

# Allied Bank Limited



**Investor Presentation  
For The Year Ended  
December 31, 2017**

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**ABL Asset Management Co. Ltd.**  
Holding:100%

**Subsidiary**

**Domestic  
Branches**

**Domestic  
Branches;1,250**  
(Incl. 117 Islamic Br.)

**Overseas  
Branches**

**Bahrain WBU  
Export Processing  
Zone**

**Allied  
Bank**

**Entity Credit  
Rating**

**AA+ Long Term  
A1+ Short Term**

**Rep Offices**

**UAE-Dubai &  
China-Beijing**

**Corporate  
Governance  
Rating**

**CGR 9+**

**MAJOR HIGHLIGHTS – INCOME STATEMENT**
**Rs. In Million**

	Dec-17	Dec-16	Inc/(Dec)	
			Rs.	%
Profit Before Tax	20,879	23,831	(2,952)	-12%
Profit After Tax	12,734	14,427	(1,693)	-12%
EPS - in Rs	11.12	12.60	(1.48)	-12%

- NIM reached Rs.31,578 million; ↓5%YoY – changing earning assets mix
- Prov. reversal against assets/off-Bal. sheet obligations of Rs.2,367 million; ↑ 12 times
- NIM after provisions at Rs.33,536 million (↑ 0.1% YoY)
- Fee income and other income Rs.4,241 million (↑3%)
- Dividend income (↓15% YoY) to Rs.3,226 million; payout adjustment in Power sector
- Cap. Gains at Rs.641 million (↓ 76% YoY)
- OPEX (↑6% YoY) on account of continuous investment towards :
  - Expansion in footprint – 100 new Branches
  - Alternate Delivery Channels – 91 new ATMs
  - Staff Strength – 11,075
  - Ongoing investment in Technology, Digital Banking, infrastructure and Risk Management initiatives

*Detailed Standalone and Consolidated Income Statement disclosed in Annexure A*

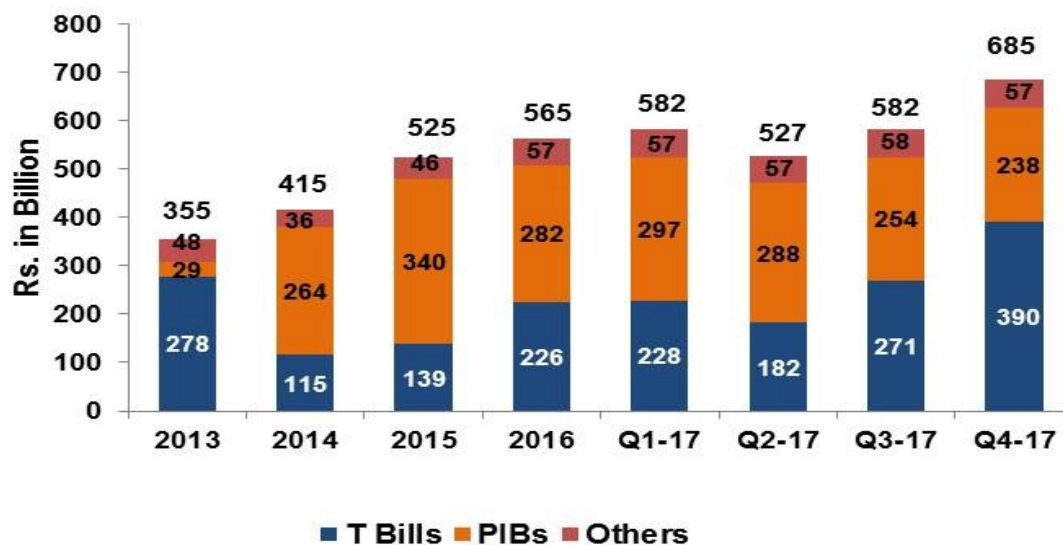
**MAJOR HIGHLIGHTS – BALANCE SHEET**
*Rs. In Billion*

	Dec-17	Dec-16	Inc/(Dec)	
			Rs.	%
<b>Investments</b>	<b>698</b>	<b>590</b>	<b>108</b>	<b>18%</b>
<b>Advances</b>	<b>372</b>	<b>330</b>	<b>42</b>	<b>13%</b>
<b>Total Assets</b>	<b>1,246</b>	<b>1,069</b>	<b>177</b>	<b>17%</b>
<b>Total Deposits</b>	<b>884</b>	<b>805</b>	<b>79</b>	<b>10%</b>
<b>Total Equity</b>	<b>107</b>	<b>101</b>	<b>6</b>	<b>6%</b>

- Balance sheet footing increased to Rs.1,246 Bln (US\$11.3 Bln); (↑17% vs Dec'16)
- Average earning assets (↑13% vs Dec'16)
- Gross advances at Rs.389 billion (↑12% vs Dec'16)
- NPLs (↓12% vs Dec'16) to Rs.18.1 billion; improving NPL / Coverage Ratio
- Investments at market value stood at Rs.698 billion (↑18% vs Dec'16)
- Deposits base increased to Rs.884 Billion (↑10% vs Dec'16)
  - Current deposits grew by Rs.62 billion to Rs.316 Billion (↑24% vs Dec'16)
  - CASA % of total deposits increased to 79% (Dec'16: 78%); (↑11% vs Dec'16)
  - Market share: 7.2%
- Equity of the Bank stood at Rs.107 billion (US\$ 966 Million)
- CAR stood at 22.4% as at December 2017; Industry CAR Sep'17: 15.4%
- Dec;17: NSFR: 187.42% LCR:142.46%; Requirement NSFR: 100% LCR:90%

### INVESTMENTS

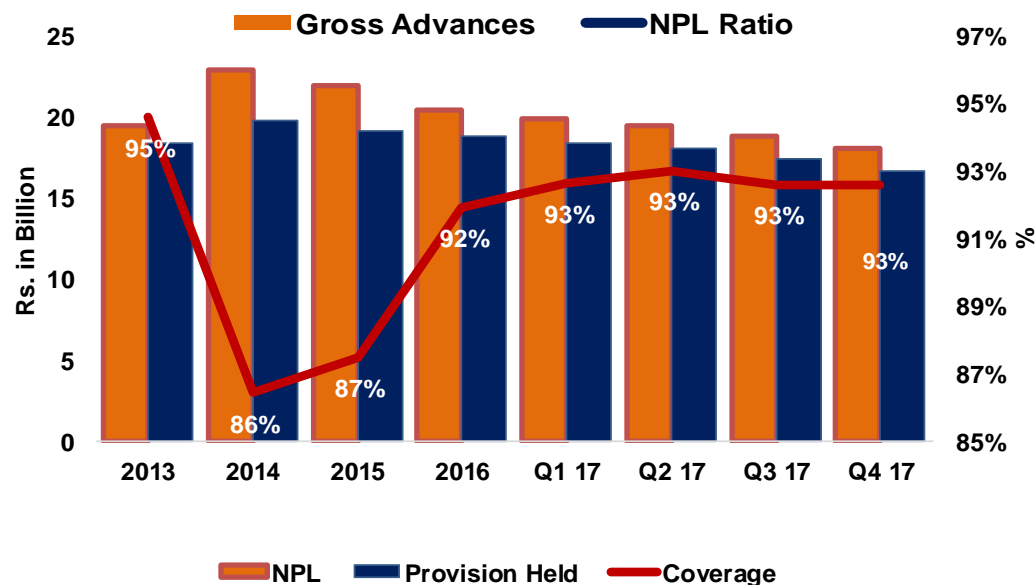
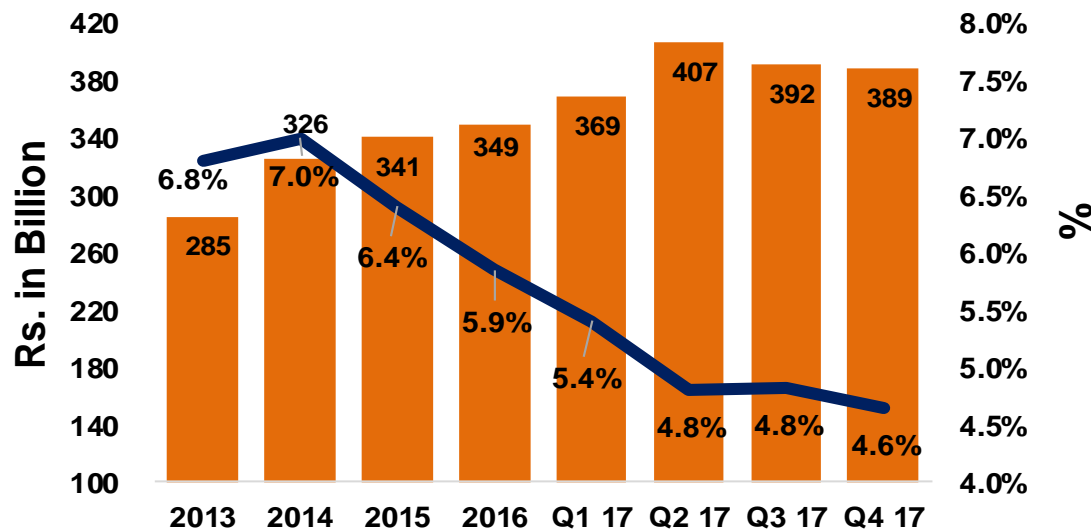
	<i>Rs. in Million</i>				<i>Composition</i>	
	Dec-17	Dec-16	Var.	Growth	Dec-17	Dec-16
Pakistan Investment Bonds	237,631	281,631	(44,000)	-16%	35%	50%
Market Treasury Bills	390,385	226,220	164,165	73%	57%	40%
Listed and Unlisted Shares	26,551	26,134	417	1.6%	4%	5%
TFCs, Bonds, Sukuks and Mutual Funds	29,575	30,303	(728)	-2%	4%	5%
Subsidiary	500	500	-	0%	0%	0%
<b>Investments at Cost</b>	<b>684,642</b>	<b>564,787</b>	<b>119,855</b>	<b>21%</b>	<b>100%</b>	<b>100%</b>
Prov. for dimin. in value of investments	(2,705)	(2,697)	(9)	0%		
Surplus on revaluation of securities	16,145	27,774	(11,628)	-42%		
<b>Total Investments at market value</b>	<b>698,082</b>	<b>589,865</b>	<b>108,218</b>	<b>18%</b>		



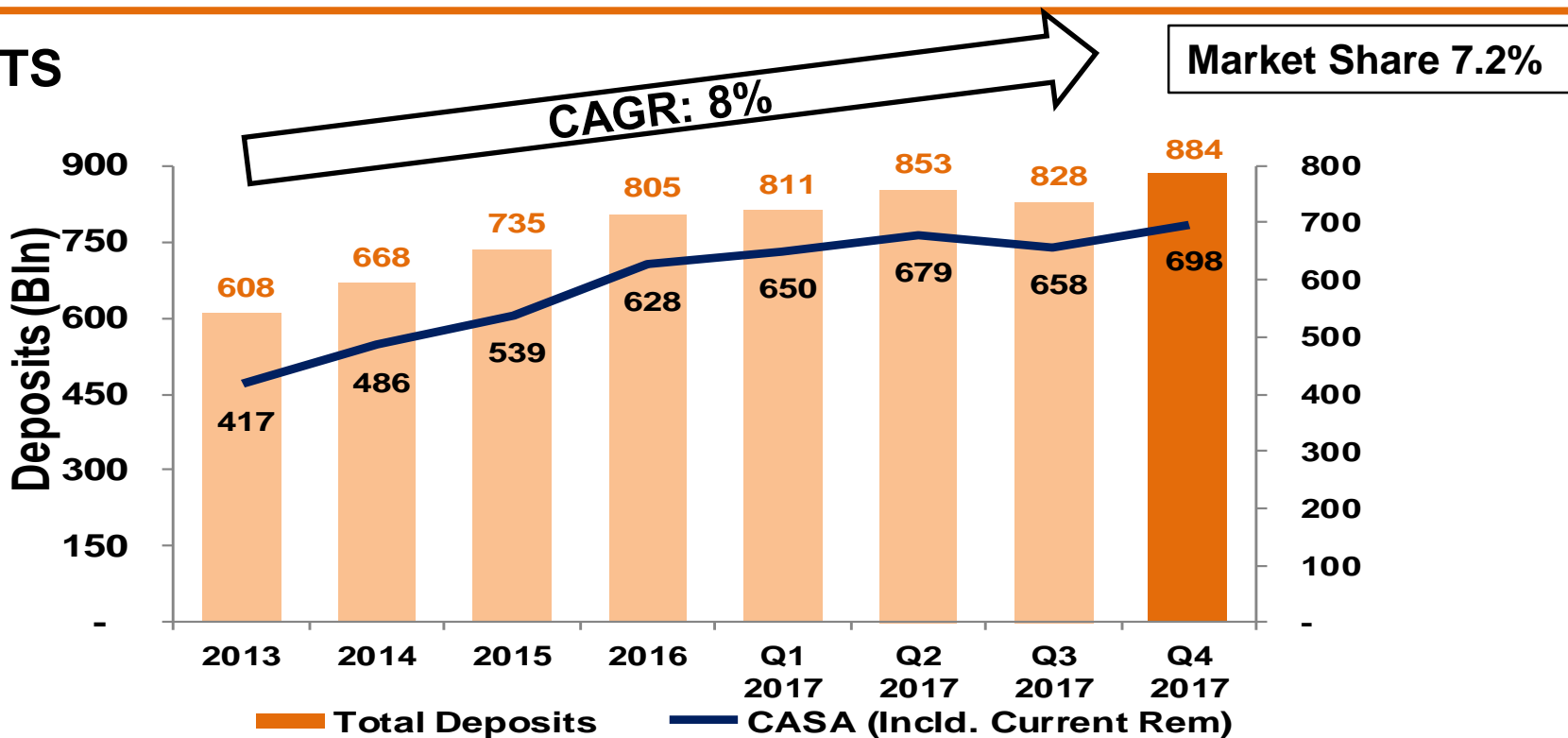
### ADVANCES & ASSET QUALITY

- Gross Advances reached Rs.389 billion (↑12%)
- NPLs at Rs.18.1 billion (↓12%)
- NPL ratio 4.6% (↓1.3%) (Industry Sep'17: 9.2%)
- NPL coverage 93% (↑0.7%) (Industry Jun'17 : 85%)
- Power, Cement, Chemical, and Commodity remained key sectors.
- ADR out. at Dec'17: 44% (↑1%)
- ADR Avg. at Dec'17: 48% (↑1%)

Market Share: 6.0%



### DEPOSITS



<i>Rs. In Billion</i>	Dec-17	Dec-16	Growth
Current	316	254	24%
Saving	382	374	2%
Term	186	177	5%
<b>Total Deposits</b>	<b>884</b>	<b>805</b>	<b>10%</b>



### Key Ratios

	2017				2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
ROA (%)	1.1	1.2	1.2	1.3	1.4	1.6	1.7	1.9
ROE (Tier I) (%)	17.0	17.0	17.1	19.1	20.3	23.0	24.5	27.6
Capital Adequacy Ratio (%)	22.4	22.3	22.1	22.3	20.8	21.9	21.3	20.9

### Banking Sector Ratios

September 2017:

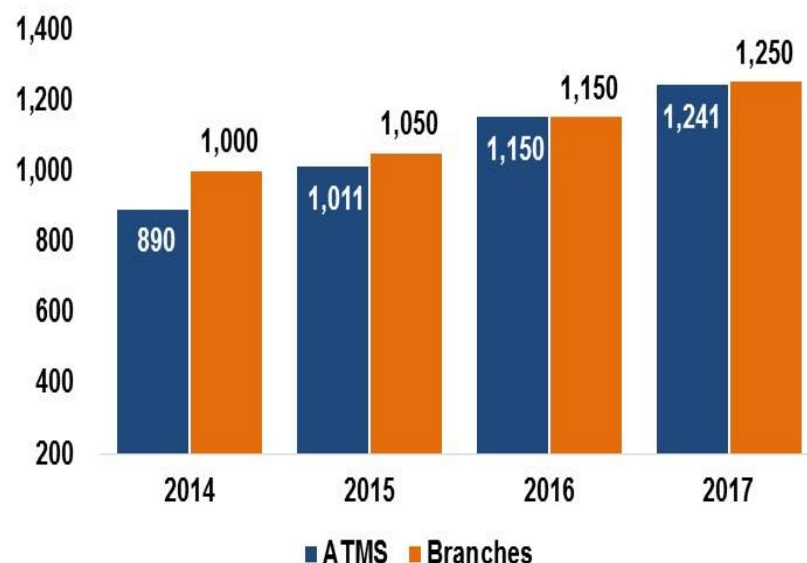
ROA: 0.9%

ROE: 13.2%

CAR: 15.4%

### Channels

	Dec-17	Dec-16	Growth
<b>Total Branches</b>	<b>1,250</b>	<b>1,150</b>	<b>100</b>
Conventional	1,133	1,073	60
Islamic	117	77	40
<b>Total ATMs</b>	<b>1,241</b>	<b>1,150</b>	<b>91</b>
On-site	988	942	46
Off-Site	253	208	45



**Corporate Governance & Ratings**

RATING TYPE	RATING	RATING AGENCY	RATING INDICATION
Corporate Governance Rating	CGR-9+	JCR-VIS	Very high level of corporate governance; The rating action takes into consideration the continued commitment of the Board and management of the Bank to maintain a sound governance framework.
Entity Rating	AA+ (Long Term) A1+ (Short Term)	PACRA	A very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments and not being significantly vulnerable to foreseeable events.
Deposits	B3	Moody's	Positive outlook, driven by assessment of the bank's standalone credit strength.

## Stock Market Data

<b>Pakistan Stock Exchange Code</b>	<b>ABL</b>
<b>Bloomberg Code</b>	<b>ABL PA</b>
<b>Shares Outstanding (mln)</b>	<b>1,145.07</b>
<b>Market Capitalization (Rs. bln)</b>	<b>109.9</b>
<b>Market Capitalization (US\$ mln)</b>	<b>950</b>
<b>Current Stock Price*</b>	<b>94.98</b>
<b>12M High/Low</b>	<b>106.6/ 76.7</b>

\*Stock Price as of December 31, 2017

### AWARDS & ACHIEVEMENTS



**Ranked amongst Top 25 Companies in Pakistan**



**Top Issuer of PayPak Debit Cards**



**Best Corporate & Institutional Bank – Domestic, Pakistan 2016**



**Best Corporate and Investment Bank - Pakistan**



**Corporate Excellence Award 2016 by Management Association of Pakistan**



**Best Loan House, Pakistan 2016**



# Annexures

**INCOME STATEMENT – Standalone**
**Annexure A**

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			<b>Growth</b>
	<b>Dec-17</b>	<b>Dec-16</b>	<b>Var.</b>	<b>Dec-17</b>	<b>Dec-16</b>	<b>Var.</b>	
<b>Mark-up/ interest Income</b>	<b>65,709</b>	<b>64,593</b>	<b>1,116</b>	<b>595</b>	<b>585</b>	<b>10</b>	<b>2%</b>
<b>Mark-up/ interest Expensed</b>	<b>34,131</b>	<b>31,345</b>	<b>2,786</b>	<b>309</b>	<b>284</b>	<b>25</b>	<b>9%</b>
<b>Net Mark-up/ interest Income</b>	<b>31,578</b>	<b>33,248</b>	<b>(1,670)</b>	<b>286</b>	<b>301</b>	<b>(15)</b>	<b>-5%</b>
<b>Capital Gain &amp; Dividend</b>	<b>3,869</b>	<b>6,449</b>	<b>(2,580)</b>	<b>35</b>	<b>58</b>	<b>(23)</b>	<b>-40%</b>
<b>Fee based Income &amp; Others</b>	<b>5,003</b>	<b>4,762</b>	<b>241</b>	<b>45</b>	<b>43</b>	<b>2</b>	<b>5%</b>
<b>Non Mark-up/ Interest Income</b>	<b>8,872</b>	<b>11,211</b>	<b>(2,339)</b>	<b>80</b>	<b>102</b>	<b>(21)</b>	<b>-21%</b>
<b>Gross Income</b>	<b>40,450</b>	<b>44,459</b>	<b>(4,009)</b>	<b>366</b>	<b>403</b>	<b>(36)</b>	<b>-9%</b>
<b>Human Resource Cost</b>	<b>11,428</b>	<b>11,078</b>	<b>350</b>	<b>103</b>	<b>100</b>	<b>3</b>	<b>3%</b>
<b>Other Operating Cost</b>	<b>10,510</b>	<b>9,748</b>	<b>762</b>	<b>95</b>	<b>88</b>	<b>7</b>	<b>8%</b>
<b>Total Operating Cost</b>	<b>21,938</b>	<b>20,826</b>	<b>1,112</b>	<b>199</b>	<b>189</b>	<b>10</b>	<b>5%</b>
<b>Operating Profit/(Loss)</b>	<b>18,512</b>	<b>23,632</b>	<b>(5,121)</b>	<b>168</b>	<b>214</b>	<b>(46)</b>	<b>-22%</b>
<b>Total Provisions</b>	<b>(2,367)</b>	<b>(199)</b>	<b>(2,168)</b>	<b>(21)</b>	<b>(2)</b>	<b>(20)</b>	<b>1089%</b>
<b>Profit Before Tax</b>	<b>20,879</b>	<b>23,831</b>	<b>(2,952)</b>	<b>189</b>	<b>216</b>	<b>(27)</b>	<b>-12%</b>
<b>Taxation</b>	<b>8,145</b>	<b>9,404</b>	<b>(1,259)</b>	<b>74</b>	<b>85</b>	<b>(11)</b>	<b>-13%</b>
<b>Profit After Tax</b>	<b>12,734</b>	<b>14,427</b>	<b>(1,693)</b>	<b>115</b>	<b>131</b>	<b>(15)</b>	<b>-12%</b>

**INCOME STATEMENT – Consolidated**

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			<b>Growth</b>
	<b>Dec-17</b>	<b>Dec-16</b>	<b>Var.</b>	<b>Dec-17</b>	<b>Dec-16</b>	<b>Var.</b>	
Mark-up/ interest Income	65,711	64,610	1,101	595	585	10	2%
Mark-up/ interest Expensed	34,129	31,344	2,785	309	284	25	9%
Net Mark-up/ interest Income	31,582	33,266	(1,684)	286	301	(15)	-5%
Capital Gain & Dividend	3,868	6,647	(2,779)	35	60	(25)	-42%
Fee based Income & Others	5,640	5,222	418	51	47	4	8%
Non Mark-up/ Interest Income	9,508	11,869	(2,361)	86	107	(21)	-20%
Gross Income	41,090	45,135	(4,045)	372	409	(37)	-9%
Human Resource Cost	11,644	11,175	469	105	101	4	4%
Other Operating Cost	10,669	9,981	688	97	90	6	7%
Total Operating Cost	22,313	21,156	1,157	202	192	10	5%
Operating Profit/(Loss)	18,777	23,979	(5,202)	170	217	(47)	-22%
Total Provisions	(2,367)	(199)	(2,168)	(21)	(2)	(20)	1091%
Profit Before Tax	21,144	24,178	(3,034)	191	219	(27)	-13%
Taxation	8,218	9,478	(1,260)	74	86	(11)	-13%
Profit After Tax	12,926	14,700	(1,774)	117	133	(16)	-12%

**Statement of Financial Position – Standalone**
**Annexure B**

ASSETS	Rs. in Million			US\$ in Million			Growth
	Dec-17	Dec-16	Var.	Dec-17	Dec-16	Var.	
Cash and Balances with Banks & Lending to FIs	94,710	84,396	10,315	858	764	93	12%
Investments	698,082	589,865	108,217	6,322	5,342	980	18%
Advances - net	372,038	329,562	42,476	3,369	2,985	385	13%
Operating fixed assets	48,327	32,757	15,570	438	297	141	48%
Other Assets	32,555	32,365	190	295	293	2	1%
<b>TOTAL ASSETS</b>	<b>1,245,712</b>	<b>1,068,946</b>	<b>176,767</b>	<b>11,282</b>	<b>9,681</b>	<b>1,601</b>	<b>17%</b>
<b>LIABILITIES</b>							
Deposits	883,741	805,111	78,630	8,004	7,292	712	10%
Borrowings	223,556	126,369	97,187	2,025	1,144	880	77%
Bills Payable	7,835	9,849	(2,014)	71	89	(18)	-20%
Other Liabilities	23,863	26,943	(3,080)	216	244	(28)	-11%
<b>TOTAL LIABILITIES</b>	<b>1,138,996</b>	<b>968,272</b>	<b>170,724</b>	<b>10,315</b>	<b>8,769</b>	<b>1,546</b>	<b>18%</b>
<b>NET ASSETS</b>	<b>106,716</b>	<b>100,674</b>	<b>6,042</b>	<b>966</b>	<b>912</b>	<b>55</b>	<b>6%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	104	104	-	0%
Reserves	67,193	63,024	4,169	609	571	38	7%
Equity Tier I	78,643	74,474	4,169	712	674	38	6%
Equity Tier II	106,716	100,674	6,043	966	912	55	6%



**Statement of Financial Position – Consolidated**
**Annexure B**

ASSETS	<i>Rs. in Million</i>			<i>US\$ in Million</i>		
	Dec-17	Dec-16	Var.	Dec-17	Dec-16	Var.
Cash and Balances with Banks & Lending to FIs	94,699	84,396	10,303	858	764	93
Investments	699,324	590,925	108,399	6,333	5,352	982
Advances - net	372,081	330,272	41,809	3,370	2,991	379
Operating fixed assets	48,356	32,783	15,573	438	297	141
Other Assets	32,863	32,668	195	298	296	2
<b>TOTAL ASSETS</b>	<b>1,247,323</b>	<b>1,071,044</b>	<b>176,279</b>	<b>11,296</b>	<b>9,700</b>	<b>1,596</b>
<b>LIABILITIES</b>						
Deposits	883,702	805,090	78,612	8,003	7,291	712
Borrowings	223,556	126,369	97,187	2,025	1,144	880
Bills Payable	7,835	9,849	(2,014)	71	89	(18)
Other Liabilities	24,179	27,921	(3,742)	219	253	(34)
<b>TOTAL LIABILITIES</b>	<b>1,139,272</b>	<b>969,229</b>	<b>170,043</b>	<b>10,318</b>	<b>8,778</b>	<b>1,540</b>
<b>NET ASSETS</b>	<b>108,050</b>	<b>101,815</b>	<b>6,236</b>	<b>979</b>	<b>922</b>	<b>56</b>
<b>EQUITY and RESERVES</b>						
Share Capital	11,451	11,451	-	104	104	-
Reserves	68,526	64,165	4,361	621	581	39
Equity Tier I	79,977	75,616	4,361	724	685	39
Equity Tier II	108,050	101,815	6,235	979	922	56

## **DISCLAIMER**

**The information being presented herein is solely for your information.**

**Except for the historical information, statements that describe the Bank's objectives, plans or goals discussed in Investor Conference Call are forward-looking statements. These forward looking statements involve a number of risks, uncertainties and other factors and are made based on management's current expectations or beliefs as well as assumptions made by and information currently available to management.**

**The information presented is subject to change without notice.**

**THANK YOU**