

**CORPORATE AFFAIRS GROUP**

HOL/CAG/CAD/2019/**37**  
April 30, 2019

The General Manager  
**Pakistan Stock Exchange Limited**  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir

Sub: **Transmission of Quarterly Report for the Period Ended March 31, 2019**

We have to inform you that the Quarterly Report of the Bank for the period ended March 31, 2019 have been transmitted through PUCARS and is also available on Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly

  
**Muhammad Raffat**  
Company Secretary

Encl: **As above**

**ALLIED BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM 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>		107,578,587	107,304,833
<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
<b>CONTINGENCIES AND COMMITMENTS</b>		23	

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman

**ALLIED BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**(UN-AUDITED) FOR THE QUARTER 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>
		<b>In Rupees</b>	
<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

Director

Director

Chairman

**ALLIED BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Rupees in '000</b>	
<b>Profit after taxation for the period</b>	<b>2,984,756</b>	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	<b>72,499</b>	173,877
Movement in (deficit) / surplus on revaluation of investments - net of tax	<b>(493,353)</b>	538,747
	<b>(420,854)</b>	712,624
<b>Total comprehensive income</b>	<b>2,563,902</b>	4,483,342

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

**Chief Financial Officer**

**President and Chief Executive**

**Director**

**Director**

**Chairman**

**ALLIED BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UN-AUDITED) FOR THE QUARTER 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 quarter 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	111,199,695
Profit after taxation for the nine months 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 quarter 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

Director

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Chairman

**ALLIED BANK LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT**  
**(UN-AUDITED) FOR THE QUARTER 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 - net		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>		<b>(206,095,891)</b>	<b>(229,085,795)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net realizations from 'available-for-sale' securities		197,380,945	224,558,395
Net realizations / (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>		<b>196,140,110</b>	<b>223,845,198</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>(12,358,868)</b>	<b>(6,008,704)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>101,802,615</b>	<b>86,677,674</b>
<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

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**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER 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. 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) 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.

**ALLIED BANK LIMITED****NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

**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 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 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 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 (IIFS). 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



**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

**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.

**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<sup>4</sup> '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 that applied in the preparation of the audited 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.

**ALLIED BANK LIMITED**

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

		(Audited)
	March 31, 2019	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>	520,293	591,133
<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	290,609	268,512
In deposit accounts	425,377	306,543
	715,986	2,575,055

**ALLIED BANK LIMITED**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	<b>(Audited)</b>	
	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>Rupees in '000</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 other 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	<b>(70,000)</b>	<b>(70,000)</b>
Lendings to financial institutions - net of provision	<b>165,740,164</b>	<b>53,785,679</b>

<b>(Audited)</b>			
<b>March 31, 2019</b>		<b>December 31, 2018</b>	
<b>Classified Lending</b>	<b>Provision Held</b>	<b>Classified Lending</b>	<b>Provision Held</b>
<b>Rupees in '000</b>			

**9.1 Category of classification**
**Domestic**

Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<b>70,000</b>	<b>70,000</b>	70,000	70,000
<b>Total</b>	<b>70,000</b>	<b>70,000</b>	70,000	70,000

**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	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>	472,391,190	(2,662,147)	7,144,641	476,873,684	665,904,717	(2,654,539)	7,978,107	671,228,285

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

	(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
Total Investments given as collateral	37,424,681	173,650,810
<b>10.2 Provision for diminution in value of investments</b>		
<b>10.2.1</b>		
Opening balance	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)
Closing Balance	2,662,147	2,654,539

	(Audited)			
	March 31, 2019		December 31, 2018	
	NPI	Provision	NPI	Provision
	Rupees in '000			
<b>10.2.2 Particulars of provision against debt securities</b>				
<b>Category of Classification</b>				
<i>Domestic</i>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	367,161	367,161	367,161	367,161
	367,161	367,161	367,161	367,161
<i>Overseas</i>				
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>	10,248,492	396,017	10,123,957	388,409

\* 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).

**ALLIED BANK LIMITED**  
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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						
<b>11 ADVANCES</b>						
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	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>420,969,969</b>	<b>437,803,618</b>	<b>15,687,846</b>	<b>16,064,641</b>	<b>436,657,815</b>	<b>453,868,259</b>
<b>Provision against advances</b>						
Specific	-	-	(15,356,310)	(15,533,497)	(15,356,310)	(15,533,497)
General	(16,988)	(15,868)	-	-	(16,988)	(15,868)
	(16,988)	(15,868)	(15,356,310)	(15,533,497)	(15,373,298)	(15,549,365)
<b>Advances - net of provision</b>	<b>420,952,981</b>	<b>437,787,750</b>	<b>331,536</b>	<b>531,144</b>	<b>421,284,517</b>	<b>438,318,894</b>

		(Audited)	
		March 31, 2019	December 31, 2018
		Rupees in '000	
<b>11.1 Particulars of advances (Gross)</b>			
In local currency		434,682,996	443,643,826
In foreign currencies		1,974,819	10,224,433
		<b>436,657,815</b>	<b>453,868,259</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
Rupees in '000				
Domestic	33,460	1,300	38,425	2,231
Other assets especially mentioned	160,625	39,896	436,938	109,035
Substandard	357,294	178,647	334,094	167,047
Doubtful	15,136,467	15,136,467	15,255,184	15,255,184
Loss	15,687,846	15,356,310	16,064,641	15,533,497

**11.3 Particulars of provision against advances**

	(Audited)					
	March 31, 2019			December 31, 2018		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
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)
<b>Closing balance</b>	<b>15,356,310</b>	<b>16,988</b>	<b>15,373,298</b>	<b>15,533,497</b>	<b>15,868</b>	<b>15,549,365</b>

**11.3.1** 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.

**ALLIED BANK LIMITED**  
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		Note	(Audited)	
			March 31, 2019	December 31, 2018
			Rupees in '000	
			March 31, 2019	March 31, 2018
12	<b>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	<b>Capital work-in-progress</b>			
	Civil works		1,866,222	1,855,180
	Advances to suppliers		527,569	483,314
			2,393,791	2,338,494
			March 31, 2019	March 31, 2018
			Rupees in '000	
12.2	<b>Additions to fixed assets</b>			
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress		306,019	313,586
	Property and equipment			
	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
	Total		1,833,429	2,576,002
12.3	<b>Disposal of fixed assets</b>			
	The net book value of fixed assets disposed off during the period is as follows:			
	Furniture and fixture		64	131
	Electrical office and computer equipment		1,596	808
	Vehicles		1,386	1,850
	Total		3,046	2,789
			March 31, 2019	December 31, 2018
			Rupees in '000	
13	<b>INTANGIBLE ASSETS</b>			
	Capital work-in-progress		123,025	337,076
	Computer Software		1,426,666	1,411,978
			1,549,691	1,749,054
			March 31, 2019	March 31, 2018
			Rupees in '000	
13.1	<b>Additions to intangible assets</b>			
	The following additions have been made to intangible assets during the period:			
	Directly purchased		124,462	199,304
	Total		124,462	199,304
13.2	<b>Disposals of intangible assets</b>			
	No intangible assets were disposed off during the period.			

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			(Audited)
	Note	March 31, 2019	December 31, 2018
		Rupees in '000	
<b>14 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
Charges receivable		31,655	23,043
Suspense Account		10,370	7,898
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 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 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
<b>15 CONTINGENT ASSETS</b>			
There were no contingent assets of the Bank as at March 31, 2019 and December 31, 2018.			
<b>16 BILLS PAYABLE</b>			
In Pakistan		7,302,629	7,752,959

**ALLIED BANK LIMITED**  
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**17 BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan

Repurchase agreement borrowings

Under Export Refinance Scheme

Under Long Term Financing Facility

Repurchase agreement borrowings from Financial Institutions

**Total secured**

**Unsecured**

Call borrowings

Trading liability

Overdrawn nostro accounts

Other borrowings

**Total unsecured**

<b>(Audited)</b>	
<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>Rupees in '000</b>	
-	157,248,800
<b>17,451,504</b>	<b>17,913,692</b>
<b>17,132,095</b>	<b>14,053,626</b>
<b>34,583,599</b>	<b>189,216,118</b>
<b>36,686,721</b>	<b>14,559,563</b>
<b>71,270,320</b>	<b>203,775,681</b>
<b>14,021,667</b>	<b>11,861,797</b>
<b>4,341,431</b>	<b>9,987,849</b>
<b>125,306</b>	<b>243,624</b>
<b>91,795</b>	<b>14,035</b>
<b>18,580,199</b>	<b>22,107,305</b>
<b>89,850,519</b>	<b>225,882,986</b>

<b>(Audited)</b>					
<b>March 31, 2019</b>			<b>December 31, 2018</b>		
<b>In Local Currency</b>	<b>In Foreign Currencies</b>	<b>Total</b>	<b>In Local Currency</b>	<b>In Foreign Currencies</b>	<b>Total</b>
<b>Rupees in '000</b>					

**18 DEPOSITS AND OTHER ACCOUNTS**

**Customers**

Current deposits

Savings deposits

Term deposits

Others

**Financial Institutions**

Current deposits

Savings deposits

Term deposits

Others

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

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

**19 DEFERRED TAX LIABILITIES**

**Deductible Temporary Differences on**

Provision against investments

Provision against other assets

Provision against off balance sheet obligations

Provision against advances

Post retirement medical benefits

Workers welfare fund

**Taxable Temporary Differences on**

Surplus on revaluation of fixed assets

Surplus on revaluation of investments

Surplus on revaluation on non-banking assets

Actuarial gains

Accelerated tax depreciation / amortization

Excess of investment in finance lease over  
written down value of leased assets

<b>(Audited)</b>	
<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>Rupees in '000</b>	
<b>(19,093)</b>	<b>(19,093)</b>
<b>(38,959)</b>	<b>(38,959)</b>
<b>(14,824)</b>	<b>(14,824)</b>
<b>(23,748)</b>	<b>(46,313)</b>
<b>(42,980)</b>	<b>(42,980)</b>
<b>(836,423)</b>	<b>(790,207)</b>
<b>(976,027)</b>	<b>(952,376)</b>
<b>1,139,720</b>	<b>1,154,147</b>
<b>2,526,685</b>	<b>2,792,338</b>
<b>23,663</b>	<b>23,962</b>
<b>338,631</b>	<b>338,631</b>
<b>1,278,646</b>	<b>1,385,520</b>
<b>13,206</b>	<b>13,206</b>
<b>5,320,551</b>	<b>5,707,804</b>
<b>4,344,524</b>	<b>4,755,428</b>



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		(Audited)	
20	OTHER LIABILITIES	Note	
		March 31, 2019	December 31, 2018
		Rupees in '000	
	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
	Unrealized loss on forward foreign exchange contracts	-	-
	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	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
		25,602,270	20,434,714

<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	306,342	306,342

(Audited)		(Audited)	
March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
No. of shares		Rupees in '000	

## 21 SHARE CAPITAL

### 21.1 Authorized capital

1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/- each	15,000,000	15,000,000
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## 21.2 Issued, subscribed and paid-up capital

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

<b>406,780,094</b>	406,780,094	Fully paid in cash	<b>4,067,801</b>	4,067,801
<b>720,745,186</b>	720,745,186	Issued as bonus shares	<b>7,207,452</b>	7,207,452
<b>1,127,525,280</b>	1,127,525,280		<b>11,275,253</b>	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)		
<b>9,148,550</b>	9,148,550		<b>91,486</b>	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.		
<b>8,400,000</b>	8,400,000		<b>84,000</b>	84,000
<b>1,145,073,830</b>	1,145,073,830		<b>11,450,739</b>	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.

**ALLIED BANK LIMITED**  
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		Note	March 31, 2019	(Audited) December 31, 2018
			Rupees in '000	
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
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				
	Commitments	23.1	27,199,715	28,018,148
	Other contingent liabilities	23.2	401,192,132	342,770,483
		23.3	7,393,019	8,738,009
			435,784,866	379,526,640
23.1	Guarantees			
Financial guarantees				
	Performance guarantees		4,446,900	4,434,872
	Other guarantees		6,323,853	6,656,657
			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				
	Sale		168,244,892	137,056,586
			88,092,767	70,453,385
			256,337,659	207,509,971
23.2.2	Commitments in respect of forward government securities transactions			
Purchase				
	Sale		65,765,303	57,768,858
			6,483,422	-
			72,248,725	57,768,858
23.2.3	Commitments in respect of operating leases			
Not later than one year				
	Later than one year and not later than five years		1,277,727	1,101,928
	Later than five years		3,825,034	3,231,233
			2,287,538	1,685,297
			7,390,299	6,018,458
23.3	Other contingent liabilities			
23.3.1	Claims against the Bank not acknowledged as debt			
			7,393,019	8,738,009

**ALLIED BANK LIMITED****NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

- 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 aforesaid demand will be deleted by appellate authorities and 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.

- 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.

**ALLIED BANK LIMITED****NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019****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>
<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>

**ALLIED BANK LIMITED****NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Rupees in '000</b>	
<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
	<b>95,224</b>	<b>32,532</b>
<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
	<b>1,583,916</b>	<b>1,294,905</b>
<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
	<b>516,531</b>	<b>447,203</b>
<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
	<b>931,989</b>	<b>654,192</b>
	<b>5,914,062</b>	<b>5,232,067</b>

**ALLIED BANK LIMITED**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER 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
		<b>30,044</b>	<b>94,195</b>
<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		-	-
		<b>(154,198)</b>	<b>(423,859)</b>
Recovery against written off bad debts		<b>(49,556)</b>	<b>(6,016)</b>
		<b>(203,754)</b>	<b>(429,875)</b>
<b>33 TAXATION</b>			
Current - for the period	33.1	2,574,885	2,410,871
- for prior year	33.2	834,833	-
		<b>3,409,718</b>	<b>2,410,871</b>
Deferred - current		<b>(144,952)</b>	<b>(106,341)</b>
		<b>3,264,766</b>	<b>2,304,530</b>
<b>33.1</b>	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.		
<b>33.2</b>	This represents super tax levied retrospectively on taxable income of the Bank for the tax year 2018 vide Finance Supplementary (Second Amendment) Act, 2019.		
<b>34 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit after taxation		<b>2,984,756</b>	<b>3,770,718</b>
		<b>Number of Shares</b>	
Weighted average number of ordinary shares outstanding during the year		<b>1,145,073,830</b>	<b>1,145,073,830</b>
		<b>Rupees</b>	
Earnings per share - basic and diluted		<b>2.61</b>	<b>3.29</b>

There is no dilution effect on basic earnings per share.

## 35 FAIR VALUE OF FINANCIAL INSTRUMENTS

March 31, 2019										
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					

(Audited)										
December 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										

March 31, 2019				(Audited) December 31, 2018			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Rupees in '000				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

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.

**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

**36 SEGMENT INFORMATION**

**36.1 Segment Details with respect to Business Activities**

	March 31, 2019					
	CIBG	CRBG	TREASURY	ISLAMIC BANKING	OTHERS	Total
	Rupees in '000					
<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
<b>Total Income</b>	<b>903,073</b>	<b>9,997,319</b>	<b>748,435</b>	<b>316,827</b>	<b>156,265</b>	<b>12,121,919</b>
Segment direct expenses	141,294	3,641,543	27,973	287,586	1,977,755	6,076,151
Inter segment expense allocation	-	-	-	-	-	-
<b>Total expenses</b>	<b>141,294</b>	<b>3,641,543</b>	<b>27,973</b>	<b>287,586</b>	<b>1,977,755</b>	<b>6,076,151</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>(1,681,723)</b>	<b>6,249,522</b>
<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
<b>Total Assets</b>	<b>58,474,993</b>	<b>996,874,915</b>	<b>46,554,362</b>	<b>30,735,461</b>	<b>109,581,251</b>	<b>1,242,220,982</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	2,686,801	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
<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>21,183,269</b>	<b>1,134,642,395</b>
Equity / Reserves	12,204,977	5,226,712	(633,368)	2,382,284	88,397,982	107,578,587
<b>Total Equity and liabilities</b>	<b>58,474,993</b>	<b>996,874,915</b>	<b>46,554,362</b>	<b>30,735,461</b>	<b>109,581,251</b>	<b>1,242,220,982</b>
<b>Contingencies and commitments</b>	<b>74,494,326</b>	<b>13,868,859</b>	<b>328,586,384</b>	<b>798,748</b>	<b>18,036,549</b>	<b>435,784,866</b>
	March 31, 2018					
	CIBG	CRBG	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
Total expenses	127,683	3,110,045	26,503	228,927	2,227,525	5,720,683
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>
	(Audited)					
	December 31, 2018					
	CIBG	CRBG	TREASURY	ISLAMIC BANKING	OTHERS	Total
<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
Others	4,772,402	7,977,518	2,236,843	1,641,756	68,881,257	85,509,776
<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	-	-	-	-	-	-
Others	2,326,844	12,328,943	(3,680,842)	326,877	21,641,279	32,943,101
<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>
<b>Contingencies and commitments</b>	<b>83,808,051</b>	<b>12,033,029</b>	<b>265,278,829</b>	<b>582,318</b>	<b>17,824,413</b>	<b>379,526,640</b>



NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
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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.

[illegible]

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019[illegible]

**ALLIED BANK LIMITED**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	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	-	127,418
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 retirement 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 21 to these unconsolidated condensed interim financial statements.

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

\*\*Rent expense of ABL Branch with associated company (Ibrahim Fibres Limited) 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.

**ALLIED BANK LIMITED**
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

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

**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER 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.

	Note	(Audited) March 31, 2019	December 31, 2018
		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
Accumulated losses	39.5	(876,961)	(906,202)
		<b>2,382,285</b>	<b>2,344,997</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	39.6		
The profit and loss account of the Bank's Islamic Banking Branches for the period ended March 31, 2019 is as follows:			
		March 31, 2019	March 31, 2018
		Rupees in '000	
Profit / return earned	39.7	566,794	238,306
Profit / return expensed	39.8	285,185	108,455
<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
<b>Profit / (loss) before provisions</b>		<b>29,241</b>	<b>(84,214)</b>
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>

**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

				(Audited)		
				December 31, 2018		
				In Local Currency	In Foreign Currencies	Total
				In Local Currency	In Foreign Currencies	Total
				Rupees in '000		
39.1	Due from Financial Institutions					
	Bai Muajjal Receivable from other Financial Institutions			5,608,923	-	5,608,923
	Musharaka Lending			5,050,000	-	5,050,000
				10,658,923	-	10,658,923
				(Audited)		
				December 31, 2018		
				Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)
				Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)
				Rupees in '000		
39.2	Investments by Segments					
	Federal Government Securities:					
	-Ijarah Sukuks	900,000	-	(9,540)	890,460	3,350,837
	-Other Federal Securities	-	-	-	-	-
		900,000	-	(9,540)	890,460	3,350,837
		-	-	-	-	-
	Non Government Debt Securities	-	-	-	-	-
	-Listed	160,086	-	(253)	159,833	172,579
	-Unlisted	8,565,431	-	-	8,565,431	6,743,516
		8,725,517	-	(253)	8,725,264	6,916,095
		</				

**ALLIED BANK LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

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

**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. 2.00 per share (March 31, 2018: cash dividend Rs. 2.00 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

Director

Director

Chairman

**ALLIED BANK LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**(UN-AUDITED) AS AT MARCH 31, 2019**

			(Audited)
	Note	March 31, 2019	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>			
		109,172,783	108,789,811
<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
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23		

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman



**ALLIED BANK LIMITED**  
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**(UN-AUDITED) FOR THE QUARTER 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>
<b>In Rupees</b>			
<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

Director

Director

Chairman

**ALLIED BANK LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Rupees in '000</b>	
<b>Profit after taxation for the period</b>	<b>3,093,974</b>	<b>3,844,242</b>
<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	<b>72,499</b>	173,877
Movement in (deficit) / surplus on revaluation of investments - net of tax	<b>(493,353)</b>	538,747
	<b>(420,854)</b>	712,624
<b>Total comprehensive income</b>	<b>2,673,120</b>	<b>4,556,866</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**

**Director**

**Director**

**Chairman**

**ALLIED BANK LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(UN-AUDITED) FOR THE QUARTER 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								
<b>Balance as at January 01, 2018 (Audited)</b>	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 quarter ended March 31, 2018	-	-	-	-	-	-	-	3,844,242	3,844,242
<b>Other Comprehensive Income</b>									
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	-
<b>Balance as at March 31, 2018</b>	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 ended December 31, 2018	-	-	-	-	-	-	-	9,187,575	9,187,575
<b>Other Comprehensive Income</b>									
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	-
<b>Transactions with owners, recognized directly in equity</b>									
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)
<b>Balance as at December 31, 2018 (Audited)</b>	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 quarter ended March 31, 2019	-	-	-	-	-	-	-	3,093,974	3,093,974
<b>Other Comprehensive Income</b>									
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	-
<b>Transactions with owners, recognized directly in equity</b>									
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)
<b>Balance as at March 31, 2019</b>	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

Director

Director

Chairman

**ALLIED BANK LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT**  
**(UN-AUDITED) FOR THE QUARTER 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 investments in 'available-for-sale' securities		197,380,945	224,558,395
Net realizations / (investments) 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

Director

Director

Chairman

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER 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,
- 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,
- 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,
- ABL Financial Planning Fund	Launched on December 31,
- ABL Islamic Dedicated stock fund	Launched on December 19,
- Allied Capital Protected Fund	Launched on February 19,
- ABL Islamic Asset Allocation Fund	Launched on May 31, 2018
- Allied Finergy Fund	Launched on November 30,

**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 38 to these unconsolidated condensed interim financial statements.

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

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

**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;
- 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 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.

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**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 (IIFS). 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 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 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 standards, amendments and interpretations of accounting and reporting standards as applicable in Pakistan 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 these amendments are 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.

### **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.

**ALLIED BANK LIMITED**
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		(Audited)
	March 31, 2019	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>	520,293	591,133
<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



**ALLIED BANK LIMITED**
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**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	<b>(Audited)</b>	
	<b>March 31, 2019</b>	<b>December 31, 2018</b>
	<b>Rupees in '000</b>	
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	-	5,500,000
Repurchase agreement lendings (Reverse Repo)	<b>155,081,241</b>	44,455,680
Musharaka lendings	<b>5,050,000</b>	2,500,000
Bai muajjal receivable		
with other financial institutions	<b>5,608,923</b>	1,029,999
Certificates of investment	<b>70,000</b>	70,000
Letters of placement	-	300,000
	<b>165,810,164</b>	53,855,679
Less: Provision held against lendings to financial institutions	<b>(70,000)</b>	(70,000)
Lendings to financial institutions - net of provision	<b>165,740,164</b>	53,785,679

<b>(Audited)</b>			
<b>March 31, 2019</b>		<b>December 31, 2018</b>	
<b>Classified Lending</b>	<b>Provision Held</b>	<b>Classified Lending</b>	<b>Provision Held</b>
<b>Rupees in '000</b>			

**9.1 Category of classification**
**Domestic**

Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	<b>70,000</b>	<b>70,000</b>	70,000	70,000
<b>Total</b>	<b>70,000</b>	<b>70,000</b>	70,000	70,000

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**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	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	-	-	-	-
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>473,866,002</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.

	(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 Sukus (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>	<b>2,654,539</b>	<b>2,705,403</b>
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 Particulars of provision against debt securities</b>				
<b>Category of Classification</b>				
<i>Domestic</i>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	367,161	367,161	367,161	367,161
	367,161	367,161	367,161	367,161
<i>Overseas</i>				
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).

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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
	Rupees in '000					
<b>11 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	-	-	(15,356,310)	(15,533,497)	(15,356,310)	(15,533,497)
General	(16,988)	(15,868)	-	-	(16,988)	(15,868)
	(16,988)	(15,868)	(15,356,310)	(15,533,497)	(15,373,298)	(15,549,365)
<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>

11.1 Particulars of advances (Gross)	(Audited)	
	March 31, 2019	December 31, 2018
	Rupees in '000	
In local currency	434,719,643	443,643,826
In foreign currencies	1,974,819	10,224,433
	<b>436,694,462</b>	<b>453,868,259</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
	Rupees in '000			
<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>

**11.3 Particulars of provision against advances**

	(Audited)					
	March 31, 2019			December 31, 2018		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
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)
<b>Closing balance</b>	<b>15,356,310</b>	<b>16,988</b>	<b>15,373,298</b>	<b>15,533,497</b>	<b>15,868</b>	<b>15,549,365</b>

**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.

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		<b>(Audited)</b>	
		<b>March 31, 2019</b>	<b>December 31, 2018</b>
		<b>Rupees in '000</b>	
<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>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	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>
		<b>March 31, 2019</b>	<b>March 31, 2018</b>
		<b>Rupees in '000</b>	
<b>12.2</b>	<b>Additions to fixed assets</b>		
	The following additions have been made to fixed assets during the period:		
	<b>Capital work-in-progress</b>	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>2,262,416</u>
	Total	<u>1,833,667</u>	<u>2,576,002</u>
<b>12.3</b>	<b>Disposal of fixed assets</b>		
	The net book value of fixed assets disposed off during the period is as follows:		
	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>
		<b>(Audited)</b>	
		<b>March 31, 2019</b>	<b>December 31, 2018</b>
		<b>Rupees in '000</b>	
<b>13</b>	<b>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>
		<b>March 31, 2019</b>	<b>March 31, 2018</b>
		<b>Rupees in '000</b>	
<b>13.1</b>	<b>Additions to intangible assets</b>		
	The following additions have been made to intangible assets during the period:		
	Directly purchased	124,462	200,796
	Total	<u>124,462</u>	<u>200,796</u>
<b>13.2</b>	<b>Disposals of intangible assets</b>		
	No intangible assets disposed off during the period.		

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		(Audited)	
	Note	March 31, 2019	December 31, 2018
Rupees in '000			
14	OTHER ASSETS		
	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	516,779	510,013
	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
	Excise duty	11	11
	Others	5,802	3,561
		35,009,082	32,378,358
	Less: Provision held against other assets	(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
14.1	Provision held against other assets		
	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
14.1.1	Movement in provision held against other assets		
	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.		
16	BILLS PAYABLE		
	In Pakistan	7,302,629	7,752,959

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		<b>(Audited)</b>	
		<b>March 31, 2019</b>	<b>December 31, 2018</b>
		<b>Rupees in '000</b>	
<b>17 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>

<b>(Audited)</b>					
<b>March 31, 2019</b>			<b>December 31, 2018</b>		
<b>In Local Currency</b>	<b>In Foreign Currencies</b>	<b>Total</b>	<b>In Local Currency</b>	<b>In Foreign Currencies</b>	<b>Total</b>
<b>Rupees in '000</b>					

**18 DEPOSITS AND OTHER ACCOUNTS**

**Customers**

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

**Financial Institutions**

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

<b>901,179,169</b>	<b>106,352,688</b>	<b>1,007,531,857</b>	<b>890,708,399</b>	<b>93,754,668</b>	<b>984,463,067</b>
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**18.1** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 585,901 million (December 31, 2018: 513,218 million).

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

**19 DEFERRED TAX LIABILITIES**

**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
	<b>4,349,228</b>	<b>4,751,359</b>

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

			Note	(Audited) March 31, 2019	(Audited) 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
Unrealized loss on forward foreign exchange contracts				-	-
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
				<u>25,939,561</u>	<u>20,750,315</u>
<b>20.1 Provision against off-balance sheet obligations</b>					
Opening balance				306,342	306,342
Charge for the period				-	-
Reversals				-	-
Net reversal				-	-
Closing balance				<u>306,342</u>	<u>306,342</u>
		(Audited)			(Audited)
	March 31,	December 31,		March 31,	December 31,
	2019	2018		2019	2018
	No. of shares			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>	Ordinary shares of Rs.10/- each		<u>15,000,000</u>	<u>15,000,000</u>
<b>21.2 Issued, subscribed and paid-up capital</b>					
Fully paid-up Ordinary shares of Rs. 10/- each					
<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>720,745,186</u>	<u>720,745,186</u>	Issued as bonus shares		<u>7,207,452</u>	<u>7,207,452</u>
<u>1,127,525,280</u>	<u>1,127,525,280</u>			<u>11,275,253</u>	<u>11,275,253</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>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.

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

			(Audited)	
		Note	March 31, 2019	December 31, 2018
			Rupees in '000	
22	SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
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	401,150,378	342,834,074
Other contingent liabilities		23.3	7,393,019	8,738,009
			435,743,112	379,590,231
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			-	119,768
Others Commitments			63,831	63,591
			401,150,378	342,834,074
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
23.2.2	Commitments in respect of forward government securities transactions			
Purchase			65,765,303	57,768,858
Sale			6,483,422	-
			72,248,725	57,768,858
23.2.3	Commitments in respect of operating leases			
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
			7,390,299	6,018,458
23.3	Other contingent liabilities			
23.3.1	Claims against the Bank not acknowledged as debt		7,393,019	8,738,009



**ALLIED BANK LIMITED****NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

- 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 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.

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

**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		10,636,263	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 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 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 GAIN ON SECURITIES</b>			
Realised - net	28.1	43,137	1,347,498
Unrealised - held for trading	10.1	34,236	53,001
		<u>77,373</u>	<u>1,400,499</u>
<b>28.1 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>

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>Rupees in '000</b>	
<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	-	-
Fee for attending Board meetings	705	670
	<b>94,046</b>	<b>31,253</b>
<b>30 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	<b>2,928,925</b>	<b>2,879,110</b>
<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
	<b>1,592,547</b>	<b>1,305,237</b>
<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
	<b>517,315</b>	<b>448,005</b>
<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
Donations	1,596	54,237
Others	111,612	85,811
	<b>968,911</b>	<b>704,672</b>
	<b>6,007,698</b>	<b>5,337,024</b>

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

		March 31, 2019	March 31, 2018
		Rupees in '000	
<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
		<b>30,044</b>	<b>94,195</b>
<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
		<b>(154,198)</b>	<b>(423,859)</b>
	Recovery against written off bad debts	<b>(49,556)</b>	<b>(6,016)</b>
		<b>(203,754)</b>	<b>(429,875)</b>
<b>33</b>	<b>TAXATION</b>		
	Current - for the period	33.1 2,597,042	2,436,533
	- for prior year	33.2 834,833	-
		<b>3,431,875</b>	<b>2,436,533</b>
	Deferred - current	<b>(144,952)</b>	<b>(106,341)</b>
		<b>3,286,923</b>	<b>2,330,192</b>
<b>33.1</b>	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.		
<b>33.2</b>	This represents super tax levied retrospectively on taxable income of the Bank for the tax year 2018 vide Finance Supplementary (Second Amendment) Act, 2019.		
<b>34</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	Profit after taxation	<b>3,093,974</b>	<b>3,844,242</b>
		<b>Number of Shares</b>	
	Weighted average number of ordinary shares outstanding during the year	<b>1,145,073,830</b>	<b>1,145,073,830</b>
		<b>Rupees</b>	
	Earnings per share - basic and diluted	<b>2.70</b>	<b>3.36</b>

There is no dilution effect on basic earnings per share.

ALLIED BANK LIMITED  
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER 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:

	March 31, 2019						Fair Value				
	Carrying Value					Total	Level 1	Level 2	Level 3	Total	
	Held to Maturity	Held for Trading	Available for Sale	Financing and receivables	Other financial assets						Other financial liabilities
	Rupees in '000										
<b>On-Balance sheet Financial Instruments</b>											
<b>Financial assets-measured at fair value</b>											
<b>Investments</b>											
Shares / Open Ended Mutual Funds	-	2,010,834	28,905,321	-	-	-	30,916,155	28,765,107	2,151,048	-	30,916,155
Federal Government Securities	-	3,884,879	410,290,901	-	-	-	414,175,780	-	414,175,780	-	414,175,780
Non Government Debt Securities	-	-	3,043,698	-	-	-	3,043,698	-	3,043,698	-	3,043,698
<b>Financial assets-not measured at fair value</b>											
Cash and balances with treasury banks	-	-	-	-	88,853,067	-	88,853,067	-	-	-	-
Balances with other banks	-	-	-	-	708,171	-	708,171	-	-	-	-
Lendings	-	-	-	162,861,764	-	-	162,861,764	-	-	-	-
Advances	-	-	-	421,321,164	-	-	421,321,164	-	-	-	-
Other assets	-	-	-	-	29,413,710	-	29,413,710	-	-	-	-
Investments ( HTM, unlisted ordinary shares, term certificates, sukuku, subsidiaries)											
	19,010,481	-	14,116,804	-	-	-	33,127,285	-	-	-	-
	19,010,481	5,895,713	456,356,724	584,182,928	118,974,948	-	1,184,420,794	28,765,107	419,370,526	-	448,135,633
<b>Financial liabilities-measured at fair value</b>											
Trading Liability	-	4,341,431	-	-	-	-	4,341,431	-	4,341,431	-	4,341,431
<b>Financial liabilities-not measured at fair value</b>											
Bills payable	-	-	-	-	-	7,302,629	7,302,629	-	-	-	-
Borrowings	-	-	-	-	-	85,509,088	85,509,088	-	-	-	-
Deposits and other accounts	-	-	-	-	-	1,007,531,857	1,007,531,857	-	-	-	-
Other liabilities	-	-	-	-	-	25,633,219	25,633,219	-	-	-	-
	-	4,341,431	-	-	-	1,125,976,793	1,130,318,224	-	4,341,431	-	4,341,431
<b>Off-balance sheet financial instruments-measured at fair value</b>											
Forward purchase of foreign exchange contracts	-	-	-	-	168,244,892	-	168,244,892	-	168,244,892	-	168,244,892
Forward sale of foreign exchange contracts	-	-	-	-	88,092,767	-	88,092,767	-	88,092,767	-	88,092,767
Forward purchase of Federal Government securities	-	-	-	-	65,316,431	-	65,316,431	-	65,316,431	-	65,316,431
Forward sale of Federal Government securities	-	-	-	-	6,482,096	-	6,482,096	-	6,482,096	-	6,482,096

	(Audited)										
	December 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>											
<b>Financial assets-measured at fair value</b>											
<b>Investments</b>											
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	-	99,188,414	-	-	-	-
Balances with other banks	-	-	-	-	2,564,202	-	2,564,202	-	-	-	-
Lending to Financial institutions	-	-	-	53,785,679	-	-	53,785,679	-	-	-	-
Advances	-	-	-	438,357,880	-	-	438,357,880	-	-	-	-
Other assets	-	-	-	-	28,986,261	-	28,986,261	-	-	-	-
Investments ( HTM, unlisted ordinary shares, term certificates, sukus, subsidiaries)	16,151,622	-	12,294,994	-	-	-	28,446,616	-	-	-	-
	16,151,622	1,859,024	654,576,663	492,143,559	130,738,877	-	1,295,469,745	30,115,370	614,025,323	-	644,140,693
<b>Financial liabilities measured at fair value</b>											
Trading Liability	-	9,987,849	-	-	-	-	9,987,849	-	9,987,849	-	9,987,849
<b>Financial liabilities-not measured at fair value</b>											
Bills payable	-	-	-	-	-	7,752,959	7,752,959	-	-	-	-
Borrowings	-	-	-	-	-	225,882,986	225,882,986	-	-	-	-
Deposits and other accounts	-	-	-	-	-	984,463,067	984,463,067	-	-	-	-
Other liabilities	-	-	-	-	-	20,165,409	20,165,409	-	-	-	-
	-	9,987,849	-	-	-	1,238,264,421	1,248,252,270	-	9,987,849	-	9,987,849
<b>Off-balance sheet financial instruments-measured at fair value</b>											
Forward purchase of foreign exchange contracts	-	-	-	-	137,056,586	-	137,056,586	-	137,056,586	-	137,056,586
Forward sale of foreign exchange contracts	-	-	-	-	70,453,385	-	70,453,385	-	70,453,385	-	70,453,385
Forward purchase of Federal Government securities	-	-	-	-	57,768,858	-	57,768,858	-	57,768,858	-	57,768,858

	March 31, 2019				(Audited) December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Rupees in '000				Rupees in '000			
35.1 Fair value of non-financial assets								
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.

ALLIED BANK LIMITED  
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

	March 31, 2019						
	Corporate & Investment Banking	Commercial & Retail Banking	Trading & Sales (Treasury)	ISLAMIC Banking	ASSET MANAGEMENT	OTHERS	Total
	Rupees in '000						
<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>

	March 31, 2018						
	Corporate & Investment Banking	Commercial & 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
Inter segment expense allocation	-	-	-	-	-	-	-
<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 & Retail Banking	Trading & Sales (Treasury)	ISLAMIC Banking	ASSET MANAGEMENT	OTHERS	Total
<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)	225,882,986
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/Reserves	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>

Contingencies and commitments	83,806,271	12,033,028	265,278,829	582,318	1,780	17,824,414	379,526,640
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## 37 RELATED PARTY TRANSACTIONS

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.

[illegible]

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

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**ALLIED BANK LIMITED**
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**
**(UN-AUDITED) FOR THE QUARTER 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	64,629	-	-	-	-	6,848	62,256	-	-	-
Other expenses**	-	-	-	110	-	-	-	-	-	30,000	-	-
Rent expense	-	-	-	7,020	-	-	-	-	-	6,523	-	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	15,741	-	-	-	-	-	358,034
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 21 to these consolidated 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 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.

**ALLIED BANK LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019**

**38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

	(Audited)
March 31, 2019	December 31, 2018
Rupees in '000	

**11,450,739** 11,450,739

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

<b>76,185,591</b>	75,372,381
-	-
<b>76,185,591</b>	75,372,381
<b>19,899,986</b>	20,564,931
<b>96,085,577</b>	95,937,312

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

<b>303,084,660</b>	315,518,950
<b>39,583,605</b>	40,673,396
<b>78,800,062</b>	78,800,062
<b>421,468,327</b>	434,992,408

Common Equity Tier 1 Capital Adequacy ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

<b>18.08%</b>	17.33%
<b>18.08%</b>	17.33%
<b>22.80%</b>	22.05%

(Audited)

March 31, 2019	December 31, 2018
Rupees in '000	

**Leverage Ratio (LR):**

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio

<b>76,185,591</b>	75,372,381
<b>1,386,580,904</b>	1,634,600,480
<b>5.49%</b>	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

Director

Director

Chairman