

Allied Bank Limited



**Investor Presentation
For The Quarter Ended
March 31, 2016**

MAJOR HIGHLIGHTS – INCOME STATEMENT
Rs. In Million

	Mar-16	Mar-15	Inc/Dec	
			Rs.	%
Profit Before Tax	7,375	6,473	902	14%
Profit After Tax	4,788	4,210	578	14%
EPS - in Rs: per share	4.18	3.68	0.50	14%

- Despite low interest rate scenario (QoQ fall of 233 bps) NII increased to Rs.8,498 million
- Robust dividend income increased to Rs.1,417 million; 11% higher compared to Mar'15
- Capital Gains increased to Rs.974 million from Rs.303 million; reflecting Bank's active trading in bond market
- Fee income increased to Rs.1,133 million
- Provision against advances reduced to Rs.276 million (Mar'15: Rs.730 Million)
- OPEX growth curtailed at 7% despite continuous investment towards :
 - Enrichment in IT infrastructure
 - Expansion in footprint
 - Human Resource Development

MAJOR HIGHLIGHTS – BALANCE SHEET

- **Balance Sheet crossed Rs.1,000 billion milestone; Total Assets increased to Rs.1,019 Billion**
- **Avg. earning assets growth of 17% compared to Mar'15; partially compensated reduction in discount rate in the comparative period**
- **Due to cyclical repayments in seasonal financing and limited credit appetite; gross advances stood at Rs.324 billion**
- **Overall investments as at March 31, 2016 increased to Rs.607 billion; growth of 11%**
- **Deposits base remained strong at Rs.734 billion:**
 - **Market share maintained at 8%; and**
 - **CASA Average at 74% of total deposits; QoQ growth of 10.2%**

Statement of Financial Position – Standalone

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Mar-16	Dec-15	Var.	Mar-16	Dec-15	Var.	
ASSETS							
Cash and Balances with Banks & Lending to FIs	53,666	64,145	(10,479)	512	612	(100)	-16%
Investments	606,851	544,349	62,502	5,793	5,196	597	11%
Advances - net	304,336	321,605	(17,269)	2,905	3,070	(165)	-5%
Operating fixed assets	29,265	28,850	415	279	275	4	1%
Other Assets	25,128	32,716	(7,588)	240	312	(72)	-23%
TOTAL ASSETS	1,019,247	991,666	27,581	9,730	9,467	263	3%
LIABILITIES							
Deposits	734,484	734,596	(112)	7,011	7,013	(1)	0%
Borrowings	157,585	137,960	19,625	1,504	1,317	187	14%
Bills Payable	5,908	4,942	965	56	47	9	20%
Other Liabilities	27,607	24,911	2,697	264	238	26	11%
TOTAL LIABILITIES	925,583	902,409	23,174	8,836	8,614	221	3%
NET ASSETS	93,663	89,256	4,407	894	852	42	5%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	59,197	56,518	2,679	565	540	26	5%
Equity Tier I	70,648	67,969	2,679	674	649	26	4%
Equity Tier II	93,663	89,256	4,407	894	852	42	5%

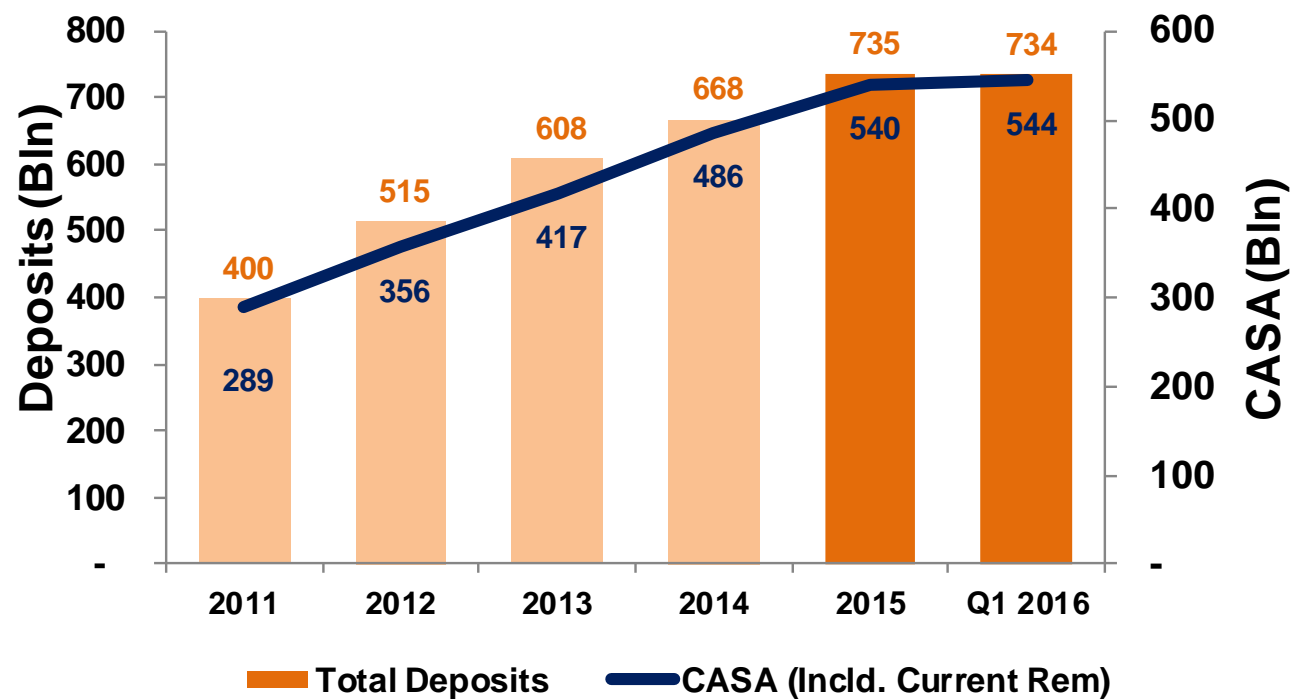
Statement of Financial Position – Consolidated

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Mar-16	Dec-15	Var.	Mar-16	Dec-15	Var.	
ASSETS							
Cash and Balances with Banks & Lending to FIs	53,666	64,145	(10,479)	512	612	(100)	-16%
Investments	607,653	545,106	62,547	5,801	5,204	597	11%
Advances - net	304,386	321,648	(17,262)	2,906	3,070	(165)	-5%
Operating fixed assets	29,286	28,870	417	280	276	4	1%
Other Assets	25,397	32,971	(7,573)	242	315	(72)	-23%
TOTAL ASSETS	1,020,389	992,739	27,650	9,741	9,477	264	3%
LIABILITIES							
Deposits	734,472	734,546	(74)	7,011	7,012	(1)	0%
Borrowings	157,585	137,960	19,625	1,504	1,317	187	14%
Bills Payable	5,908	4,942	965	56	47	9	20%
Other Liabilities	27,865	25,166	2,699	266	240	26	11%
TOTAL LIABILITIES	925,830	902,614	23,215	8,838	8,616	222	3%
NET ASSETS	94,559	90,125	4,434	903	860	42	5%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	60,093	57,386	2,707	574	548	26	5%
Equity Tier I	71,544	68,837	2,707	683	657	26	4%
Equity Tier II	94,559	90,125	4,434	903	860	42	5%

INVESTMENTS

	<i>Rs. in Million</i>				<i>Composition</i>	
	Mar-16	Dec-15	Var.	Growth	Mar-16	Dec-15
Pakistan Investment Bonds	374,899	340,407	34,492	10%	64%	65%
Market Treasury Bills	158,978	138,531	20,447	15%	27%	26%
Listed and Unlisted Shares	25,267	25,259	9	0.0%	4%	5%
TFCs, Bonds, Sukuks and Mutual Funds	26,515	20,281	6,233	31%	5%	4%
Subsidiary	500	500	-	0%	0%	0%
Investments at Cost	586,158	524,978	61,181	12%	100%	100%
Prov. for dimin. in value of investments	(2,778)	(2,778)	-	0%		
Surplus on revaluation of securities	23,471	22,150	1,321	6%		
Total Investments at market value	606,851	544,349	62,502	11%		

DEPOSITS

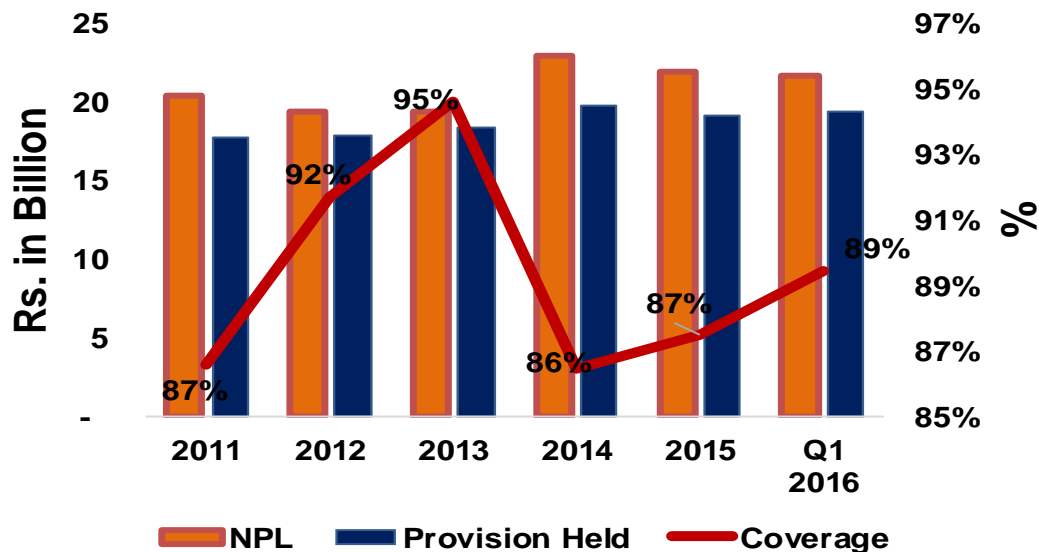
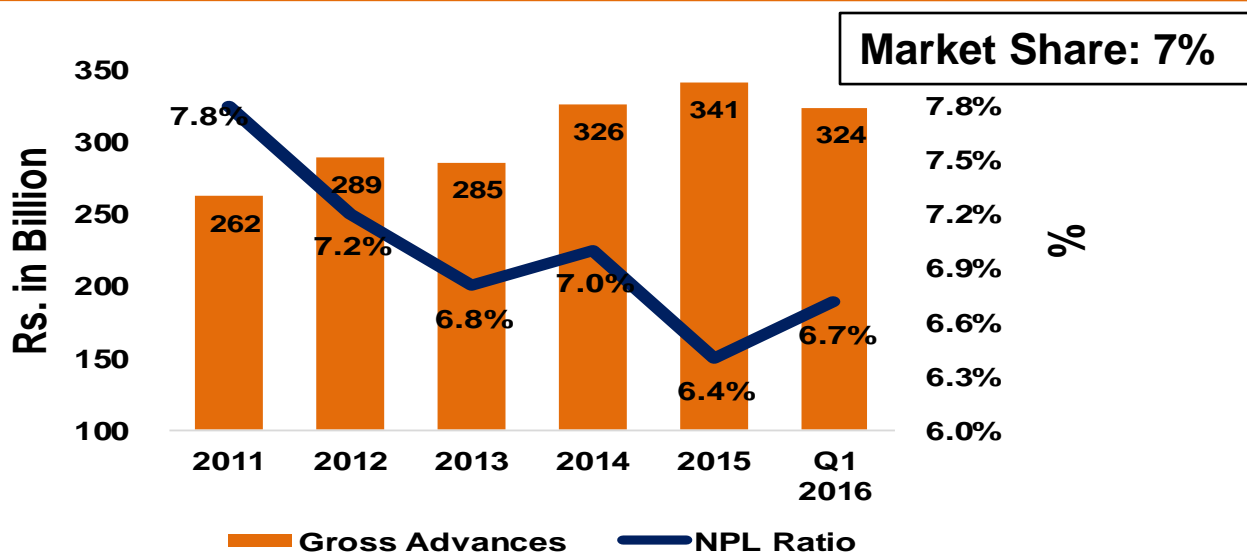


	Mar-16	Dec-15
ABL Growth	-0.1%	10.1%
Industry Growth	-0.3%	16.0%
M2 Growth	2.9%	14.5%

Rs. In Billion	Mar-16	2015	Growth
Current	225	224	0.5%
Saving	320	316	1.2%
Term	190	196	-3.0%
Total Deposits	734	735	-0.1%

ADVANCES & ASSET QUALITY

- Limited credit appetite and cyclical repayments impacting growth in advances
- NPLs reduced to Rs.21.7 billion at Mar'16 (Dec'15: Rs.21.9 billion)
- NPL coverage at 89% (Industry Dec'15: 85%)
- NPLs ratio at 6.7% (Industry Dec'15: 11.4%)
- Telecommunication, Power, Food, Textile, Cement remained key sectors.



INCOME STATEMENT – Standalone

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Q1 2016	Q1 2015	Var.	Q1 2016	Q1 2015	Var.	
Mark-up/ interest Income	17,103	18,491	(1,388)	163	177	(13)	-8%
Mark-up/ interest Expensed	8,605	10,013	(1,408)	82	96	(13)	-14%
Net Mark-up/ interest Income	8,498	8,477	20	81	81	0	0.2%
Capital Gain & Dividend	2,391	1,577	814	23	15	8	52%
Fee based Income & Others	1,398	1,477	(79)	13	14	(1)	-5%
Non Mark-up/ Interest Income	3,789	3,054	735	36	29	7	24%
Gross Income	12,287	11,532	755	117	110	7	7%
Human Resource Cost	2,508	2,428	81	24	23	1	3%
Other Operating Cost	2,116	1,891	225	20	18	2	12%
Total Operating Cost	4,624	4,319	305	44	41	3	7%
Operating Profit/(Loss)	7,663	7,213	450	73	69	4	6%
Total Provisions	288	740	(452)	3	7	(4)	-61%
Profit Before Tax	7,375	6,473	902	70	62	9	14%
Taxation	2,587	2,262	325	25	22	3	14%
Profit After Tax	4,788	4,210	578	46	40	6	14%

INCOME STATEMENT - Consolidated

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			
	Q1 2016	Q1 2015	Var.	Q1 2016	Q1 2015	Var.	Growth
Mark-up/ interest Income	17,104	18,491	(1,387)	163	177	(13)	-8%
Mark-up/ interest Expensed	8,603	10,012	(1,409)	82	96	(13)	-14%
Net Mark-up/ interest Income	8,501	8,479	22	81	81	0	0.3%
Capital Gain & Dividend	2,409	1,606	802	23	15	8	50%
Fee based Income & Others	1,503	1,583	(80)	14	15	(1)	-5%
Non Mark-up/ Interest Income	3,912	3,189	723	37	30	7	23%
Gross Income	12,413	11,669	744	118	111	7	6%
Human Resource Cost	2,562	2,466	96	24	24	1	4%
Other Operating Cost	2,151	1,918	233	21	18	2	12%
Total Operating Cost	4,713	4,384	329	45	42	3	7%
Operating Profit/(Loss)	7,700	7,285	415	74	70	4	6%
Total Provisions	288	740	(452)	3	7	(4)	-61%
Profit Before Tax	7,412	6,544	868	71	62	8	13%
Taxation	2,597	2,279	318	25	22	3	14%
Profit After Tax	4,815	4,265	550	46	41	5	13%

Key Ratios

	2016	2015 (FTQ)			
	Q1	Q1	Q2	Q3	Q4
ROA (%)	1.9	1.6	2.0	1.7	1.97
ROE (Tier I) (%)	27.6	23.3	27.0	23.1	26.7
Capital Adequacy Ratio (%)	20.93	20.85	19.68	21.93	20.83

Channels

	Mar-16	Mar-15	Growth
Total Branches	1,050	1,000	50
Conventional	1,023	996	27
Islamic	27	4	23
Total ATMs	1,015	897	118
On-site	848	804	44
Off-Site	167	93	74

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.

* Ratings maintained during the quarter

AWARDS & ACHIEVEMENTS



THE ASIAN BANKER®
STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY

“Strongest Bank by Balance Sheet – 2015”



EUROMONEY
AWARDS FOR EXCELLENCE
2015

“Best Investment Bank – 2014”



**CFA Society
Pakistan**

“Best Bank of the Year – 2014”



Employers' Federation of Pakistan

MEMBERSHIPS



INTERNATIONAL ORGANIZATION OF EMPLOYERS (IOE), GENEVA
CONFEDERATION OF ASIA PACIFIC EMPLOYERS (CAPE)

“Employer of the Year – 2014”



**CERTIFICATE OF
ACKNOWLEDGEMENT**

Temenos congratulates Allied Bank Limited on rolling out Temenos T24 on its complete branch network.
Allied Bank Limited is acknowledged for successfully utilizing T24 on the largest branch network in the region.



**Corporate
Excellence
Awards**



**Corporate Excellence Award 2015 by
Management Association of Pakistan**



**CFA Society
Pakistan**

“Best Corporate Finance House – 2014”

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
