

# Allied Bank Limited

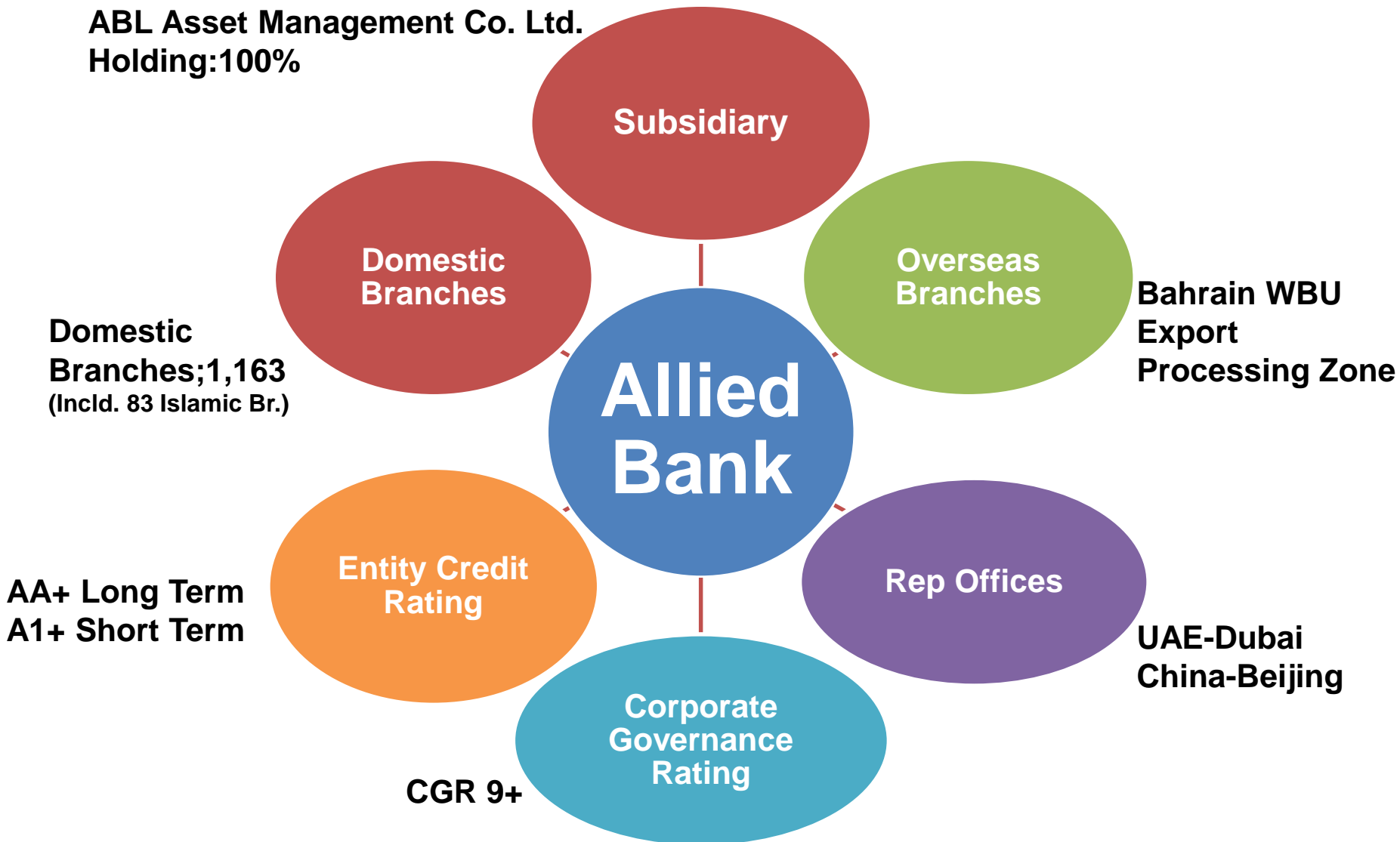


**Investor Presentation  
For The Half Year Ended  
June 30, 2017**

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



## MAJOR HIGHLIGHTS – INCOME STATEMENT

Rs. In Million

	Jun-17	Jun-16	Inc/(Dec)	
			Rs.	%
Profit Before Tax	11,269	14,705	(3,436)	-23%
Profit After Tax	6,474	8,601	(2,127)	-25%
EPS - in Rs	5.65	7.51	(1.86)	-25%

- NIM reached Rs.16,294 mln; **↓8%YoY** – changing earning assets mix
- Prov. reversal against advances of Rs.696 million; (Jun'16:Charge of Rs.180 million)
- NIM after provisions at Rs.16,998 million (**↓3% YoY**)
- Fee income and other income stable at Rs.2,269 million
- Dividend income (**↓22% YoY**) to Rs.1,527 million
- Cap. Gains at Rs.290 million (**↓ 88% YoY**);
- OPEX (**↑6% YoY**) on account of continuous investment towards :
  - Expansion in footprint – 114 new Branches
  - Alternate Delivery Channels – 171 new ATMs
  - Staff Strength – 10,719
  - Ongoing investment in Technology, Digital Banking and Risk Management initiatives

## MAJOR HIGHLIGHTS – BALANCE SHEET

*Rs. In Billion*

	Jun-17	Dec-16	Inc/(Dec)	
			Rs.	%
<b>Investments</b>	<b>548</b>	<b>590</b>	<b>(42)</b>	<b>-7%</b>
<b>Advances</b>	<b>389</b>	<b>330</b>	<b>59</b>	<b>18%</b>
<b>Total Assets</b>	<b>1,108</b>	<b>1,069</b>	<b>39</b>	<b>4%</b>
<b>Total Equity</b>	<b>100</b>	<b>101</b>	<b>(1)</b>	<b>-1%</b>

- Balance sheet footing increased to Rs.1,108 Billion (US\$10.6 Billion); (↑4% vs Dec'16)
- Average earning assets (↑10% vs Dec'16)
- Gross advances at Rs.407 billion (↑17% vs Dec'16)
- NPLs (↓5% vs Dec'16) to Rs.19.4 billion; improving NPL / Coverage Ratio
- Investments at market value stood at Rs.548 billion (↓7% vs Dec'16)
- Deposits base continued expansion with 6% increase vs Dec'16 to reach Rs.853 Billion:
  - Current deposits grew by Rs.51.0 billion (↑20% vs Dec'16)
  - CASA % of total deposits increased to 80% (Dec'16: 78%); (↑8% vs Dec'16)
  - Market share at 7.1%
- Equity of the Bank stood at Rs.100 billion (US\$ 955 Million)
- CAR stood at 22.06% as at June 2017; Industry CAR Mar'17: 15.9%

**Statement of Financial Position – Standalone**

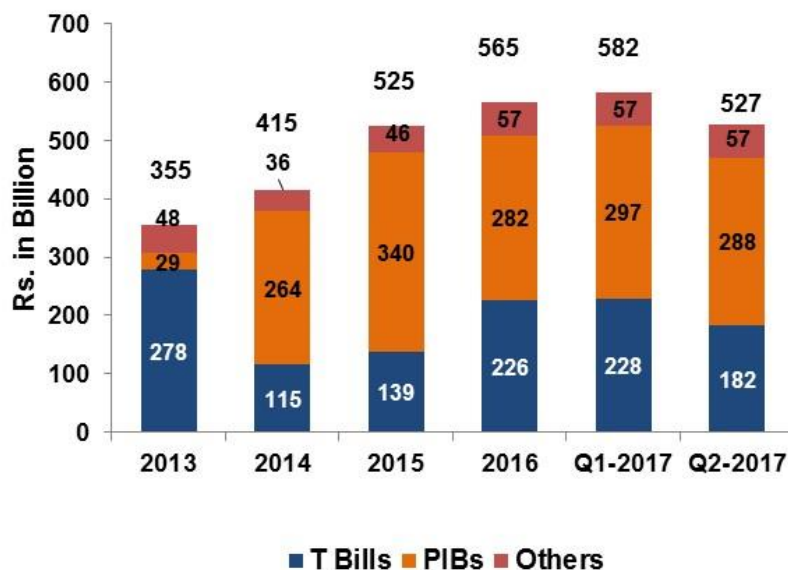
ASSETS	Rs. in Million			US\$ in Million			Growth
	Jun-17	Dec-16	Var.	Jun-17	Dec-16	Var.	
Cash and Balances with Banks & Lending to FIs	103,095	84,396	18,699	983	805	178	22%
Investments	547,923	589,865	(41,942)	5,226	5,626	(400)	-7%
Advances - net	388,956	329,562	59,394	3,710	3,143	566	18%
Operating fixed assets	33,526	32,757	769	320	312	7	2%
Other Assets	34,330	32,365	1,965	327	309	19	6%
<b>TOTAL ASSETS</b>	<b>1,107,830</b>	<b>1,068,946</b>	<b>38,885</b>	<b>10,565</b>	<b>10,195</b>	<b>371</b>	<b>4%</b>
<b>LIABILITIES</b>							
Deposits	852,583	805,111	47,472	8,131	7,678	453	6%
Borrowings	121,008	126,369	(5,361)	1,154	1,205	(51)	-4%
Bills Payable	7,267	9,849	(2,582)	69	94	(25)	-26%
Other Liabilities	26,840	26,943	(103)	256	257	(1)	0%
<b>TOTAL LIABILITIES</b>	<b>1,007,698</b>	<b>968,272</b>	<b>39,426</b>	<b>9,610</b>	<b>9,234</b>	<b>376</b>	<b>4%</b>
<b>NET ASSETS</b>	<b>100,132</b>	<b>100,674</b>	<b>(542)</b>	<b>955</b>	<b>960</b>	<b>(5)</b>	<b>-1%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	65,523	63,024	2,499	625	601	24	4%
Equity Tier I	76,974	74,474	2,499	734	710	24	3%
Equity Tier II	100,132	100,674	(542)	955	960	(5)	-1%

**Statement of Financial Position – Consolidated**

ASSETS	Rs. in Million			US\$ in Million			Growth
	Jun-17	Dec-16	Var.	Jun-17	Dec-16	Var.	
Cash and Balances with Banks & Lending to FIs	103,090	84,396	18,694	983	805	178	22%
Investments	549,080	590,925	(41,845)	5,237	5,636	(399)	-7%
Advances - net	389,010	329,603	59,407	3,710	3,143	567	18%
Operating fixed assets	33,553	32,784	770	320	313	7	2%
Other Assets	34,633	32,668	1,965	330	312	19	6%
<b>TOTAL ASSETS</b>	<b>1,109,366</b>	<b>1,070,376</b>	<b>38,991</b>	<b>10,580</b>	<b>10,208</b>	<b>372</b>	<b>4%</b>
<b>LIABILITIES</b>							
Deposits	852,547	805,090	47,457	8,131	7,678	453	6%
Borrowings	121,008	126,369	(5,361)	1,154	1,205	(51)	-4%
Bills Payable	7,267	9,849	(2,582)	69	94	(25)	-26%
Other Liabilities	27,148	27,253	(105)	259	260	(1)	0%
<b>TOTAL LIABILITIES</b>	<b>1,007,970</b>	<b>968,561</b>	<b>39,409</b>	<b>9,613</b>	<b>9,237</b>	<b>376</b>	<b>4%</b>
<b>NET ASSETS</b>	<b>101,395</b>	<b>101,815</b>	<b>(419)</b>	<b>967</b>	<b>971</b>	<b>(4)</b>	<b>0%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	66,787	64,165	2,622	637	612	25	4%
Equity Tier I	78,238	75,616	2,622	746	721	25	3%
Equity Tier II	101,395	101,815	(420)	967	971	(4)	0%

### INVESTMENTS

	<i>Rs. in Million</i>				<i>Composition</i>	
	Jun-17	Dec-16	Var.	Growth	Jun-17	Dec-16
Pakistan Investment Bonds	288,219	281,631	6,589	2%	55%	50%
Market Treasury Bills	182,416	226,220	(43,804)	-19%	35%	40%
Listed and Unlisted Shares	26,179	26,134	46	0.2%	5%	5%
TFCs, Bonds, Sukuks and Mutual Funds	30,159	30,303	(144)	0%	6%	5%
Subsidiary	500	500	-	0%	0%	0%
<b>Investments at Cost</b>	<b>527,474</b>	<b>564,787</b>	<b>(37,313)</b>	<b>-7%</b>	<b>100%</b>	<b>100%</b>
Prov. for dimin. in value of investments	(2,689)	(2,697)	8	0%		
Surplus on revaluation of securities	23,137	27,774	(4,637)	-17%		
<b>Total Investments at market value</b>	<b>547,923</b>	<b>589,865</b>	<b>(41,942)</b>	<b>-7%</b>		

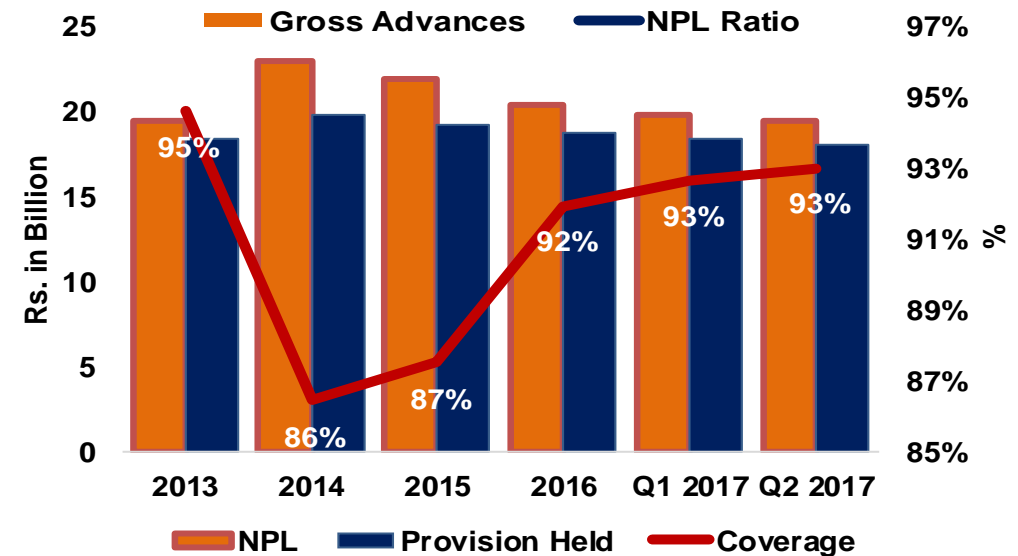
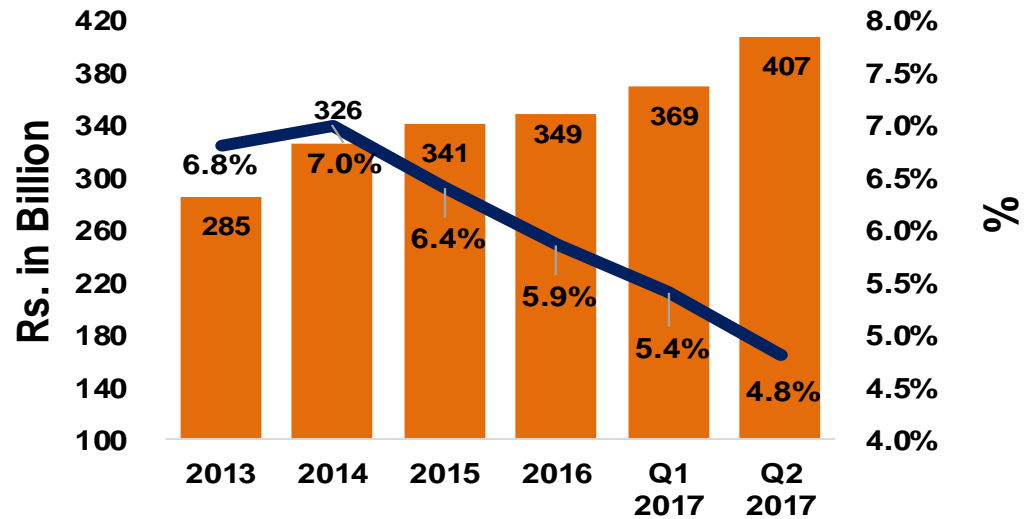




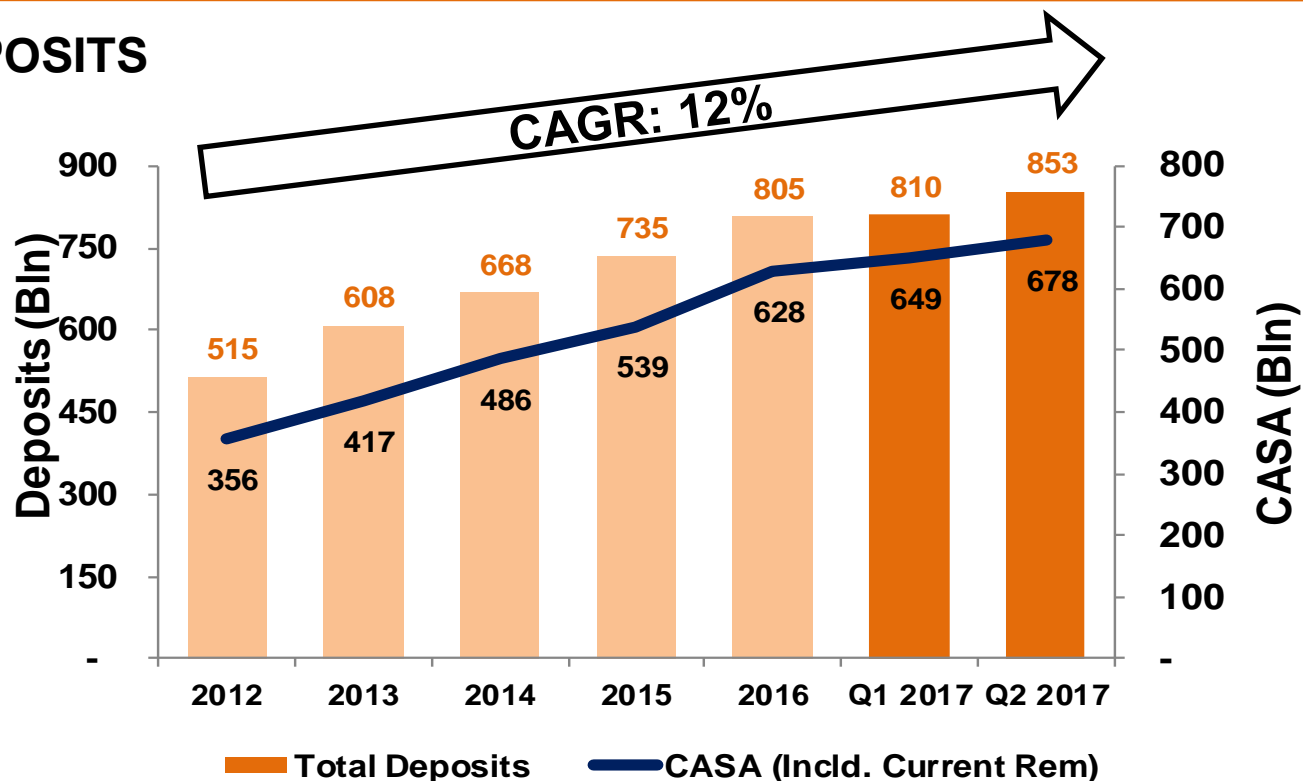
**Market Share: 6.6%**

### ADVANCES & ASSET QUALITY

- Gross Advances crossed Rs.400 billion at Rs.407 (↑17%)
- NPLs at Rs.19.4 billion (↓5%)
- NPL ratio 4.8% (↓0.6%) (Industry Mar'17: 9.9%)
- NPL coverage 93.0% (↑1.4%) (Industry Mar'17 : 85.4%)
- Power, Cement, Food, and Commodity remained key sectors.
- ADR at Jun'17: 47.7% (↑4.3%)



### DEPOSITS



Rs. In Billion	Jun-17	Dec-16	Growth
Current	305	254	20%
Saving	373	374	0%
Term	174	177	-1%
<b>Total Deposits</b>	<b>853</b>	<b>805</b>	<b>6%</b>

**INCOME STATEMENT – Standalone**

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			<b>Growth</b>
	<b>Jun-17</b>	<b>Jun-16</b>	<b>Var.</b>	<b>Jun-17</b>	<b>Jun-16</b>	<b>Var.</b>	
Mark-up/ interest Income	32,362	34,597	(2,235)	309	330	(21)	-6%
Mark-up/ interest Expensed	16,068	16,892	(824)	153	161	(8)	-5%
Net Mark-up/ interest Income	16,294	17,705	(1,411)	155	169	(13)	-8%
Capital Gain & Dividend	1,817	4,424	(2,607)	17	42	(25)	-59%
Fee based Income & Others	2,587	2,546	41	25	24	0	2%
Non Mark-up/ Interest Income	4,404	6,970	(2,566)	42	66	(24)	-37%
Gross Income	20,698	24,675	(3,977)	197	235	(38)	-16%
Human Resource Cost	5,485	5,350	135	52	51	1	3%
Other Operating Cost	4,626	4,339	287	44	41	3	7%
Total Operating Cost	10,111	9,689	422	96	92	4	4%
Operating Profit/(Loss)	10,587	14,986	(4,399)	101	143	(42)	-29%
Total Provisions	(683)	281	(964)	(7)	3	(9)	-343%
Profit Before Tax	11,269	14,705	(3,436)	107	140	(33)	-23%
Taxation	4,795	6,104	(1,309)	46	58	(12)	-21%
Profit After Tax	6,474	8,601	(2,127)	62	82	(20)	-25%

**INCOME STATEMENT – Consolidated**

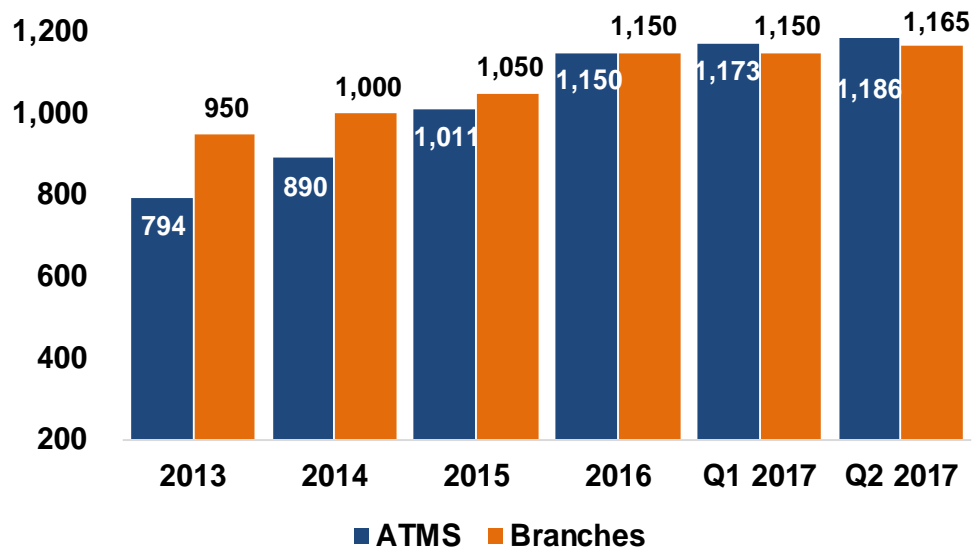
	<i>Rs. in Million</i>			<i>US\$ in Million</i>			<b>Growth</b>
	<b>Jun-17</b>	<b>Jun-16</b>	<b>Var.</b>	<b>Jun-17</b>	<b>Jun-16</b>	<b>Var.</b>	
Mark-up/ interest Income	32,363	34,599	(2,236)	309	330	(21)	-6%
Mark-up/ interest Expensed	16,067	16,888	(821)	153	161	(8)	-5%
Net Mark-up/ interest Income	16,296	17,711	(1,415)	155	169	(13)	-8%
Capital Gain & Dividend	1,865	4,476	(2,611)	18	43	(25)	-58%
Fee based Income & Others	2,901	2,761	140	28	26	1	5%
Non Mark-up/ Interest Income	4,766	7,236	(2,470)	45	69	(24)	-34%
Gross Income	21,062	24,947	(3,885)	201	238	(37)	-16%
Human Resource Cost	5,553	5,450	103	53	52	1	2%
Other Operating Cost	4,742	4,407	335	45	42	3	8%
Total Operating Cost	10,296	9,858	438	98	94	4	4%
Operating Profit/(Loss)	10,766	15,089	(4,323)	103	144	(41)	-29%
Total Provisions	(683)	281	(964)	(7)	3	(9)	-343%
Profit Before Tax	11,449	14,809	(3,360)	109	141	(32)	-23%
Taxation	4,854	6,130	(1,276)	46	58	(12)	-21%
Profit After Tax	6,595	8,678	(2,083)	63	83	(20)	-24%

### Key Ratios

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

### Channels

	Jun-17	Jun-16	Growth
Total Branches	1,165	1,050	115
Conventional	1,082	1,023	59
Islamic	83	27	56
Total ATMs	1,186	1,015	171
On-site	965	848	117
Off-Site	221	167	54



**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>102.62</b>
<b>Market Capitalization (US\$ mln)</b>	<b>978.71</b>
<b>Current Stock Price*</b>	<b>89.62</b>
<b>12M High/Low</b>	<b>122.0/ 85.11</b>

\*Stock Price as of June 30, 2017

**AWARDS & ACHIEVEMENTS****Best Corporate and Investment Bank - Pakistan****Best Corporate & Institutional Bank – Domestic, Pakistan 2016****Corporate Excellence Award 2016 by Management Association of Pakistan****Best Emerging Bank in Islamic Finance – CIIT****Best Loan House, Pakistan 2016**



## **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**