-audited As at June 30, 2012			Audited As at December 31, 2011		
Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
Rupees in '000					

7.1 Investments by types:

Held for trading securities

Units of open end mutual funds- Related party	613,812	-	613,812	446,148	-	446,148
Term Finance Certificates	14,745	-	14,745	-	-	-
Market Treasury Bills	1,481,503	-	1,481,503	-	-	-
	2,110,060	-	2,110,060	446,148	-	446,148

Available for sale securities

Market Treasury Bills	78,290,497	12,342,924	90,633,421	92,151,063	29,859,590	122,010,653
Pakistan Investment Bonds	147,543	-	147,543	147,290	-	147,290
Ordinary shares of listed companies / certificates of mutual funds	13,004,503	-	13,004,503	10,727,056	-	10,727,056
Preference shares	149,355	-	149,355	149,355	-	149,355
Units of open end mutual funds	9,970,504	-	9,970,504	5,210,776	-	5,210,776
Ordinary shares of unlisted companies	1,632,306	-	1,632,306	1,643,673	-	1,643,673
Investment in related parties						
- Unlisted shares	242,496	-	242,496	242,496	-	242,496
- Units of open end mutual funds	40,045,133	-	40,045,133	13,690,232	-	13,690,232
Sukuk Bonds	3,409,034	-	3,409,034	3,598,872	-	3,598,872
Term Finance Certificates (TFCs)	2,912,214	-	2,912,214	3,395,447	-	3,395,447
	149,803,585	12,342,924	162,146,509	130,956,260	29,859,590	160,815,850

Held to maturity securities

Pakistan Investment Bonds	27,176,942	-	27,176,942	27,574,628	-	27,574,628
Foreign Currency Bonds (US\$)	2,090,880	-	2,090,880	1,591,392	-	1,591,392
TFCs, Debentures, Bonds and PTCs	4,751,210	-	4,751,210	5,766,862	-	5,766,862
	34,019,032	-	34,019,032	34,932,882	-	34,932,882

Investments at cost

Provision for diminution in the value of investments	7.2	(2,005,508)	(2,005,508)	(2,703,761)	-	(2,703,761)
Investments (net of provisions)		183,927,169	196,270,093	163,631,529	29,859,590	193,491,119

Unrealized loss on revaluation of held for trading securities		27,470	-	27,470	6,030	-	6,030
Surplus on revaluation of available for sale securities		3,057,878	(41,740)	3,016,138	2,264,670	27,819	2,292,489
Total investments		187,012,517	12,301,184	199,313,701	165,902,229	29,887,409	195,789,638

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000			
7.2 Provision for diminution in the value of investments			
Opening balance		2,703,761	2,681,810
Charge for the year		19,332	344,752
Reversals / transfers		(612,145)	(115,749)
Net reversals / charge		(592,813)	229,003
Reversal as gain on disposal		(105,044)	(75,417)
Amounts written off		(396)	(131,635)
Closing balance		<u>2,005,508</u>	<u>2,703,761</u>
8. ADVANCES			
Loans, cash credits, running finances, etc. - in Pakistan		272,417,532	256,555,593
Net investment in finance lease - in Pakistan		1,817,706	1,748,858
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		1,857,734	1,769,188
Payable outside Pakistan		2,180,219	2,069,915
		<u>4,037,953</u>	<u>3,839,103</u>
Advances - gross		<u>278,273,191</u>	<u>262,143,554</u>
Provision for non-performing advances	8.1	(17,498,372)	(17,671,070)
General provision against consumer financing		(41,915)	(32,647)
		<u>(17,540,287)</u>	<u>(17,703,717)</u>
Advances - net of provisions		<u>260,732,904</u>	<u>244,439,837</u>

8.1 Advances include Rs. 20,984.321 million (2011: Rs. 20,452.465 million) which have been placed under non-performing status as detailed below:-

Category of Classification	June 30, 2012 (Un-audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other Assets Especially Mentioned	29,690	-	29,690	-	-
Substandard	1,330,666	-	1,330,666	331,554	331,554
Doubtful	4,834,703	-	4,834,703	2,392,618	2,392,618
Loss	14,789,262	-	14,789,262	14,774,200	14,774,200
	<u>20,984,321</u>	<u>-</u>	<u>20,984,321</u>	<u>17,498,372</u>	<u>17,498,372</u>
	December 31, 2011 (Audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other Assets Especially Mentioned	63,380	-	63,380	-	-
Substandard	1,780,543	-	1,780,543	444,292	444,292
Doubtful	2,711,866	-	2,711,866	1,331,198	1,331,198
Loss	15,896,676	-	15,896,676	15,895,580	15,895,580
	<u>20,452,465</u>	<u>-</u>	<u>20,452,465</u>	<u>17,671,070</u>	<u>17,671,070</u>

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

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

8.3 Provision against non-performing loans and advances and general provision

	June 30, 2012 (Un-audited)			December 31, 2011 (Un-audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	17,671,070	32,647	17,703,717	15,420,788	9,474	15,430,262
Charge for the period / year	2,098,703	9,268	2,107,971	4,354,209	23,173	4,377,382
Reversals	(1,233,944)	-	(1,233,944)	(1,667,361)	-	(1,667,361)
Charged to profit and loss account	864,759	9,268	874,027	2,686,848	23,173	2,710,021
Amounts written off	(1,037,457)	-	(1,037,457)	(436,566)	-	(436,566)
Closing balance	17,498,372	41,915	17,540,287	17,671,070	32,647	17,703,717

Un-audited
June 30,
2012
Rupees in '000

Audited
December 31,
2011

9. BORROWINGS FROM FINANCIAL INSTITUTIONS

Details of borrowings (Secured / Unsecured)

Secured

Borrowings from State Bank of Pakistan	17,279,804	18,569,393
Repurchase agreement borrowings	11,940,880	29,474,488

Unsecured

Call borrowings	3,127,134	1,915,427
Other Borrowings	43,758	-
Overdrawn nostro accounts	-	33,892
	3,170,892	1,949,319
	32,391,576	49,993,200

10. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	114,412,961	110,061,707
Savings deposits	113,927,781	106,782,794
Current accounts - Remunerative	79,888,623	57,667,849
- Non - remunerative	145,270,692	124,121,553
	453,500,057	398,633,903

Financial Institutions

Remunerative deposits	699,196	560,816
Non - remunerative deposits	391,262	366,071
	454,590,515	399,560,790

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

11 SHARE CAPITAL

11.1 Authorized capital

Un-audited June 30, 2012	Audited December 31, 2011		Un-audited June 30, 2012	Audited December 31, 2011
No. of shares			Rupees in '000	
<u>1,500,000,000</u>	<u>1,500,000,000</u>	Ordinary shares of Rs.10/- each	<u>15,000,000</u>	<u>15,000,000</u>

11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10/- each

Un-audited June 30, 2012	Audited December 31, 2011	Ordinary shares	Un-audited June 30, 2012	Audited December 31, 2011
No. of shares			Rupees in '000	
<u>406,780,094</u>	<u>406,780,094</u>	Fully paid in cash	<u>4,067,801</u>	<u>4,067,801</u>
<u>522,013,365</u>	<u>435,982,273</u>	Issued as bonus shares	<u>5,220,134</u>	<u>4,359,823</u>
<u>928,793,459</u>	<u>842,762,367</u>		<u>9,287,935</u>	<u>8,427,624</u>
		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)		
<u>9,148,550</u>	<u>9,148,550</u>		<u>91,486</u>	<u>91,486</u>
		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		
<u>8,400,000</u>	<u>8,400,000</u>		<u>84,000</u>	<u>84,000</u>
<u>946,342,009</u>	<u>860,310,917</u>		<u>9,463,421</u>	<u>8,603,110</u>

Ibrahim Fibers Limited, related party of the Bank, holds 226,365,220 (23.92%) [December 31, 2011: 270,786,564 (31.4%)] ordinary shares of Rs.10 each, as at reporting date.

Un-audited June 30, 2012	Audited December 31, 2011
Rupees in '000	

12. CONTINGENCIES AND COMMITMENTS

12.1 Direct credit substitutes

Guarantees in favour of:

Banks and financial institutions	606,923	611,478
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12.2 Transaction-related contingent liabilities

Guarantees in favour of:

Government	<u>23,287,869</u>	<u>14,010,962</u>
Others	<u>12,276,973</u>	<u>21,208,164</u>
	<u>35,564,842</u>	<u>35,219,126</u>

12.3 Trade-related contingent liabilities

	<u>52,158,187</u>	<u>52,324,035</u>
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12.4 Claims against the Bank not acknowledged as debt

	<u>3,981,909</u>	<u>4,210,600</u>
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12.5 Commitments to extend credit

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

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited) for the half year ended June 30, 2012

	Un-audited June 30, 2012	Audited December 31, 2011
	Rupees in '000	
12.6 Commitments in respect of forward foreign exchange contracts		
Purchase	41,919,913	49,580,813
Sale	28,021,375	25,543,453
12.7 Commitments in respect of operating fixed assets		
Civil works	1,034,741	1,496,831
Acquisition of operating fixed assets	520,588	504,141
	1,555,329	2,000,972
12.8 Commitments in respect of lease financing	131,082	110,472
12.9 Commitments in respect of Market Treasury Bills	-	3,926,578

12.10 Contingencies

12.10.1 There is no change in the status of contingencies, set out in note 22.11 to the consolidated financial statements of the Bank for the year ended December 31, 2011, except for the contingency as mentioned below:

12.10.2 The income tax assessments of the Bank have been finalized upto and including tax year 2011 for local and Azad Kashmir operations. While finalizing income tax assessments upto tax year 2011, income tax authorities made certain add backs with aggregate tax impact of Rs.12,301 million (2011: 10,718 million). As a result of appeals filed by the Bank before appellate authorities, the add backs with tax impact amounting to Rs.2,524 million (2011: 2,524 million) and Rs.9,229 million (2011: 9,229 million) were set-aside and deleted respectively. While giving appeal effects on most of the deleted issues, a refund of Rs.5,940 million (2011: 5,940 million) has been determined. Against most of the deleted and set-aside issues, Department is in appeal before higher appellate authorities. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs.12,301 million (2011: 10,718 million). The management is hopeful that the outcome of these appeals will be in favor of the Bank.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

Note	Half Year Ended		Quarter Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Rupees in '000				
13. MARK-UP / RETURN / INTEREST EARNED				
On loans and advances	16,080,371	16,550,230	8,358,780	8,089,773
On investments in:				
Available-for-sale securities	5,630,478	6,447,851	2,586,898	3,400,427
Held-to-maturity securities	2,003,626	363,293	983,294	170,872
Held-for-Trading	27,171	1,450	21,750	1,450
	7,661,275	6,812,594	3,591,942	3,572,749
On deposits with financial institutions	1,675	930	26	729
On securities purchased under resale agreements	619,256	1,171,415	426,174	587,411
On certificates of investment	-	5,682	-	3,542
On letters of placement	2,499	3,616	241	3,616
On call money lending	19,120	35,602	11,362	26,036
	<u>24,384,196</u>	<u>24,580,069</u>	<u>12,388,525</u>	<u>12,283,856</u>
14. MARK-UP / RETURN / INTEREST EXPENSED				
Deposits	10,638,525	10,014,489	5,709,523	4,965,038
Long term borrowing	122,634	155,775	59,141	76,858
Securities sold under repurchase agreements	1,271,754	90,938	346,227	61,062
Call money borrowing	238,613	69,910	119,212	39,689
Brokerage and commission	27,552	44,726	(24,318)	1,798
Markup on sub-ordinated loans	369,494	402,323	181,891	203,261
Other short term borrowings	1,704,305	1,410,675	852,089	735,494
	<u>14,372,877</u>	<u>12,188,836</u>	<u>7,243,765</u>	<u>6,083,200</u>
15. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation for the period attributable to ordinary shareholders	<u>6,740,681</u>	<u>5,072,128</u>	<u>3,650,598</u>	<u>2,540,952</u>
	Number of Shares			
Weighted average number of ordinary shares outstanding during the period		Restated		Restated
15.1	<u>946,342,009</u>	946,342,009	<u>946,342,009</u>	946,342,009
	Rupees			
Earnings per share - basic and diluted for the period	15.1	Restated		Restated
	<u>7.12</u>	5.36	<u>3.86</u>	2.69
There is no dilution effect on basic earnings per share.				
15.1	The comparative figures of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the Bank during the period.			

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

16.

RELATED PARTY TRANSACTIONS

The bank and its subsidiary have related party relationships with companies with common directorship, directors, employee benefit plans and key management personnel.

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

Nature of related party transactions	Un-audited June 30, 2012				Audited December 31, 2011			
	Directors	Associated companies	Key management personnel	Other related parties	Directors	Associated companies	Key management personnel	Other related parties
Rupees in '000								
Loans								
Loans at the beginning of the period / year	49,969	-	203,005	-	61,581	-	211,703	16,061,896
Loans given during the period / year	8,952	-	56,021	-	23,757	-	37,765	464,087
Loans repaid/ adjustment during the period / year	(13,156)	-	(52,421)	-	(35,369)	-	(46,463)	(16,525,983)
Loans at the end of the period / year	45,765	-	206,605	-	49,969	-	203,005	-
Deposits								
Deposits at the beginning of the period / year	17,270	48,985	13,556	230,430	9,821	93,965	16,128	3,042,357
Deposits received during the period / year	3,943,977	8,084,863	175,237	56,740,725	4,147,530	13,513,467	191,103	14,937,123
Deposits repaid during the period / year	(3,947,519)	(8,123,948)	(161,900)	(56,256,382)	(4,140,081)	(13,558,447)	(193,675)	(17,749,050)
Deposits at the end of the period / year	13,728	9,900	26,893	714,773	17,270	48,985	13,556	230,430
Nostro balances	-	212,984	-	-	-	131,749	-	-
Borrowings	-	127,134	-	-	-	1,204,313	-	-
Investments in shares/ open end mutual funds	-	239,919	-	40,511,463	-	240,969	-	14,075,798
Other receivables	-	-	-	51,581	-	-	-	74,071
Other payable	-	-	-	1,448	-	-	-	13,630
Rent Payable	-	-	-	-	-	-	-	731
Net receivable from staff retirement benefit funds	-	-	-	1,551,080	-	-	-	1,430,976

Notes to the Consolidated Condensed Interim Financial Statements
(Un-audited) for the half year ended June 30, 2012

	Un-audited June 30, 2012				Un-audited June 30, 2011			
	Directors	Associated companies	Key management personnel	Other related parties	Directors	Associated companies	Key management personnel	Other related
	Rupees in '000							
Mark-up earned	878	-	6,144	-	1,294	-	6,685	161,033
Income on placements	-	26	-	-	-	4	-	-
Income on lendings	-	-	-	-	-	111	-	-
Dividend income	-	-	-	2,096,020	-	-	-	184,712
Sales Commission	-	-	-	434	-	-	-	10,540
Management fee sharing expense	-	-	-	111	-	-	-	3,074
Management fee income	-	-	-	233,046	-	-	-	108,954
Mark-up expense on deposits	392	-	15	29,714	248	3	35	128,531
Interest expense on borrowings	-	48,113	-	-	-	29,316	-	-
Directors' meeting fee	3,250	-	-	-	1,725	-	-	-
Remuneration	-	-	208,926	-	-	-	141,254	-
NIFT charges	-	-	-	47,946	-	-	-	42,786
Bank charges levied	-	-	-	169	-	-	-	-
Rent Expense	-	8,036	-	-	-	7,312	-	-
Charge / (reversal) in respect of staff retirement benefit funds	-	-	-	100,093	-	-	-	104,675

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the half year ended June 30, 2012

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

For the Period Ended June 30, 2012 (Un-audited)								
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	Total	
Rupees in '000								
Total Income	337,167	1,527,281	19,827,741	26,148,818	327,556	273,893	(16,147,717)	32,294,739
Total Expenses	(155,094)	(2,004,763)	(15,137,939)	(24,058,930)	(159,029)	(186,020)	16,147,717	(25,554,058)
Net Income	182,073	(477,482)	4,689,802	2,089,888	168,527	87,873	-	6,740,681

For the Period Ended June 30, 2011 (Un-audited)								
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	Total	
Rupees in '000								
Total Income	313,841	1,398,205	14,494,095	22,346,805	336,229	134,446	(11,317,313)	27,706,308
Total Expenses	(159,338)	(1,174,327)	(12,271,262)	(20,052,157)	(199,203)	(95,206)	11,317,313	(22,634,180)
Net Income	154,503	223,878	2,222,833	2,294,648	137,026	39,240	-	5,072,128

As at June 30, 2012 (Un-audited)							
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Total	
Rupees in '000							
Segment Assets Gross	375,192	13,403,832	106,211,940	456,161,973	331,882	767,614	577,252,433

As at December 31, 2011 (Audited)							
Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Total	
Rupees in '000							
Segment Assets Gross	218,401	559,815	108,738,971	426,927,011	326,217	694,267	537,464,682

18. GENERAL

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

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

18.3 The Board of Directors of the Bank in its meeting held on August 16, 2012 has approved second interim cash dividend for the year ending December 31, 2012 at Rs. 1.5 per share (June 30, 2011: Cash dividend of Rs. 2.5 per share). The consolidated condensed interim financial statements for the half year ended June 30, 2012 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

19. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 16 August, 2012 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

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