

THE BIGGER PICTURE

Condensed Interim Financial Statements
for the Quarter ended March 31, 2016



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Corporate Information

Board of Directors

Mohammad Naeem Mukhtar
(Chairman)

Sheikh Mukhtar Ahmad
Muhammad Waseem Mukhtar
Abdul Aziz Khan
Mubashir A. Akhtar
Dr. Muhammad Akram Sheikh
Zafar Iqbal
Tariq Mahmood
(CEO)

Audit Committee of Board

Zafar Iqbal
(Chairman)

Dr. Muhammad Akram Sheikh
Mubashir A. Akhtar

Human Resource & Remuneration Committee

Abdul Aziz Khan
(Chairman)

Muhammad Waseem Mukhtar
Tariq Mahmood
(CEO)

Company Secretary

Muhammad Raffat

Shariah Board

Mufti Ehsan Waqar
(Chairman)

Mufti Mahmood Ahmad
Mufti Muhammad Iftikhar Baig

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Adviser

Mandviwalla & Zafar Advocates

Shares Registrar

Technology Trade (Pvt.) Limited

Registered & Head Office

3 Tipu Block,
New Garden Town
Lahore - Pakistan
Postal Code 54000

Website & Email

www.abl.com
info@abl.com

Tel Number

(+92-42) 35880043

Vision, Mission & Core Values

Vision

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

Mission

To provide value added services to our customers

To provide high tech innovative solutions to meet customers' requirements

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

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

To play a proactive role in contributing towards the society

Core Values

Integrity

Excellence in Service

High Performance

Innovation and Growth

Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the financial results of Your Bank for the first quarter ended March 31, 2016:

Financial Highlights

Financial Highlights

	(Rupees in million)		
	Quarter ended March 31,		
	2016	2015	Growth
Profit after tax for the year	4,787	4,210	14%
Accumulated profits brought forward	41,416	37,053	12%
Transfer from surplus on revaluation of fixed assets - net of tax	14	24	-42%
Profit available for appropriation	46,217	41,287	12%
Final cash dividend for the year ended December 31, 2015 at Rs. 1.75 per share (2015: Year ended December 31, 2014 at Rs. 2.00 per share)	(2,004)	(2,290)	12%
Transfer to statutory Reserves	(478)	(421)	14%
Accumulated profits carried forward	43,735	38,576	13%
Earnings Per Share (EPS) (Rs.)	4.18	3.68	14%

The Board is pleased to announce an interim cash dividend of Rs. 1.75 per share for the first quarter ended March 31, 2016 (March 31, 2015: Rs. 1.75 per share)

Economic Review

Global economy continues to face economic challenges on multiple fronts. Monetary tightening by the US Federal Reserve, Europe struggling to manage migrant and debt crises, China's weakening financial stability, collapsing commodity prices and fragile emerging-market economies, notably Russia and Brazil, will continue to weigh on broad based growth prospects in 2016-17. Global oil prices in spite of recovering from a low of US\$ 29 per barrel in early January 2016 to over US\$ 40 per barrel remain volatile and major growth impediment mainly due to disagreements among major oil producers about coordinated output action amid a supply glut.

Uncertain regional geo-political situation, fluctuating global commodity valuations and volatile financial markets continue to dilute gradually improving domestic economy. Amidst security related challenges, macroeconomic indicators in Pakistan continued to post gradual signs of recovery up to the third quarter of FY 2016. Real GDP growth is expected at approximately 4.5% in FY 2015-16.

Driven by growth in Automobile, Fertilizer and Cement sectors, Large Scale Manufacturing (LSM) increased by 3.9% during first half of FY 2015-16 as compared to 2.7% during the corresponding period. With expected improvement in energy supply with influx of imported LNG; the LSM is expected to improve further during latter half of 2016.

Foreign remittances remained stable with Jul'15-Mar'16 remittances reaching US\$ 14,158 million against US\$ 13,595 million in corresponding period of last fiscal year. Despite 13% reduction in exports during July'15-March'16; disbursements under arrangements with multilateral agencies and curtailed trade shortfalls assisted in maintaining Current Account deficit at manageable level of 0.9% of GDP between Jul'15-Feb'16 as compared to 1.1% in corresponding period of FY 2014-15. Fiscal discipline and reduction in development expenditure assisted in reducing the budget deficit to 1.7% of GDP during first half of FY 2015-16 against full year target of 4.31%.

Broad Money (M2) supply remained largely stable during the quarter ended March 31, 2016 with negligible growth of 1%. In addition, implications of revised withholding tax regime for non-tax return filers promulgated in 2015 continues to affect deposit growth; industry-wide deposits fell by 0.3% to reach Rs. 9,644 billion. Accordingly, cash-based undocumented economy

continues to grow with currency in circulation which increased by 24% from end-March 2015 level of Rs. 2,431 billion. Inter-bank borrowing remained the alternate source of funding for the banking industry with end-March 2016 borrowings increasing 34% as compared to end-March 2015. Private sector credit appetite remained largely muted despite low lending rates on offer; industry gross advances decreased by 0.7% during the quarter to reach Rs. 4,871 billion. In the absence of spike in credit appetite, surplus net resources were channeled towards investments which increased by 7.3% reaching Rs. 7,199 billion.

Consumer Price Index increased by 3.9% year-on-year (YoY) at end-March 2016 compared to 2.5% in corresponding period of 2015 as low-base effect sets in. The increase in inflation was primarily driven by pick up in prices of some of the food items and imposition of regulatory duties undertaken for fiscal measures. SBP projects average CPI inflation for FY 2015-16 to remain in the range of 3.5% to 4.5%.

With the pressure on the core inflation levels which increased by 1.7% during the three quarters of FY 2015-16, the monetary easing stance by SBP appears to have culminated with interest rates bottoming out. During the quarter under review SBP maintained the "Policy Rate" at 6.0%.

Financial Review

In an increasingly challenging operating environment, Your Bank adopted a proactive strategy to counter the low interest rate scenario, shrinking spreads, subdued credit and deposits growth and rising cost of doing business. The Bank remained cognizant of these challenges and continued with its strategy of deriving stable growth in all key areas. During the period under review, Your Bank's balance sheet strength was further enhanced upon reaching the significant milestone of Rs. 1,000 billion. Sustained focus on deployment of world class technology based banking solutions, augmented customer service experience ably facilitated by robust risk management framework and broad based operational efficiencies enabled Your Bank to post strong performance in quarter ended March 31, 2016.

Profit After Tax for the quarter ended March 31, 2016 registered a growth of 14% and reached Rs. 4,787 million as compared to Rs. 4,210 million over corresponding period of last year. Your Bank's Profit Before Tax also witnessed a growth of 14% during the quarter ended March 31, 2016 to reach Rs. 7,375 million as compared to Rs. 6,472 million in the corresponding period of last year. EPS of Your Bank stood at Rs. 4.18 per share in March 2016 as compared to Rs. 3.68 per share in the corresponding period of last year. ROE and ROA during the period under review stood at 27.6% and 1.9% respectively.

The Bank's net interest income remained stable and reached Rs. 8,498 million for the quarter ended March 31, 2016 as compared to Rs. 8,477 million in corresponding period in 2015; despite 233 bps reduction in average discount rate during the period under review as compared to the first quarter of 2015.

The net provision charge against Non-Performing Loans (NPL) aggregated to Rs. 276 million for the quarter ended March 31, 2016 as compared to net charge of Rs. 730 million during corresponding period of last year; driven by proactive monitoring and prudent lending strategy of Your Bank.

Non-markup / interest income for the quarter ended March 31, 2016 increased by 24% to reach Rs. 3,789 million from Rs. 3,054 million in corresponding period of last year. The increase in non-interest income mainly emanated from higher Capital Gains and Dividend income which increased by 3.1 times and 11% to reach Rs. 961 million and Rs. 1,417 million respectively during the quarter in comparison with corresponding period of 2015. Continuous focus on enhancing trade related business has started yielding results with double digit growth in import and export business, as compared to corresponding period.

In view of ongoing expansion, Your Bank's outreach has increased to 1,050 branches in March 2016. Continued focus on centralization and automation of banking and business processes and effective management resulted in curtailing the overall administrative expenses growth to 8% during the period under review.

In line with industry trend, Your Bank's deposits remained stable at Rs. 734,484 million as at March 31, 2016. Net advances as at March 31, 2016 decreased to Rs. 304,336 million mainly on account of cyclical repayments in commodity operations. With subdued private sector credit appetite; investments increased by 11% to reach Rs. 606,851 million as at March 31, 2016.

Non-performing loans decreased by Rs. 183 million to Rs. 21,721 million as at March 31, 2016, compared to December 31, 2015 balance of Rs. 21,904 million showing a decrease of 0.8%. Infection ratio remains significantly below the December 2015 industry average of 11.4% at 6.7% as at March 31, 2016. Coverage ratio at 89% as at March 31, 2016 also remained well above the industry average of 85% as at December 2015. No FSV benefit has been taken while determining the provision against Non-Performing Advances as allowed under BSD Circular No. 01 dated October 21, 2011.

Total Assets of Your Bank stood at Rs. 1,019 billion, reflecting an increase of 3% over December 2015 level of Rs. 992 billion. Total equity as at March 31, 2016 stood at Rs. 93,663 million registering a growth of 5% against December 31, 2015 level of Rs. 89,256 million.

Future Outlook

Despite potential global economic downturn, Pakistan's economic outlook continues to remain on moderate growth path as structural and macroeconomic reforms continue to take place. Sustained focus remains imperative to overcome longstanding structural, energy and security impediments to economic activity; enabling growth levels required to sustain the burgeoning populace. The prospects for long term development hinge on macroeconomic stability, policy reforms and gradual infrastructure investment tied to China Pakistan Economic Corridor (CPEC) related projects.

Challenges to the Banking sector outlook are expected to enhance in the short term, with historically low benchmark rates, taxation regulation for non-filer of tax returns impacting deposits growth and lack of private sector credit demand further squeezing the existing margins within the banking sector. The impending maturity of approximately Rs. 1.6 trillion of Government Bonds in Q3 2016 poses another major challenge to sustain industry profitability and balance sheet growth in the short term.

The Bank's strong balance sheet supplemented by automation driven risk management framework, customer centric products and services facilitated by continuous augmentation in its information technology platform and outreach through conventional and alternate channels including cautious expansion of Islamic banking franchise shall enable Your Bank to tap into all growth opportunities and maintain stable profitability inspite of the challenges ahead.

Entity Ratings

Allied Bank has long-term and short-term entity ratings of AA+ (Double A plus) and A1+ (A One Plus), respectively, assigned by The Pakistan Credit Rating Agency (PACRA). The ratings represent very high credit quality.

Corporate Governance Rating

Your Bank has a Corporate Governance rating of CGR- 9 assigned by JCR-VIS, which denotes a high level of corporate governance.

Awards

Allied Bank Limited has been awarded 'Corporate Excellence Award' by Management Association of Pakistan in the category of 'Commercial Banks and Insurance Sector' in persuasion of outstanding performance and demonstrating progress and enlightened management practices.

Acknowledgement

On behalf of Allied Bank we would like to express our gratitude to our worthy customers for their continuous trust in our services, to our employees for their hard work and dedication, our shareholders for their patronage and confidence and State Bank of Pakistan and other regulatory bodies for their continued direction.

For and on behalf of the Board,

Tariq Mahmood
Chief Executive Officer

Date: April 26, 2016
Place: Lahore

ڈائریکٹر جائزہ رپورٹ

محترم شیئر ہولڈرز!

بورڈ آف ڈائریکٹر کی جانب سے ہمیں آپ کے بینک کی پہلی سہ ماہی، جس کا انعقاد 31 مارچ 2016 کو ہوا ہے، کے مالی نتائج بتاتے ہوئے خوشی محسوس ہو رہی ہے۔

مالی جھلکیاں:

31 مارچ کو ختم ہونے والی سہ ماہی			
2016	2015	اضافہ	
ملین روپے			فی صد
4,787	4,210	14	بعد از ٹیکس منافع
41,416	37,053	12	گزشتہ سال سے شدہ منافع
14	24	-42	معین اثاثہ جات کی قدر میں کمی سے متعلق
46,217	41,287	12	تصرف کیلئے دستیاب منافع
(2,004)	(2,290)	12	سال ختمہ 31 دسمبر 2015ء کا حتمی کیش ڈیویڈنڈ 1.75 روپے فی حصص (2015: سال ختمہ 31 دسمبر 2014ء کیش ڈیویڈنڈ 2:00 روپے فی حصص)
(478)	(421)	14	ضوابطی ریزرو میں منتقلی
43,735	38,576	13	آگے منتقل کیا گیا جمع شدہ منافع
4.18	3.68	14	فی حصص روپے (EPS)

بورڈ انتہائی مسرت کے ساتھ عبوری کیش ڈیویڈنڈ 1.75 روپے فی حصص کا اعلان کرتا ہے (31 مارچ 2015ء، 1.75 روپے فی حصص)۔

معاشی جائزہ:

عالمی معیشت ایک سے زائد معاشی چیلنجز کا سامنا کر رہی ہے۔ امریکی فیڈرل ریزرو کی جانب سے مالیاتی پالیسی کی سختی، یورپ کی طرف تارکین وطن کی نقل مکانی اور قرضوں کے بحران، چینی مالی معیشت کی کمزوری، اجناس کی گرتی ہوئی قیمتوں اور غیر مستحکم ابھرتی ہوئی معیشت بالخصوص روس اور برازیل 2016-2017 میں وسیع بنیاد پر اثر انداز ہو رہے ہیں۔ عالمی سطح پر تیل کی قیمتیں مجموعی طور پر غیر مستحکم رہیں، جنوری 2016 کے ابتداء میں 29 ڈالر فی بیرل سے بڑھ کر 40 ڈالر فی بیرل تک جا پہنچنے کے باوجود عالمی تیل کی قیمت میں اضافہ نہ ہونے کی بڑی وجہ تیل پیدا کرنے والے بڑے ممالک کے درمیان پیداوار اور فراہمی پر اختلافات کا برقرار رہنا ہے۔

غیر یقینی علاقائی، جغرافیائی و سیاسی صورت حال، اجناس کی غیر مستحکم عالمی قیمتیں اور غیر مستحکم مالیاتی منڈیاں ملکی معیشت میں بہتری کے آثار کو ڈھل کر رہی ہیں۔ سیکوریٹی خطرات کی وصولی کے مابین، پاکستان کے وسیع معاشی اشاریے مالیاتی سال 2016 کی تیسری سہ ماہی تک بہتری کا اظہار کر رہے ہیں۔ مالی سال 2015-16 کی اصل شرح نمو کا اندازہ لگ بھگ 4.5 فی صد لگایا گیا ہے۔

کارساز، کھاد اور سینٹیکلر میں ترقی کی وجہ سے 2015-16 کی پہلی ششماہی میں لارج مینو فیکچرنگ (LSM) میں 3.9 فیصد اضافہ ہوا ہے جب کہ پچھلے سال کی ششماہی میں یہی اضافہ 2.7 فی صد تھا۔ یہ امید ظاہر کی جا رہی ہے کہ LNG کی درآمد سے توانائی کی ترسیل میں بہتری ہوگی اور جس کے نتیجے میں LSM سیکٹر میں رواں سال کی دوسری ششماہی میں مزید مثبت اثرات مرتب ہوں گے۔

جولائی 2015 تا مارچ 2016 تک بیرونی ترسیلات، منظم رہیں۔ جس کا حجم 14,158 ملین امریکی ڈالر رہا جبکہ گزشتہ سال کے مقابلے دورانہ میں یہ رقم 13,595 ملین امریکی ڈالر تھیں۔ جولائی 2015 تا مارچ 2016 میں برآمدات میں 13 فی صد کمی کے باوجود جاری تجارتی خسارہ شرح نموکو 0.9 فیصد رہا جبکہ گزشتہ سال 2014-15 میں یہ خسارہ 1.1 فی صد تھا۔ جس کی بڑی وجہ عالمی مالیاتی اداروں کے ساتھ ترسیلات کے معاہدے اور تجارتی خسارہ کا کنٹرول ہے۔ مالیاتی سال 2015-16 کی پہلی ششماہی کے دوران مالی نظم و ضبط اور ترقیاتی خرچوں میں کمی نے بیٹ خسارے کو شرح نموکو 1.7 فی صد تک کم کرنے میں مدد کی۔ جبکہ پورے سال کے لیے بیٹ خسارے کا ہدف 4.31 فی صد ہے۔

پہلی سہ ماہی 31 مارچ 2016 میں وسیع رقم (Broad Money) 1 فی صد کے معمولی اضافے کے ساتھ کافی حد تک منظم رہی۔ علاوہ ازیں 2015 میں نکس ناہندہ گان کے لیے نافذ کردہ نقدی شدہ وہولڈنگ نکس کے مضمرات مسلسل ڈیپازٹس (Deposits) کے اضافے پر پڑے اور انڈسٹری ڈیپازٹس (Deposits) 0.3 فی صد کم ہو کر 9,644 ملین روپے رہ گئے۔ مارچ 2015 سے نکس کی بنیاد پر غیر دستاویز معیشت نقد رقم کی گردش کی وجہ سے اب 24 فی صد کے اضافے کے ساتھ 2,431 ملین روپے تک جا پہنچی۔ مارچ 2015 کے مقابلے میں مارچ 2016 کے اختتام پر بینکوں کے مابین قرضوں کے حصول میں 34 فی صد اضافہ ہوا ہے جو کہ بینکاری کی معیشت میں فنڈز کی فراہمی کا متبادل ذریعہ رہا ہے۔ نجی شعبوں میں شرح سود میں کمی کے باوجود قرضوں کا حصول کافی حد تک مایوس کن رہا جبکہ صنعتی مجموعی قرضہ جات 0.7 فی صد کمی کے ساتھ اس سہ ماہی میں 4,871 ملین روپے رہے۔ قرضہ جات کی مانگ میں کمی سے، اضافی رقم کو سرمایہ کاری کی طرف موڑ دیا گیا جو کہ 7.3 فی صد بڑھ کر 1,199,700 روپے تک جا پہنچی۔

مارچ 2016 کے اختتام تک سال پہ سال کمزیر پر اس انڈیکس میں 3.9 فی صد اضافہ ہوا۔ جو کہ سال 2015 میں 2.5 فی صد تھا۔ جس کی وجہ (Low Base) لوہیں کا اثر انداز ہونا ہے۔ افراط زر شرح میں اضافے کی بنیاد پر جبکہ غذائی اشیاء کی قیمتوں میں اضافہ اور مالیاتی اقدامات کے لیے نافذ کی گئی ریگولیٹری ڈیوٹی ہیں۔ مالیاتی سال 2015-16 کے لیے اسٹیٹ بینک آف پاکستان کا متوقع اوسط گرانٹی 3.5 فیصد سے 4.5 فی صد تک ہے۔ 2015-16 کے مالی سال کی پہلی تین سہ ماہوں کے دوران افراط زر کی سطح میں 1.7 فی صد اضافہ ہوا ہے۔ اسٹیٹ بینک آف پاکستان کا مالیاتی پالیسی میں نرمی کا موقف شرح سود کا کم ترین سطح پر اختتام پذیر ہوتا ہوا دکھائی دیتا ہے۔ زیر نظر سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 6 فی صد کی سطح پر برقرار رکھا ہے۔

مالیاتی جائزہ:-

برصے ہوئے چیلنجز آپریٹنگ ماحول میں آپ کے بینک نے کم شرح سود کی فضاء میں، منظر تے ہوئے سپرڈ (Spread) قرضہ جات اور ڈیپازٹس (Deposits) کے اضافے میں کمی اور کاروباری بڑھتی ہوئی قیمتوں کیلئے محفوظ حکمت عملی اختیار کی ہے۔ ان چیلنجز سے آگاہ رہتے ہوئے بینک نے تمام اہم فیڈز میں منظم ترقی اسی حکمت عملی کے ساتھ جاری رکھی ہے۔ زیر نظر جائزے کی مدت میں آپ کے بینک کی پبلش شیٹ 1,000 ملین روپے کے سنگ میل کو عبور کرتے ہوئے مزید مضبوط ہو گئی ہے۔ عالمی معیار کی ٹیکنالوجی پر استوار کردہ بینکنگ سولوشنز (Solutions)، مضبوط رسک مینجمنٹ فریم ورک سے آراستہ، کمسر سروس تجربہ اور وسیع اہلیا و پرنسپل کی استعداد نے آپ کے بینک کو بہترین کارکردگی کا حامل بینک بنا دیا ہے۔

31 مارچ 2016 کو ختم ہونے والی سہ ماہی میں بعد از نکس منافع میں اضافہ 14 فیصد کے ساتھ 4,788 ملین روپے رہا جو کہ گزشتہ برس اسی دورانیے میں 4,210 ملین روپے تھا۔ 31 مارچ 2016 کو ختم ہونے والی سہ ماہی میں قبل از نکس منافع میں اضافہ 14 فیصد کے ساتھ 7,375 ملین روپے رہا جو کہ گزشتہ برس اسی دورانیے میں 6,472 ملین روپے تھا۔ 31 مارچ 2016 کو ختم ہونے والی سہ ماہی میں ای پی ایس (EPS) 4.18 روپے فی حصص رہی جب کہ گزشتہ برس اسی دورانیے میں 3.68 روپے فی حصص تھی۔ زیر نظر دورانیے میں (ROE) اور (ROA) بالترتیب 27.6 فیصد اور 1.9 فیصد رہیں۔

31 مارچ 2016 کو ختم ہونے والی سہ ماہی میں خالص مارک اپ منافع محکمہ رہے ہوئے 8,498 ملین روپے تک پہنچ گیا ہے۔ جبکہ 2015 کے مقابلے دوران یہ میں یہ 8,477 ملین روپے تھا باوجود یہ کم نظر سہ ماہی 2016 میں مقابلے دوران یہ 2015 سے اوسط (Discount Rate) میں 233 بی پی ایس (bps) کی واقع ہوئی۔

31 مارچ 2016 کو ختم ہونے والی سہ ماہی میں آپ کے بینک کے دوران پیش اقدامات اور ختم قرضہ جاتی حکمت عملی کی وجہ سے قرضہ نادر ہنگامہ کے لیے، خالص متوین 276 ملین روپے رہی جبکہ گزشتہ سال مقابلے دوران یہ میں یہ خالص متوین 730 ملین روپے تھی۔

31 مارچ 2016 کو ختم ہونے والی سہ ماہی میں غیر مارک اپ آمدنی میں 24 فیصد اضافہ ہوا جو براہ کرم 3,789 ملین روپے تک چا پٹنی جبکہ گزشتہ برس کے مقابلے دوران یہ میں یہ 3,054 ملین روپے تھی۔ اس سہ ماہی میں 2015 کے مقابلے دوران یہ سے غیر سودی آمدنی میں اضافے کی بڑی وجہ زیادہ کھول منافع (Capital Gain) اور یوٹیلٹی آمدنی (Divided Income) ہیں جو کہ بالترتیب 3.1 گنا اور 11 فیصد سے بڑھتے ہوئے 961 ملین روپے اور 1,417 ملین روپے رہی۔ تجارت سے منسلک کاروبار پر مسلسل قوت سے مقابلے دوران یہ کے موازنہ میں درآمد اور برآمد کے کاروبار میں دو دفعہ اضافہ ہوا۔

حالیہ توسیع کے پیش نظر مارچ 2016 تک آپ کے بینک کی وسعت 1050 برانچوں تک پھیل چکی ہے۔ مرکزیت، خود کار ریٹیکنگ اور کاروباری طریقہ کار پر توجہ دیتے ہوئے موثر انتظامی اصلاحات کے ساتھ زیر جائزہ مدت میں اخراجات کی مد میں مجموعی طور پر 8 فیصد اضافہ ہوا۔

عمومی بینکاری، رہنما کے مطابق 31 مارچ 2016 کو آپ کے بینک ڈپازٹس (Deposits) 734,484 ملین روپے پر محکم ہیں۔ 31 مارچ 2016 پر خالص قرضہ جات کم ہو کر 304,336 ملین روپے ہو گئے۔ جس کی بڑی وجہ اجناس کے کاروبار پر ہونے والی ادائیگیاں ہیں۔ 31 مارچ 2016 کو نجی شعبے کی جانب سے قرضوں کی مانگ میں کمی کی وجہ سے سرمایہ کاری 11 فیصد اضافے کے ساتھ 606,851 ملین روپے تک چا پٹنی۔

31 مارچ 2016 کے اختتام تک غیر فعال قرضے 183 ملین روپوں کی کمی سے 21,721 ملین روپے ہو گئے جو 31 دسمبر 2015 کو 21,904 ملین روپے تھے جس میں 0.8 فیصد کمی واقع ہوئی ہے۔ 31 مارچ 2016 کو ٹیکس کا تناسب 6.7 فیصد ہے جو کہ صنعتی اوسط 11.40 فیصد سے کافی کم ہے۔ کوریج کا تناسب بھی 31 مارچ 2016 میں 89 فیصد کے ساتھ دسمبر 2015 میں صنعتی اوسط 85 فیصد سے زیادہ ہے۔ سٹیٹ بینک آف پاکستان کا 21 اکتوبر 2011ء کے جاری کردہ BSD سرکل نمبر 01 کے مطابق غیر فعال قرضوں کے مقابلے جری قیمت فروخت (FSV) کے فوائد نہیں لیے گئے۔

آپ کے بینک کے مجموعی اثاثہ جات اس وقت 1,019 ملین روپے ہیں جس میں دسمبر 2015 میں 992 ملین روپوں کے مقابلے میں 3 فیصد اضافہ ہوا ہے۔ 31 مارچ 2016 کو مجموعی ایکٹیوٹی 93,663 ملین روپے ہے جس میں 31 دسمبر 2015 میں 89,256 ملین روپے کے مقابلے میں 5 فیصد اضافہ ہوا۔

مستقبل کا نقطہ نظر:-

مکمل عالمی اقتصادی بحران کے باوجود پاکستان کی معاشی حالت مسلسل بہتری کی جانب گامزن ہے جس کی وجہ انتظامی اور وسیع معاشی اصلاحات پر عمل پیرا ہونا ہے۔ معاشی سرگرمی کو حامل در پینڈ انتظامی، توانائی اور سیکورٹی جیسی رکاوٹوں کے عبور پر مسلسل توجہ لازمی ہے تاکہ بڑھتی آبادی کے اضافے کیلئے اہداف حاصل ہو سکیں۔ طویل المدت ترقی کے امکانات کا انحصار وسیع معاشی استحکام، پالیسی اصلاحات اور پاک چائنہ معاشی اقتصادی راہداری (CPEC) سے متعلق سرمایہ کاری پر ہے۔

یہ قوی امکان ہے کہ بینکاری کی صنعت کو درپیش چیلنجز میں مزید اضافہ ہوگا، جس کی وجہ سے بینکنگ مارک ریٹ میں تاریخی کمی، ڈیپازٹس (Deposit) میں اضافہ، پرائمری انڈسٹریز میں فائبر آپٹکس، سولہ اور فنی شعبے کے قرضوں کی مانگ میں کمی ہیں، جنہوں نے بینکاری کی صنعت میں موجود مارجن کو مزید تنگ کر دیا ہے۔ 2016 کی تیسری سہ ماہی میں لگ بھگ 1.6 کھرب روپے کے حکومتی بانڈ کی بیجورٹی (Maturity) ہے۔ جو کہ مستقبل قریب میں بینکس شیٹ میں اضافے اور منافع کی شرح کو برقرار رکھنے کیلئے ایک بڑا چیلنج ہے۔

بینک کی مضبوط بینکس شیٹ کی بنیاد خود کار رسک مینجمنٹ فریم ورک، انڈیکس، بینکنا لوجی میں مسلسل جدت سے آراستہ کسٹمر کو مصنوعات اور سروسز، روابط اور متبادل ذرائع سے وسعت، بشمول اسلامی بینکاری کی حفاظت و صحت ہیں، جو آپ کے بینک کو افراطیاب کے مواقع سر کرنے اور منافع کو قائم رکھنے اور مستقبل کے آنے والے چیلنجز کا سامنا کرنے کے قابل بنائے گی۔

کریڈٹ ریٹنگ:-

الائیڈ بینک کو طویل المدتی اور مختصر المدتی ریٹنگ ڈیٹا (AA+) اور اے ون پلس (A1+) حاصل ہے جسے پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے جاری کیا ہے۔ یہ درجہ بندی ظاہر کرتی ہے کہ کریڈٹ کو اپنی کامیاب رہنمائی کا معیار بہت زیادہ بلند درجے پر ہے۔

کارپوریٹ گورننس:-

آپ کے بینک کو کارپوریٹ گورننس ریٹنگ مشر CGR-9 ریٹنگ حاصل ہے جسے JCR-VIS نے جاری کیا ہے جو کارپوریٹ گورننس میں اعلیٰ کارکردگی کا ثبوت ہے۔

اعزازات:-

الائیڈ بینک ایجنڈہ کو شاندار کارکردگی، ترقی کی نمائش اور بہترین انتظامی صلاحیتوں کی بنیاد پر کمرشل بینک ایجنڈ انشورنس سیکٹر کی درجہ بندی میں، مینجمنٹ ایسوسی ایشن آف پاکستان کی جانب سے Corporate Excellence ایوارڈ سے نوازا گیا ہے۔

صلیم و تحسین:-

الائیڈ بینک کی جانب سے ہم اپنے قابل قدر صارفین کا شکریہ ادا کرنا چاہتے ہیں کہ انہوں نے ہماری سروسز پر اعتماد کیا جبکہ ہم سخت محنت اور انہماک کیلئے اپنے ملازمین، شیئرز، بولڈرز کی سرپرستی، اعتماد اور سلیٹ بینک آف پاکستان سمیت تمام دیگر ریگولیٹری اداروں کے شکر گزار ہیں جنہوں نے سمت کے تعین میں ہماری مدد کی۔

طارق محمود

چیف ایگزیکٹو آفیسر

تاریخ 26 اپریل 2016ء

لاہور

Unconsolidated Condensed Interim Statement of Financial Position

as at March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		53,135,169	56,711,573
Balances with other banks		531,073	4,077,598
Lendings to financial institutions	6	–	3,356,091
Investments	7	606,851,477	544,349,490
Advances	8	304,336,148	321,605,140
Operating fixed assets		29,264,620	28,849,577
Deferred tax assets		–	–
Other assets		25,128,295	32,716,043
		1,019,246,782	991,665,512
LIABILITIES			
Bills payable		5,907,508	4,942,189
Borrowings from financial institutions	9	157,584,762	137,959,818
Deposits and other accounts	10	734,483,701	734,596,166
Sub-ordinated loans		–	–
Liabilities against assets subject to finance lease		–	–
Deferred tax liabilities		9,172,868	8,907,457
Other liabilities		18,434,586	16,003,425
		925,583,425	902,409,055
NET ASSETS		93,663,357	89,256,457
REPRESENTED BY			
Share capital	11	11,450,739	11,450,739
Reserves		15,461,816	15,102,026
Unappropriated profit		43,735,347	41,415,882
		70,647,902	67,968,647
Surplus on revaluation of assets - net of tax		23,015,455	21,287,810
		93,663,357	89,256,457

CONTINGENCIES AND COMMITMENTS

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Profit and Loss Account

(Un-audited) for the quarter ended March 31, 2016

	Note	Quarter Ended March 31, 2016	March 31, 2015
Rupees in '000			
Mark-up / return / interest earned	13	17,103,015	18,490,845
Mark-up / return / interest expensed	14	8,605,241	10,013,383
Net mark-up / interest income		8,497,774	8,477,462
Provision against non-performing loans and advances and general provision - net		276,100	729,689
Reversal for diminution in the value of investments - net		—	(1,225)
Bad debts written off directly		—	—
		276,100	728,464
Net mark-up / interest income after provisions		8,221,674	7,748,998
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		1,132,923	1,097,480
Dividend income		1,417,132	1,274,094
Income from dealing in foreign currencies		203,533	294,341
Gain on sale of securities		961,084	312,291
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading' - net		12,849	(8,907)
Other income		61,481	85,043
Total non-markup / interest income		3,789,002	3,054,342
		12,010,676	10,803,340
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		4,432,618	4,117,716
Provision against other assets - net		12,000	12,000
Provision against off-balance sheet obligations - net		—	—
Other charges		191,364	201,090
Total non-markup / interest expenses		4,635,982	4,330,806
Extra-ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		7,374,694	6,472,534
Taxation			
Current		2,771,817	2,429,828
Prior years		—	—
Deferred		(184,775)	(167,436)
		2,587,042	2,262,392
PROFIT AFTER TAXATION		4,787,652	4,210,142
Earnings per share - Basic and Diluted (in Rupees)	15	4.18	3.68

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Comprehensive Income

(Un-audited) for the quarter ended March 31, 2016

	Quarter Ended	
	March 31, 2016	March 31, 2015
	Rupees in '000	
Profit after taxation for the period	4,787,652	4,210,142
Other comprehensive income		
<i>Items to be reclassified to profit and loss account in subsequent periods:</i>		
Exchange differences on translation of net investment in foreign operating branches	(118,975)	(73,252)
Comprehensive income transferred to equity	4,668,677	4,136,890
Components of comprehensive income not reflected in equity:		
<i>Items to be reclassified to profit and loss account in subsequent periods:</i>		
Net change in fair value of 'available-for-sale' securities	1,308,490	3,487,054
Related deferred tax charge	(457,972)	(1,125,753)
	850,518	2,361,301
Total comprehensive income for the period	5,519,195	6,498,191

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Cash Flow

(Un-audited) for the quarter ended March 31, 2016

	Quarter Ended	
	March 31, 2016	March 31, 2015
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,374,694	6,472,534
Less: Dividend income	(1,417,132)	(1,274,094)
	5,957,562	5,198,440
Adjustments for non-cash items:		
Depreciation / amortization	522,653	501,284
Provision against non-performing loans and advances and general provision - net	276,100	729,689
Reversal for diminution in the value of investments - net	—	(1,225)
Unrealized (gain) / loss on revaluation of 'held-for-trading' securities - net	(12,849)	8,907
Provision against other assets - net	12,000	12,000
Provision for workers welfare fund	158,401	139,411
Provision against fixed assets written off	—	16,647
Gain on sale of fixed assets	(28,781)	(2,292)
	927,524	1,404,421
	6,885,086	6,602,861
(Increase) / decrease in operating assets		
Lendings to financial institutions	3,356,091	(3,883,695)
Net (investments) / realization in 'held-for-trading' securities	(16,097,985)	7,659,313
Advances - net	16,992,892	7,320,457
Other assets (excluding advance taxation) - net	8,864,239	6,512,960
	13,115,237	17,609,035
Increase / (decrease) in operating liabilities		
Bills payable	965,319	478,228
Borrowings from financial institutions	19,468,091	17,425,127
Deposits and other accounts	(112,465)	(2,258,421)
Other liabilities	1,846,376	2,171,227
	22,167,321	17,816,161
	42,167,644	42,028,057
Income tax paid - net	(2,360,088)	(574,964)
Net cash flow from operating activities	39,807,556	41,453,093
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in 'available-for-sale' securities	(45,506,297)	(29,299,876)
Net realization / (investments) in 'held-to-maturity' securities	436,483	(1,255,204)
Dividend income received	402,744	346,802
Investments in operating fixed assets	(865,570)	(574,555)
Proceeds from sale of fixed assets	38,020	25,913
Net cash used in investing activities	(45,494,620)	(30,756,920)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated loan	—	(600)
Dividend paid	(1,711,693)	(1,954,946)
Net cash used in financing activities	(1,711,693)	(1,955,546)
Effect of translation of net investment in foreign operating branches	118,975	(73,252)
Decrease in cash and cash equivalents during the period	(7,279,782)	8,667,375
Cash and cash equivalents at beginning of the period	60,687,303	41,979,844
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	53,407,521	50,647,219

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Changes in Equity

(Un-audited) for the quarter ended March 31, 2016

	Capital Reserves			Revenue Reserves		
	Share Capital	Exchange Translation Reserve	Statutory Reserve	General Reserve	Un-appropriated Profit	Total
	Rupees in '000					
Balance as at January 01, 2015	11,450,739	28,293	13,515,062	6,000	37,053,691	62,053,785
Changes in equity during the quarter ended March 31, 2015						
Total comprehensive income for the quarter ended March 31, 2015						
- Net profit for the quarter ended March 31, 2015	-	-	-	-	4,210,142	4,210,142
- Effect of translation of net investment in foreign operating branches	-	(73,252)	-	-	-	(73,252)
	-	(73,252)	-	-	4,210,142	4,136,890
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended						
December 31, 2014 (Rs. 2 per ordinary share)	-	-	-	-	(2,290,145)	(2,290,145)
	-	-	-	-	(2,290,145)	(2,290,145)
Transferred from surplus on revaluation of fixed assets						
to un-appropriated profit - net of tax	-	-	-	-	23,539	23,539
Transfer to statutory reserve	-	-	421,014	-	(421,014)	-
Balance as at March 31, 2015	11,450,739	(44,959)	13,936,076	6,000	38,576,213	63,924,069
Changes in equity during the nine months ended December 31, 2015						
Total comprehensive income for the nine months ended December 31, 2015						
- Net profit for the nine months ended December 31, 2015	-	-	-	-	10,910,165	10,910,165
- Effect of remeasurement of defined benefit plans net of deferred tax	-	-	-	-	(1,043,973)	(1,043,973)
- Effect of translation of net investment in foreign operating branches	-	113,892	-	-	-	113,892
	-	113,892	-	-	9,866,192	9,980,084
Transactions with owners recognized directly in equity						
First interim cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,880)	(2,003,880)
Second interim cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,880)	(2,003,880)
Third interim cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,880)	(2,003,880)
	-	-	-	-	(6,011,640)	(6,011,640)
Transferred from surplus on revaluation of fixed						
assets to un-appropriated profit - net of tax	-	-	-	-	76,134	76,134
Transfer to statutory reserve	-	-	1,091,017	-	(1,091,017)	-
Balance as at December 31, 2015	11,450,739	68,933	15,027,093	6,000	41,415,882	67,968,647
Changes in equity during the quarter ended March 31, 2016						
Total comprehensive income for the quarter ended March 31, 2016						
- Net profit for the quarter ended March 31, 2016	-	-	-	-	4,787,652	4,787,652
- Effect of translation of net investment in foreign operating branches	-	(118,975)	-	-	-	(118,975)
	-	(118,975)	-	-	4,787,652	4,668,677
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,879)	(2,003,879)
	-	-	-	-	(2,003,879)	(2,003,879)
Transferred from surplus on revaluation of fixed assets						
to un-appropriated profit - net of tax	-	-	-	-	14,457	14,457
Transfer to statutory reserve	-	-	478,765	-	(478,765)	-
Balance as at March 31, 2016	11,450,739	(50,042)	15,505,858	6,000	43,735,347	70,647,902

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

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 1,048 (2015: 1,048) branches including 27 (2015: 27) Islamic banking branches in Pakistan, 1 branch (2015: 1) in Karachi Export Processing Zone and 1 wholesale banking branch (2015: 1) in Bahrain. The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA+'. Short term rating of the Bank is 'A1+'. The Bank is the holding company of ABL Asset Management Company Limited.

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

2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim financial statements of the Bank for the quarter ended March 31, 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case where requirements of provisions and directives issued under the Banking Companies Ordinance 1962, Companies Ordinance 1984 and the directives issued by SBP and SECP differs, the directives issued by SBP and SECP shall prevail.
- 2.2** The SBP, vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.
- 2.3** These unconsolidated condensed interim financial statements represent the separate standalone condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary company are presented separately.
- 2.4** These unconsolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

3 BASIS OF MEASUREMENT

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

- Investments;
- Certain operating fixed assets;
- Assets acquired in satisfaction of claims;
- Fair value of derivatives; and
- Staff retirement benefits

4 BASIS OF PRESENTATION

- 4.1** The disclosures included in these unconsolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated financial statements of the Bank for the year ended December 31, 2015.
- 4.2** The financial results of the Islamic Banking branches have been consolidated in these financial statements for reporting purposes. Key financial figures of the Islamic Banking branches are disclosed in Note 18 to these unconsolidated financial statements.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

4.3 The Bank has adopted the following amendments and annual improvements to IFRSs, which became effective for the current period:

- Amendments to IAS 38 - Intangible Assets and IAS 16 - Property, Plant and Equipment
- Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures
- Amendments to IFRS 11 - Joint Arrangements
- Amendments to IAS 27 - Separate Financial Statements
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture
- Annual Improvements to IFRSs 2012-2014 Cycle

The adoption of above amendments and improvements did not have any effect on these financial statements.

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

5.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those applied in preparing the most recent annual unconsolidated financial statements of the Bank, except for recognition criteria of assets acquired in satisfaction of claims as notified in Note 3 in pursuance of Debt Swap Regulations issued by SBP on January 01, 2016.

5.2 The financial risk management objectives and policies adopted by the Bank are consistent with that disclosed in the financial statements of the Bank for the year ended December 31, 2015.

5.3 The bank has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable and unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. The valuation of financial assets and financial liabilities are categorized and disclosed keeping in view the measurement requirements specified in note 2.2.

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
6	LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	6.1	—	2,156,091
Certificates of investment	6.2	70,000	70,000
Call money lendings	6.3	—	1,200,000
		70,000	3,426,091
Provision against lendings to financial institutions		(70,000)	(70,000)
		—	3,356,091

6.1 These short-term lendings carried mark-up at rate of 6.45% to 6.50% per annum and were matured by January 08, 2016.

6.2 This represents a classified certificate of investment.

6.3 These unsecured call money lendings carried mark-up rate of 6.50% per annum and were matured by January 08, 2016.

7. INVESTMENTS

	Note	Held by Bank	Given as collateral	Total
Rupees in '000				
Current period - March 31, 2016				
(Un-audited)	7.1	485,706,614	121,144,863	606,851,477
Prior year - December 31, 2015				
(Audited)	7.1	444,364,189	99,985,301	544,349,490

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Un-audited As at March 31, 2016			Audited As at December 31, 2015		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Rupees in '000						
7.1 Investments by types:						
Held-for-trading securities						
Market Treasury Bills	9,862,150	–	9,862,150	–	–	–
Pakistan Investment Bonds	6,248,684	–	6,248,684	–	–	–
	16,110,834	–	16,110,834	–	–	–
Available-for-sale securities						
Market Treasury Bills	146,505,344	2,610,289	149,115,633	113,476,903	25,054,061	138,530,964
Pakistan Investment Bonds	68,005,848	114,688,818	182,694,666	83,273,356	71,436,281	154,709,637
Ordinary shares of listed companies / certificates of close ended mutual funds	13,623,243	–	13,623,243	13,614,525	–	13,614,525
Preference shares	25,000	–	25,000	25,000	–	25,000
Units of open ended mutual funds	150,000	–	150,000	150,000	–	150,000
Ordinary shares of unlisted companies	2,123,767	–	2,123,767	2,123,767	–	2,123,767
Investment in related parties						
- Listed shares	8,142,520	–	8,142,520	8,142,520	–	8,142,520
- Unlisted shares	1,352,894	–	1,352,894	1,352,894	–	1,352,894
- Units of open ended mutual funds	135,000	–	135,000	135,000	–	135,000
Sukuk bonds	2,194,708	–	2,194,708	1,945,563	–	1,945,563
GOP Sukuk	5,352,651	–	5,352,651	5,359,194	–	5,359,194
GOP Ijara Sukuk	2,106,589	–	2,106,589	700,275	–	700,275
Foreign Currency Bonds (US\$)	4,744,149	–	4,744,149	–	–	–
Term Finance Certificates (TFCs)	4,713,821	–	4,713,821	4,179,005	–	4,179,005
	259,175,534	117,299,107	376,474,641	234,478,002	96,490,342	330,968,344
Held-to-maturity securities						
Pakistan Investment Bonds	185,955,195	–	185,955,195	185,697,197	–	185,697,197
GOP Sukuk	1,054,365	–	1,054,365	1,054,700	–	1,054,700
GOP Ijara Sukuk	100,000	–	100,000	150,319	–	150,319
Bai Muajjal Placements (GOP Sukuks)	272,275	–	272,275	272,275	–	272,275
Foreign Currency Bonds (US\$)	4,946,774	–	4,946,774	4,906,147	–	4,906,147
TFCs, Bonds and PTs	744,271	–	744,271	1,428,725	–	1,428,725
	193,072,880	–	193,072,880	193,509,363	–	193,509,363
Subsidiary						
ABL Asset Management Company						
Limited	500,000	–	500,000	500,000	–	500,000
Investment at cost	468,859,248	117,299,107	586,158,355	428,487,365	96,490,342	524,977,707
Provision for diminution in the value of investments	(2,777,721)	–	(2,777,721)	(2,777,721)	–	(2,777,721)
Investments (net of provisions)	466,081,527	117,299,107	583,380,634	425,709,644	96,490,342	522,199,986
Surplus on revaluation of						
'held-for-trading' securities	12,849	–	12,849	–	–	–
Surplus on revaluation of						
'available-for-sale' securities	19,612,238	3,845,756	23,457,994	18,654,545	3,494,959	22,149,504
Total investments at market value	485,706,614	121,144,863	606,851,477	444,364,189	99,985,301	544,349,490

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
8 ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		300,075,813	324,565,262
Outside Pakistan		11,072,582	9,290,527
Islamic Financing and related assets	18.2	3,297,321	139,983
Net investment in finance lease - in Pakistan		2,101,895	2,072,857
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		2,177,476	1,355,182
Payable outside Pakistan		5,035,481	3,345,595
		7,212,957	4,700,777
Advances - gross		323,760,568	340,769,406
Provision for non-performing advances	8.1 & 8.3	(19,362,530)	(19,092,777)
General provision against consumer financing	8.3	(61,890)	(71,489)
		(19,424,420)	(19,164,266)
Advances - net of provision		304,336,148	321,605,140

8.1 Advances include Rs. 21,720.767 million (2015: Rs. 21,903.729 million) which have been placed under non-performing status as detailed below:-

March 31, 2016 (Un-audited)					
Category of Classification	Classified Advances			Provision	Provision
	Domestic	Overseas	Total	required	held
Rupees in '000					
Other Assets Especially Mentioned	203,016	—	203,016	5,557	5,557
Substandard	1,022,518	—	1,022,518	253,701	253,701
Doubtful	574,367	—	574,367	287,183	287,183
Loss	19,920,866	—	19,920,866	18,816,089	18,816,089
	21,720,767	—	21,720,767	19,362,530	19,362,530

December 31, 2015 (Audited)					
Category of Classification	Classified Advances			Provision	Provision
	Domestic	Overseas	Total	required	held
Rupees in '000					
Other Assets Especially Mentioned	152,314	—	152,314	4,496	4,496
Substandard	1,459,082	—	1,459,082	362,376	362,376
Doubtful	586,044	—	586,044	293,022	293,022
Loss	19,706,289	—	19,706,289	18,432,883	18,432,883
	21,903,729	—	21,903,729	19,092,777	19,092,777

8.2 No benefit of forced sale value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 01 dated October 21, 2011.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

8.3 Particulars of provision against non-performing advances and general provision:

	March 31, 2016 (Un-audited)			December 31, 2015 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
Opening balance	19,092,777	71,489	19,164,266	19,694,645	115,919	19,810,564
Charge for the period / year	1,180,316	–	1,180,316	1,612,696	–	1,612,696
Reversals	(894,617)	(9,599)	(904,216)	(1,856,386)	(44,430)	(1,900,816)
Charged to profit and loss account	285,699	(9,599)	276,100	(243,690)	(44,430)	(288,120)
Amounts written off	(15,946)	–	(15,946)	(358,178)	–	(358,178)
Closing balance	19,362,530	61,890	19,424,420	19,092,777	71,489	19,164,266

8.4 The Bank has participated in a syndicated long term loan facility granted to Northern Power Generation Company Limited, valuing Rs. 5,310 million, which is secured against a government guarantee. The subject facility has not been classified pursuant to its restructuring at the syndicate level. In this regard, State Bank of Pakistan has also allowed relaxation vide Letter No. BPRD/ BRD-Policy/ 2015-22984 dated October 19, 2015, which is valid upto June 30, 2016.

	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000		
9 BORROWINGS FROM FINANCIAL INSTITUTIONS		
Details of borrowings (Secured / Unsecured)		
Secured		
Borrowings from State Bank of Pakistan	13,740,817	15,610,860
Repurchase agreement borrowings	120,811,223	99,542,397
Unsecured		
Call borrowings	22,734,960	22,675,643
Overdrawn nostro accounts	258,721	101,868
Borrowings from other financial institutions	39,041	29,050
	23,032,722	22,806,561
	157,584,762	137,959,818

10 DEPOSITS AND OTHER ACCOUNTS

Customers		
Fixed deposits	189,986,485	195,785,765
Savings deposits	198,815,883	196,673,748
Current accounts - remunerative	87,435,686	88,514,515
- non - remunerative	222,369,292	219,778,464
	698,607,346	700,752,492
Financial Institutions		
Remunerative deposits	33,477,363	30,912,849
Non - remunerative deposits	2,398,992	2,930,825
	734,483,701	734,596,166

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

11. SHARE CAPITAL

11.1 Authorised capital

Un-audited March 31, 2016 No. of shares	Audited December 31, 2015		Un-audited March 31, 2016 Rupees in '000	Audited December 31, 2015
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10 each				
Un-audited March 31, 2016 No. of shares	Audited December 31, 2015		Un-audited March 31, 2016 Rupees in '000	Audited December 31, 2015
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 Ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004).		
9,148,550	9,148,550		91,486	91,486
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.		
8,400,000	8,400,000		84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Fibers Limited, related party of the Bank, holds 194,041,916 (16.95%) [2014: 194,041,916 (16.95%)] ordinary shares of Rs.10 each, as at reporting date.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
	Rupees in '000	
12 CONTINGENCIES AND COMMITMENTS		
12.1 Direct credit substitutes		
Guarantees in favour of:		
Banks and financial institutions	9,145,318	10,136,906
12.2 Transaction-related contingent liabilities		
Guarantees in favour of:		
Government	350,699	337,994
Others	19,049,525	18,936,699
	19,400,224	19,274,693
12.3 Trade-related contingent liabilities	75,031,853	63,258,242
12.4 Claims against the Bank not acknowledged as debt	4,420,969	4,538,697

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

	Un-audited March 31, 2016	Audited December 31, 2015
	Rupees in '000	
12.6 Commitments in respect of :		
Purchase of forward foreign exchange contracts	73,438,858	64,741,951
Sale of forward foreign exchange contracts	54,384,328	51,664,798
12.7 Commitments in respect of :		
Forward purchase of Federal Government securities	1,194,200	—
Forward sale of Federal Government securities	400,000	3,000,000
12.8 Commitments in respect of:		
Civil works	760,229	909,419
Acquisition of operating fixed assets	577,573	1,078,477
	1,337,802	1,987,896
12.9 Commitments in respect of operating lease	4,185,542	4,126,800

12.10 Other Contingencies

12.10.1 There is no change in the status of contingencies, set out in note 22.10 to the unconsolidated financial statements of the Bank for the year ended December 31, 2015, except for the contingencies as mentioned below:

12.10.2 The income tax assessments of the Bank have been finalized upto and including tax year 2015 for local and Azad Kashmir operations. While finalizing income tax assessments upto tax year 2015, income tax authorities made certain add backs with aggregate tax impact of Rs. 22,541 million (2015: 20,572 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. 22,541 million (2015: 20,572 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 2014 and created an arbitrary demand of Rs. 1,290 million (2015: 1,290 million). The Bank's appeals before Commissioner Inland Revenue - Appeals

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

(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. 1,290 million (2015: 1,290 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 / Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2014 thereby creating arbitrary aggregate demand of Rs. 633 million (2015: 633 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. 633 million (2015: 633 million).

12.10.3 While adjudicating FE repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court ('FEAC') of the State Bank of Pakistan ('SBP') has adjudicated arbitrarily penalty against various banks including Rs. 2,173 million in aggregate against ABL. Against the said judgments, the Bank has filed appeals before the Appellate Board and Constitutional Petitions in the High Court of Sindh, Karachi. The Honorable High Court has granted relief to Bank by way of interim orders. 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.

			Un-audited Quarter Ended	
			March 31, 2016	March 31, 2015
			Rupees in '000	
13	MARK-UP / RETURN / INTEREST EARNED			
	On loans and advances		4,959,353	7,501,480
	On investments in:			
	'Available-for-sale' securities	6,608,631		5,169,408
	'Held-to-maturity' securities	5,221,551		5,622,954
	'Held-for-trading' securities	264,142		72,531
		12,094,324		10,864,893
	On deposits with financial institutions	1,413		3,206
	On securities purchased under resale agreements	23,216		111,321
	On call money lending	24,709		9,945
		17,103,015		18,490,845
14	MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits	6,018,267		7,318,064
	Long term borrowing	63,699		121,892
	Securities sold under repurchase agreements	1,949,103		1,528,331
	Call money borrowing	160,589		138,728
	Brokerage and commission	42,130		41,463
	Markup on sub-ordinated loans	-		84,877
	Other short term borrowings	371,453		780,028
		8,605,241		10,013,383
15	EARNINGS PER SHARE - BASIC AND DILUTED			
	Profit after taxation for the period attributable to			
	ordinary shareholders		4,787,652	4,210,142
			Number of Share	
	Weighted average number of ordinary shares			
	outstanding during the period		1,145,073,830	1,145,073,830
			Rupees	
	Earnings per share - basic and diluted for the period		4.18	3.68

There is no dilution effect on basic earnings per share.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

16. RELATED PARTY TRANSACTIONS

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

	March 31, 2016 (Un-audited)					December 31, 2015 (Audited)				
	Directors	Associated Companies*	Subsidiary	Key management personnel	Other related parties	Directors	Associated Companies*	Subsidiary	Key management personnel	Other related parties
Rupees in '000										
Nature of related party transactions										
Loans										
Loans at the beginning of the period / year	36,637	1,777,473	-	264,941	5,379,463	47,285	1,985	-	205,255	134
Loans given during the period / year	4,671	8,874	-	26,657	15,761,027	32,675	2,187,167	-	165,744	96,289,134
Loans repaid / adjustments during the period / year	(5,988)	(808,371)	-	(31,755)	(15,966,582)	(43,323)	(411,679)	-	(106,058)	(90,909,805)
Loans at the end of the period / year	35,319	976,976	-	259,843	5,173,908	36,637	1,777,473	-	264,941	5,379,463
Deposits										
Deposits at the beginning of the period / year	40,868	102,902	57,482	22,837	9,572,394	34,696	25,497	13,744	92,933	6,853,139
Deposits received during the period / year	1,210,888	2,364,406	152,817	55,508	15,526,921	5,060,426	11,448,550	2,794,505	303,540	101,649,234
Deposits repaid during the period / year	(1,211,421)	(2,138,689)	(196,074)	(60,162)	(15,562,556)	(5,054,254)	(11,371,145)	(2,750,767)	(373,636)	(98,929,979)
Deposits at the end of the period / year	40,335	228,619	14,225	18,183	9,536,759	40,868	102,902	57,482	22,837	9,572,394
Investments										
Investments in shares / open end mutual funds	-	47,261	-	-	-	-	41,303	-	-	-
Other receivables	5,530	-	1,752	66,189	-	5,068	-	1,842	63,147	-
Net receivable from staff retirement benefit funds	-	-	-	-	3,576,981	-	-	-	-	4,741,357
Non funded exposure	-	-	-	-	1,267,517	-	-	-	-	1,266,951
Income										
March 31, 2016 (Un-audited)										
Directors	473	38,277	-	3,464	115,280	608	56	-	2,933	170,597
Associated Companies*	-	610	-	-	-	-	463	-	-	373,582
Subsidiary	-	504,000	-	-	537,774	-	-	-	-	16,219
Key management personnel	-	-	-	-	-	-	-	-	-	-
Other related parties	-	-	-	-	-	-	-	-	-	-
March 31, 2015 (Un-audited)										
Directors	263	697	1,752	46	65,501	220	117	596	112	98,894
Associated Companies*	4	14	11	14	145	5	16	4	15	84
Subsidiary	2,700	-	-	-	-	1,500	-	-	-	-
Key management personnel	6,750	-	-	46,883	6,150	-	-	-	40,418	-
Other related parties	-	290	-	-	2,730	-	986	-	-	-
Income	-	2,096	-	-	-	-	1,906	-	-	-
Expenses	-	1,520	133	-	-	-	300	-	-	-
Charge / (Reversal) in respect of staff retirement benefit funds	-	-	-	-	47,944	-	-	-	-	(10)

Shareholding held by a related party, outstanding at the end of period are included in note 11.2 to these unconsolidated condensed interim financial statements.

* Associated companies are on the basis of common directorship.

** Other charges include Fee-Certification Fee-ISO Messages & Certification of Link Transactions amounting to Rs. 787,125 paid by the Bank.

*** Rent sharing expense of ABL Branch with associated company (Ibrahim Fibers Limited) was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan.

**** Rent Free ATMs are placed at Ibrahim Fibers Limited (Textile Mills) and Ibrahim Fibers Limited (Polyester Plant).

**** Two offices located at Islamabad Stock Exchange Building rented out to associated company (Ibrahim Fibers Limited) at market value and with prior permission of State Bank of Pakistan.

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	For the Quarter Ended March 31, 2016 (Un-audited)						
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Eliminations	Total
	Rupees in '000						
Total Income	6,549,964	12,901,408	4,376,500	6,215,762	49,784	(9,201,401)	20,892,017
Total Expenses	(5,336,595)	(9,668,400)	(3,708,999)	(6,051,074)	(540,698)	9,201,401	(16,104,365)
Net Income	1,213,369	3,233,008	667,501	164,688	(490,914)	–	4,787,652

	For the Quarter Ended March 31, 2015 (Un-audited)						
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Eliminations	Total
	Rupees in '000						
Total Income	8,468,182	11,275,854	5,346,627	6,840,601	233,054	(10,619,131)	21,545,187
Total Expenses	(7,471,479)	(9,265,799)	(4,058,779)	(6,115,733)	(1,042,386)	10,619,131	(17,335,045)
Net Income	996,703	2,010,055	1,287,848	724,868	(809,332)	-	4,210,142

	As at March 31, 2016 (Un-audited)						
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Eliminations	Total
	Rupees in '000						
Segment Assets (Gross)	342,524,737	579,418,067	292,397,307	423,046,278	156,407,814	(751,382,201)	1,042,412,002

	As at December 31, 2015 (Audited)						
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Eliminations	Total
	Rupees in '000						
Segment Assets (Gross)	349,489,547	534,519,724	301,591,958	455,374,045	77,120,606	(702,980,693)	1,015,115,187

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

18 ISLAMIC BANKING BUSINESS

18.1 The bank is operating 27 islamic banking branches at March 31, 2016 (December 31, 2015: 27). The statement of financial position of the Bank's islamic banking business as at March 31, 2016 is as follows:

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		141,193	135,599
Balances with other banks		–	–
Due from financial institutions		–	–
Investments		3,435,952	2,512,817
Islamic financing and related assets	18.2	3,297,321	139,983
Operating fixed assets		41,403	46,302
Deferred tax assets		–	–
Due from head office		74,288	55,294
Other assets		80,359	23,254
		7,070,516	2,913,249
LIABILITIES			
Bills payable		46,039	11,456
Due to financial institutions		3,248,000	18,500
Deposits and other accounts			
-Current accounts		1,514,127	988,294
-Saving accounts		1,035,633	1,009,745
-Term deposits		74,090	232,770
Deposits from Financial Institutions - Remunerative		647,847	103,948
Deposits from Financial Institutions - Non-Remunerative		–	–
Deferred tax liability		–	–
Due to Head Office		–	–
Other liabilities		17,678	41,943
		6,583,414	2,406,656
NET ASSETS		487,102	506,593
REPRESENTED BY			
Islamic banking fund		500,000	500,000
Reserves		–	–
Unappropriated loss		(50,449)	(28,510)
		449,551	471,490
Surplus on revaluation of assets - net of tax		37,551	35,103
		487,102	506,593
18.2 ISLAMIC FINANCING AND RELATED ASSETS			
Murabaha	18.2.1	266,917	109,959
Ijarah	18.2.2	30,404	30,024
Salam	18.2.3	3,000,000	–
Gross Advance		3,297,321	139,983
Provision held		–	–
Advance-net of provision		3,297,321	139,983
18.2.1 MURABAHA			
Financing		245,931	–
Advance		20,986	109,959
Inventories		–	–
		266,917	109,959

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
	Rupees in '000	
18.2.2 IJARAH		
Financing	25,403	21,542
Advance	3,449	7,259
Inventories	1,552	1,223
	30,404	30,024
18.2.3 SALAM		
Financing	—	—
Advance	3,000,000	—
Inventories	—	—
	3,000,000	—
18.3 CHARITY FUND		
Opening Balance	11	—
Additions during the period	1	11
Payments / Utilization during the period	—	—
Closing Balance	12	11

18.4 The profit and loss account of the Bank's Islamic banking business for the quarter ended March 31, 2016 is as follows:

	Un-audited Quarter Ended March 31, 2016	March 31, 2015
	Rupees in '000	
Income / return / profit earned	61,599	9,210
Income / return / profit expensed	28,875	2,309
Net income / profit	32,724	6,901
Provision against non-performing loans and advances		
and general provision - net	—	—
Provision for diminution in the value of investments - net	—	—
Bad debts written off directly	—	—
	—	—
Net profit / income after provisions	32,724	6,901
OTHER INCOME		
Fee, commission and brokerage income	3,245	827
Dividend income	—	—
Income from dealing in foreign currencies	—	—
Gain on sale of securities	—	71
Unrealized gain on revaluation of investments classified as		
'held-for-trading' - net	—	—
Other income	25	10
	3,270	908
	35,994	7,809
OTHER EXPENSE		
Administrative expenses	57,933	16,565
Provision against other assets - net	—	—
Provision against off-balance sheet obligations - net	—	—
Other charges	—	—
	57,933	16,565
Extra-ordinary / unusual items	—	—
LOSS BEFORE TAXATION	(21,939)	(8,756)
18.5 Remuneration to Shariah Advisor / Board	1,833	825

Notes to the Unconsolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

19 GENERAL

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

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

19.3 The Board of Directors of the Bank in its meeting held on April 26, 2016 has approved interim cash dividend for the quarter ended March 31, 2016 at Rs. 1.75 per share (March 31, 2015: Rs. 1.75 per share). The unconsolidated condensed interim financial statements for the quarter ended March 31, 2016 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 26, 2016 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

**Consolidated Condensed
Interim Financial Statements**

Allied Bank Limited

for the quarter ended March 31, 2016

Consolidated Condensed Interim Statement of Financial Position

as at March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		53,135,219	56,711,623
Balances with other banks		531,088	4,077,613
Lendings to financial institutions	6	–	3,356,091
Investments	7	607,652,837	545,105,538
Advances	8	304,386,358	321,647,931
Operating fixed assets		29,286,196	28,869,612
Deferred tax assets		–	–
Other assets		25,397,371	32,970,839
		1,020,389,069	992,739,247
LIABILITIES			
Bills payable		5,907,508	4,942,189
Borrowings from financial institutions	9	157,584,762	137,959,818
Deposits and other accounts	10	734,472,192	734,546,015
Sub-ordinated loans		–	–
Liabilities against assets subject to finance lease		–	–
Deferred tax liabilities		9,178,412	8,909,508
Other liabilities		18,686,895	16,256,802
		925,829,769	902,614,332
NET ASSETS		94,559,300	90,124,915
REPRESENTED BY			
Share capital	11	11,450,739	11,450,739
Reserves		15,461,816	15,102,026
Unappropriated profit		44,631,290	42,284,340
		71,543,845	68,837,105
Surplus on revaluation of assets - net of tax		23,015,455	21,287,810
		94,559,300	90,124,915

CONTINGENCIES AND COMMITMENTS

12

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Profit and Loss Account

(Un-audited) for the quarter ended March 31, 2016

	Note	Quarter Ended March 31, 2016	March 31, 2015
Rupees in '000			
Mark-up / return / interest earned	13	17,103,705	18,491,177
Mark-up / return / interest expensed	14	8,602,926	10,011,923
Net mark-up / interest income		8,500,779	8,479,254
Provision against non-performing loans and advances and general provision - net		276,100	729,689
Reversal for diminution in the value of investments - net		—	(1,225)
Bad debts written off directly		—	—
		276,100	728,464
Net mark-up / interest income after provisions		8,224,679	7,750,790
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		1,238,659	1,203,508
Dividend income		1,417,132	1,274,094
Income from dealing in foreign currencies		203,533	294,341
Gain on sale of securities		961,144	312,764
Unrealized gain on revaluation of investments classified as 'held-for-trading' - net		30,344	19,619
Other income		61,077	85,042
Total non-markup / interest income		3,911,889	3,189,368
		12,136,568	10,940,158
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		4,520,518	4,181,477
Provision against other assets - net		12,000	12,000
Provision against off-balance sheet obligations - net		—	—
Other charges		192,108	202,539
Total non-markup / interest expenses		4,724,626	4,396,016
Extra-ordinary / unusual items		—	—
PROFIT BEFORE TAXATION		7,411,942	6,544,142
Taxation			
Current		2,781,580	2,446,328
Prior years		—	—
Deferred		(184,775)	(167,436)
		2,596,805	2,278,892
PROFIT AFTER TAXATION		4,815,137	4,265,250
Earnings per share - Basic and Diluted (in Rupees)	15	4.21	3.72

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Statement of Comprehensive Income

(Un-audited) for the quarter ended March 31, 2016

	Quarter Ended	
	March 31, 2016	March 31, 2015
	Rupees in '000	
Profit after taxation for the period	4,815,137	4,265,250
Other comprehensive income		
<i>Items to be reclassified to profit and loss account in subsequent periods:</i>		
Exchange differences on translation of net investment in foreign operating branches	(118,975)	(73,252)
Comprehensive income transferred to equity	4,696,162	4,191,998
Components of comprehensive income not reflected in equity:		
<i>Items to be reclassified to profit and loss account in subsequent periods:</i>		
Net change in fair value of 'available-for-sale' securities	1,308,490	3,487,054
Related deferred tax charge	(457,972)	(1,125,753)
	850,518	2,361,301
Total comprehensive income for the period	5,546,680	6,553,299

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Statement of Cash Flow

(Un-audited) for the quarter ended March 31, 2016

	Quarter Ended	
	March 31, 2016	March 31, 2015
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,411,942	6,544,142
Less: Dividend income	(1,417,132)	(1,274,094)
	5,994,810	5,270,048
Adjustments for non-cash items:		
Depreciation / amortization	524,555	502,956
Provision against non-performing loans and advances and general provision - net	276,100	729,689
Reversal for diminution in the value of investments - net	-	(1,225)
Unrealized (gain) / loss on revaluation of 'held-for-trading' securities - net	(30,344)	19,619
Provision against other assets - net	12,000	12,000
Provision for workers welfare fund	159,144	140,872
Provision against fixed assets written off	-	16,647
Gain on sale of fixed assets	(28,776)	(2,303)
	912,679	1,418,255
	6,907,489	6,688,303
(Increase) / decrease in operating assets		
Lendings to financial institutions	3,356,091	(3,883,695)
Net (investments) / realization in 'held-for-trading' securities	(16,131,974)	7,544,910
Advances - net	16,985,473	7,319,751
Other assets (excluding advance taxation) - net	8,863,402	6,525,254
	13,072,992	17,506,220
Increase / (decrease) in operating liabilities		
Bills payable	965,319	478,228
Borrowings from financial institutions	19,468,091	17,425,127
Deposits and other accounts	(73,823)	(2,255,849)
Other liabilities	1,844,561	2,202,035
	22,204,148	17,849,541
	42,184,629	42,044,064
Income tax paid - net	(2,373,623)	(588,975)
Net cash flow from operating activities	39,811,006	41,455,089
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in 'available-for-sale' securities	(45,506,297)	(29,299,876)
Net investments / realization in 'held-to-maturity' securities	436,483	(1,255,204)
Dividend income received	402,744	346,802
Investments in operating fixed assets	(869,090)	(575,450)
Proceeds from sale of fixed assets	38,090	25,945
Net cash used in investing activities	(45,498,070)	(30,757,783)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated loan	-	(600)
Dividend paid	(1,711,693)	(1,954,946)
Net cash used in financing activities	(1,711,693)	(1,955,546)
Effect of translation of net investment in foreign operating branches	118,975	(73,252)
Decrease in cash and cash equivalents during the period	(7,279,782)	8,668,508
Cash and cash equivalents at beginning of the period	60,687,368	41,977,178
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	53,407,586	50,645,686

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Statement of Changes in Equity

(Un-audited) for the quarter ended March 31, 2016

	Capital Reserves			Revenue Reserves		
	Share Capital	Exchange Translation Reserve	Statutory Reserve	General Reserve	Un-appropriated Profit	Total
	Rupees in '000					
Balance as at January 01, 2015	11,450,739	28,293	13,515,062	6,000	37,728,181	62,728,275
Changes in equity during the quarter ended March 31, 2015						
Total comprehensive income for the quarter ended March 31, 2015						
- Net profit for the quarter ended March 31, 2015	-	-	-	-	4,265,250	4,265,250
- Effect of translation of net investment in foreign operating branches	-	(73,252)	-	-	-	(73,252)
	-	(73,252)	-	-	4,265,250	4,191,998
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended						
December 31, 2014 (Rs. 2 per ordinary share)	-	-	-	-	(2,290,145)	(2,290,145)
	-	-	-	-	(2,290,145)	(2,290,145)
Transferred from surplus on revaluation of fixed assets						
to un-appropriated profit - net of tax	-	-	-	-	23,539	23,539
Transfer to statutory reserve	-	-	421,014	-	(421,014)	-
Balance as at March 31, 2015	11,450,739	(44,959)	13,936,076	6,000	39,305,811	64,653,667
Changes in equity during the nine months ended December 31, 2015						
Total comprehensive income for the nine months ended December 31, 2015						
- Net profit for the nine months ended December 31, 2015	-	-	-	-	11,049,025	11,049,025
- Effect of remeasurement of defined benefit plans net of deferred tax	-	-	-	-	(1,043,973)	(1,043,973)
- Effect of translation of net investment in foreign operating branches	-	113,892	-	-	-	113,892
	-	113,892	-	-	10,005,052	10,118,944
Transactions with owners recognized directly in equity						
First interim cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,880)	(2,003,880)
Second interim cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,880)	(2,003,880)
Third interim cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,880)	(2,003,880)
	-	-	-	-	(6,011,640)	(6,011,640)
Transferred from surplus on revaluation of fixed						
assets to un-appropriated profit - net of tax	-	-	-	-	76,134	76,134
Transfer to statutory reserve	-	-	1,091,017	-	(1,091,017)	-
Balance as at December 31, 2015	11,450,739	68,933	15,027,093	6,000	42,284,340	68,837,105
Changes in equity during the quarter ended March 31, 2016						
Total comprehensive income for the quarter ended March 31, 2016						
- Net profit for the quarter ended March 31, 2016	-	-	-	-	4,815,137	4,815,137
- Effect of translation of net investment in foreign operating branches	-	(118,975)	-	-	-	(118,975)
	-	(118,975)	-	-	4,815,137	4,696,162
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended						
December 31, 2015 (Rs. 1.75 per ordinary share)	-	-	-	-	(2,003,879)	(2,003,879)
	-	-	-	-	(2,003,879)	(2,003,879)
Transferred from surplus on revaluation of fixed assets						
to un-appropriated profit - net of tax	-	-	-	-	14,457	14,457
Transfer to statutory reserve	-	-	478,765	-	(478,765)	-
Balance as at March 31, 2016	11,450,739	(50,042)	15,505,858	6,000	44,631,290	71,543,845

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

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

1 STATUS AND NATURE OF BUSINESS

The "Group" consists 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 1,048 (2015: 1,048) branches including 27 (2015: 27) Islamic banking branches in Pakistan, 1 branch (2015: 1) in Karachi Export Processing Zone and 1 wholesale banking branch (2015: 1) in Bahrain. The long term credit rating of the Bank assigned by The Pakistan Credit Rating Agency Limited (PACRA) is 'AA+'. Short term rating of the Bank is 'A1+'. The Bank is the holding company of ABL Asset Management Company Limited.

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

Subsidiary Company

ABL Asset Management Company Limited (the Company) is a public unlisted company, incorporated in Pakistan as a limited liability company on October 12, 2007 under the Companies Ordinance, 1984. The Company received certificate for commencement of business on December 31, 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 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).

ABL Asset Management company is managing following funds:

- ABL Income Fund	Launched on September 20, 2008
- ABL Stock Fund	Launched on June 28, 2009
- ABL Cash Fund	Launched on July 30, 2010
- ABL Islamic Income Fund	Launched on July 30, 2010
- ABL Government Securities Fund	Launched on November 30, 2011
- ABL Islamic Stock Fund	Launched on June 12, 2013
- ABL Islamic Principal Preservation Fund (Matured)	Launched on December 24, 2013
- ABL Islamic Principal Preservation Fund-II	Launched on March 31, 2014
- ABL Pension Fund	Launched on August 20, 2014
- ABL Islamic Pension Fund	Launched on August 20, 2014
- ABL Islamic Financial Planning Fund	Launched on December 22, 2015
- ABL Financial Planning Fund	Launched on December 31, 2015

2 STATEMENT OF COMPLIANCE

- 2.1 These consolidated condensed interim financial statements of the Group for the quarter ended March 31, 2016 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP). In case where requirements of provisions and directives issued under the Banking Companies Ordinance 1962, Companies Ordinance 1984 and the directives issued by SBP and SECP differs, the directives issued by SBP and SECP shall prevail.
- 2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.
- 2.3 These consolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984.

3 BASIS OF MEASUREMENT

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

- Investments;
- Certain operating fixed assets;

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

- Assets acquired in satisfaction of claims;
- Fair value of derivatives; and
- Staff retirement benefits

4 BASIS OF PRESENTATION

- 4.1 The disclosures included in these consolidated condensed interim financial statements are limited based on the format prescribed by the State Bank of Pakistan, vide BSD Circular Letter No. 2 dated May 12, 2004, vide BSD Circular Letter No. 7 dated April 20, 2010 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these consolidated condensed interim financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended December 31, 2015.
- 4.2 The financial results of the Islamic Banking branches have been consolidated in these financial statements for reporting purposes. Key financial figures of the Islamic Banking branches are disclosed in Note 18 to these consolidated financial statements.
- 4.3 The Group has adopted the following amendments and annual improvements to IFRSs, which became effective for the current period:
- Amendments to IAS 38 - Intangible Assets and IAS 16 - Property, Plant and Equipment
 - Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures
 - Amendments to IFRS 11 - Joint Arrangements
 - Amendments to IAS 27 - Separate Financial Statements
 - Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture
 - Annual Improvements to IFRSs 2012-2014 Cycle

The adoption of above amendments and improvements did not have any effect on these financial statements. Furthermore, SECP has granted exemption to the Group from application of the requirements of IFRS 10 - Consolidated Financial Statements with respect to the investments in mutual funds managed by ABL Asset Management Company Limited.

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

- 5.1 The accounting policies, underlying estimates and methods of computation followed in the preparation of these consolidated condensed interim financial statements are same as those applied in preparing the most recent annual consolidated financial statements of the Group, except for recognition criteria of assets acquired in satisfaction of claims as notified in Note 3 in pursuance of Debt Swap Regulations issued by SBP on January 01, 2016.
- 5.2 The financial risk management objectives and policies adopted by the Group are consistent with that disclosed in the financial statements of the Group for the year ended December 31, 2015.
- 5.3 The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable and unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. The valuation of financial assets and financial liabilities are categorized and disclosed keeping in view the measurement requirements specified in note 2.2.

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
6 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings			
(Reverse Repo)	6.1	—	2,156,091
Certificates of investment	6.2	70,000	70,000
Call money lendings	6.3	—	1,200,000
		70,000	3,426,091
Provision against lendings to financial institutions		(70,000)	(70,000)
		—	3,356,091

- 6.1 These short-term lendings carried mark-up at rate of 6.45% to 6.50% per annum and were matured by January 08, 2016.
- 6.2 This represents a classified certificate of investment.
- 6.3 These unsecured call money lendings carried mark-up rate of 6.50% per annum and were matured by January 08, 2016.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

7. INVESTMENTS

	Note	Held by Bank	Given as collateral	Total
		Rupees in '000		
Current period - March 31, 2016				
(Un-audited)	7.1	486,507,974	121,144,863	607,652,837
Prior year - December 31, 2015				
(Audited)	7.1	445,120,237	99,985,301	545,105,538
		Rupees in '000		
		Rupees in '000		
		Rupees in '000		

7.1 Investments by types:

Held-for-trading securities						
Market Treasury Bills	9,862,150	-	9,862,150	-	-	-
Pakistan Investment Bonds	6,248,684	-	6,248,684	-	-	-
Units of open-ended mutual funds / pension funds- related parties	1,276,713	-	1,276,713	1,212,748	-	1,212,748
Sukuk bonds	7,152	-	7,152	19,633	-	19,633
	17,394,699	-	17,394,699	1,232,381	-	1,232,381
Available-for-sale securities						
Market Treasury Bills	146,505,344	2,610,289	149,115,633	113,476,903	25,054,061	138,530,964
Pakistan Investment Bonds	68,005,848	114,688,818	182,694,666	83,273,356	71,436,281	154,709,637
Ordinary shares of listed companies / certificates of close ended mutual funds	13,623,243	-	13,623,243	13,614,525	-	13,614,525
Preference shares	25,000	-	25,000	25,000	-	25,000
Units of open ended mutual funds	150,000	-	150,000	150,000	-	150,000
Ordinary shares of unlisted companies	2,123,767	-	2,123,767	2,123,767	-	2,123,767
Investment in related parties						
- Listed shares	8,142,520	-	8,142,520	8,142,520	-	8,142,520
- Unlisted shares	1,352,894	-	1,352,894	1,352,894	-	1,352,894
- Units of open ended mutual funds	135,000	-	135,000	135,000	-	135,000
Sukuk bonds	2,194,708	-	2,194,708	1,945,563	-	1,945,563
GOP Sukuk	5,352,651	-	5,352,651	5,359,194	-	5,359,194
GOP Ijara Sukuk	2,106,589	-	2,106,589	700,275	-	700,275
Foreign Currency Bonds (US\$)	4,744,149	-	4,744,149	-	-	-
Term Finance Certificates (TFCs)	4,713,821	-	4,713,821	4,179,005	-	4,179,005
	259,175,534	117,299,107	376,474,641	234,478,002	96,490,342	330,968,344
Held-to-maturity securities						
Pakistan Investment Bonds	185,955,195	-	185,955,195	185,697,197	-	185,697,197
GOP Sukuk	1,054,365	-	1,054,365	1,054,700	-	1,054,700
GOP Ijara Sukuk	100,000	-	100,000	150,319	-	150,319
Bai Muajjal Placements (GOP Sukuks)	272,275	-	272,275	272,275	-	272,275
Foreign Currency Bonds (US\$)	4,946,774	-	4,946,774	4,906,147	-	4,906,147
TFCs, Bonds and PTCs	744,271	-	744,271	1,428,725	-	1,428,725
	193,072,880	-	193,072,880	193,509,363	-	193,509,363
Investment at cost	469,643,113	117,299,107	586,942,220	429,219,746	96,490,342	525,710,088
Provision for diminution in the value of investments	(2,777,721)	-	(2,777,721)	(2,777,721)	-	(2,777,721)
Investments (net of provisions)	466,865,392	117,299,107	584,164,499	426,442,025	96,490,342	522,932,367
Surplus on revaluation of						
'held-for-trading' securities	30,344	-	30,344	23,667	-	23,667
Surplus on revaluation of						
'available-for-sale' securities	19,612,238	3,845,756	23,457,994	18,654,545	3,494,959	22,149,504
Total investments at market value	486,507,974	121,144,863	607,652,837	445,120,237	99,985,301	545,105,538

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
8 ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		300,126,021	324,608,053
Outside Pakistan		11,072,582	9,290,527
Islamic Financing and related assets	18.2	3,297,321	139,983
Net investment in finance lease - in Pakistan		2,101,896	2,072,857
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		2,177,476	1,355,182
Payable outside Pakistan		5,035,482	3,345,595
		7,212,958	4,700,777
Advances - gross		323,810,778	340,812,197
Provision for non-performing advances	8.1 & 8.3	(19,362,530)	(19,092,777)
General provision against consumer financing	8.3	(61,890)	(71,489)
		(19,424,420)	(19,164,266)
Advances - net of provision		304,386,358	321,647,931

8.1 Advances include Rs. 21,720.767 million (2015: Rs. 21,903.729 million) which have been placed under non-performing status as detailed below:-

March 31, 2016 (Un-audited)					
Category of Classification	Classified Advances			Provision	Provision
	Domestic	Overseas	Total	required	held
Rupees in '000					
Other Assets Especially Mentioned	203,016	—	203,016	5,557	5,557
Substandard	1,022,518	—	1,022,518	253,701	253,701
Doubtful	574,367	—	574,367	287,183	287,183
Loss	19,920,866	—	19,920,866	18,816,089	18,816,089
	21,720,767	—	21,720,767	19,362,530	19,362,530

December 31, 2015 (Audited)					
Category of Classification	Classified Advances			Provision	Provision
	Domestic	Overseas	Total	required	held
Rupees in '000					
Other Assets Especially Mentioned	152,314	—	152,314	4,496	4,496
Substandard	1,459,082	—	1,459,082	362,376	362,376
Doubtful	586,044	—	586,044	293,022	293,022
Loss	19,706,289	—	19,706,289	18,432,883	18,432,883
	21,903,729	—	21,903,729	19,092,777	19,092,777

8.2 No benefit of forced sale value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 01 dated October 21, 2011.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

8.3 Particulars of provision against non-performing advances and general provision:

	March 31, 2016 (Un-audited)			December 31, 2015 (Audited)		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
Opening balance	19,092,777	71,489	19,164,266	19,694,645	115,919	19,810,564
Charge for the period / year	1,180,316	–	1,180,316	1,612,696	–	1,612,696
Reversals	(894,617)	(9,599)	(904,216)	(1,856,386)	(44,430)	(1,900,816)
Charged to profit and loss account	285,699	(9,599)	276,100	(243,690)	(44,430)	(288,120)
Amounts written off	(15,946)	–	(15,946)	(358,178)	–	(358,178)
Closing balance	19,362,530	61,890	19,424,420	19,092,777	71,489	19,164,266

8.4 The Bank has participated in a syndicated long term loan facility granted to Northern Power Generation Company Limited, valuing Rs. 5,310 million, which is secured against a government guarantee. The subject facility has not been classified pursuant to its restructuring at the syndicate level. In this regard, State Bank of Pakistan has also allowed relaxation vide Letter No. BPRD/ BRD-Policy/ 2015-22984 dated October 19, 2015, which is valid upto June 30, 2016.

	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000		
9 BORROWINGS FROM FINANCIAL INSTITUTIONS		
Details of borrowings (Secured / Unsecured)		
Secured		
Borrowings from State Bank of Pakistan	13,740,817	15,610,860
Repurchase agreement borrowings	120,811,223	99,542,397
Unsecured		
Call borrowings	22,734,960	22,675,643
Overdrawn nostro accounts	258,721	101,868
Borrowings from other financial institutions	39,041	29,050
	23,032,722	22,806,561
	157,584,762	137,959,818

10 DEPOSITS AND OTHER ACCOUNTS

Customers		
Fixed deposits	189,986,485	195,785,765
Savings deposits	198,815,883	196,673,748
Current accounts - remunerative	87,435,686	88,514,515
Current accounts - non - remunerative	222,369,292	219,778,464
	698,607,346	700,752,492
Financial Institutions		
Remunerative deposits	33,465,854	30,862,698
Non - remunerative deposits	2,398,992	2,930,825
	734,472,192	734,546,015

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

11. SHARE CAPITAL

11.1 Authorised capital

Un-audited March 31, 2016 No. of shares	Audited December 31, 2015		Un-audited March 31, 2016 Rupees in '000	Audited December 31, 2015
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

11.2 Issued, subscribed and paid-up capital

Fully paid-up Ordinary shares of Rs. 10 each				
Un-audited March 31, 2016 No. of shares	Audited December 31, 2015		Un-audited March 31, 2016 Rupees in '000	Audited December 31, 2015
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 Ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004).		
9,148,550	9,148,550		91,486	91,486
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Modaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.		
8,400,000	8,400,000		84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Fibers Limited, related party of the Bank, holds 194,041,916 (16.95%) [2015: 194,041,916 (16.95%)] ordinary shares of Rs.10 each, as at reporting date.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
	Rupees in '000	
12 CONTINGENCIES AND COMMITMENTS		
12.1 Direct credit substitutes		
Guarantees in favour of:		
Banks and financial institutions	9,145,318	10,136,906
12.2 Transaction-related contingent liabilities		
Guarantees in favour of:		
Government	350,699	337,994
Others	19,049,525	18,936,699
	19,400,224	19,274,693
12.3 Trade-related contingent liabilities	75,031,853	63,258,242
12.4 Claims against the Group not acknowledged as debt	4,420,969	4,538,697
12.5 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
	Un-audited March 31, 2016	Audited December 31, 2015
	Rupees in '000	
12.6 Commitments in respect of :		
Purchase of forward foreign exchange contracts	73,438,858	64,741,951
Sale of forward foreign exchange contracts	54,384,328	51,664,798
12.7 Commitments in respect of :		
Forward purchase of Federal Government securities	1,194,200	–
Forward sale of Federal Government securities	400,000	3,000,000
12.8 Commitments in respect of:		
Civil works	760,229	909,419
Acquisition of operating fixed assets	577,573	1,078,477
	1,337,802	1,987,896
12.9 Commitments in respect of operating lease	4,185,542	4,126,800
12.10 Other Commitments	43,751	43,651

12.11 Other Contingencies

12.11.1 There is no change in the status of contingencies, set out in note 22.11 to the consolidated financial statements of the Group for the year ended December 31, 2015, except for the contingencies as mentioned below:

12.11.2 The income tax assessments of the Group have been finalized upto and including tax year 2015 for local and Azad Kashmir operations. While finalizing income tax assessments upto tax year 2015, income tax authorities made certain add backs with aggregate tax impact of Rs. 22,553 million (2015: 20,584 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. 22,553 million (2015: 20,584 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 2014 and created an arbitrary demand of Rs. 1,290 million (2015: 1,300 million). The Bank's appeals before Commissioner Inland Revenue - Appeals

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

(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. 1,290 million (2015: 1,300 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 / Sales Tax Act, 1990 / Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2014 thereby creating arbitrary aggregate demand of Rs. 633 million (2015: 633 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. 633 million (2015: 633 million).

12.11.3 While adjudicating FE repatriation cases of exporter namely: M/S Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court ('FEAC') of the State Bank of Pakistan ('SBP') has adjudicated arbitrarily penalty against various banks including Rs. 2,173 million in aggregate against ABL. Against the said judgments, the Bank has filed appeals before the Appellate Board and Constitutional Petitions in the High Court of Sindh, Karachi. The Honorable High Court has granted relief to Bank by way of interim orders. 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.

Un-audited Quarter Ended		
	March 31, 2016	March 31, 2015
	Rupees in '000	
13 MARK-UP / RETURN / INTEREST EARNED		
On loans and advances	4,959,727	7,501,836
On investments in:		
'Available-for-sale' securities	6,608,631	5,169,408
'Held-to-maturity' securities	5,221,551	5,622,954
'Held-for-trading' securities	264,458	72,531
	12,094,640	10,864,893
On deposits with financial institutions	1,413	3,182
On securities purchased under resale agreements	23,216	111,321
On call money lending	24,709	9,945
	17,103,705	18,491,177
14 MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	6,017,713	7,317,467
Long term borrowing	63,699	121,892
Securities sold under repurchase agreements	1,949,103	1,528,331
Call money borrowing	160,589	138,728
Brokerage and commission	40,369	40,600
Markup on sub-ordinated loans	—	84,877
Other short term borrowings	371,453	780,028
	8,602,926	10,011,923
15 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation for the period attributable to		
ordinary shareholders	4,815,137	4,265,250
	Number of Share	
Weighted average number of ordinary shares		
outstanding during the period.	1,145,073,830	1,145,073,830
	Rupees	
Earnings per share - basic and diluted for the period	4.21	3.72

There is no dilution effect on basic earnings per share.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

16. RELATED PARTY TRANSACTIONS

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

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

	March 31, 2016 (Un-audited)				December 31, 2015 (Audited)			
	Directors	Associated companies*	Key management personnel	Other related parties	Directors	Associated companies*	Key management personnel	Other related parties
Rupees in '000								
Nature of related party transactions								
Loans								
Loans at the beginning of the period / year	36,637	1,777,473	276,413	5,379,463	47,285	1,985	217,707	134
Loans given during the period / year	4,671	8,874	25,657	15,761,027	32,675	2,187,167	165,744	96,289,134
Loans repaid / adjustments during the period / year	(5,989)	(809,371)	(32,043)	(15,968,582)	(43,323)	(411,679)	(107,088)	(90,909,806)
Loans at the end of the period / year	35,319	976,976	271,021	5,173,908	36,637	1,777,473	216,413	5,379,463
Deposits								
Deposits at the beginning of the period / year	40,868	102,902	22,837	9,572,394	34,696	25,497	92,933	6,853,139
Deposits received during the period / year	1,210,888	2,264,406	55,508	15,526,921	5,060,426	11,448,550	303,540	101,649,234
Deposits repaid during the period / year	(1,211,421)	(2,138,689)	(60,162)	(15,562,556)	(5,054,254)	(11,371,145)	(373,636)	(98,929,979)
Deposits at the end of the period / year	40,335	228,619	18,183	9,536,769	40,868	102,902	22,837	9,572,394
Nostro balances	-	47,261	-	-	-	41,303	-	-
Investments in shares / open end mutual funds	-	5,084,379	-	5,840,100	-	5,084,379	-	5,782,059
Other receivables	5,530	-	66,189	-	5,058	-	63,147	217,087
Net receivable from staff retirement benefit funds	-	-	-	3,576,981	-	-	-	4,741,357
Non funded exposure	-	-	-	1,287,517	-	-	-	1,266,951
March 31, 2016 (Un-audited)								
March 31, 2015 (Un-audited)								
Rupees in '000								
Mark-up earned	473	38,277	3,551	115,280	608	56	3,028	170,597
Income on Placements	-	610	-	-	-	483	-	-
Dividend Income	-	504,000	-	537,774	-	-	-	-
Capital Gain	-	-	-	-	-	-	-	15,219
Sales commission	-	-	-	2,011	-	-	-	3,845
Management fee income	-	-	-	103,752	-	-	-	102,810
Mark-up expense on Deposits	263	697	46	65,501	220	117	112	98,894
Fee commission / bank charges	4	14	14	145	5	16	15	84
Director's meeting fee	3,150	-	-	-	1,500	-	-	-
Remuneration	6,750	-	52,282	-	-	-	45,370	-
Other charges **	-	290	-	2,730	-	995	-	-
Rent Expense***	-	6,295	-	-	-	5,767	-	-
Rent Income****	-	1,520	-	-	-	300	-	-
Charge / (Reversal) in respect of staff retirement benefit funds	-	-	-	49,551	-	-	-	1,259

Shareholding held by a related party, outstanding at the end of period are included in note 11.2 to these consolidated condensed interim financial statements.

* Associated companies are on the basis of common directorship.

** Other charges include Re-Certification Fee-ISO Messages & Certification of Link Transactions amounting to Rs. 787,125 paid by the Bank.

*** Rent sharing expense of ABL Branch with associated company (Ibrahim Fibers Limited) was carried out on terms other than that of arm's length with prior permission of State Bank of Pakistan.

**** Rent Free ATMs are placed at Ibrahim Fibers Limited (Textile Mills) and Ibrahim Fibers Limited (Polyester Plant).

***** Two offices located at Islamabad Stock-Exchange Building rented out to associated company (Ibrahim Fibers Limited) at market value and with prior permission of State Bank of Pakistan.

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

For the Quarter Ended March 31, 2016 (Un-audited)								
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Asset Management	Eliminations	Total
Rupees in '000								
Total Income	6,549,964	12,901,408	4,376,500	6,215,762	49,784	126,290	(9,204,114)	21,015,594
Total Expenses	(5,336,595)	(9,668,400)	(3,708,999)	(6,051,074)	(540,698)	(98,805)	9,204,114	(16,200,457)
Net Income	1,213,369	3,233,008	667,501	164,688	(490,914)	27,485	–	4,815,137

For the Quarter Ended March 31, 2015 (Un-audited)								
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Asset Management	Eliminations	Total
Rupees in '000								
Total Income	8,468,182	11,275,854	5,346,627	6,840,601	233,054	136,828	(10,620,601)	21,680,545
Total Expenses	(7,471,479)	(9,265,799)	(4,058,779)	(6,115,733)	(1,042,386)	(81,720)	10,620,601	(17,415,295)
Net Income	996,703	2,010,055	1,287,848	724,868	(809,332)	55,108	–	4,265,250

As at March 31, 2016 (Un-audited)								
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Asset Management	Eliminations	Total
Rupees in '000								
Segment Assets (Gross)	342,524,737	579,418,067	292,397,307	423,046,278	156,407,814	1,655,549	(751,895,463)	1,043,554,289

As at December 31, 2015 (Audited)								
	Corporate & Investment Banking	Trading & Sales (Treasury)	Retail Banking	Commercial Banking	Others	Asset Management	Eliminations	Total
Rupees in '000								
Segment Assets (Gross)	349,489,547	534,519,724	301,591,958	455,374,045	77,120,608	1,625,730	(703,532,689)	1,016,188,923

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

18 ISLAMIC BANKING BUSINESS

18.1 The bank is operating 27 islamic banking branches at March 31, 2016 (December 31, 2015: 27). The statement of financial position of the Bank's islamic banking business as at March 31, 2016 is as follows:

	Note	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		141,193	135,599
Balances with other banks		–	–
Due from financial institutions		–	–
Investments		3,435,952	2,512,817
Islamic financing and related assets	18.2	3,297,321	139,983
Operating fixed assets		41,403	46,302
Deferred tax assets		–	–
Due from head office		74,288	55,294
Other assets		80,359	23,254
		7,070,516	2,913,249
LIABILITIES			
Bills payable		46,039	11,456
Due to financial institutions		3,248,000	18,500
Deposits and other accounts			
-Current accounts		1,514,127	988,294
-Saving accounts		1,035,633	1,009,745
-Term deposits		74,090	232,770
Deposits from Financial Institutions - Remunerative		647,847	103,948
Deposits from Financial Institutions - Non-Remunerative		–	–
Deferred tax liability		–	–
Due to Head Office		–	–
Other liabilities		17,678	41,943
		6,583,414	2,406,656
NET ASSETS		487,102	506,593
REPRESENTED BY			
Islamic banking fund		500,000	500,000
Reserves		–	–
Unappropriated loss		(50,449)	(28,510)
		449,551	471,490
Surplus on revaluation of assets - net of tax		37,551	35,103
		487,102	506,593
18.2 ISLAMIC FINANCING AND RELATED ASSETS			
Murabaha	18.2.1	266,917	109,959
Ijarah	18.2.2	30,404	30,024
Salam	18.2.3	3,000,000	–
Gross Advance		3,297,321	139,983
Provision held		–	–
Advance-net of provision		3,297,321	139,983
18.2.1 MURABAHA			
Financing		245,931	–
Advance		20,986	109,959
Inventories		–	–
		266,917	109,959

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
Rupees in '000		
18.2.2 IJARAH		
Financing	25,403	21,542
Advance	3,449	7,259
Inventories	1,552	1,223
	<u>30,404</u>	<u>30,024</u>
18.2.3 SALAM		
Financing	-	-
Advance	3,000,000	-
Inventories	-	-
	<u>3,000,000</u>	<u>-</u>
18.3 CHARITY FUND		
Opening Balance	11	-
Additions during the period	1	11
Payments / Utilization during the period	-	-
Closing Balance	<u>12</u>	<u>11</u>
18.4 The profit and loss account of the Bank's Islamic banking business for the quarter ended March 31, 2016 is as follows:		
	Un-audited Quarter Ended March 31, 2016	March 31, 2015
Rupees in '000		
Income / return / profit earned	61,599	9,210
Income / return / profit expensed	<u>28,875</u>	<u>2,309</u>
Net income / profit	32,724	6,901
Provision against non-performing loans and advances and general provision - net	-	-
Provision for diminution in the value of investments - net	-	-
Bad debts written off directly	-	-
	<u>-</u>	<u>-</u>
Net profit / income after provisions	<u>32,724</u>	<u>6,901</u>
OTHER INCOME		
Fee, commission and brokerage income	3,245	827
Dividend income	-	-
Income from dealing in foreign currencies	-	-
Gain on sale of securities	-	71
Unrealized gain on revaluation of investments classified as 'held-for-trading' - net	-	-
Other income	25	10
	<u>3,270</u>	<u>908</u>
	<u>35,994</u>	<u>7,809</u>
OTHER EXPENSE		
Administrative expenses	57,933	16,565
Provision against other assets - net	-	-
Provision against off-balance sheet obligations - net	-	-
Other charges	-	-
	<u>57,933</u>	<u>16,565</u>
Extra-ordinary / unusual items	-	-
LOSS BEFORE TAXATION	<u>(21,939)</u>	<u>(8,756)</u>
18.5 Remuneration to Shariah Advisor / Board	<u>1,833</u>	<u>825</u>

Notes to the Consolidated Condensed Interim Financial Statements

(Un-audited) for the quarter ended March 31, 2016

19 GENERAL

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

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

19.3 The Board of Directors of the Bank in its meeting held on April 26, 2016 has approved interim cash dividend for the quarter ended March 31, 2016 at Rs. 1.75 per share (March 31, 2015: Rs. 1.75 per share). The consolidated condensed interim financial statements for the quarter ended March 31, 2016 do not include the effect of this appropriation and will be accounted for in the financial statements of the period of declaration.

20 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 26, 2016 by the Board of Directors of the Bank.

Chief Financial Officer

President and Chief Executive Officer

Director

Director

Chairman

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