

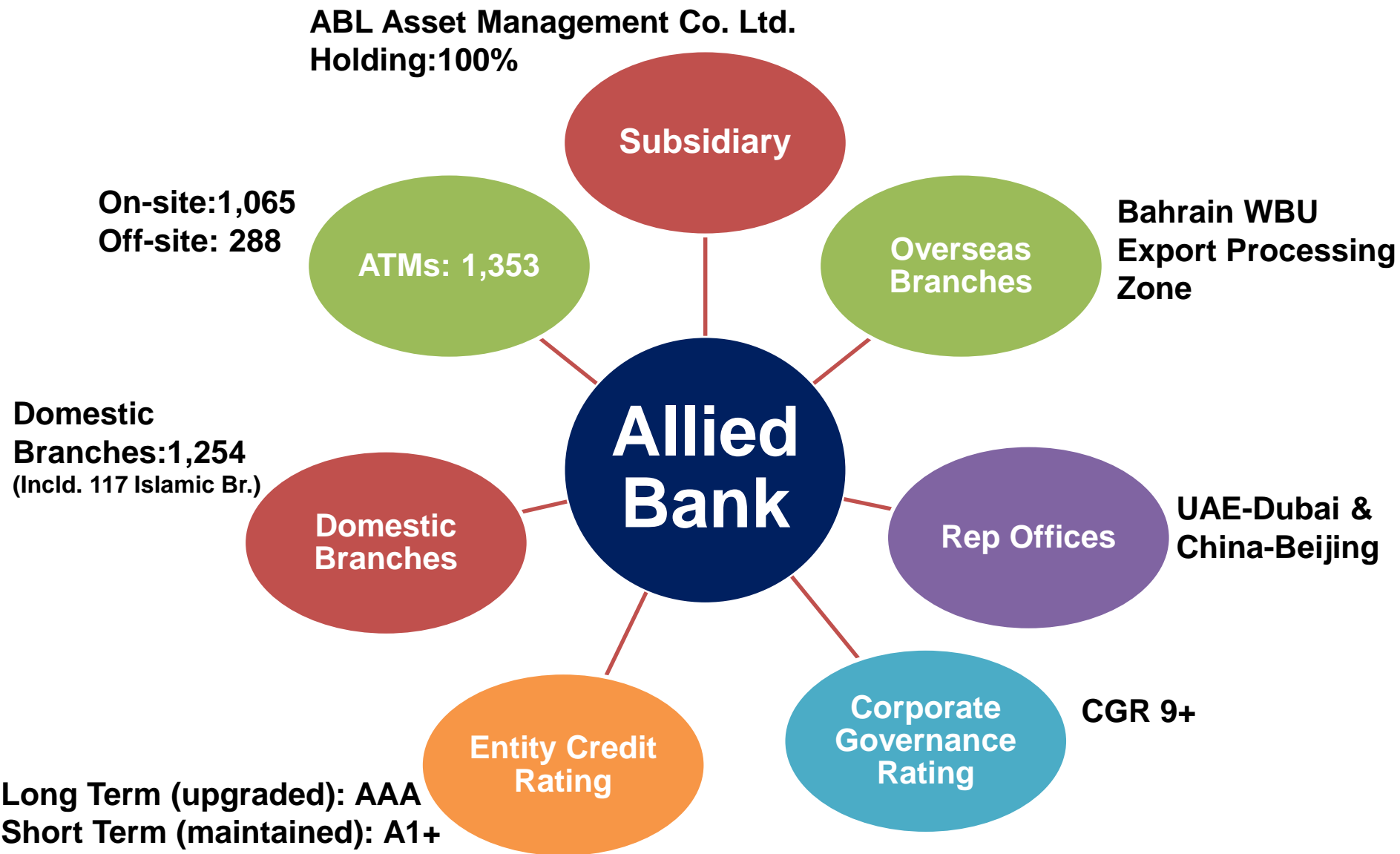
# Allied Bank Limited



**Investor Presentation  
For The Half Year Ended  
June 30, 2018**

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## MAJOR HIGHLIGHTS – INCOME STATEMENT

Rs. In Million

|                   | Jun-18 | Jun-17 | Inc/(Dec) |     |
|-------------------|--------|--------|-----------|-----|
|                   |        |        | Rs.       | %   |
| Profit Before Tax | 11,799 | 11,269 | 530       | 5%  |
| Profit After Tax  | 7,143  | 6,474  | 669       | 10% |
| EPS - in Rs       | 6.24   | 5.65   | 0.59      | 10% |

- NIM reached Rs.15,812 million; ▼ 3%YoY
- Prov. reversal of Rs.881 million; ▲ 25%;
- NIM after provisions at Rs.16,693 million (▼ 2% YoY); Bond maturity/sale
- Fee income and other income at Rs.2,248 million (▲ 8%)
- FX Income of Rs.674 million (▲ 112%); prudent FX operations
- Dividend income (▼ 6% YoY) at Rs. 1,443 million; lower investee company payouts
- Cap. Gains at Rs.2,134 million (▲ 7.4 times YoY); changing interest rates scenario
- OPEX (▲ 12% YoY) on account of continuous investment towards:
  - Expansion in footprint – 91 new Branches
  - Alternate Delivery Channels – 167 new ATMs
  - Marketing, Technology, Digital Banking, Infrastructure and Risk Management initiatives
  - Staff Strength – 10,796

## MAJOR HIGHLIGHTS – BALANCE SHEET

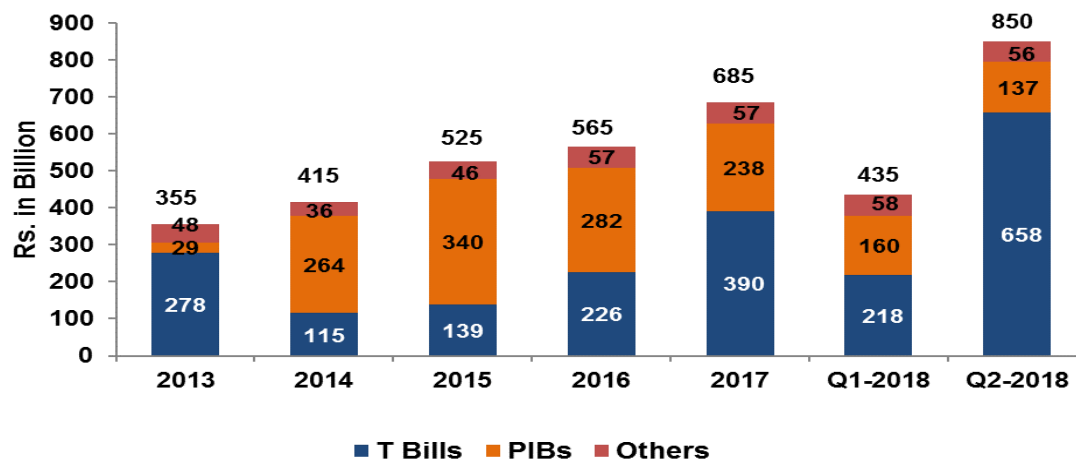
*Rs. In Billion*

|                       | Jun-18       | Dec-17       | Inc/(Dec)  |            |
|-----------------------|--------------|--------------|------------|------------|
|                       |              |              | Rs.        | %          |
| <b>Investments</b>    | <b>861</b>   | <b>698</b>   | <b>163</b> | <b>23%</b> |
| <b>Advances</b>       | <b>424</b>   | <b>372</b>   | <b>52</b>  | <b>14%</b> |
| <b>Total Assets</b>   | <b>1,473</b> | <b>1,246</b> | <b>227</b> | <b>18%</b> |
| <b>Total Deposits</b> | <b>927</b>   | <b>884</b>   | <b>43</b>  | <b>5%</b>  |
| <b>Total Equity</b>   | <b>108</b>   | <b>107</b>   | <b>1</b>   | <b>1%</b>  |

- Balance sheet stood at Rs.1,473 Bln (US\$12 Bln); ( ↑18% vs Dec'17)
  - Gross advances at Rs.440 billion ( ↑13% vs Dec'17)
  - NPLs ( ↓10% vs Dec'17) to Rs.16 billion; improving NPL / Coverage Ratio
  - Investments at market value at Rs.861 billion ( ↑23% vs Dec'17)
  - Deposits base increased to Rs.927 Billion ( ↑ 5% vs Dec'17)
    - Robust growth in current deposits to Rs.349 Billion ( ↑10% vs Dec'17)
    - CASA % of total deposits increased to 84% (Dec'17: 79%); ( ↑10% vs Dec'17)
    - Market share: 7.1%
  - Equity of the Bank stood at Rs.108 billion (US\$ 886 Million)
  - CAR stood at 22.3% as at June 2018; Industry CAR Mar'18: 15.9%
  - Jun'18: NSFR: 185.04% LCR:151.47%; Requirement NSFR: 100% LCR:90%
- Detailed Standalone and Consolidated Balance Sheet disclosed in Annexure B*

### INVESTMENTS

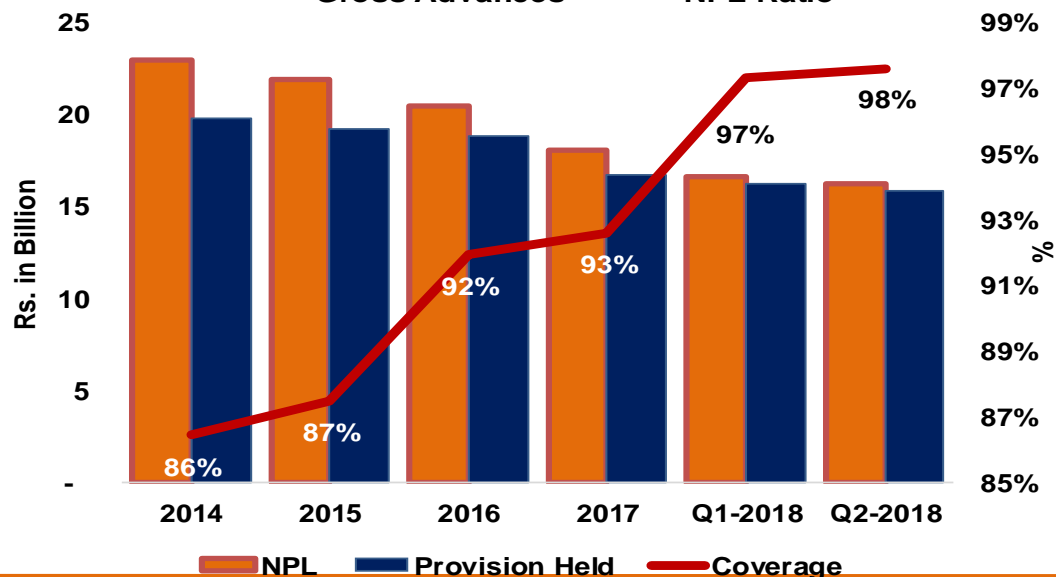
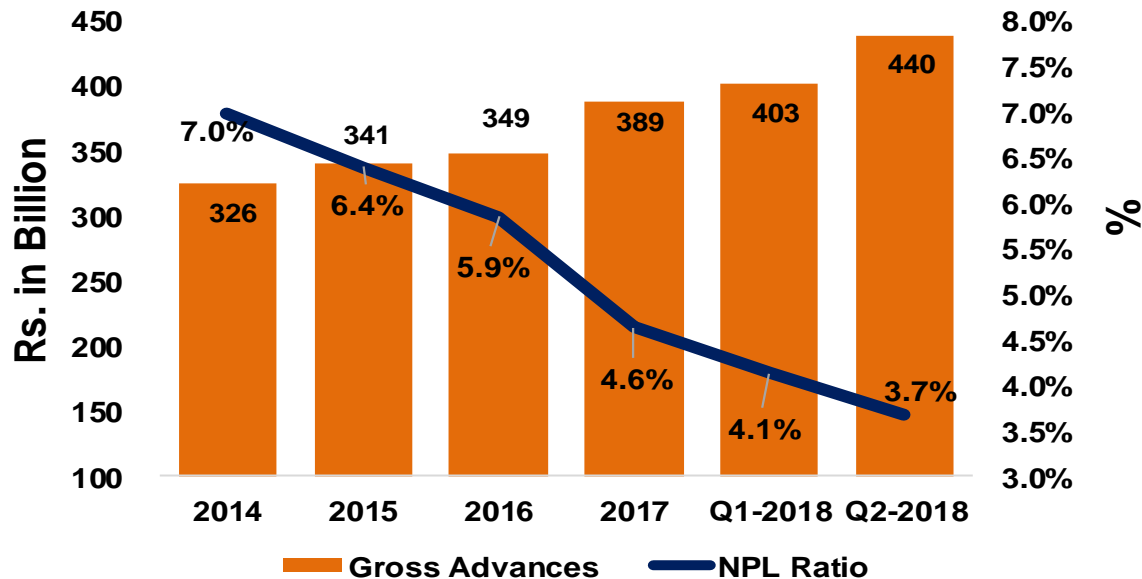
|  | <i>Rs. in Million</i> |                |                |            | <i>Composition</i> |             |
|--|-----------------------|----------------|----------------|------------|--------------------|-------------|
|  | Jun-18                | Dec-17         | Var.           | Growth     | Jun-18             | Dec-17      |
| Pakistan Investment Bonds                | 136,906               | 237,631        | (100,725)      | -42%       | 16%                | 35%         |
| Market Treasury Bills                    | 657,743               | 390,385        | 267,358        | 68%        | 77%                | 57%         |
| Listed and Unlisted Shares               | 26,318                | 26,551         | (234)          | -0.9%      | 3%                 | 4%          |
| TFCs, Bonds, Sukuks and Mutual Funds     | 29,093                | 29,575         | (482)          | -2%        | 3%                 | 4%          |
| Subsidiary                               | 500                   | 500            | -              | 0%         | 0%                 | 0%          |
| <b>Investments at Cost</b>               | <b>850,559</b>        | <b>684,642</b> | <b>165,917</b> | <b>24%</b> | <b>100%</b>        | <b>100%</b> |
| Prov. for dimin. in value of investments | (2,555)               | (2,705)        | 150            | -6%        |                    |             |
| Surplus on revaluation of securities     | 12,717                | 16,145         | (3,429)        | -21%       |                    |             |
| <b>Total Investments at market value</b> | <b>860,721</b>        | <b>698,082</b> | <b>162,639</b> | <b>23%</b> |                    |             |



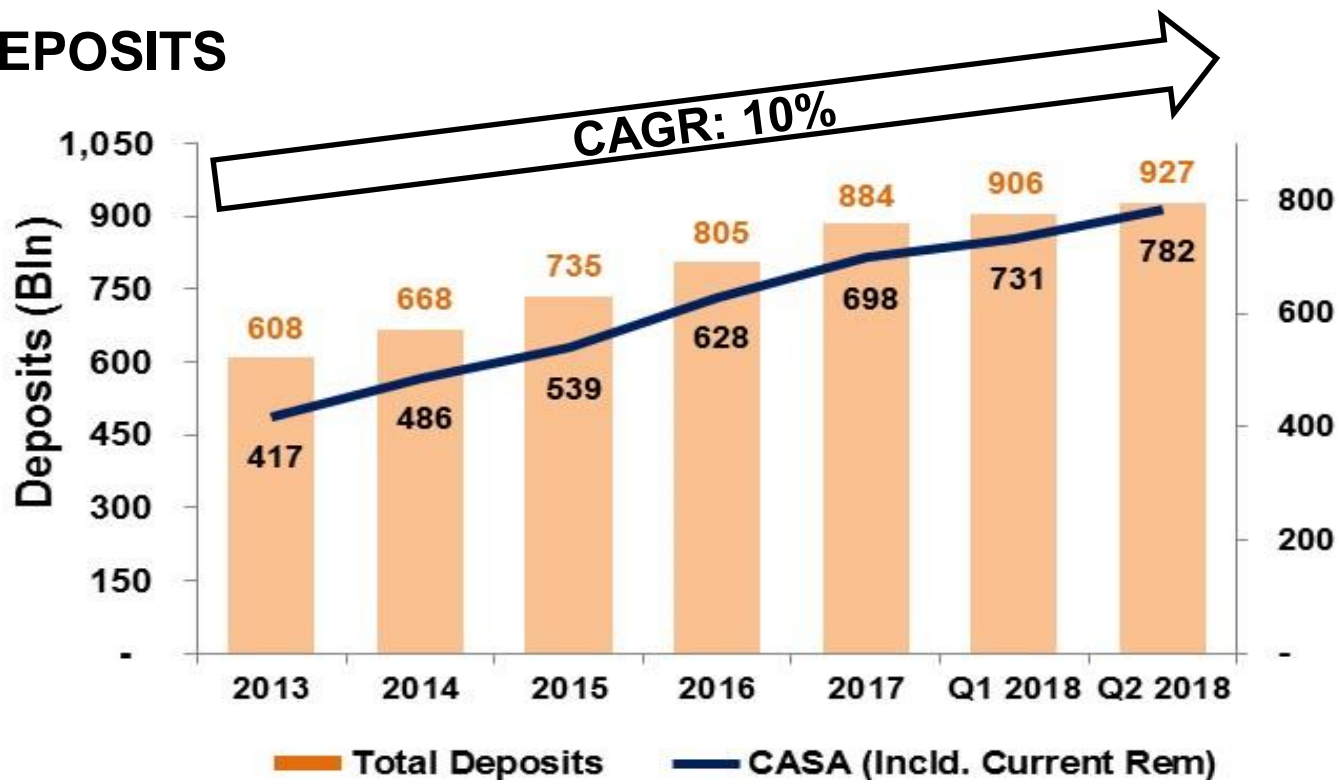
### ADVANCES & ASSET QUALITY

- Gross Advances reached Rs. 440 billion (↑ 13%)  
(Industry growth 12.7%)
- NPLs at Rs.16 billion (↓ 10%)
- NPL ratio 3.7% (↓ 0.4%)  
(Industry Mar'18: 8.3%)
- NPL coverage 97.6% (↑ 0.7%)  
(Industry Mar'18 : 89.2%)
- Power, Fertilizer and Commodity remained key sectors.

Market Share: 6%



### DEPOSITS



Market Share 7.1%

Industry Growth 5.7%

| <i>Rs. In Billion</i> | Jun-18     | Dec-17     | Growth    |
|-----------------------|------------|------------|-----------|
| Current               | 349        | 316        | 10%       |
| Saving                | 433        | 382        | 13%       |
| Term                  | 145        | 186        | -22%      |
| <b>Total Deposits</b> | <b>927</b> | <b>884</b> | <b>5%</b> |



### Key Ratios

|                            | 2018 | 2018 | 2017 |      |      |      |
|----------------------------|------|------|------|------|------|------|
|                            | Q2   | Q1   | Q4   | Q3   | Q2   | Q1   |
| ROA (%)                    | 1.1  | 1.3  | 1.1  | 1.2  | 1.2  | 1.3  |
| ROE (Tier I) (%)           | 17.8 | 18.7 | 17.0 | 17.0 | 17.1 | 19.1 |
| Capital Adequacy Ratio (%) | 22.3 | 22.7 | 22.4 | 22.3 | 22.1 | 22.3 |

### Banking Sector Ratios

#### March 2018:

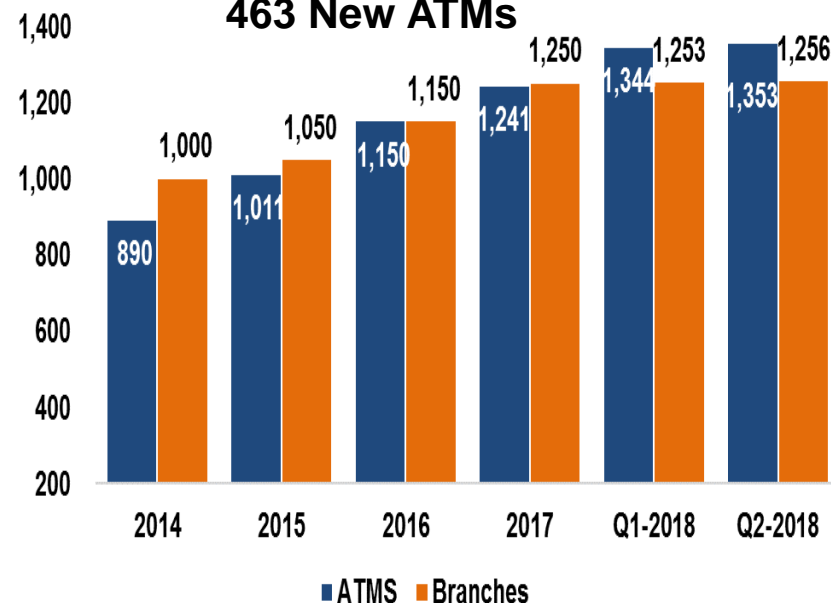
ROA: 0.9%  
ROE: 11.8%  
CAR: 15.9%

ROA (%)  
ROE (Tier I) (%)  
Capital Adequacy Ratio (%)

### Channels

|                | Jun-18 | Jun-17 | Growth |
|----------------|--------|--------|--------|
| Total Branches | 1,256  | 1,165  | 91     |
| Conventional   | 1,139  | 1,082  | 57     |
| Islamic        | 117    | 83     | 34     |
| Total ATMs     | 1,353  | 1,186  | 167    |
| On-site        | 1,065  | 965    | 100    |
| Off-Site       | 288    | 221    | 67     |

### 256 New Branches 463 New ATMs



**RATINGS**

| <b>RATING TYPE</b>                 | <b>RATING</b>                                     | <b>RATING AGENCY</b> | <b>RATING INDICATION</b>   |
|------------------------------------|---|----------------------|--|
| <b>Entity Rating</b>               | <b>AAA (Long Term)</b><br><b>A1+ (Short Term)</b> | <b>PACRA</b>         | <p>These ratings denote exceptionally strong capacity for timely payment of financial commitments with lowest expectation of credit risk.</p> <p>With this rating up-grade, Allied Bank now ranks amongst select group of financial institutions with highest entity rating.</p> |
| <b>Corporate Governance Rating</b> | <b>CGR-9+</b>                                     | <b>JCR-VIS</b>       | <p>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.</p>  |
| <b>Deposits</b>                    | <b>B3</b>   | <b>Moody's</b>       | <p>Negative outlook, constrained by Pakistan's country ceiling.</p>  |

## 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>122.06</b>         |
| <b>Market Capitalization (US\$ mln)</b> | <b>1,004.31</b>       |
| <b>Current Stock Price*</b>             | <b>105.26</b>         |
| <b>12M High/Low</b>                     | <b>109.95 / 76.72</b> |

**ABL outperformed market with 21% increase between Jan'18 – Jun'18**

**\*Stock Price as of August 8, 2018**

### AWARDS & ACHIEVEMENTS



**Best Bank in Pakistan Award 2018  
by Euromoney**



**Bank of the Year Pakistan 2017  
by The Banker**



**6<sup>th</sup> FPCCI Achievement Award  
2018**



**Best Bank for CSR –  
Pakistan**



**Corporate Excellence Award 2017 by  
Management Association of Pakistan**



**Top Issuer of PayPak Debit Cards**

# Annexures

**INCOME STATEMENT – Standalone**

|                              | <i>Rs. in Million</i> |               |             | <i>US\$ in Million</i> |               |             | <b>Growth</b> |
|------------------------------|-----------------------|---------------|-------------|------------------------|---------------|-------------|---------------|
|                              | <b>Jun-18</b>         | <b>Jun-17</b> | <b>Var.</b> | <b>Jun-18</b>          | <b>Jun-17</b> | <b>Var.</b> |               |
| Mark-up/ interest Income     | 33,320                | 32,345        | 975         | 274                    | 266           | 8           | 3%            |
| Mark-up/ interest Expensed   | 17,508                | 16,068        | 1,440       | 144                    | 132           | 12          | 9%            |
| Net Mark-up/ interest Income | 15,812                | 16,277        | (465)       | 130                    | 134           | (4)         | -3%           |
| Capital Gain & Dividend      | 3,577                 | 1,817         | 1,760       | 29                     | 15            | 14          | 97%           |
| Fee based Income & Others    | 3,127                 | 2,587         | 540         | 26                     | 21            | 4           | 21%           |
| Non Mark-up/ Interest Income | 6,704                 | 4,404         | 2,300       | 55                     | 36            | 19          | 52%           |
| Gross Income                 | 22,516                | 20,681        | 1,835       | 185                    | 170           | 15          | 9%            |
| Human Resource Cost          | 6,269                 | 5,485         | 784         | 52                     | 45            | 6           | 14%           |
| Other Operating Cost         | 5,308                 | 4,609         | 699         | 44                     | 38            | 6           | 15%           |
| Total Operating Cost         | 11,577                | 10,094        | 1,483       | 95                     | 83            | 12          | 15%           |
| Operating Profit/(Loss)      | 10,939                | 10,587        | 352         | 90                     | 87            | 3           | 3%            |
| Total Provisions             | (860)                 | (683)         | (177)       | (7)                    | (6)           | (1)         | 26%           |
| Profit Before Tax            | 11,799                | 11,270        | 529         | 97                     | 93            | 4           | 5%            |
| Taxation                     | 4,656                 | 4,795         | (139)       | 38                     | 39            | (1)         | -3%           |
| Profit After Tax             | 7,143                 | 6,475         | 668         | 59                     | 53            | 5           | 10%           |

**INCOME STATEMENT – Consolidated**

|                              | <i>Rs. in Million</i> |               |             | <i>US\$ in Million</i> |               |             | <b>Growth</b> |
|------------------------------|-----------------------|---------------|-------------|------------------------|---------------|-------------|---------------|
|                              | <b>Jun-18</b>         | <b>Jun-17</b> | <b>Var.</b> | <b>Jun-18</b>          | <b>Jun-17</b> | <b>Var.</b> |               |
| Mark-up/ interest Income     | 33,320                | 32,364        | 956         | 274                    | 266           | 8           | 3%            |
| Mark-up/ interest Expensed   | 17,507                | 16,067        | 1,440       | 144                    | 132           | 12          | 9%            |
| Net Mark-up/ interest Income | 15,813                | 16,296        | (483)       | 130                    | 134           | (4)         | -3%           |
| Capital Gain & Dividend      | 3,593                 | 1,865         | 1,728       | 30                     | 15            | 14          | 93%           |
| Fee based Income & Others    | 3,444                 | 2,901         | 543         | 28                     | 24            | 4           | 19%           |
| Non Mark-up/ Interest Income | 7,037                 | 4,766         | 2,271       | 58                     | 39            | 19          | 48%           |
| Gross Income                 | 22,850                | 21,062        | 1,788       | 188                    | 173           | 15          | 8%            |
| Human Resource Cost          | 6,238                 | 5,545         | 694         | 51                     | 46            | 6           | 13%           |
| Other Operating Cost         | 5,528                 | 4,751         | 777         | 45                     | 39            | 6           | 16%           |
| Total Operating Cost         | 11,766                | 10,296        | 1,470       | 97                     | 85            | 12          | 14%           |
| Operating Profit/(Loss)      | 11,084                | 10,767        | 317         | 91                     | 89            | 3           | 3%            |
| Total Provisions             | (860)                 | (683)         | (177)       | (7)                    | (6)           | (1)         | 26%           |
| Profit Before Tax            | 11,944                | 11,449        | 495         | 98                     | 94            | 4           | 4%            |
| Taxation                     | 4,698                 | 4,854         | (156)       | 39                     | 40            | (1)         | -3%           |
| Profit After Tax             | 7,245                 | 6,595         | 650         | 60                     | 54            | 5           | 10%           |

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

| ASSETS  | Rs. in Million   |                  |                | US\$ in Million |               |              | Growth     |
|---|------------------|------------------|----------------|-----------------|---------------|--------------|------------|
|   | Jun-18           | Dec-17           | Var.           | Jun-18          | Dec-17        | Var.         |            |
| Cash and Balances with Banks & Lending to FIs | 107,638          | 94,711           | 12,928         | 886             | 779           | 106          | 14%        |
| Investments                                   | 860,721          | 698,082          | 162,639        | 7,082           | 5,744         | 1,338        | 23%        |
| Advances - net                                | 423,753          | 372,038          | 51,715         | 3,487           | 3,061         | 425          | 14%        |
| Operating fixed assets                        | 49,913           | 48,327           | 1,586          | 411             | 398           | 13           | 3%         |
| Other Assets                                  | 30,751           | 32,555           | (1,804)        | 253             | 268           | (15)         | -6%        |
| <b>TOTAL ASSETS</b>                           | <b>1,472,776</b> | <b>1,245,712</b> | <b>227,064</b> | <b>12,118</b>   | <b>10,249</b> | <b>1,868</b> | <b>18%</b> |
| <b>LIABILITIES</b>                            |                  |                  |                |                 |               |              |            |
| Deposits                                      | 926,989          | 883,741          | 43,248         | 7,627           | 7,271         | 356          | 5%         |
| Borrowings                                    | 405,335          | 223,556          | 181,779        | 3,335           | 1,839         | 1,496        | 81%        |
| Bills Payable                                 | 11,028           | 7,835            | 3,193          | 91              | 64            | 26           | 41%        |
| Other Liabilities                             | 21,713           | 23,863           | (2,150)        | 179             | 196           | (18)         | -9%        |
| <b>TOTAL LIABILITIES</b>                      | <b>1,365,065</b> | <b>1,138,995</b> | <b>226,070</b> | <b>11,231</b>   | <b>9,371</b>  | <b>1,860</b> | <b>20%</b> |
| <b>NET ASSETS</b>                             | <b>107,711</b>   | <b>106,717</b>   | <b>994</b>     | <b>886</b>      | <b>878</b>    | <b>8</b>     | <b>1%</b>  |
| <b>EQUITY and RESERVES</b>                    |                  |                  |                |                 |               |              |            |
| Share Capital                                 | 11,451           | 11,451           | -              | 94              | 94            | -            | 0%         |
| Reserves                                      | 70,473           | 67,193           | 3,280          | 580             | 553           | 27           | 5%         |
| Equity Tier I                                 | 81,924           | 78,643           | 3,280          | 674             | 647           | 27           | 4%         |
| Equity Tier II                                | 107,711          | 106,716          | 994            | 886             | 878           | 8            | 1%         |



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

| ASSETS  | Rs. in Million   |                  |                | US\$ in Million |               |              | Growth     |
|---|------------------|------------------|----------------|-----------------|---------------|--------------|------------|
|   | Jun-18           | Dec-17           | Var.           | Jun-18          | Dec-17        | Var.         |            |
| Cash and Balances with Banks & Lending to FIs | 107,638          | 94,699           | 12,939         | 886             | 779           | 106          | 14%        |
| Investments                                   | 862,050          | 699,324          | 162,726        | 7,093           | 5,754         | 1,339        | 23%        |
| Advances - net                                | 423,794          | 372,081          | 51,713         | 3,487           | 3,061         | 425          | 14%        |
| Operating fixed assets                        | 49,941           | 48,356           | 1,585          | 411             | 398           | 13           | 3%         |
| Other Assets                                  | 31,064           | 32,863           | (1,799)        | 256             | 270           | (15)         | -5%        |
| <b>TOTAL ASSETS</b>                           | <b>1,474,488</b> | <b>1,247,323</b> | <b>227,165</b> | <b>12,132</b>   | <b>10,263</b> | <b>1,869</b> | <b>18%</b> |
| <b>LIABILITIES</b>                            |                  |                  |                |                 |               |              |            |
| Deposits                                      | 926,968          | 883,702          | 43,266         | 7,627           | 7,271         | 356          | 5%         |
| Borrowings                                    | 405,335          | 223,556          | 181,779        | 3,335           | 1,839         | 1,496        | 81%        |
| Bills Payable                                 | 11,028           | 7,835            | 3,193          | 91              | 64            | 26           | 41%        |
| Other Liabilities                             | 22,011           | 24,179           | (2,168)        | 181             | 199           | (18)         | -9%        |
| <b>TOTAL LIABILITIES</b>                      | <b>1,365,342</b> | <b>1,139,272</b> | <b>226,070</b> | <b>11,234</b>   | <b>9,374</b>  | <b>1,860</b> | <b>20%</b> |
| <b>NET ASSETS</b>                             | <b>109,146</b>   | <b>108,051</b>   | <b>1,096</b>   | <b>898</b>      | <b>889</b>    | <b>9</b>     | <b>1%</b>  |
| <b>EQUITY and RESERVES</b>                    |                  |                  |                |                 |               |              |            |
| Share Capital                                 | 11,451           | 11,451           | -              | 94              | 94            | -            | 0%         |
| Reserves                                      | 71,909           | 68,526           | 3,383          | 592             | 564           | 28           | 5%         |
| Equity Tier I                                 | 83,360           | 79,977           | 3,383          | 686             | 658           | 28           | 4%         |
| Equity Tier II                                | 109,146          | 108,050          | 1,096          | 898             | 889           | 9            | 1%         |

## **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**