

# Allied Bank Limited



**Investor Presentation  
For The Year Ended  
December 31, 2016**

## MAJOR HIGHLIGHTS – INCOME STATEMENT

	Rs. In Million			
	Dec-16	Dec-15	Inc/(Dec)	
			Rs.	%
Profit Before Tax	23,831	25,503	(1,672)	-7%
Profit After Tax	14,427	15,120	(693)	-5%
EPS - in Rs	12.60	13.20	(0.60)	-5%

- NIM reached Rs.33,261 mln (↓8%YoY); maturing Govt. bonds/shrinking advances yield
- Fee income at Rs.4,014 million (↑12% YoY); VDC income (↑71% YoY)
- Dividend income (↑7% YoY) to Rs.3,776 million;
- Cap. Gains increased to Rs.2,673 million (↑2.2 times YoY); active interbank trading PD.
- Prov. reversal against advances of Rs.335 million (↑16% YoY)
- Prov. against investments of Rs.75 million (↓96% YoY) – 2015 in oil stocks
- OPEX (↑11.7% YoY) on account of continuous investment towards :
  - Expansion in footprint – 100 new Branches
  - Alternate Delivery Channels – 139 new ATMs
  - Staff Strength – 11,011 (767 new inductions)
  - Incremental investment in Technology, Digital Banking and Security initiatives

## MAJOR HIGHLIGHTS – BALANCE SHEET

*Rs. In Billion*

	Dec-16	Dec-15	Inc/(Dec)	
			Rs.	%
Investments	590	544	46	8%
Advances	330	322	9	3%
Total Assets	1,070	992	78	8%
Total Equity	101	89	11	13%

- Balance sheet crossed Rs.1,000 Billion mark (US\$10.2 Billion); (↑ 8% YoY)
- Average earning assets (↑ 8% YoY)
- Gross advances at Rs.349 billion (↑ 2% YoY)
- NPLs (↓ 7% YoY) to Rs.20.4 billion; improving NPL / Coverage Ratio
- Overall investments stood at Rs.590 billion (↑ 8% YoY)
- Deposits base witnessed healthy increase of 10% YoY to reach Rs.805 Billion:
  - Current account (↑ 14% YoY)
  - CASA % of total deposits increased to 78% (Dec'15: 73%); (↑ 17% YoY)
  - Market share at 7.2%
- Equity of the Bank reached Rs.101 billion (US\$ 962 Million) (↑ 14% YoY)
- CAR stood at 20.8% as at December 2016; Industry CAR Sep'16: 16.8%

**Statement of Financial Position – Standalone**

ASSETS	Rs. in Million			US\$ in Million			Growth
	Dec-16	Dec-15	Var.	Dec-16	Dec-15	Var.	
Cash and Balances with Banks & Lending to FIs	84,396	64,145	20,251	807	613	194	32%
Investments	589,865	544,349	45,516	5,639	5,204	435	8%
Advances - net	330,231	321,605	8,626	3,157	3,075	82	3%
Operating fixed assets	32,757	28,850	3,907	313	276	37	14%
Other Assets	32,365	32,716	(351)	309	313	(3)	-1%
<b>TOTAL ASSETS</b>	<b>1,069,614</b>	<b>991,665</b>	<b>77,949</b>	<b>10,226</b>	<b>9,481</b>	<b>745</b>	<b>8%</b>
<b>LIABILITIES</b>							
Deposits	805,111	734,596	70,515	7,697	7,023	674	10%
Borrowings	126,369	137,960	(11,591)	1,208	1,319	(111)	-8%
Bills Payable	9,849	4,942	4,907	94	47	47	99%
Other Liabilities	27,612	24,911	2,701	264	238	26	11%
<b>TOTAL LIABILITIES</b>	<b>968,941</b>	<b>902,409</b>	<b>66,532</b>	<b>9,263</b>	<b>8,627</b>	<b>636</b>	<b>7%</b>
<b>NET ASSETS</b>	<b>100,674</b>	<b>89,256</b>	<b>11,417</b>	<b>962</b>	<b>853</b>	<b>109</b>	<b>13%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	63,024	56,518	6,506	603	540	62	12%
Equity Tier I	74,475	67,969	6,506	712	650	62	10%
Equity Tier II	100,674	89,256	11,417	962	853	109	13%

**Statement of Financial Position – Consolidated**

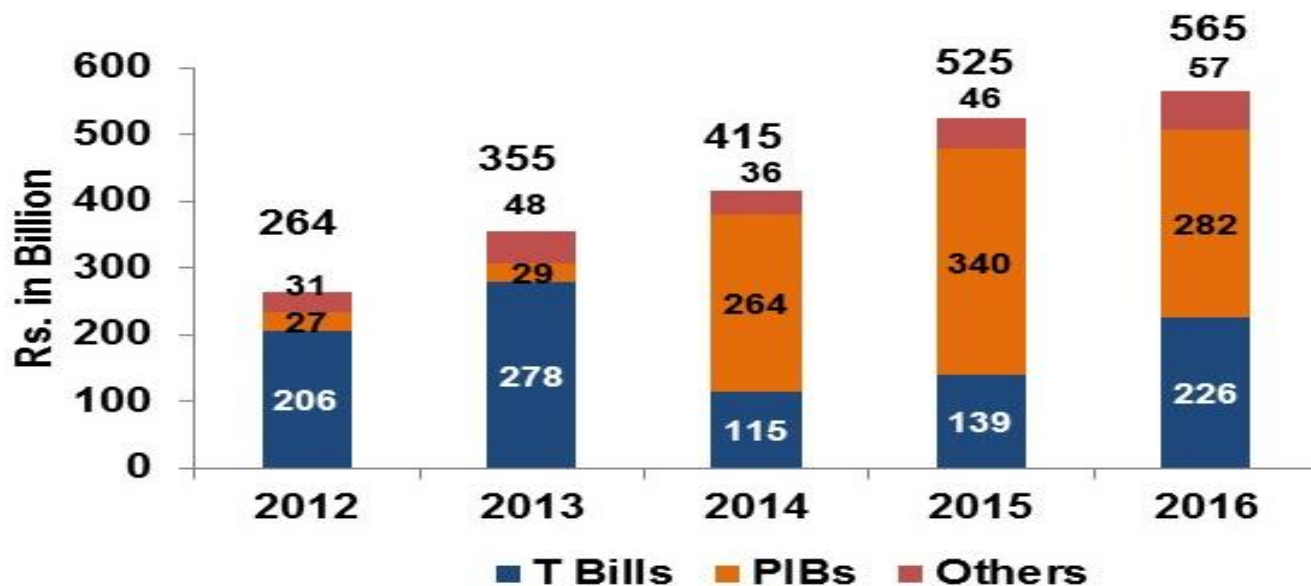
ASSETS	Rs. in Million			US\$ in Million			Growth
	Dec-16	Dec-15	Var.	Dec-16	Dec-15	Var.	
Cash and Balances with Banks & Lending to FIs	84,396	64,145	20,251	807	613	194	32%
Investments	590,925	545,106	45,819	5,649	5,211	438	8%
Advances - net	330,272	321,648	8,624	3,158	3,075	82	3%
Operating fixed assets	32,783	28,870	3,913	313	276	37	14%
Other Assets	32,668	32,971	(303)	312	315	(3)	-1%
<b>TOTAL ASSETS</b>	<b>1,071,044</b>	<b>992,740</b>	<b>78,304</b>	<b>10,240</b>	<b>9,491</b>	<b>749</b>	<b>8%</b>
<b>LIABILITIES</b>							
Deposits	805,090	734,546	70,544	7,697	7,023	674	10%
Borrowings	126,369	137,960	(11,591)	1,208	1,319	(111)	-8%
Bills Payable	9,849	4,942	4,907	94	47	47	99%
Other Liabilities	27,921	25,166	2,755	267	241	26	11%
<b>TOTAL LIABILITIES</b>	<b>969,229</b>	<b>902,614</b>	<b>66,615</b>	<b>9,266</b>	<b>8,629</b>	<b>637</b>	<b>7%</b>
<b>NET ASSETS</b>	<b>101,815</b>	<b>90,125</b>	<b>11,690</b>	<b>973</b>	<b>862</b>	<b>112</b>	<b>13%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	64,165	57,386	6,779	613	549	65	12%
Equity Tier I	75,616	68,837	6,779	723	658	65	10%
Equity Tier II	101,815	90,125	11,690	973	862	112	13%

### INVESTMENTS

Pakistan Investment Bonds	281,631
Market Treasury Bills	226,220
Listed and Unlisted Shares	26,134
TFCs, Bonds, Sukuks and Mutual Funds	30,302
Subsidiary	500
Investments at Cost	564,787
Prov. for dimin. in value of investments	(2,697)
Surplus on revaluation of securities	27,774
<b>Total Investments at market value</b>	<b>589,865</b>

Dec-16	Rs. in Million		
	Dec-15	Var.	Growth
281,631	340,407	(58,776)	-17%
226,220	138,531	87,689	63%
26,134	25,259	875	3.5%
30,302	20,281	10,021	49%
500	500	-	0%
564,787	524,978	39,810	8%
(2,697)	(2,778)	81	-3%
27,774	22,150	5,624	25%
589,865	544,349	45,515	8%

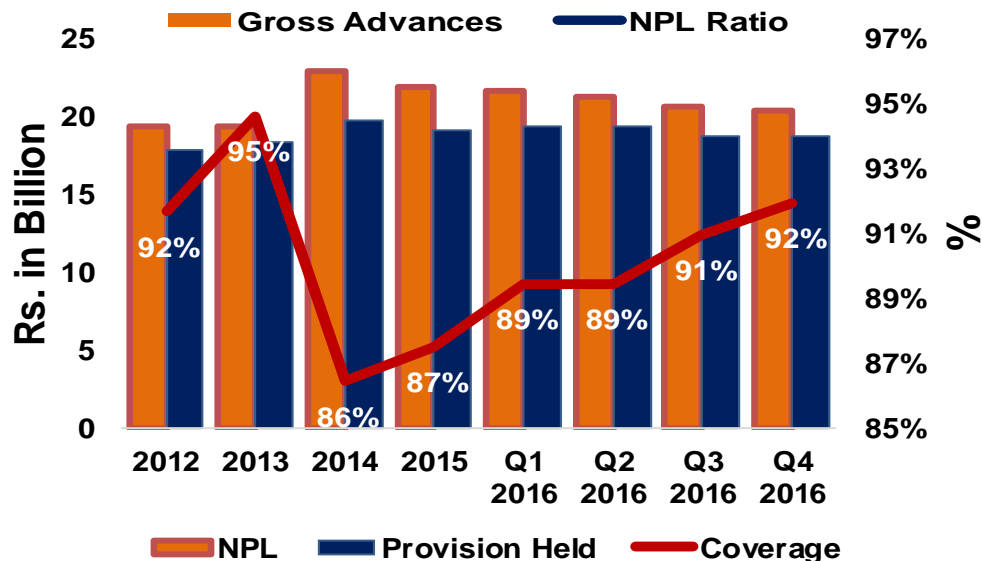
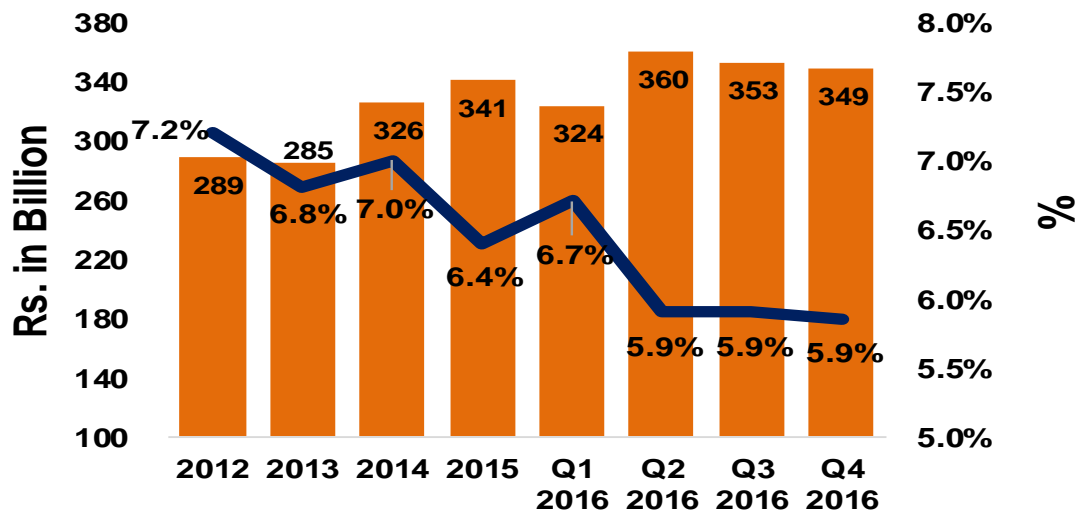
Composition	
Dec-16	Dec-15
50%	65%
40%	26%
5%	5%
5%	4%
0%	0%
100%	100%



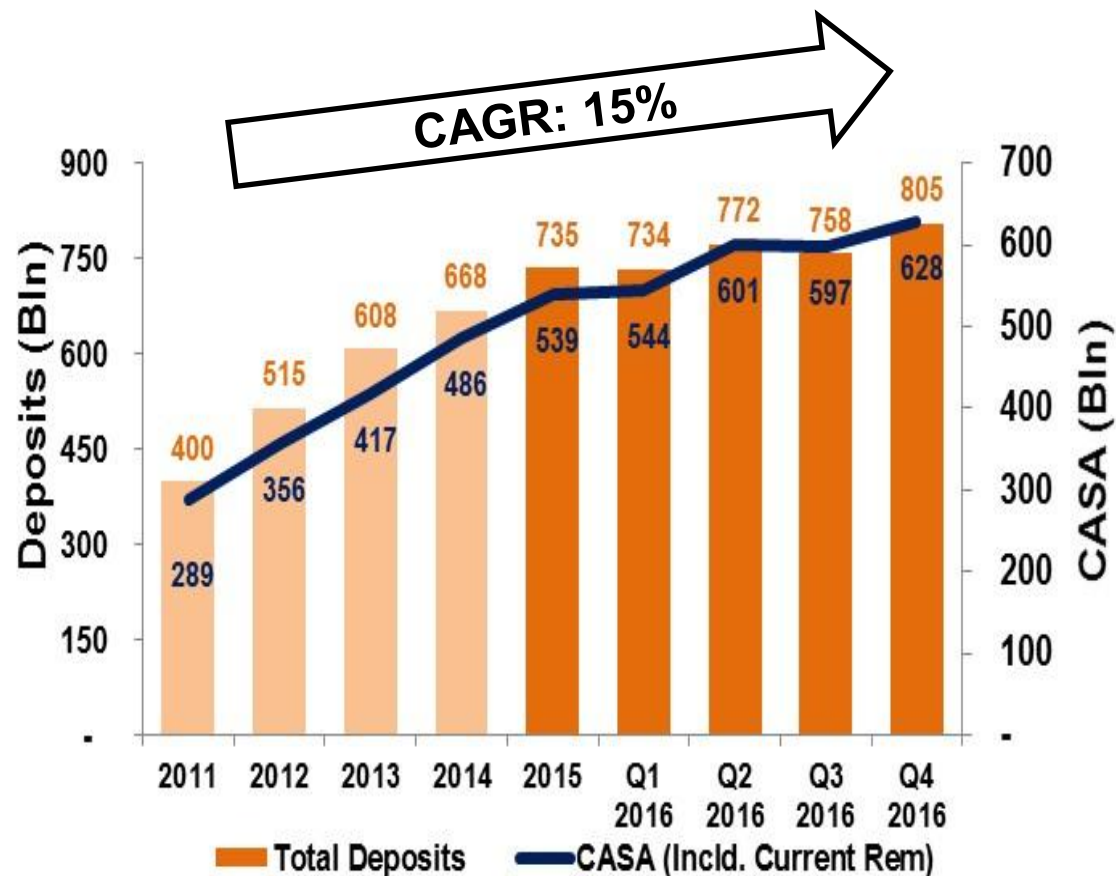
### ADVANCES & ASSET QUALITY

Market Share: 6.3%

- Gross advances at Rs.349 billion (↑2.3% YoY)
- NPLs at Rs.20.4 billion (↓7% YoY)
- NPLs ratio 5.9% (↓0.5% YoY) (Industry Sep'16: 11.3%)
- NPL coverage 91.9% (↑5% YoY) (Industry Sep'16: 82.7%)
- Power, Food, Commodity, Cement and Textile remained key sectors.
- ADR at Dec'16: 43.3%  
Industry ADR at Sep'16: 47.5



### DEPOSITS



Market Share 7.2%

Rs. In Billion	2016	2015	Growth
Current	254	223	14%
Saving	374	316	18%
Term	177	196	-10%
<b>Total Deposits</b>	<b>805</b>	<b>735</b>	<b>10%</b>



**INCOME STATEMENT – Standalone**

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			<b>Growth</b>
	<b>Dec-16</b>	<b>Dec-15</b>	<b>Var.</b>	<b>Dec-16</b>	<b>Dec-15</b>	<b>Var.</b>	
<b>Mark-up/ interest Income</b>	<b>64,606</b>	<b>72,116</b>	<b>(7,510)</b>	<b>618</b>	<b>689</b>	<b>(72)</b>	<b>-10%</b>
<b>Mark-up/ interest Expensed</b>	<b>31,345</b>	<b>35,977</b>	<b>(4,632)</b>	<b>300</b>	<b>344</b>	<b>(44)</b>	<b>-13%</b>
<b>Net Mark-up/ interest Income</b>	<b>33,261</b>	<b>36,139</b>	<b>(2,878)</b>	<b>318</b>	<b>346</b>	<b>(28)</b>	<b>-8%</b>
<b>Capital Gain &amp; Dividend</b>	<b>6,448</b>	<b>4,361</b>	<b>2,087</b>	<b>62</b>	<b>42</b>	<b>20</b>	<b>48%</b>
<b>Fee based Income &amp; Others</b>	<b>4,762</b>	<b>5,394</b>	<b>(632)</b>	<b>46</b>	<b>52</b>	<b>(6)</b>	<b>-12%</b>
<b>Non Mark-up/ Interest Income</b>	<b>11,210</b>	<b>9,755</b>	<b>1,455</b>	<b>107</b>	<b>93</b>	<b>14</b>	<b>15%</b>
<b>Gross Income</b>	<b>44,471</b>	<b>45,894</b>	<b>(1,423)</b>	<b>425</b>	<b>439</b>	<b>(14)</b>	<b>-3%</b>
<b>Human Resource Cost</b>	<b>11,046</b>	<b>9,953</b>	<b>1,093</b>	<b>106</b>	<b>95</b>	<b>10</b>	<b>11%</b>
<b>Other Operating Cost</b>	<b>9,793</b>	<b>8,790</b>	<b>1,003</b>	<b>94</b>	<b>84</b>	<b>10</b>	<b>11%</b>
<b>Total Operating Cost</b>	<b>20,839</b>	<b>18,743</b>	<b>2,096</b>	<b>199</b>	<b>179</b>	<b>20</b>	<b>11%</b>
<b>Operating Profit/(Loss)</b>	<b>23,632</b>	<b>27,151</b>	<b>(3,519)</b>	<b>226</b>	<b>260</b>	<b>(34)</b>	<b>-13%</b>
<b>Total Provisions</b>	<b>(199)</b>	<b>1,649</b>	<b>(1,848)</b>	<b>(2)</b>	<b>16</b>	<b>(18)</b>	<b>-112%</b>
<b>Profit Before Tax</b>	<b>23,831</b>	<b>25,502</b>	<b>(1,671)</b>	<b>228</b>	<b>244</b>	<b>(16)</b>	<b>-7%</b>
<b>Taxation</b>	<b>9,404</b>	<b>10,383</b>	<b>(979)</b>	<b>90</b>	<b>99</b>	<b>(9)</b>	<b>-9%</b>
<b>Profit After Tax</b>	<b>14,427</b>	<b>15,120</b>	<b>(693)</b>	<b>138</b>	<b>145</b>	<b>(7)</b>	<b>-5%</b>

**Excluding impact of prior year tax PAT stood at Rs.15,377 million.**

**INCOME STATEMENT - Consolidated**

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			<b>Growth</b>
	<b>Dec-16</b>	<b>Dec-15</b>	<b>Var.</b>	<b>Dec-16</b>	<b>Dec-15</b>	<b>Var.</b>	
<b>Mark-up/ interest Income</b>	<b>64,610</b>	<b>72,119</b>	<b>(7,509)</b>	<b>618</b>	<b>689</b>	<b>(72)</b>	<b>-10%</b>
<b>Mark-up/ interest Expensed</b>	<b>31,344</b>	<b>35,967</b>	<b>(4,623)</b>	<b>300</b>	<b>344</b>	<b>(44)</b>	<b>-13%</b>
<b>Net Mark-up/ interest Income</b>	<b>33,266</b>	<b>36,152</b>	<b>(2,886)</b>	<b>318</b>	<b>346</b>	<b>(28)</b>	<b>-8%</b>
<b>Capital Gain &amp; Dividend</b>	<b>6,647</b>	<b>4,457</b>	<b>2,190</b>	<b>64</b>	<b>43</b>	<b>21</b>	<b>49%</b>
<b>Fee based Income &amp; Others</b>	<b>5,222</b>	<b>5,853</b>	<b>(631)</b>	<b>50</b>	<b>56</b>	<b>(6)</b>	<b>-11%</b>
<b>Non Mark-up/ Interest Income</b>	<b>11,869</b>	<b>10,309</b>	<b>1,560</b>	<b>113</b>	<b>99</b>	<b>15</b>	<b>15%</b>
<b>Gross Income</b>	<b>45,135</b>	<b>46,461</b>	<b>(1,326)</b>	<b>432</b>	<b>444</b>	<b>(13)</b>	<b>-3%</b>
<b>Human Resource Cost</b>	<b>11,190</b>	<b>10,124</b>	<b>1,066</b>	<b>107</b>	<b>97</b>	<b>10</b>	<b>11%</b>
<b>Other Operating Cost</b>	<b>9,966</b>	<b>8,913</b>	<b>1,053</b>	<b>95</b>	<b>85</b>	<b>10</b>	<b>12%</b>
<b>Total Operating Cost</b>	<b>21,156</b>	<b>19,037</b>	<b>2,119</b>	<b>202</b>	<b>182</b>	<b>20</b>	<b>11%</b>
<b>Operating Profit/(Loss)</b>	<b>23,979</b>	<b>27,425</b>	<b>(3,446)</b>	<b>229</b>	<b>262</b>	<b>(33)</b>	<b>-13%</b>
<b>Total Provisions</b>	<b>(199)</b>	<b>1,649</b>	<b>(1,848)</b>	<b>(2)</b>	<b>16</b>	<b>(18)</b>	<b>-112%</b>
<b>Profit Before Tax</b>	<b>24,178</b>	<b>25,776</b>	<b>(1,598)</b>	<b>231</b>	<b>246</b>	<b>(15)</b>	<b>-6%</b>
<b>Taxation</b>	<b>9,478</b>	<b>10,461</b>	<b>(983)</b>	<b>91</b>	<b>100</b>	<b>(9)</b>	<b>-9%</b>
<b>Profit After Tax</b>	<b>14,700</b>	<b>15,314</b>	<b>(614)</b>	<b>141</b>	<b>146</b>	<b>(6)</b>	<b>-4%</b>

Excluding impact of prior year tax PAT stood at Rs.15,650 million.

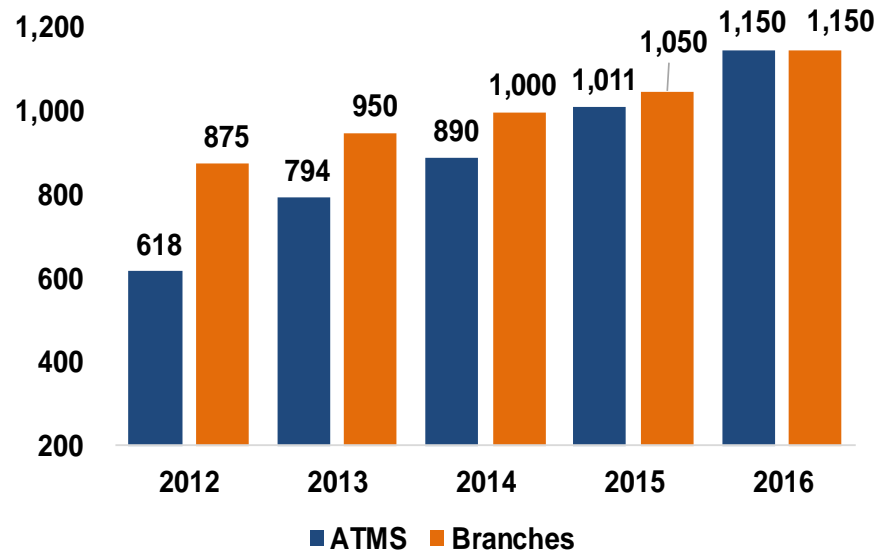
### Key Ratios

	2016				Annualized 2015				Industry
	Q4	Q3	Q2	Q1	Q1	Q2	Q3	Q4	Sep-16
ROA (%)	1.4	1.6	1.7	1.9	2.0	1.7	1.8	1.7	1.3
ROE (Tier I) (%)	20.3	23.0	24.5	27.6	26.7	23.1	24.4	23.3	14.2
Capital Adequacy Ratio (%)	20.8	21.9	21.3	20.9	20.9	19.7	21.9	20.9	16.8

Excl. prior year tax charge; EPS, ROA and ROE stood at: Rs.13.4, 1.5% and 21.6% respectively

### Channels

	Dec-16	Dec-15	Growth
<b>Total Branches</b>	<b>1,150</b>	<b>1,050</b>	<b>100</b>
Conventional	1,073	1,023	50
Islamic	77	27	50
<b>Total ATMs</b>	<b>1,150</b>	<b>1,011</b>	<b>139</b>
On-site	942	837	105
Off-Site	208	174	34



**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>136.50</b>
<b>Market Capitalization (US\$ mln)</b>	<b>1,305.03</b>
<b>Current Stock Price*</b>	<b>119.21</b>
<b>12M High/Low</b>	<b>122.0/ 82.83</b>

\*Stock Price as of December 31, 2016

### AWARDS & ACHIEVEMENTS



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

**“Strongest Bank by Balance Sheet – 2015”**



**2<sup>nd</sup> position for Corporate Finance House – 2015**

#### 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.

28<sup>th</sup> October, 2015



**Corporate  
Excellence  
Awards**



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



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



**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**