

Allied Bank Limited



**Investor Presentation
For The Half Year Ended
June 30, 2016**

MAJOR HIGHLIGHTS – INCOME STATEMENT
Rs. In Million

	Jun-16	Jun-15	Inc/(Dec)	
			Rs.	%
Profit Before Tax	14,705	13,579	1,126	8%
Profit After Tax				
With prior year tax adjustment	8,601	7,357	1,244	17%
Without prior year tax adjustment	9,555	8,817	738	8%
EPS - in Rs: per share				
With prior year tax adjustment	7.51	6.42	1.09	17%
Without prior year tax adjustment	8.34	7.70	0.64	8%

- **NII increased to Rs.17,705 million despite YoY fall in DR of 183 bps**
- **Capital Gains increased to Rs.2,453 million from Rs.417 million in Q2 2015; primarily on account of Bank's active trading in bond market and re-profiling of portfolio**
- **Dividend income increased to Rs.1,966 million; 11% higher compared to Jun'15**
- **Fee income increased to Rs.2,139 million**
- **Provision against advances reduced to Rs.180 million (Jun'15: Rs.542 Million)**
- **OPEX growth curtailed at 8.5% despite continuous investment towards :**
 - **Investment in development of delivery channels**
 - **Expansion in footprint – 1,051 Branches/1,017 ATMs in June'16 (June'15: 1,000 branches / ATMs: 992)**
 - **Human Resource Development**

MAJOR HIGHLIGHTS – BALANCE SHEET

- **Total Assets increased to Rs.1,030 Billion**
- **15% growth in Average earning assets compared to Jun'15; partially compensated reduction in average discount rate**
- **Gross advances increased by Rs.20 billion to Rs.360 billion despite limited quality lending avenues**
- **Overall investments as at June 30, 2016 stood at Rs.556 billion**
- **Deposits base improved to Rs.772 billion:**
 - **Market share at 7.4%**
 - **Current account increased by 16% as compared with Dec'15**
 - **CASA as percentage of total deposits at June'16 increased to 78% (Dec'15: 73%)**

Statement of Financial Position – Standalone

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Jun-16	Dec-15	Var.	Jun-16	Dec-15	Var.	
ASSETS							
Cash and Balances with Banks & Lending to FIs	67,160	64,145	3,016	641	612	29	5%
Investments	556,444	544,349	12,095	5,312	5,197	115	2%
Advances - net	341,040	321,605	19,435	3,256	3,070	186	6%
Operating fixed assets	29,822	28,850	972	285	275	9	3%
Other Assets	35,619	32,716	2,903	340	312	28	9%
TOTAL ASSETS	1,030,085	991,665	38,420	9,834	9,467	367	4%
LIABILITIES							
Deposits	772,345	734,596	37,749	7,373	7,013	360	5%
Borrowings	126,247	137,960	(11,713)	1,205	1,317	(112)	-8%
Bills Payable	6,803	4,942	1,861	65	47	18	38%
Other Liabilities	26,610	24,911	1,699	254	238	16	7%
TOTAL LIABILITIES	932,005	902,409	29,596	8,898	8,615	283	3%
NET ASSETS	98,080	89,256	8,823	936	852	84	10%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	61,181	56,518	4,663	584	540	45	8%
Equity Tier I	72,632	67,969	4,663	693	649	45	7%
Equity Tier II	98,080	89,256	8,824	936	852	84	10%

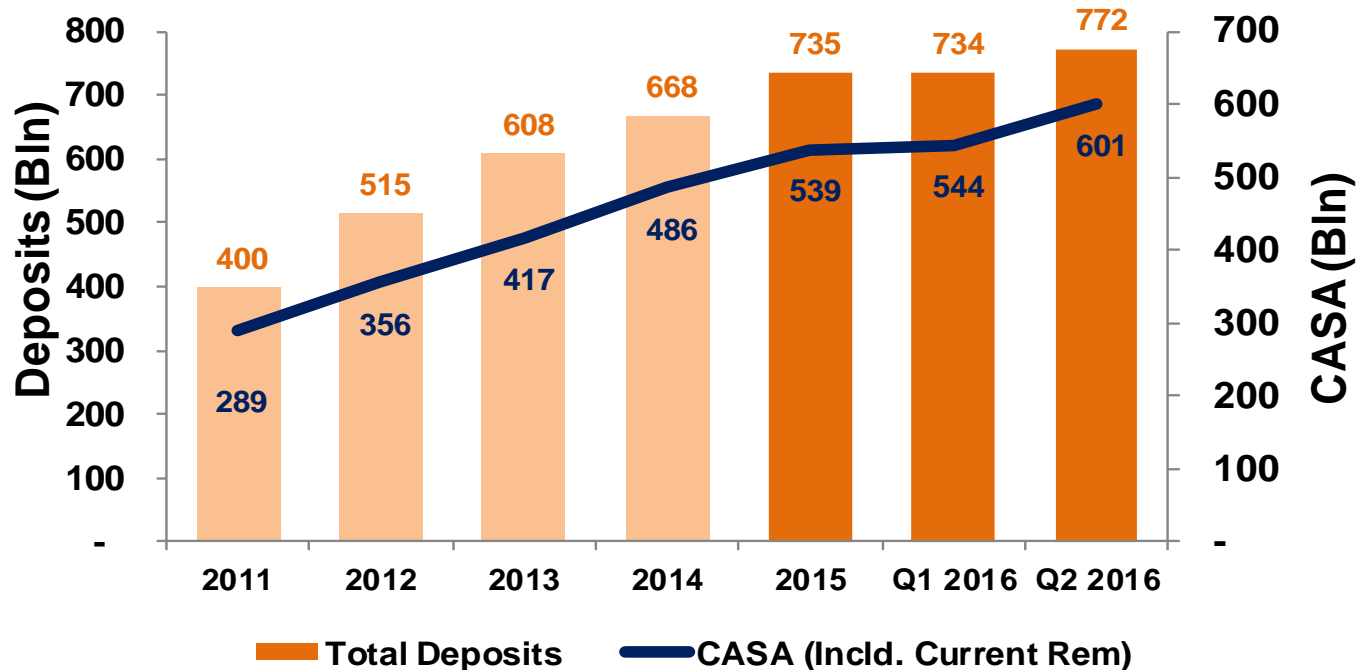
Statement of Financial Position – Consolidated

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Jun-16	Dec-15	Var.	Jun-16	Dec-15	Var.	
ASSETS							
Cash and Balances with Banks & Lending to FIs	67,161	64,145	3,016	641	612	29	5%
Investments	557,281	545,106	12,175	5,320	5,204	116	2%
Advances - net	341,097	321,648	19,449	3,256	3,071	186	6%
Operating fixed assets	29,850	28,870	980	285	276	9	3%
Other Assets	35,902	32,971	2,931	343	315	28	9%
TOTAL ASSETS	1,031,291	992,740	38,551	9,845	9,477	368	4%
LIABILITIES							
Deposits	772,329	734,546	37,783	7,373	7,012	361	5%
Borrowings	126,247	137,960	(11,713)	1,205	1,317	(112)	-8%
Bills Payable	6,803	4,942	1,861	65	47	18	38%
Other Liabilities	26,886	25,166	1,720	257	240	16	7%
TOTAL LIABILITIES	932,265	902,614	29,651	8,900	8,617	283	3%
NET ASSETS	99,026	90,125	8,901	945	860	85	10%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	62,126	57,386	4,740	593	548	45	8%
Equity Tier I	73,577	68,837	4,740	702	657	45	7%
Equity Tier II	99,026	90,125	8,901	945	860	85	10%

INVESTMENTS

	<i>Rs. in Million</i>				<i>Composition</i>	
	Jun-16	Dec-15	Var.	Growth	Jun-16	Dec-15
Pakistan Investment Bonds	346,720	340,407	6,313	2%	65%	65%
Market Treasury Bills	134,624	138,531	(3,907)	-3%	25%	26%
Listed and Unlisted Shares	26,292	25,259	1,033	4.1%	5%	5%
TFCs, Bonds, Sukuks and Mutual Funds	23,854	20,281	3,573	18%	4%	4%
Subsidiary	500	500	-	0%	0%	0%
Investments at Cost	531,990	524,978	7,012	1%	100%	100%
Prov. for dimin. in value of investments	(2,840)	(2,778)	(63)	2%		
Surplus on revaluation of securities	27,294	22,150	5,144	23%		
Total Investments at market value	556,444	544,349	12,094	2%		

DEPOSITS

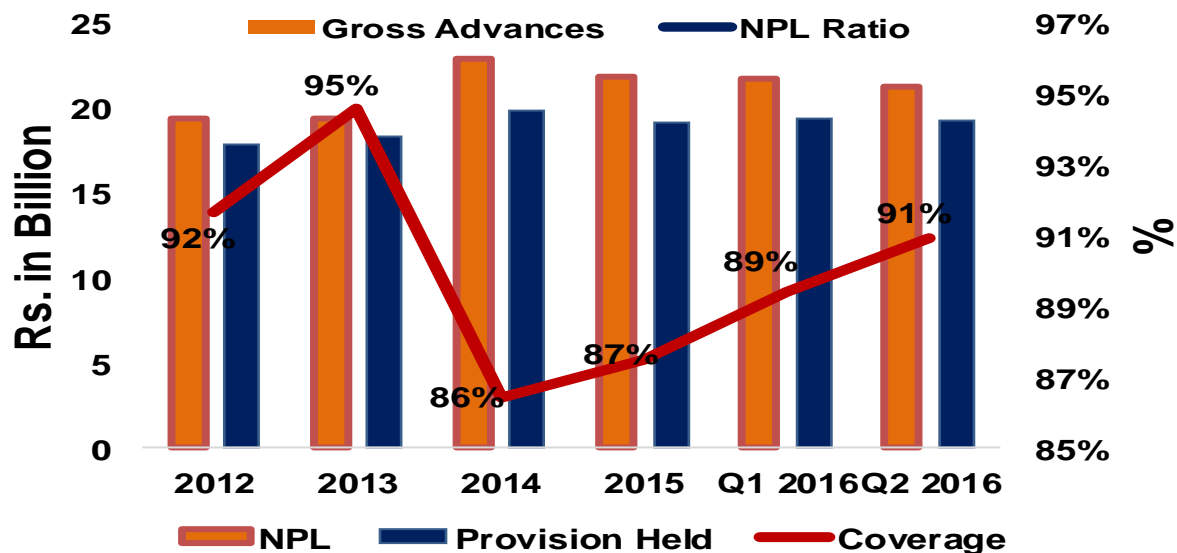
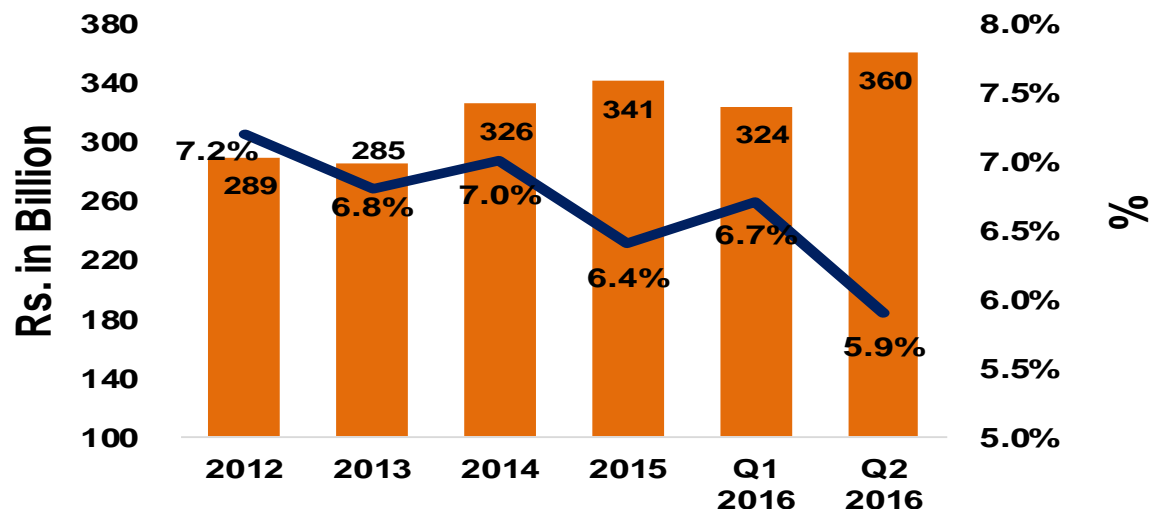


Rs. In Billion	Jun-16	2015	Growth
Current	257	223	15.5%
Saving	344	316	8.7%
Term	171	196	-12.4%
Total Deposits	772	735	5.1%

ADVANCES & ASSET QUALITY

- Gross advances increased by Rs.20 billion.
- NPLs reduced to Rs.21.3 billion at Jun'16 (Dec'15: Rs.21.9 billion)
- NPL coverage at 91% (Industry Mar'16: 84%)
- NPLs ratio at 5.9% (Industry Mar'16: 11.7%)
- Commodity, Power, Food, Textile, Cement remained key sectors.

Market Share: 7%



INCOME STATEMENT – Standalone

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	HY 2016	HY 2015	Var.	HY 2016	HY 2015	Var.	
Mark-up/ interest Income	34,597	36,370	(1,773)	330	347	(17)	-5%
Mark-up/ interest Expensed	16,892	18,985	(2,093)	161	181	(20)	-11%
Net Mark-up/ interest Income	17,705	17,385	320	169	166	3	1.8%
Capital Gain & Dividend	4,424	2,195	2,229	42	21	21	102%
Fee based Income & Others	2,546	3,480	(934)	24	33	(9)	-27%
Non Mark-up/ Interest Income	6,970	5,675	1,295	67	54	12	23%
Gross Income	24,675	23,060	1,615	236	220	15	7%
Human Resource Cost	5,350	4,990	360	51	48	3	7%
Other Operating Cost	4,339	3,922	417	41	37	4	11%
Total Operating Cost	9,689	8,912	777	92	85	7	9%
Operating Profit/(Loss)	14,986	14,148	838	143	135	8	6%
Total Provisions	281	569	(288)	3	5	(3)	-51%
Profit Before Tax	14,705	13,579	1,126	140	130	11	8%
Taxation	6,104	6,222	(118)	58	59	(1)	-2%
Profit After Tax	8,601	7,357	1,244	82	70	12	17%
PAT (excluding prior year tax impact)	9,555	8,817	739	91	84	7	8%

INCOME STATEMENT - Consolidated

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			
	HY 2016	HY 2015	Var.	HY 2016	HY 2015	Var.	Growth
Mark-up/ interest Income	34,599	36,370	(1,771)	330	347	(17)	-5%
Mark-up/ interest Expensed	16,888	18,979	(2,091)	161	181	(20)	-11%
Net Mark-up/ interest Income	17,711	17,391	320	169	166	3	1.8%
Capital Gain & Dividend	4,476	2,273	2,202	43	22	21	97%
Fee based Income & Others	2,761	3,719	(958)	26	36	(9)	-26%
Non Mark-up/ Interest Income	7,237	5,992	1,244	69	57	12	21%
Gross Income	24,947	23,383	1,564	238	223	15	7%
Human Resource Cost	5,457	5,079	378	52	48	4	7%
Other Operating Cost	4,401	3,976	425	42	38	4	11%
Total Operating Cost	9,858	9,055	803	94	86	8	9%
Operating Profit/(Loss)	15,090	14,328	761	144	137	7	5%
Total Provisions	281	569	(288)	3	5	(3)	-51%
Profit Before Tax	14,809	13,759	1,050	141	131	10	8%
Taxation	6,130	6,259	(128)	59	60	(1)	-2%
Profit After Tax	8,679	7,501	1,178	83	72	11	16%
PAT (excluding prior year tax impact)	9,632	8,961	671	92	86	6	7%

Key Ratios

	2016		2015			
	Q2	Q1	Q1	Q2	Q3	Q4
	Annualized					
ROA (%)	1.7	1.9	1.6	2.0	1.7	1.97
ROE (Tier I) (%)	24.5	27.6	23.3	27.0	23.1	26.7
Capital Adequacy Ratio (%)	21.30	20.93	20.85	19.68	21.93	20.83

Excluding Prior Year Tax Impact:

ROA (%)	1.9	1.9	1.6	2.0	1.7	2.0
ROE (Tier I) (%)	27.2	27.6	23.3	27.0	23.1	26.7
EPS Annualized (Rs.)	16.7	16.7	13.2	13.5	12.8	14.7

Channels

	Jun-16	Jun-15	Growth
Total Branches	1,051	998	53
Conventional	1,023	993	30
Islamic	28	5	23
Total ATMs	1,017	902	115
On-site	851	796	55
Off-Site	166	102	64

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”

**Among Top 3 Primary
Dealers during FY 15**



**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
