

Allied Bank Limited



**Investor Presentation
For The Nine Months Period Ended
September 30, 2016**

MAJOR HIGHLIGHTS – INCOME STATEMENT
Rs. In Million

	Sep-16	Sep-15	Inc/(Dec)	
			Rs.	%
Profit Before Tax	20,344	20,513	(169)	-1%
Profit After Tax	12,228	11,862	366	3%
EPS - in Rs: per share	10.68	10.36	0.32	3%

- **MI inc. declined by Rs.4,029 M or 7% to Rs.49,991 M in-line with changing earning assets mix.**
- **Markup expense declined by Rs.3,194 million or 12% to Rs.54,014 million reflecting:**
 - **Optimum sources (deposits/borrowing) mix; higher focus on CASA growth**
 - **Decline in benchmark average DR by 147 bps**
- **In line with expectation, NIM posted decline of 3% to reach Rs.25,946 million.**
- **Fee income increased to Rs.3,023 million; 9.3% higher as compared to Sep'15.**
- **Dividend income reached Rs.2,509 million; payout deferment to Q4 impacted Q3 bottom line.**
- **Capital Gains increased to Rs.2,690 million from Rs.602 million in corresponding period; to active trading in bond market for continuous re-profiling of portfolio amid falling yields.**
- **Provision against advances reduced by Rs. 758 million to reversal of Rs.292 million.**
- **OPEX growth managed at 8.7% despite continuous investment towards :**
 - **Expansion in footprint – 1,077 Branches/1,025 ATMs in (Sep'15: 1,002 br/ ATMs: 956)**
 - **Incremental Human Resource Development**
- **Excluding impact of 4% Super, tax PAT/EPS higher at Rs.13,178 million and Rs.15.34 respectively.**

MAJOR HIGHLIGHTS – BALANCE SHEET

- **Total Assets increased by 4% to Rs.1,030 Billion**
- **12% growth in Average earning assets compared to Sep'15; partially compensated for reduction in net spread amid falling average discount rate**
- **Gross advances increased by Rs.12 billion to Rs.353 billion despite limited quality lending avenues**
- **NPLs decreased by Rs.1.2 billion to Rs.20.7 billion**
- **Overall investments as at Sep 30, 2016 stood at Rs.561 billion; maturities in Q3 resulted in change in mix of investment in government securities**
- **Despite continuous pressure on deposits growth; Deposits base remained robust at Rs.758 Billion:**
 - **Current account increased by 8% as compared with Dec'15**
 - **CASA as percentage of total deposits at September'16 increased to 79% (Dec'15: 73%); improved by 11%**
 - **Market share at 7.2%**

Statement of Financial Position – Standalone

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Sep-16	Dec-15	Var.	Sep-16	Dec-15	Var.	
ASSETS							
Cash and Balances with Banks & Lending to FIs	79,400	64,145	15,255	758	612	146	24%
Investments	561,315	544,349	16,966	5,359	5,197	162	3%
Advances - net	334,011	321,605	12,406	3,189	3,070	118	4%
Operating fixed assets	30,442	28,850	1,592	291	275	15	6%
Other Assets	24,406	32,716	(8,310)	233	312	(79)	-25%
TOTAL ASSETS	1,029,574	991,665	37,909	9,830	9,468	362	4%
LIABILITIES							
Deposits	758,005	734,596	23,409	7,237	7,013	223	3%
Borrowings	138,169	137,960	209	1,319	1,317	2	0%
Bills Payable	6,109	4,942	1,167	58	47	11	24%
Other Liabilities	28,182	24,911	3,271	269	238	31	13%
TOTAL LIABILITIES	930,465	902,409	28,056	8,883	8,616	268	3%
NET ASSETS	99,109	89,256	9,853	946	852	94	11%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	109	109	-	0%
Reserves	62,319	56,518	5,801	595	540	55	10%
Equity Tier I	73,769	67,969	5,801	704	649	55	9%
Equity Tier II	99,109	89,256	9,853	946	852	94	11%

Statement of Financial Position – Consolidated

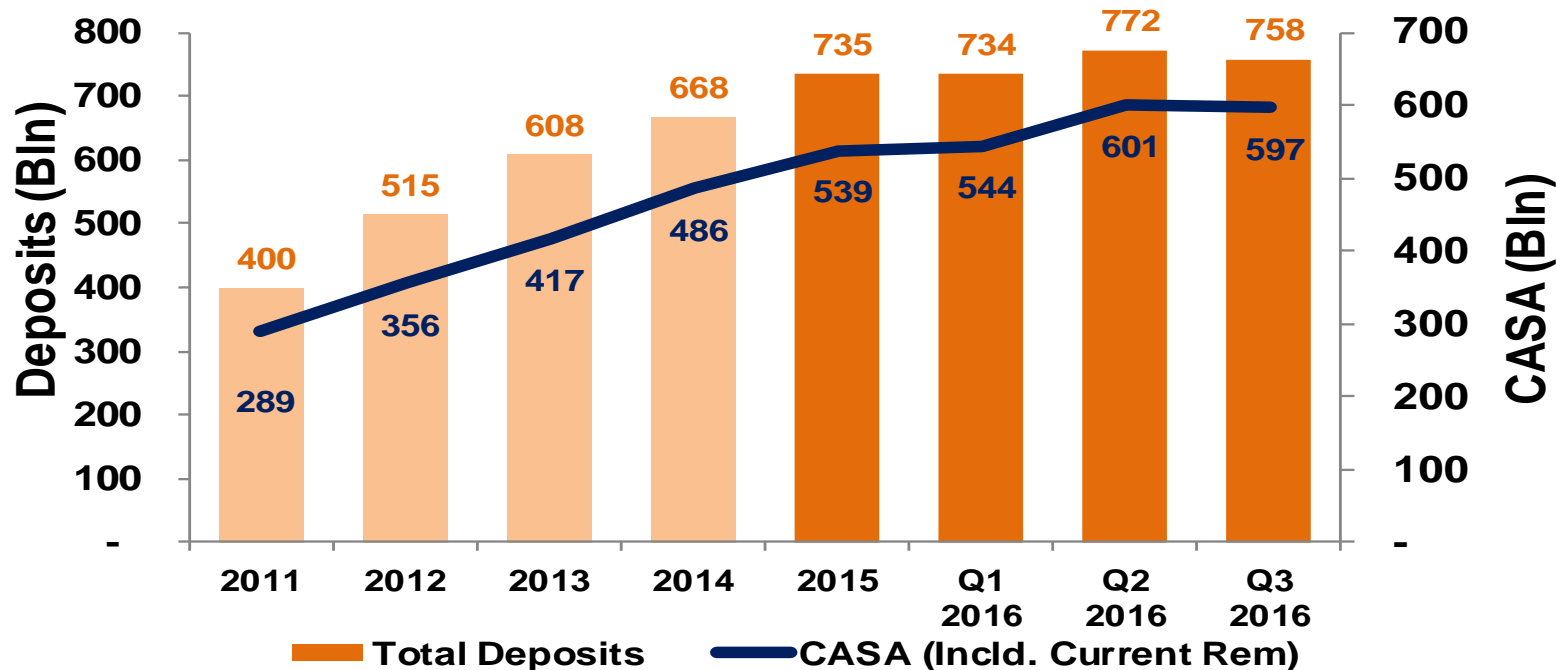
	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Sep-16	Dec-15	Var.	Sep-16	Dec-15	Var.	
ASSETS							
Cash and Balances with Banks & Lending to FIs	67,161	64,145	3,016	641	612	29	5%
Investments	557,281	545,106	12,175	5,321	5,204	116	2%
Advances - net	341,097	321,648	19,449	3,257	3,071	186	6%
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	9,846	9,478	368	4%
LIABILITIES							
Deposits	772,329	734,546	37,783	7,374	7,013	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	8,901	8,618	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>	
	Sep-16	Dec-15	Var.	Growth	Sep-16	Dec-15
Pakistan Investment Bonds	269,008	340,407	(71,399)	-21%	50%	65%
Market Treasury Bills	216,974	138,531	78,443	57%	40%	26%
Listed and Unlisted Shares	26,270	25,259	1,011	4.0%	5%	5%
TFCs, Bonds, Sukuks and Mutual Funds	24,173	20,281	3,892	19%	5%	4%
Subsidiary	500	500	-	0%	0%	0%
Investments at Cost	536,925	524,978	11,947	2%	100%	100%
Prov. for dimin. in value of investments	(2,753)	(2,778)	25	-1%		
Surplus on revaluation of securities	27,143	22,150	4,993	23%		
Total Investments at market value	561,315	544,349	16,965	3%		

DEPOSITS

Market Share 7.2%

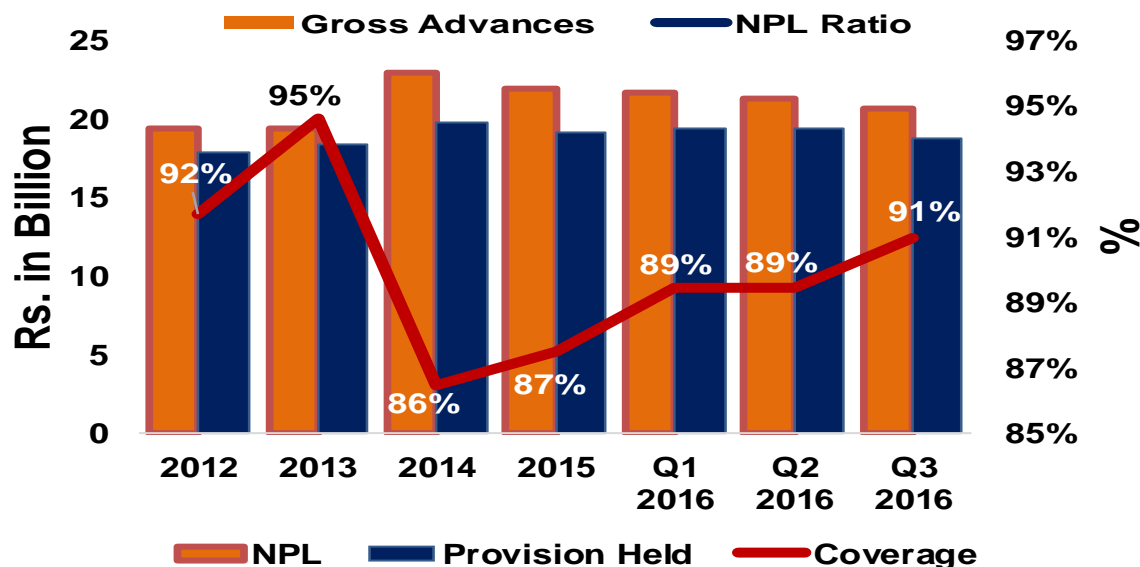
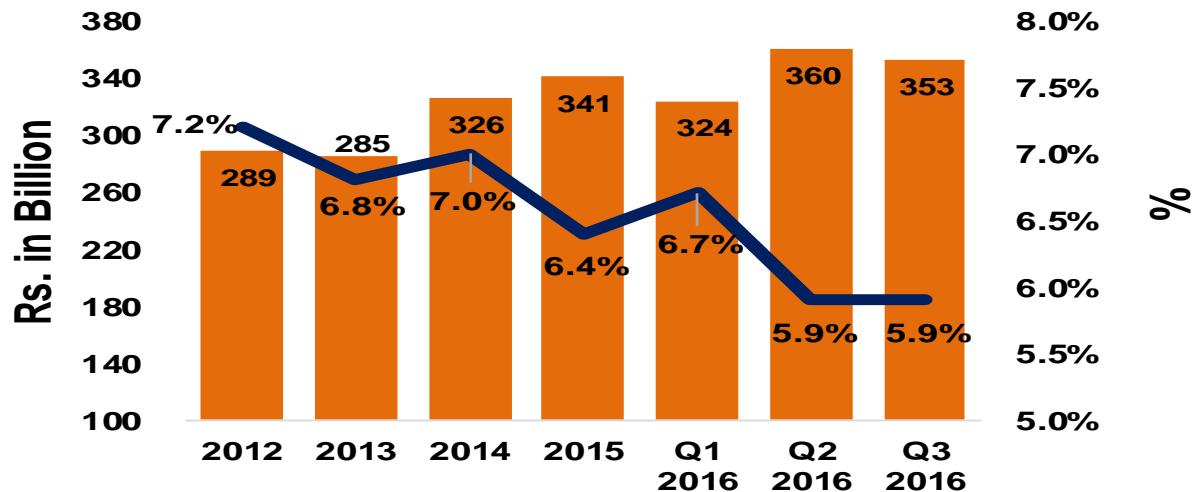


Rs. In Billion	Sep-16	2015	Growth
Current	240	223	8%
Saving	357	316	13%
Term	161	196	-18%
Total Deposits	758	735	3%

ADVANCES & ASSET QUALITY

- Gross advances increased by Rs.12 billion.
- NPLs reduced to Rs.20.7 billion at Sep'16 (Dec'15: Rs.21.9 billion)
- NPL coverage at 91.2% (Industry Jun'16: 82.4%)
- NPLs ratio at 5.9% (Industry Jun'16: 11.1%)
- Commodity, Power, Food, Cement remained key sectors.

Market Share: 7%



INCOME STATEMENT – Standalone

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			Growth
	Sep-16	Sep-15	Var.	Sep-16	Sep-15	Var.	
Mark-up/ interest Income	49,991	54,014	(4,023)	477	516	(38)	-7%
Mark-up/ interest Expensed	24,045	27,239	(3,194)	230	260	(30)	-12%
Net Mark-up/ interest Income	25,946	26,775	(829)	248	256	(8)	-3.1%
Capital Gain & Dividend	5,201	3,391	1,810	50	32	17	53%
Fee based Income & Others	3,623	4,416	(793)	35	42	(8)	-18%
Non Mark-up/ Interest Income	8,824	7,807	1,017	84	75	10	13%
Gross Income	34,770	34,582	188	332	330	2	1%
Human Resource Cost	7,969	7,387	582	76	71	6	8%
Other Operating Cost	6,661	6,097	564	64	58	5	9%
Total Operating Cost	14,630	13,484	1,146	140	129	11	8%
Operating Profit/(Loss)	20,140	21,098	(958)	192	201	(9)	-5%
Total Provisions	(204)	585	(789)	(2)	6	(8)	-135%
Profit Before Tax	20,344	20,513	(169)	194	196	(2)	-1%
Taxation	8,116	8,652	(536)	77	83	(5)	-6%
Profit After Tax	12,228	11,862	366	117	113	3	3%

Excluding impact of prior year tax PAT stood at Rs.13,178 million.

INCOME STATEMENT - Consolidated

	<i>Rs. in Million</i>			<i>US\$ in Million</i>			
	Sep-16	Sep-15	Var.	Sep-16	Sep-15	Var.	Growth
Mark-up/ interest Income	49,994	54,016	(4,022)	477	516	(38)	-7%
Mark-up/ interest Expensed	24,044	27,236	(3,192)	230	260	(30)	-12%
Net Mark-up/ interest Income	25,950	26,780	(830)	248	256	(8)	-3.1%
Capital Gain & Dividend	5,306	3,467	1,839	51	33	18	53%
Fee based Income & Others	3,945	4,747	(802)	38	45	(8)	-17%
Non Mark-up/ Interest Income	9,251	8,214	1,037	88	78	10	13%
Gross Income	35,201	34,994	207	336	334	2	1%
Human Resource Cost	8,099	7,521	578	77	72	6	8%
Other Operating Cost	6,768	6,168	600	65	59	6	10%
Total Operating Cost	14,867	13,688	1,179	142	131	11	9%
Operating Profit/(Loss)	20,334	21,306	(972)	194	203	(9)	-5%
Total Provisions	(204)	585	(789)	(2)	6	(8)	-135%
Profit Before Tax	20,537	20,720	(183)	196	198	(2)	-1%
Taxation	8,164	8,697	(533)	78	83	(5)	-6%
Profit After Tax	12,374	12,023	350	118	115	3	3%

Excluding impact of prior year tax PAT stood at Rs.13,323 million.

Key Ratios

Annualized

	2016			2015			
	Q3	Q2	Q1	Q1	Q2	Q3	Q4
ROA (%)	1.6	1.7	1.9	1.6	2.0	1.7	1.97
ROE (Tier I) (%)	23.0	24.5	27.6	23.3	27.0	23.1	26.7
Capital Adequacy Ratio (%)	21.9	21.30	20.93	20.85	19.68	21.93	20.83

Excluding impact of prior year tax charge EPS, ROA and ROE stood at: Rs.15.34, 1.7% and 24.79% respectively

Channels

	Sep-16	Sep-15	Growth
Total Branches	1,077	1,002	75
Conventional	1,034	994	40
Islamic	43	8	35
Total ATMs	1,025	956	69
On-site	858	812	46
Off-Site	167	144	23

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

Stock Market Data

Pakistan Stock Exchange Code	ABL
Bloomberg Code	ABL PA
Shares Outstanding (mln)	1,145.07
Market Capitalization (Rs. bln)	112.41
Market Capitalization (US\$ mln)	1,073.33
Current Stock Price*	98.17
12M High/Low	102.74 / 82.83

*Stock Price as of September 30,2016

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**

2nd position for Corporate Finance House – 2015

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”

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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
