









Dreaming a dream together

Allied Bank
aap kay saath saath

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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
Pervaiz Iqbal Butt
A. Akbar Sharifzada
Sheikh Jalees Ahmed
Tariq Mahmood

Audit Committee of Board

Mubashir A. Akhtar
(Chairman)

Pervaiz Iqbal Butt
A. Akbar Sharifzada

Human Resource & Remuneration Committee

Abdul Aziz Khan
(Chairman)

Muhammad Waseem Mukhtar
Pervaiz Iqbal Butt
Tariq Mahmood

Company Secretary

Muhammad Raffat

Auditors

Ernst & Young Ford Rhodes
Sidat Hyder
Chartered Accountants

Legal Adviser

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

Shares Registrar

Technology Trade (Pvt.) Limited

Registered & Head Office

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

Website & Email

www.abl.com
info@abl.com
Toll Free Number
0800-22522

Vision, Mission & Core Values

Vision

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

Mission

To provide value added services to our customers

To provide high tech innovative solutions to meet customers' requirements

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

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

To play a proactive role in contributing towards the society

Core Values

Integrity
Excellence in Service
High Performance
Innovation and Growth

Directors' Review

Dear Shareholders,

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

Financial Highlights

	(Rupees in million)		
	Half Year ended June 30,		Growth
	2013	2012	
Profit After Tax	5,527	6,653	(16.9%)
Un-appropriated profits brought forward	24,250	20,510	18.2%
Transfer from surplus on revaluation of fixed assets – net of tax	41	15	173.3%
Profit available for appropriation	29,818	27,178	9.7%
Final cash dividend for the year ended December 31, 2012 Rs. 2 per ordinary share (2012: year ended December 31, 2011 at Rs. 2.5 per share)	(1,893)	(2,151)	(12%)
Interim Cash Dividend for the year ending December 31, 2013 (2012: interim dividend for the year ended December 31, 2012)	(1,301)	(1,893)	(31.2%)
Transfer to reserve for issue of bonus shares for the year ended December 31, 2012 @ 10% (2012: year ended December 31, 2011 @ 10%)	(946)	(658)	43.8%
Transfer to Statutory Reserves	(553)	(1,331)	(58.4%)
Un-appropriated profits carried forward	25,125	21,145	18.8%
Earnings Per Share (EPS) (Rs.)	5.31	6.39	(16.9%)

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

Economic Overview

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

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

In May 2013, the year-on-year CPI inflation was 5.1% and the average CPI inflation for FY13 is expected to be at least 2% below the target of 9.5%. However, an increase of 1% in the General Sales Tax (GST) and expected phase-wise upward adjustment in electricity tariff pose a risk whereby average inflation for FY14 could exceed the announced target of 8% for the year.

The fiscal deficit for FY13 has been estimated to reach 8.8% of GDP. The burden of financing that sizeable deficit has fallen disproportionately on domestic sources, in particular the banking system. During July – 7th June, FY13, fiscal borrowings from the banking system for budgetary support were Rs. 1,230 billion, including Rs. 413 billion from the SBP.

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

Financial Review

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

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

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

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

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

The growth in earning assets volume could not completely offset the impact of the significant reduction in the benchmark policy rates and change in the profit payment methodology of savings deposits from minimum to average balances; Profit Before Tax of Your Bank stood at Rs. 7,878 million for the half year ended June 30, 2013, showing a decline by 16.3% as compared to Rs. 9,415 million for the corresponding period of previous year. Profit After Tax also declined by 16.92% to Rs. 5,527 million as compared to Rs. 6,653 million in the corresponding period of previous year. As a result the EPS stood at Rs 5.31 during the half year ended June 30, 2013 compared to Rs 6.39 in the corresponding period of previous year.

Future Outlook

With continuing challenges pertaining to macro-economic outlook, energy crisis, security related issues and low private sector credit appetite; the banking industry's profit margins shall remain under pressure. The cumulative interest rate cuts by SBP aggregating to 5% since August 2011 coupled with recent SBP directive to pay minimum profit rate of 6% on average savings account balances has further squeezed banking sector spreads.

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

Entity & TFC Ratings

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

Corporate Governance Rating

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

Best Investment Bank Award – Euromoney

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

Acknowledgement

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

For and on behalf of the Board,

Tariq Mahmood
Chief Executive Officer

Date: 21 August, 2013
Place: Lahore

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants
Mall View Building
4 - Bank Square, Lahore

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

Introduction

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

Scope of Review

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

Conclusion

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

Other Matter

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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Engagement Partner:
Naseem Akbar

Date : 21 August, 2013
Place : Lahore

Unconsolidated Condensed Interim Statement of Financial Position
as at June 30, 2013

	Note	Un-audited June 30, 2013	Audited December 31, 2012 Restated
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		50,328,313	43,351,653
Balances with other banks		1,379,418	1,029,286
Lendings to financial institutions	6	41,576,540	10,720,935
Investments	7	288,404,530	267,403,346
Advances	8	261,632,448	271,084,275
Operating fixed assets		20,396,875	19,871,173
Deferred tax assets		-	-
Other assets		19,857,866	19,861,305
		683,575,990	633,321,973
LIABILITIES			
Bills payable		10,537,922	6,203,051
Borrowings with financial institutions	9	25,363,966	38,916,192
Deposits and other accounts	10	570,221,875	514,707,055
Sub-ordinated loans		4,866,300	5,490,400
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		390,648	64,584
Other liabilities		14,139,268	15,333,164
		625,519,979	580,714,446
NET ASSETS		58,056,011	52,607,527
REPRESENTED BY			
Share capital	11	10,409,763	9,463,421
Reserves		11,470,728	10,906,250
Unappropriated profit		25,124,799	24,250,078
		47,005,290	44,619,749
Surplus on revaluation of assets - net of tax		11,050,721	7,987,778
		58,056,011	52,607,527
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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 half year ended June 30, 2013

	Note	Half Year Ended		Quarter Ended	
		June 30, 2013	June 30 2012	June 30, 2013	June 30 2012
		Rupees in '000			
Mark-up / return / interest earned	13	26,151,817	24,378,492	13,423,276	12,386,414
Mark-up / return / interest expensed	14	15,761,989	14,419,048	8,041,707	7,309,014
Net mark-up / interest income		10,389,828	9,959,444	5,381,569	5,077,400
Provision against non-performing loans and advances and general provision - net		74,831	874,030	97,595	303,434
(Reversal) / provision for diminution in the value of investments - net		(43,371)	(592,813)	(22,862)	17,629
Bad debts written off directly		-	-	-	-
		31,460	281,217	74,733	321,063
Net mark-up / interest income after provisions		10,358,368	9,678,227	5,306,836	4,756,337
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		1,604,628	1,382,204	793,178	660,384
Dividend income		1,195,982	3,329,282	190,549	1,612,046
Income from dealing in foreign currencies		168,523	293,820	98,460	156,149
Gain on sale of securities		786,086	1,735,640	168,264	1,491,172
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading' - net		6,906	(792)	6,906	203
Other income	15	1,138,893	121,763	1,125,098	51,470
Total non-markup / interest income		4,901,018	6,861,917	2,382,455	3,971,424
		15,259,386	16,540,144	7,689,291	8,727,761
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		7,183,171	6,854,964	3,696,974	3,507,078
Provision / (reversal) against other assets - net		24,000	(6,542)	12,000	82,000
Provision / (reversal) against off-balance sheet obligations - net		3,400	25,894	3,400	(30,758)
Other charges		170,510	250,702	64,335	121,940
Total non-markup / interest expenses		7,381,081	7,125,018	3,776,709	3,680,260
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		7,878,305	9,415,126	3,912,582	5,047,501
Taxation					
Current		2,271,757	2,886,665	1,152,993	1,453,521
Prior years		-	-	-	-
Deferred		79,526	(124,347)	58,963	(14,496)
		2,351,283	2,762,318	1,211,956	1,439,025
PROFIT AFTER TAXATION		5,527,022	6,652,808	2,700,626	3,608,476
			Restated		Restated
Earnings per share - Basic and Diluted (in Rupees)	16	5.31	6.39	2.59	3.47

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 half year ended June 30, 2013

	Half Year Ended		Quarter Ended	
	June 30, 2013	June 30 2012	June 30, 2013	June 30 2012
	Rupees in '000			
Profit after taxation for the period	5,527,022	6,652,808	2,700,626	3,608,476
Other comprehensive income				
Exchange differences on translation of net investment in foreign wholesale branch	11,776	-	6,574	-
Total comprehensive income for the period	5,538,798	6,652,808	2,707,200	3,608,476

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

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

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman

Unconsolidated Condensed Interim Statement of Cash Flows

(Un-audited) for the half year ended June 30, 2013

	Half Year Ended	
	June 30, 2013	June 30, 2012 Restated
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,878,305	9,415,126
Less: Dividend income	(1,195,982)	(3,329,282)
	6,682,323	6,085,844
Adjustments for non-cash items:		
Depreciation / amortization	810,051	548,315
Provision against non-performing loans, advances and general provision - net	74,831	874,030
(Reversal) for diminution in the value of investments - net	(43,371)	(592,813)
Unrealized (loss) / gain on revaluation of 'held-for-trading' securities - net	(6,906)	792
Provision against off balance sheet obligations - net	3,400	25,894
Provision / (reversal) against other assets - net	24,000	(6,542)
Loss / (gain) on sale of fixed assets	1,503	(14,298)
	863,508	835,378
	7,545,831	6,921,222
(Increase) / decrease in operating assets		
Lendings to financial institutions	(30,855,605)	(11,892,681)
Net investments in 'held-for-trading' securities	(67,157)	(1,481,503)
Advances - net	9,376,996	(17,151,850)
Other assets (excluding advance taxation) - net	(613,144)	(757,904)
	(22,158,910)	(31,283,938)
Increase / (Decrease) in operating liabilities		
Bills payable	4,334,871	(20,718)
Borrowings from financial institutions	(13,740,928)	(17,567,732)
Deposits and other accounts	55,514,820	55,030,179
Other liabilities	(1,213,322)	(123,522)
	44,895,441	37,318,207
	30,282,362	12,955,491
Income tax paid - net	(2,302,118)	(4,740,108)
Net cash flows from operating activities	27,980,244	8,215,383
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in 'available-for-sale' securities	(16,234,276)	(1,566,097)
Net investments in 'held-to-maturity' securities	(1,298,981)	913,850
Dividend income received	1,842,112	3,654,301
Investments in operating fixed assets	(1,378,070)	(1,770,489)
Proceeds from sale of fixed assets	40,815	15,512
Effect of translation of net investment in foreign wholesale branch	(11,776)	-
Net cash (used in) / generated from investing activities	(17,040,176)	1,247,077
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated loans	(624,100)	(1,100)
Dividend paid	(3,177,878)	(4,022,109)
Net cash used in financing activities	(3,801,978)	(4,023,209)
Increase in cash and cash equivalents during the period	7,138,090	5,439,251
Cash and cash equivalents at beginning of the period	44,380,939	38,124,951
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	51,519,029	43,564,202

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 half year ended June 30, 2013

	Capital Reserves						Revenue Reserves			
	Share Capital	Share Premium	Exchange Translation Reserve	Bonus Issue Reserve	Special Reserve*	Merger Reserve*	Statutory Reserve	General Reserve	Un-approriated Profit	Total
	Rupees in '000									
Balance as at 1 January, 2012 - as previously reported	8,603,110	201,856	-	-	67,995	333,864	8,153,030	6,000	20,254,503	37,620,358
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 5.3	-	-	-	-	-	-	-	-	255,117	255,117
Balance as at 1 January, 2012 - restated	8,603,110	201,856	-	-	67,995	333,864	8,153,030	6,000	20,509,620	37,875,475
Changes in equity during the half year ended June 30, 2012										
Total comprehensive income for the half year ended June 30, 2012										
Net profit for the half year ended June 30, 2012	-	-	-	-	-	-	-	-	6,652,808	6,652,808
Transactions with owners recognized directly in equity										
Transfer to reserve for issue of bonus shares for the year ended December 31, 2011 @ 10%	-	(201,856)	-	860,311	-	-	-	-	(658,455)	-
Issue of bonus shares	860,311	-	-	(860,311)	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)	-	-	-	-	-	-	-	-	(2,150,777)	(2,150,777)
Interim cash dividend for the year ended December 31, 2012 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	-	(1,892,684)	(1,892,684)
	860,311	(201,856)	-	-	-	-	-	-	(4,701,916)	(4,043,461)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	-	15,514	15,514
Transfer to statutory reserve	-	-	-	-	-	-	1,330,562	-	(1,330,562)	-
Balance as at June 30, 2012 - restated	9,463,421	-	-	-	67,995	333,864	9,483,592	6,000	21,145,464	40,500,336
Changes in equity during the half year ended December 31, 2012										
Total comprehensive income for the half year ended December 31, 2012										
Net profit for the half year ended December 31, 2012	-	-	-	-	-	-	-	-	5,023,006	5,023,006
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 5.3	-	-	-	-	-	-	-	-	1,436,550	1,436,550
Effect of translation of net investment in foreign wholesale bank branch	-	-	10,198	-	-	-	-	-	-	10,198
	-	-	10,198	-	-	-	-	-	6,459,556	6,469,754
Transactions with owners recognized directly in equity										
Second Interim cash dividend for the year ended December 31, 2012 (Rs. 1.50 per ordinary share)	-	-	-	-	-	-	-	-	(1,419,513)	(1,419,513)
Third Interim cash dividend for the year ended December 31, 2012 (Re. 1 per ordinary share)	-	-	-	-	-	-	-	-	(946,342)	(946,342)
	-	-	-	-	-	-	-	-	(2,365,855)	(2,365,855)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	-	15,514	15,514
Transfer to statutory reserve	-	-		-	-	-	1,004,601	-	(1,004,601)	-
Balance as at December 31, 2012 - restated	9,463,421	-	10,198	-	67,995	333,864	10,488,193	6,000	24,250,078	44,619,749
Changes in equity during the half year ended June 30, 2013										
Total comprehensive income for the half year ended June 30, 2013										
Net profit for the half year June 30, 2013	-	-	-	-	-	-	-	-	5,527,022	5,527,022
Effect of translation of net investment in foreign wholesale bank branch	-	-	11,776	-	-	-	-	-	-	11,776
	-	-	11,776	-	-	-	-	-	5,527,022	5,538,798
Transactions with owners recognized directly in equity										
Transfer to reserve for issue of bonus shares for the year ended December 31, 2012 @ 10%	-		-	946,342	-	-	-	-	(946,342)	-
Issue of bonus shares	946,342	-	-	(946,342)	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2012 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	(1,892,684)	(1,892,684)
Interim cash dividend for the year ending December 31, 2013 (Re. 1.25 per ordinary share)	-	-	-	-	-	-	-	-	(1,301,220)	(1,301,220)
	946,342	-	-	-	-	-	-	-	(4,140,246)	(3,193,904)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-		-	-	-	-	-	40,647	40,647
Transfer to statutory reserve	-	-		-	-	-	552,702	-	(552,702)	-
Balance as at June 30, 2013	10,409,763	-	21,974	-	67,995	333,864	11,040,895	6,000	25,124,799	47,005,290

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

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

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman

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

1 STATUS AND NATURE OF BUSINESS

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

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

2 STATEMENT OF COMPLIANCE

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

2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 "Financial Instruments Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

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

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

3 BASIS OF MEASUREMENT

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

- Investments
- Operating fixed assets
- Derivatives

4 BASIS OF PRESENTATION

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

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

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

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

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

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

	December 31, 2012	December 31, 2011
	Rupees in '000	
Impact on statement of financial position:		
Net decrease in employee benefit plan	(1,436,550)	(255,117)
Net increase in equity	1,436,550	255,117

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

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

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

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		Rupees in '000	
6. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	6.1	39,576,540	8,270,935
Certificates of investment	6.2	70,000	520,000
Call Money Lendings	6.3	2,000,000	2,000,000
		41,646,540	10,790,935
Provision against lendings to financial institutions		(70,000)	(70,000)
		41,576,540	10,720,935

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

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

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

7. INVESTMENTS

	Note	Held by Bank	Given as collateral	Total
		Rupees in '000		
Current period - June 30, 2013 (Un-audited)	7.1	281,139,024	7,265,506	288,404,530
Prior year - December 31, 2012 (Audited)	7.1	248,843,089	18,560,257	267,403,346

	Un-audited As at June 30, 2013			Audited As at December 31, 2012		
	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						
Ordinary Shares	67,157	-	67,157	-	-	-
	67,157	-	67,157	-	-	-
'Available-for-sale' securities						
Market treasury bills	210,255,583	7,249,866	217,505,449	187,405,619	18,472,671	205,878,290
Pakistan investment bonds	148,091	-	148,091	147,813	-	147,813
Ordinary shares of listed companies / certificates of mutual funds	15,257,157	-	15,257,157	14,788,340	-	14,788,340
Preference shares	149,355	-	149,355	149,355	-	149,355
Units of open end mutual funds	752,563	-	752,563	831,219	-	831,219
Ordinary shares of unlisted companies	1,692,292	-	1,692,292	1,692,292	-	1,692,292
Investment in related parties						
- Unlisted shares	281,816	-	281,816	221,295	-	221,295
- Units of open end mutual funds	5,100,000	-	5,100,000	100,000	-	100,000
Sukuk bonds	2,653,776	-	2,653,776	3,216,409	-	3,216,409
Term finance certificates (TFCs)	2,273,922	-	2,273,922	2,768,904	-	2,768,904
	238,564,555	7,249,866	245,814,421	211,321,246	18,472,671	229,793,917
'Held-to-maturity' securities						
Pakistan investment bonds	26,865,059	-	26,865,059	26,818,371	-	26,818,371
Foreign currency bonds (US$)	4,165,417	-	4,165,417	2,612,263	-	2,612,263
TFCs, Debentures, Bonds and PTCs	4,252,429	-	4,252,429	4,553,290	-	4,553,290
	35,282,905	-	35,282,905	33,983,924	-	33,983,924
Subsidiary						
ABL Asset Management Company Limited	500,000	-	500,000	500,000	-	500,000
Investment at cost	274,414,617	7,249,866	281,664,483	245,805,170	18,472,671	264,277,841
Provision for diminution in the value of investments	(1,690,272)	-	(1,690,272)	(1,947,781)	-	(1,947,781)
Investment (net of provisions)	272,724,345	7,249,866	279,974,211	243,857,389	18,472,671	262,330,060
Unrealized Gain on revaluation of 'held-for-trading' securities	6,906	-	6,906	-	-	-
Surplus on revaluation of 'available-for-sale' securities	8,407,773	15,640	8,423,413	4,985,700	87,586	5,073,286
Total investments at market value	281,139,024	7,265,506	288,404,530	248,843,089	18,560,257	267,403,346

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		Rupees in '000	
8. ADVANCES			
Loans, cash credits, running finances, etc. - in Pakistan		266,494,431	283,032,567
Net investment in finance lease - in Pakistan		1,845,781	1,815,004
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		2,497,425	2,390,263
Payable outside Pakistan		8,592,791	1,651,473
		11,090,216	4,041,736
Advances - gross		279,430,428	288,889,307
Provision for non-performing advances	8.1 & 8.3	(17,717,424)	(17,752,942)
General provision against consumer financing	8.1 & 8.3	(80,556)	(52,090)
		(17,797,980)	(17,805,032)
Advances - net of provision		261,632,448	271,084,275

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

	June 30, 2013 (Un-audited)				
Category of Classification	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other Assets Especially Mentioned	49,509	-	49,509	-	-
Substandard	502,530	-	502,530	123,918	123,918
Doubtful	3,502,394	-	3,502,394	2,048,067	2,048,067
Loss	15,752,282	-	15,752,282	15,545,439	15,545,439
	19,806,715	-	19,806,715	17,717,424	17,717,424

	December 31, 2012 (Audited)				
Category of Classification	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other Assets Especially Mentioned	62,814	-	62,814	-	-
Substandard	608,677	-	608,677	151,422	151,422
Doubtful	4,750,195	-	4,750,195	2,405,112	2,405,112
Loss	15,245,875	-	15,245,875	15,196,408	15,196,408
	20,667,561	-	20,667,561	17,752,942	17,752,942

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

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

	June 30, 2013 (Un-audited)			December 31, 2012 (Audited)		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	17,752,942	52,090	17,805,032	17,671,070	32,647	17,703,717
Charge for the period	1,302,239	28,466	1,330,705	3,233,567	19,443	3,253,010
Reversals	(1,255,874)	-	(1,255,874)	(1,979,109)	-	(1,979,109)
Charged to profit and loss account	46,365	28,466	74,831	1,254,458	19,443	1,273,901
Amounts written off	(81,883)	-	(81,883)	(1,172,586)	-	(1,172,586)
Closing balance	17,717,424	80,556	17,797,980	17,752,942	52,090	17,805,032

	Un-audited June 30, 2013	Audited December 31, 2012
	Rupees in '000	
9. BORROWINGS WITH FINANCIAL INSTITUTION		
Details of Borrowings (Secured / Unsecured)		
Secured		
Borrowings from State Bank of Pakistan	15,709,821	18,891,729
Repurchase agreement borrowings	6,930,690	18,220,505
Unsecured		
Call borrowings	2,493,247	1,553,957
Overdrawn nostro accounts	188,702	-
Other Borrowings	41,506	250,001
	2,723,455	1,803,958
	25,363,966	38,916,192
10. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	160,081,633	158,249,920
Savings deposits	134,497,422	125,840,130
Current accounts - remunerative	95,985,787	80,053,817
- Non - remunerative	174,322,935	145,711,361
	564,887,777	509,855,228
Financial Institutions		
Remunerative deposits	4,941,599	4,463,515
Non - remunerative deposits	392,499	388,312
	570,221,875	514,707,055

11. SHARE CAPITAL

11.1 Authorised capital

Un-audited June 30, 2013	Audited December 31, 2012		Un-audited June 30, 2013	Audited December 31, 2012
No. of shares			Rupees in '000	
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 June 30, 2013	Audited December 31, 2012		Un-audited June 30, 2013	Audited December 31, 2012
No. of shares		Ordinary shares of Rs. 10 each	Rupees in '000	
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
616,647,565	522,013,365	Issued as bonus shares	6,166,476	5,220,134
1,023,427,659	928,793,459		10,234,277	9,287,935
9,148,550	9,148,550	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).	91,486	91,486
8,400,000	8,400,000	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.	84,000	84,000
1,040,976,209	946,342,009		10,409,763	9,463,421

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

		Un-audited June 30, 2013	Audited December 31, 2012
		Rupees in '000	
12	CONTINGENCIES AND COMMITMENTS		
12.1	Direct credit substitutes		
	Guarantees in favour of:		
	Banks and financial institutions	491,712	473,823
12.2	Transaction-related contingent liabilities		
	Guarantees in favour of:		
	Government	18,029,316	18,513,854
	Others	12,804,685	12,703,025
		30,834,001	31,216,879
12.3	Trade-related contingent liabilities	56,594,074	54,546,360
12.4	Claims against the Bank not acknowledged as debt	5,741,542	5,929,382

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 June 30, 2013	Audited December 31, 2012
		Rupees in '000	
12.6	Commitments in respect of forward foreign exchange contracts		
	Purchase	41,728,909	35,605,257
	Sale	21,483,015	9,400,993
12.7	Commitments in respect of:		
	Civil works	1,306,211	495,414
	Acquisition of operating fixed assets	950,584	706,733
		2,256,795	1,202,147
12.8	Commitments in respect of lease financing	139,970	192,274

12.9 Contingencies

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

12.9.2 The income tax assessments of the Bank have been finalized up to and including tax year 2012 for local and Azad Kashmir operations. While finalizing income tax assessments up to tax year 2012, income tax authorities made certain add backs with aggregate tax impact of Rs. 12,952 million (2012: Rs. 11,471 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals / references before higher appellate forums against unfavorable decisions. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs. 12,952 million (2012: Rs. 11,471 million). The management is confident that the outcome of these appeals will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2005, 2006 and tax year 2008 to 2012 and created an arbitrary demand of Rs. 1,081 million (2012: Rs. 219 million). The Bank 'appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) for adjudication. The management is confident that these appeals will be decided in favor of the Bank and therefore, no provision has been made against the said demand of Rs. 1,081 million (2012: Rs. 219 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 thereby creating an arbitrary demand of Rs. 257 million (2012: Rs. 110 million). The Bank 'appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 257 million (2012: Rs. 110 million).

	Half Year Ended		Quarter Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June30, 2012
	Rupees in '000			

13 MARK-UP / RETURN / INTEREST EARNED

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

14 MARK-UP / RETURN / INTEREST EXPENSED

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

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

16 EARNINGS PER SHARE - BASIC AND DILUTED

	Note	Half Year Ended		Quarter Ended	
		June 30, 2013	June 30, 2012	June 30, 2013	June30, 2012
		Rupees in '000			
Profit after taxation for the period attributable to ordinary shareholders		5,527,022	6,652,808	2,700,626	3,608,476
		Number of Shares			
			Restated		Restated
Weighted average number of ordinary shares outstanding during the period.	16.1	1,040,976,209	1,040,976,209	1,040,976,209	1,040,976,209
		Rupees			
			Restated		Restated
Earnings per share - basic and diluted for the period	16.1	5.31	6.39	2.59	3.47

There is no dilution effect on basic earnings per share.

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

17. RELATED PARTY TRANSACTIONS

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

Contributions to the accounts in respect of staff retirement benefits are made in accordance with 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.

	June 30, 2013 (Un-audited)					December 31, 2012 (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	43,842	1,833,333	-	162,016	200	49,969	-	-	203,005	-
Loans given during the period / year	14,610	-	-	65,651	1,610	14,847	2,000,000	-	76,199	3,185
Loans repaid / adjustment during the period / year	(55,401)	(1,833,333)	-	(36,976)	(1,641)	(20,974)	(166,667)	-	(117,188)	(2,985)
Loans at the end of the period / year	3,051	-	-	190,691	169	43,842	1,833,333	-	162,016	200
Deposits										
Deposits at the beginning of the period / year	33,653	41,011	5,680	27,640	5,675,814	17,270	48,985	5,710	13,556	230,430
Deposits received during the period / year	2,691,149	3,543,268	573,129	347,463	25,746,004	6,532,379	13,700,859	935,661	310,582	327,706,930
Deposits repaid during the period / year	(2,671,878)	(3,539,761)	(568,239)	(328,932)	(23,136,461)	(6,515,996)	(13,708,833)	(935,691)	(296,498)	(322,261,546)
Deposits at the end of the period / year	52,924	44,518	10,570	46,171	8,285,357	33,653	41,011	5,680	27,640	5,675,814
Nostro balances	-	208,562	-	-	-	-	136,808	-	-	-
Lendings	-	-	-	-	-	-	1,479,252	-	-	-
Borrowings	-	797,276	-	-	-	-	-	-	-	-
Investments in shares / open end mutual funds	-	279,650	500,000	5,269,430	-	-	219,130	500,000	-	122,642
Other receivables	-	-	2,365	-	-	-	-	3,186	-	-
Net receivable from staff retirement benefit funds	-	-	-	-	3,104,197	-	-	-	-	2,912,357

	June 30, 2013 (Un-audited)					June 30, 2012 (Un-audited)				
	Directors	Associated Companies	Subsidiary	Key management personnel	Other related parties	Directors	Associated Companies	Subsidiary	Key management personnel	Other related parties
	Rupees in '000									
Mark-up earned	1,250	-	-	5,438	-	878	-	-	6,144	-
Income on Placements	-	808	-	-	-	-	26	-	-	-
Dividend Income	-	-	-	-	-	-	-	-	-	2,096,020
Capital (Loss)	-	-	-	-	-	-	-	-	-	(14,099)
Sales commission	-	-	2,402	-	-	-	-	45,623	-	-
Mark-up expense on Deposits	1,060	12	544	251	306,547	392	-	597	15	29,714
Fee commission / bank charges	7	16	5	23	118	-	-	13	-	169
Interest expense on Borrowings	-	98	-	-	-	-	48,113	-	-	-
Director's meeting fee	4,500	-	-	-	-	3,250	-	-	-	-
Remuneration	-	-	-	179,010	-	-	-	-	200,693	-
NIFT charges	-	-	-	-	35,533	-	-	-	-	47,946
Rent Expense	-	4,154	-	-	-	-	2,934	-	-	-
Charge / (reversal) in respect of staff retirement benefit funds	-	-	-	-	52,405	-	-	-	-	98,379

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	For the Period Ended June 30, 2013 (Un-audited)						
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Eliminations	Total
	Rupees in '000						
Total Income	337,367	918,748	20,127,694	25,263,390	460,467	(16,054,831)	31,052,835
Total Expenses	(139,288)	(1,497,689)	(16,516,928)	(23,219,615)	(207,124)	16,054,831	(25,525,813)
Net Income	198,079	(578,941)	3,610,766	2,043,775	253,343	-	5,527,022

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

	As at June 30, 2013 (Un-audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Total
	Rupees in '000					
Segment Assets (Gross)	455,362	40,496,997	124,258,329	538,764,650	559,271	704,534,609

	As at December 31, 2012 (Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Total
	Rupees in '000					
Segment Assets (Gross) - Restated	324,474	9,456,172	122,401,581	522,024,483	342,883	654,549,593

19 GENERAL

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

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

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

20 DATE OF AUTHORIZATION FOR ISSUE

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

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman

Consolidated Condensed Interim Financial Statements

for the half year ended June 30, 2013

Consolidated Condensed Interim Statement of Financial Position
as at June 30, 2013

	Note	Un-audited June 30, 2013	Audited December 31, 2012 Restated
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		50,328,363	43,351,703
Balances with other banks		1,379,424	1,029,292
Lendings to financial institutions	6	41,576,540	10,720,935
Investments	7	288,754,244	267,682,679
Advances	8	261,662,226	271,115,683
Operating fixed assets		20,407,054	19,882,246
Deferred tax assets		-	-
Other assets		19,908,507	19,925,659
		684,016,358	633,708,197
LIABILITIES			
Bills payable		10,537,922	6,203,051
Borrowings with financial institutions	9	25,363,966	38,916,192
Deposits and other accounts	10	570,215,475	514,702,444
Sub-ordinated loans		4,866,300	5,490,400
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		391,338	65,419
Other liabilities		14,177,085	15,375,470
		625,552,086	580,752,976
NET ASSETS		58,464,272	52,955,221
REPRESENTED BY			
Share capital	11	10,409,763	9,463,421
Reserves		11,470,728	10,906,250
Unappropriated profit		25,533,060	24,597,845
		47,413,551	44,967,516
Surplus on revaluation of assets - net of tax		11,050,721	7,987,705
		58,464,272	52,955,221
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 half year ended June 30, 2013

	Note	Half Year Ended		Quarter Ended	
		June 30, 2013	June 30, 2012	June 30, 2013	June30, 2012
		Rupees in '000			
Mark-up / return / interest earned	13	26,153,174	24,384,196	13,423,687	12,387,136
Mark-up / return / interest expensed	14	15,761,483	14,372,877	8,041,389	7,243,765
Net mark-up / interest income		10,391,691	10,011,319	5,382,298	5,143,371
Provision against non-performing loans and advances and general provision - net		74,831	874,030	97,595	303,434
(Reversal) / provision for diminution in the value of investments - net		(43,371)	(592,813)	(22,862)	17,629
Bad debts written off directly		-	-	-	-
		31,460	281,217	74,733	321,063
Net mark-up / interest income after provisions		10,360,231	9,730,102	5,307,565	4,822,308
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		1,717,282	1,570,942	857,244	761,800
Dividend income		1,195,982	3,329,282	190,549	1,612,046
Income from dealing in foreign currencies		168,523	293,820	98,460	156,149
Gain on sale of securities		804,206	1,740,595	186,113	1,495,229
Unrealized gain / (loss) on revaluation of investments classified as 'held-for-trading' - net		30,594	27,470	10,308	8,651
Other income	15	1,138,942	121,763	1,125,108	51,470
Total non-markup / interest income		5,055,529	7,083,872	2,467,782	4,085,345
		15,415,760	16,813,974	7,775,347	8,907,653
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		7,267,740	7,009,208	3,737,309	3,627,606
Provision / (reversal) against other assets - net		24,000	(6,542)	12,000	82,000
Provision against off-balance sheet obligations - net		3,400	25,894	3,400	(30,758)
Other charges		171,946	253,180	65,249	123,214
Total non-markup / interest expenses		7,467,086	7,281,740	3,817,958	3,802,062
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		7,948,674	9,532,234	3,957,389	5,105,591
Taxation					
Current		2,281,776	2,916,412	1,161,210	1,470,001
Prior years		-	-	-	-
Deferred		79,382	(124,859)	58,929	(15,008)
		2,361,158	2,791,553	1,220,139	1,454,993
PROFIT AFTER TAXATION		5,587,516	6,740,681	2,737,250	3,650,598
			Restated		Restated
Earnings per share - Basic and Diluted (in Rupees)	16	5.37	6.48	2.63	3.51

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 half year ended June 30, 2013

	Half Year Ended		Quarter Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June30, 2012
	Rupees in '000			
Profit after taxation for the period	5,587,516	6,740,681	2,737,250	3,650,598
Other comprehensive income				
Exchange differences on translation of net investment in foreign wholesale branch	11,776	-	6,574	-
Total comprehensive income for the period	5,599,292	6,740,681	2,743,824	3,650,598

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

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

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman

Consolidated Condensed Interim Statement of Cash Flows

(Un-audited) for the half year ended June 30, 2013

	Half Year Ended	
	June 30, 2013	June 30, 2012 Restated
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,948,674	9,415,126
Less: Dividend income	(1,195,982)	(3,329,282)
	6,752,692	6,085,844
Adjustments for non-cash items:		
Depreciation / amortization	811,787	548,315
Provision against non-performing loans, advances and general provision - net	74,831	874,030
(Reversal) for diminution in the value of investments - net	(43,371)	(592,813)
Unrealized (loss) / gain on revaluation of 'held-for-trading' securities - net	(30,594)	792
Provision against off balance sheet obligations - net	3,400	25,894
Provision / (reversal) against other assets - net	24,000	(6,542)
Loss / (gain) on sale of fixed assets	1,454	(14,298)
	841,507	835,378
	7,594,199	6,921,222
(Increase) / decrease in operating assets		
Lendings to financial institutions	(30,855,605)	(11,892,681)
Net investments in 'held-for-trading' securities	(128,776)	(1,481,503)
Advances - net	9,378,626	(17,151,850)
Other assets (excluding advance taxation) - net	(597,819)	(757,904)
	(22,203,574)	(31,283,938)
Increase / (decrease) in operating liabilities		
Bills payable	4,334,871	(20,718)
Borrowings from financial institutions	(13,740,928)	(17,567,732)
Deposits and other accounts	55,513,031	55,030,179
Other liabilities	(1,217,811)	(123,522)
	44,889,163	37,318,207
	30,279,788	12,955,491
Income tax paid - net	(2,313,749)	(4,740,108)
Net cash flows from operating activities	27,966,039	8,215,383
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in 'available-for-sale' securities	(16,219,279)	(1,566,097)
Net investments in 'held-to-maturity' securities	(1,298,981)	913,850
Dividend income received	1,842,112	3,654,301
Investments in operating fixed assets	(1,378,969)	(1,770,489)
Proceeds from sale of fixed assets	40,922	15,512
Effect of translation of net investment in foreign wholesale branch	(11,776)	-
Net cash flows (used in) / generated from investing activities	(17,025,971)	1,247,077
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated loans	(624,100)	(1,100)
Dividend paid	(3,177,878)	(4,022,109)
Net cash used in financing activities	(3,801,978)	(4,023,209)
Increase in cash and cash equivalents during the period	7,138,090	5,439,251
Cash and cash equivalents at beginning of the period	44,380,995	38,124,951
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	51,519,085	43,564,202

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 half year ended June 30, 2013

	Capital Reserves						Revenue Reserves			
	Share Capital	Share Premium	Exchange Translation Reserve	Bonus Issue Reserve	Special Reserve*	Merger Reserve*	Statutory Reserve	General Reserve	Un-approriated Profit	Total
	Rupees in '000									
Balance as at 1 January, 2012 - as previously reported	8,603,110	201,856	-	-	67,995	333,864	8,153,030	6,000	20,395,717	37,761,572
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 5.3	-	-	-	-	-	-	-	-	255,117	255,117
Balance as at 1 January, 2012 - restated	8,603,110	201,856	-	-	67,995	333,864	8,153,030	6,000	20,650,834	38,016,689
Changes in equity during the half year June 30, 2012										
Total comprehensive income for the half year ended June 30, 2012										
Net profit for the half year June 30, 2012	-	-	-	-	-	-	-	-	6,740,681	6,740,681
Transactions with owners recognized directly in equity										
Transfer to reserve for issue of bonus shares for the year ended December 31, 2011 @ 10%	-	(201,856)	-	860,311	-	-	-	-	(658,455)	-
Issue of bonus shares	860,311	-	-	(860,311)	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2011 (Rs. 2.50 per ordinary share)	-	-	-	-	-	-	-	-	(2,150,777)	(2,150,777)
Interim cash dividend for the year ended December 31, 2012 (Rs. 2.00 per ordinary share)	-	-	-	-	-	-	-	-	(1,892,684)	(1,892,684)
	860,311	(201,856)	-	-	-	-	-	-	(4,701,916)	(4,043,461)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	-	15,514	15,514
Transfer to statutory reserve	-	-	-	-	-	-	1,330,562	-	(1,330,562)	-
Balance as at June 30, 2012 - restated	9,463,421	-	-	-	67,995	333,864	9,483,592	6,000	21,374,551	40,729,423
Changes in equity during the half year ended December 31, 2012										
Total comprehensive income for the half year ended December 31, 2012										
Net profit for the half year ended December 31, 2012	-	-	-	-	-	-	-	-	5,141,686	5,141,686
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in note 5.3	-	-	-	-	-	-	-	-	1,436,550	1,436,550
Effect of translation of net investment in foreign wholesale bank branch	-	-	10,198	-	-	-	-	-	-	10,198
	-	-	10,198	-	-	-	-	-	6,578,236	6,588,434
Transactions with owners recognized directly in equity										
Second Interim cash dividend for the year ended December 31, 2012 (Rs. 1.50 per ordinary share)	-	-	-	-	-	-	-	-	(1,419,513)	(1,419,513)
Third Interim cash dividend for the year ended December 31, 2012 (Re. 1 per ordinary share)	-	-	-	-	-	-	-	-	(946,342)	(946,342)
	-	-	-	-	-	-	-	-	(2,365,855)	(2,365,855)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	-	15,514	15,514
Transfer to statutory reserve	-	-	-	-	-	-	1,004,601	-	(1,004,601)	-
Balance as at December 31, 2012 - restated	9,463,421	-	10,198	-	67,995	333,864	10,488,193	6,000	24,597,845	44,967,516
Changes in equity during the half year ended June 30, 2013										
Total comprehensive income for the half year ended June 30, 2013										
Net profit for the year ended June 30, 2013	-	-	-	-	-	-	-	-	5,587,516	5,587,516
Effect of translation of net investment in foreign wholesale bank branch	-	-	11,776	-	-	-	-	-	-	11,776
	-	-	11,776	-	-	-	-	-	5,587,516	5,599,292
Transactions with owners recognized directly in equity										
Transfer to reserve for issue of bonus shares for the year ended December 31, 2012 @ 10%	-	-	-	946,342	-	-	-	-	(946,342)	-
Issue of bonus shares	946,342	-	-	(946,342)	-	-	-	-	-	-
Final cash dividend for the year ended December 31, 2012 (Rs. 2 per ordinary share)	-	-	-	-	-	-	-	-	(1,892,684)	(1,892,684)
Interim cash dividend for the year ending December 31, 2013 (Re. 1.25 per ordinary share)	-	-	-	-	-	-	-	-	(1,301,220)	(1,301,220)
	946,342	-	-	-	-	-	-	-	(4,140,246)	(3,193,904)
Transferred from surplus on revaluation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	-	-	-	40,647	40,647
Transfer to statutory reserve	-	-	-	-	-	-	552,702	-	(552,702)	-
Balance as at June 30, 2013	10,409,763	-	21,974	-	67,995	333,864	11,040,895	6,000	25,533,060	47,413,551

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

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

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman

1 STATUS AND NATURE OF BUSINESS

Holding Company

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

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

Subsidiary Company

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

ABL Asset Management company is managing following open ended funds:

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

2 STATEMENT OF COMPLIANCE

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

2.2 The SBP, vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to a notification of Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 "Financial Instruments Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and disclosed in accordance with the requirements prescribed by SBP through various circulars.

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

3 BASIS OF MEASUREMENT

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

- Investments
- Operating fixed assets
- Derivatives

4 BASIS OF PRESENTATION

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

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

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

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

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

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

Impact on statement of financial position:

	December 31, 2012	December 31, 2011
	Rupees in '000	
Net decrease in employee benefit plan	(1,436,550)	(255,117)
Net increase in equity	1,436,550	255,117

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

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

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

6. LENDINGS TO FINANCIAL INSTITUTIONS

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		Rupees in '000	
Repurchase agreement lendings (Reverse Repo)	6.1	39,576,540	8,270,935
Certificates of investment	6.2	70,000	520,000
Call Money Lendings	6.3	2,000,000	2,000,000
		41,646,540	10,790,935
Provision against lendings to financial institutions		(70,000)	(70,000)
		41,576,540	10,720,935

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

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

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

7. INVESTMENTS

	Note	Held by Bank	Given as collateral	Total
		Rupees in '000		
Current period - June 30, 2013 (Un-audited)	7.1	281,488,738	7,265,506	288,754,244
Prior year - December 31, 2012 (Audited)	7.1	249,122,422	18,560,257	267,682,679

	Un-audited As at June 30, 2013			Audited As at December 31, 2012		
	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						
Ordinary Shares / Certificates of Mutual Funds	893,183	-	893,183	679,962	-	679,962
Term Finance Certificates	-	-	-	14,745	-	14,745
	893,183	-	893,183	694,707	-	694,707
'Available-for-sale' securities						
Market treasury bills	210,255,583	7,249,866	217,505,449	187,405,619	18,472,671	205,878,290
Pakistan investment bonds	148,091	-	148,091	147,813	-	147,813
Ordinary shares of listed companies / certificates of mutual funds	15,257,157	-	15,257,157	14,788,340	-	14,788,340
Preference shares	149,355	-	149,355	149,355	-	149,355
Units of open end mutual funds	752,563	-	752,563	831,219	-	831,219
Ordinary shares of unlisted companies	1,692,292	-	1,692,292	1,692,292	-	1,692,292
Investment in related parties						
- Unlisted shares	281,816	-	281,816	221,295	-	221,295
- Units of open end mutual funds	5,100,000	-	5,100,000	100,000	-	100,000
Sukuk bonds	2,653,776	-	2,653,776	3,216,409	-	3,216,409
Term finance certificates (TFCs)	2,273,922	-	2,273,922	2,783,904	-	2,783,904
	238,564,555	7,249,866	245,814,421	211,336,246	18,472,671	229,808,917
'Held-to-maturity' securities						
Pakistan investment bonds	26,865,059	-	26,865,059	26,818,371	-	26,818,371
Foreign currency bonds (US$)	4,165,417	-	4,165,417	2,612,263	-	2,612,263
TFCs, Debentures, Bonds and PTCs	4,252,429	-	4,252,429	4,553,290	-	4,553,290
	35,282,905	-	35,282,905	33,983,924	-	33,983,924
Investment at cost	274,740,643	7,249,866	281,990,509	246,014,877	18,472,671	264,487,548
Provision for diminution in the value of investments	(1,690,272)	-	(1,690,272)	(1,947,781)	-	(1,947,781)
Investment (net of provisions)	273,050,371	7,249,866	280,300,237	244,067,096	18,472,671	262,539,767
Unrealized Gain on revaluation of 'held-for-trading' securities	30,594	-	30,594	69,700	-	69,700
Surplus on revaluation of 'available-for-sale' securities	8,407,773	15,640	8,423,413	4,985,626	87,586	5,073,212
Total investments at market value	281,488,738	7,265,506	288,754,244	249,122,422	18,560,257	267,682,679

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		Rupees in '000	
8. ADVANCES			
Loans, cash credits, running finances, etc. - in Pakistan		266,524,209	283,063,975
Net investment in finance lease - in Pakistan		1,845,781	1,815,004
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		2,497,425	2,390,263
Payable outside Pakistan		8,592,791	1,651,473
		11,090,216	4,041,736
Advances - gross		279,460,206	288,920,715
Provision for non-performing advances	8.1 & 8.3	(17,717,424)	(17,752,942)
General provision against consumer financing	8.1 & 8.3	(80,556)	(52,090)
		(17,797,980)	(17,805,032)
Advances - net of provision		261,662,226	271,115,683

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

	June 30, 2013 (Un-audited)				
Category of Classification	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other Assets Especially Mentioned	49,509	-	49,509	-	-
Substandard	502,530	-	502,530	123,918	123,918
Doubtful	3,502,394	-	3,502,394	2,048,067	2,048,067
Loss	15,752,282	-	15,752,282	15,545,439	15,545,439
	19,806,715	-	19,806,715	17,717,424	17,717,424

	December 31, 2012 (Audited)				
Category of Classification	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	Rupees in '000				
Other Assets Especially Mentioned	62,814	-	62,814	-	-
Substandard	608,677	-	608,677	151,422	151,422
Doubtful	4,750,195	-	4,750,195	2,405,112	2,405,112
Loss	15,245,875	-	15,245,875	15,196,408	15,196,408
	20,667,561	-	20,667,561	17,752,942	17,752,942

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

8.3 Particulars of provision against non-performing loans & advances and general provision

	(Un-audited) June 30, 2013			(Audited) December 31, 2012		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
Opening balance	17,752,942	52,090	17,805,032	17,671,070	32,647	17,703,717
Charge for the period	1,302,239	28,466	1,330,705	3,233,567	19,443	3,253,010
Reversals	(1,255,874)	-	(1,255,874)	(1,979,109)	-	(1,979,109)
Charged to profit and loss account	46,365	28,466	74,831	1,254,458	19,443	1,273,901
Amounts written off	(81,883)	-	(81,883)	(1,172,586)	-	(1,172,586)
Closing balance	17,717,424	80,556	17,797,980	17,752,942	52,090	17,805,032

	Un-audited June 30, 2013	Audited December 31, 2012
	Rupees in '000	
9. BORROWINGS WITH FINANCIAL INSTITUTION		
Details of Borrowings (Secured / Unsecured)		
Secured		
Borrowings from State Bank of Pakistan	15,709,821	18,891,729
Repurchase agreement borrowings	6,930,690	18,220,505
Unsecured		
Call borrowings	2,493,247	1,553,957
Overdrawn nostro accounts	188,702	-
Other Borrowings	41,506	250,001
	2,723,455	1,803,958
	25,363,966	38,916,192
10. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	160,081,633	158,249,920
Savings deposits	134,491,022	125,835,518
Current accounts - remunerative	95,985,787	80,053,817
- n on - remunerative	174,322,935	145,711,362
	564,881,377	509,850,617
Financial Institutions		
Remunerative deposits	4,941,599	4,463,515
Non - remunerative deposits	392,499	388,312
	570,215,475	514,702,444

11. SHARE CAPITAL

11.1 Authorised capital

Un-audited June 30, 2013	Audited December 31, 2012		Un-audited June 30, 2013	Audited December 31, 2012
No. of shares			Rupees in '000	
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 June 30, 2013	Audited December 31, 2012	Ordinary Shares	Un-audited June 30, 2013	Audited December 31, 2012
No. of shares			Rupees in '000	
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
616,647,565	522,013,365	Issued as bonus shares	6,166,476	5,220,134
1,023,427,659	928,793,459		10,234,277	9,287,935
9,148,550	9,148,550	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).	91,486	91,486
8,400,000	8,400,000	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.	84,000	84,000
1,040,976,209	946,342,009		10,409,763	9,463,421

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

	Un-audited June 30, 2013	Audited December 31, 2012
	Rupees in '000	
12. CONTINGENCIES AND COMMITMENTS		
12.1 Direct credit substitutes		
Guarantees in favour of:		
Banks and financial institutions	491,712	473,823
12.2 Transaction-related contingent liabilities		
Guarantees in favour of:		
Government	18,029,316	18,513,854
Others	12,804,685	12,703,025
	30,834,001	31,216,879
12.3 Trade-related contingent liabilities	56,594,074	54,546,360
12.4 Claims against the Bank not acknowledged as debt	5,741,542	5,929,382

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 June 30, 2013	Audited December 31, 2012
		Rupees in '000	
12.6	Commitments in respect of forward foreign exchange contracts		
	Purchase	41,728,909	35,605,257
	Sale	21,483,015	9,400,993
12.7	Commitments in respect of:		
	Civil works	1,306,211	495,414
	Acquisition of operating fixed assets	950,584	706,733
		2,256,795	1,202,147
12.8	Commitments in respect of lease financing	139,970	192,274

12.9 Contingencies

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

12.9.2 The income tax assessments of the Bank have been finalized up to and including tax year 2012 for local and Azad Kashmir operations. While finalizing income tax assessments up to tax year 2012, income tax authorities made certain add backs with aggregate tax impact of Rs. 12,952 million (2012: Rs. 11,471 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals /references before higher appellate forums against unfavorable decisions. Pending finalization of appeals no provision has been made by the Bank on aggregate sum of Rs. 12,952 million (2012: Rs. 11,471 million). The management is confident that the outcome of these appeals will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2005, 2006 and tax year 2008 to 2012 and created an arbitrary demand of Rs. 1,081 million (2012 Rs. 219 million). The Bank 'appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) for adjudication. The management is confident that these appeals will be decided in favor of the Bank and therefore, no provision has been made against the said demand of Rs. 1,081 million (2012 Rs. 219 million).

Tax authorities have also issued orders under Federal Excise Act, 2005 thereby creating an arbitrary demand of Rs. 257 million (2012 Rs. 110 million). The Bank 'appeals against these orders are pending before Appellate Tribunal Inland Revenue (ATIR) for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 257 million (2012 Rs. 110 million).

	Half Year Ended		Quarter Ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June30, 2012
	Rupees in '000			
13 MARK-UP / RETURN / INTEREST EARNED				
On loans and advances	13,945,891	16,080,371	7,249,490	8,358,780
On investments in:				
'Available-for-sale' securities	9,500,450	5,630,478	4,769,039	2,586,898
'Held-to-maturity' securities	1,986,435	2,003,626	999,321	983,294
'Held-for-Trading' securities	-	27,171	-	21,750
	11,486,885	7,661,275	5,768,360	3,591,942
On deposits with financial institutions	12,244	1,675	9,466	(1,363)
On securities purchased under resale agreements	598,660	619,256	323,198	426,174
On certificates of investment	14,457	-	4,123	-
On letters of placement	-	2,499	-	241
On call money lending	95,037	19,120	69,050	11,362
	26,153,174	24,384,196	13,423,687	12,387,136
14 MARK-UP / RETURN / INTEREST EXPENSED				
Deposits	12,860,179	10,638,525	6,619,445	5,709,523
Long term borrowing	118,702	122,634	59,748	59,141
Securities sold under repurchase agreements	929,700	1,271,754	457,395	346,227
Call money borrowing	46,179	238,613	32,528	119,212
Brokerage and commission	67,228	27,552	36,644	(24,318)
Markup on sub-ordinated loans	295,745	369,494	143,791	181,891
Other short term borrowings	1,443,750	1,704,305	691,838	852,089
	15,761,483	14,372,877	8,041,389	7,243,765

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

	Note	Half Year Ended		Quarter Ended	
		June 30, 2013	June 30, 2012	June 30, 2013	June30, 2012
		Rupees in '000			
16 EARNINGS PER SHARE - BASIC AND DILUTED					
Profit after taxation for the period attributable to ordinary shareholders		5,587,516	6,740,681	2,737,250	3,650,598
		Number of Shares			
			Restated		Restated
Weighted average number of ordinary shares outstanding during the period.	16.1	1,040,976,209	1,040,976,209	1,040,976,209	1,040,976,209
		Rupees			
			Restated		Restated
Earnings per share - basic and diluted for the period	16.1	5.37	6.48	2.63	3.51

There is no dilution effect on basic earnings per share.

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

17 RELATED PARTY TRANSACTIONS

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

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

	Un-audited June 30, 2013				Audited December 31, 2012			
	Directors	Associated companies	Key management personnel	Other related parties	Directors	Associated companies	Kay management personnel	Other related
	Rupees in '000							
Nature of related party transactions								
Loans								
Loans at the beginning of the period / year	43,842	1,833,333	176,428	200	49,969	-	203,005	-
Loans given during the period / year	14,610	-	65,651	1,610	14,847	2,000,000	91,199	3,185
Loans repaid/ adjustment during the period / year	(55,401)	(1,833,333)	(37,564)	(1,641)	(20,974)	(166,667)	(117,776)	(2,985)
Loans at the end of the period / year	3,051	-	204,515	169	43,842	1,833,333	176,428	200
Deposits								
Deposits at the beginning of the period / year	33,653	41,011	27,640	5,675,814	17,270	48,985	13,556	230,430
Deposits received during the period / year	2,691,149	3,543,268	347,463	25,746,004	6,532,379	13,700,859	310,582	327,706,930
Deposits repaid during the period / year	(2,671,878)	(3,539,761)	(328,932)	(23,136,461)	(6,515,996)	(13,708,833)	(296,498)	(322,261,546)
Deposits at the end of the period / year	52,924	44,518	46,171	8,285,357	33,653	41,011	27,640	5,675,814
Nostro balances	-	208,562	-	-	-	136,808	-	-
Lendings	-	-	-	-	-	1,479,252	-	-
Investments in shares / open end mutual funds	-	279,650	-	6,119,144	-	219,130	-	872,122
Other receivables	-	-	-	42,957	-	-	-	62,563
Other payable	-	-	-	110	-	-	-	110
Rent payable	-	-	-	-	-	-	-	-
Net receivable from staff retirement benefit funds	-	-	-	3,104,197	-	-	-	2,912,357

	Un-audited June 30, 2013				Un-audited June 30, 2012			
	Directors	Associated companies	Key management personnel	Other related parties	Directors	Associated companies	Kay management personnel	Other related parties
	Rupees in '000							
Mark-up earned	1,250	-	5,640	-	878	-	6,144	-
Income on Placements	-	808	-	-	-	26	-	-
Dividend Income	-	-	-	-	-	-	-	2,096,020
Capital (Loss)	-	-	-	-	-	-	-	(14,099)
Sales commission	-	-	-	257	-	-	-	434
Management fee sharing expense	-	-	-	-	-	-	-	111
Management fee income	-	-	-	110,351	-	-	-	233,046
Mark-up expense on Deposits	1,060	12	251	306,547	392	-	15	29,714
Fee commission / bank charges	7	16	23	118	-	-	-	169
Interest expense on Borrowings	-	98	-	-	-	48,113	-	-
Director's meeting fee	4,500	-	-	-	3,250	-	-	-
Remuneration	-	-	188,317	-	-	-	208,926	
NIFT charges	-	-	-	35,533	-	-	-	47,946
Rent Expense	-	9,667	-	-	-	8,036	-	-
Charge / (reversal) in respect of staff retirement benefit funds	-	-	-	54,350	-	-	-	100,093

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

For the Period Ended June 30, 2013 (Un-audited)

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	Total
	Rupees in '000							
Total Income	337,367	918,748	20,127,694	25,263,390	460,467	156,869	(16,055,832)	31,208,703
Total Expenses	(139,288)	(1,497,689)	(16,516,928)	(23,219,615)	(207,124)	(96,375)	16,055,832	(25,621,187)
Net Income	198,079	(578,941)	3,610,766	2,043,775	253,343	60,494	-	5,587,516

For the Period Ended June 30, 2012 (Un-audited)

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Eliminations	Total
	Rupees in '000							
Total Income	337,167	1,527,281	19,827,741	26,148,818	327,556	273,893	(16,928,154)	31,514,302
Total Expenses	(155,094)	(2,004,763)	(15,137,939)	(24,058,930)	(159,029)	(186,020)	16,928,154	(24,773,621)
Net Income	182,073	(477,482)	4,689,802	2,089,888	168,527	87,873	-	6,740,681

As at June 30, 2013 (Un-audited)

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Total
	Rupees in '000						
Segment Assets (Gross)	455,362	40,496,997	123,749,567	538,764,650	559,271	949,130	704,974,977

As at December 31, 2012 (Audited)

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Asset Management	Total
	Rupees in '000						
Segment Assets (Gross) Restated	324,474	9,456,172	121,899,229	522,024,483	342,883	888,576	654,935,817

19 GENERAL

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

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

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

20 DATE OF AUTHORIZATION FOR ISSUE

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

Chief Financial Officer President and Chief Executive Officer

Director Director Chairman

www.abl.com

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