

Allied Bank Limited



**Investor Presentation
For The Year Ended
December 31, 2015**

MAJOR HIGHLIGHTS

	Rs. In Million			
	Dec-15	Dec-14	Inc/(Dec)	
			Rs.	%
Profit Before Tax	25,503	22,202	3,301	14.9%
Profit After Tax				
With prior year tax adjustment	15,120	15,015	105	0.7%
Without prior year tax adjustment	16,581	15,015	1,565	10.4%
EPS - in Rs: per share				
With prior year tax adjustment	13.20	13.11	0.09	0.7%
Without prior year tax adjustment	14.48	13.11	1.37	10.4%

- **NII up 28% due to:**
 - Volumetric growth and optimum mix in earning assets; and
 - Improvement in deposits mix
- **Prudent provisioning of Rs.1,800 Mn for AFS Investments - volatility in commodities**
- **Provisioning against advances reversed by Rs.288 Mn**
- **Robust dividend income stream adding value in low interest rate scenario; and**
- **CG from trading in Govt. securities (Primary Dealer) of Rs.768 Mn; and**
- **Forex Income increased by 84% at Rs. 838 Mn; and**
- **Fee income up by 8% at Rs.3,570 million; partially compensated in:**
 - **off-setting lower Capital Gains;**

MAJOR HIGHLIGHTS

- **Balance Sheet growth of 18%; Total Assets Reaching Rs. 992 Billion**
- **Avg. earning assets growth of 24.3%**
- **Despite limited private sector credit off-take, advances increased by 5.1%**
- **Overall Investments at Dec 31, 2015 reaching Rs.544 billion; growth of 27%**
- **Deposits base enhanced by 10% (YoY) to Rs.735 billion with:**
 - **Market share maintained at 8%; and**
 - **CASA Average grew by 2% to reach 74%**
- **Operating expenditure growth curtailed at 7.2% despite continuous investment towards :**
 - **Human Resource development;**
 - **Expansion in outreach;**
 - **Enrichment in IT infrastructure;**
 - **Augmentation in Alternate delivery channels**

Statement of Financial Position – Standalone
Rs. in Million

	As at Dec 31, 2015			
ASSETS	2015	2014	Diff.	% growth
Cash and Bal. with Banks & Lending to FIs	64,418	44,159	20,259	46%
Investments	544,077	428,791	115,286	27%
Advances - net	321,605	306,014	15,591	5%
Operating fixed assets	28,850	27,250	1,599	6%
Other Assets	32,716	36,055	(3,339)	-9%
TOTAL ASSETS	991,666	842,269	149,396	18%
LIABILITIES				
Deposits	734,596	667,878	66,719	11%
Borrowings	137,960	66,096	71,863	109%
Bills Payable	4,942	4,832	110	2%
Sub-ordinated Loans	-	2,994	(2,994)	-100%
Other Liabilities	24,911	19,579	5,332	27%
TOTAL LIABILITIES	902,409	761,379	141,030	19%
NET ASSETS	89,256	80,890	8,366	10%
EQUITY and RESERVES				
Share Capital	11,451	11,451	-	0%
Reserves	56,518	50,603	5,915	12%
Equity Tier I	67,969	62,054	5,915	10%
Equity Tier II	89,256	80,890	8,366	10%

Statement of Financial Position – Consolidated
Rs. in Million

	As at Dec 31, 2015			
	2015	2014	Diff.	% growth
ASSETS				
Cash and Bal. with Banks & Lending to FIs	64,418	44,156	20,262	46%
Investments	544,833	429,397	115,436	27%
Advances - net	321,648	306,058	15,590	5%
Operating fixed assets	28,870	27,271	1,599	6%
Other Assets	32,971	36,216	(3,245)	-9%
TOTAL ASSETS	992,739	843,098	149,642	18%
LIABILITIES				
Deposits	734,546	667,864	66,682	10%
Borrowings	137,960	66,096	71,863	109%
Bills Payable	4,942	4,832	110	2%
Sub-ordinated Loans	-	2,994	(2,994)	-100%
Other Liabilities	25,166	19,747	5,420	27%
TOTAL LIABILITIES	902,614	761,533	141,082	19%
NET ASSETS	90,125	81,565	8,560	10%
EQUITY and RESERVES				
Share Capital	11,451	11,451	-	0%
Reserves	57,386	51,278	6,109	12%
Equity Tier I	68,837	62,728	6,109	10%
Equity Tier II	90,125	81,565	8,560	10%

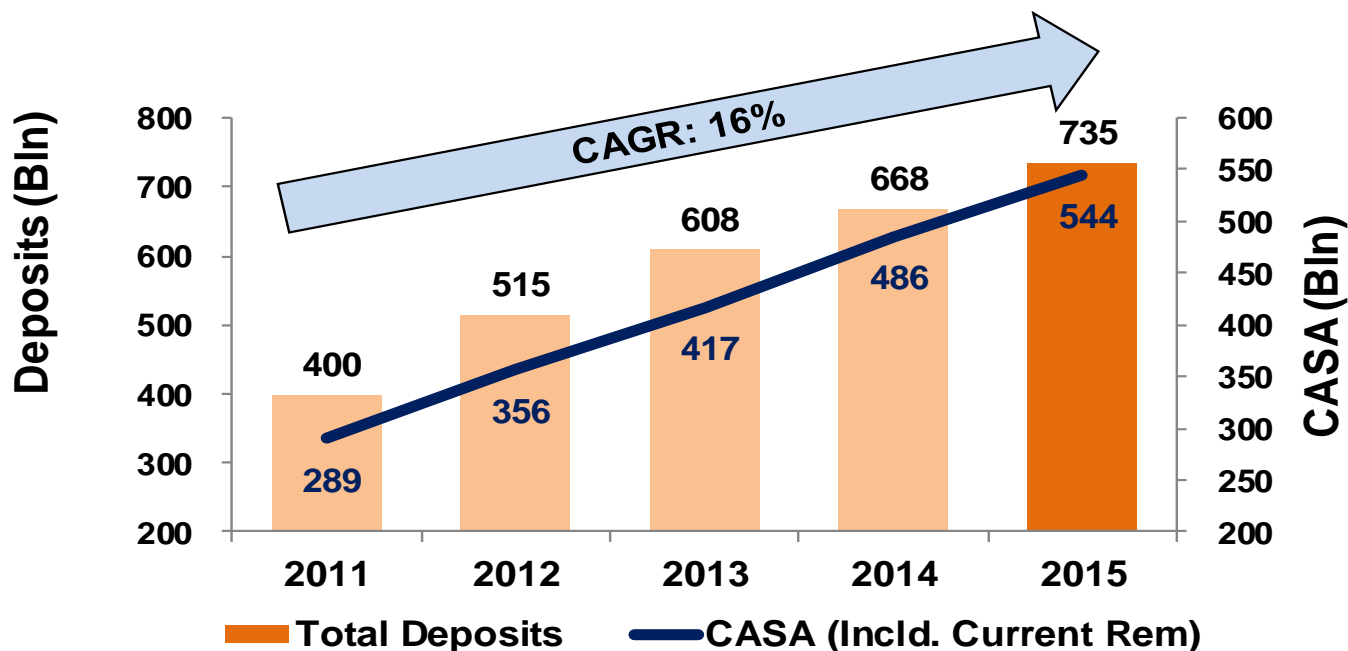
INVESTMENTS
Rs. in Million

	Dec 2015	Dec 2014	Diff.	% growth
Pakistan Investment Bonds	340,407	263,957	76,450	29%
Market Treasury Bills	138,531	115,321	23,210	20%
Listed and Unlisted Shares	25,234	22,769	2,465	11%
TFCs, Bonds, Sukuks and Mutual Funds	20,034	12,732	7,302	57%
Subsidiary	500	500	-	0%
Investments at Cost	524,705	415,279	109,427	26%
Prov. for diminution in value of investments	(2,778)	(977)	(1,801)	184%
Surplus on revaluation:	22,150	14,489	7,660	53%
Equity investments	15,283	11,198	4,085	36%
Other Securities	6,867	3,292	3,575	109%
Total Investments at market value	544,077	428,791	115,286	27%

Investments Composition

	Dec 2015	Dec 2014	Var. %
Pakistan Investment Bonds	65%	64%	1.3%
Market Treasury Bills	26%	28%	-1.4%
Listed and Unlisted Shares	5%	5%	-0.7%
TFCs, Bonds, Sukuks and Mutual Funds	4%	3%	0.8%
Subsidiary	0%	0%	0.0%
Investments at Cost	100%	100%	0.0%

DEPOSITS



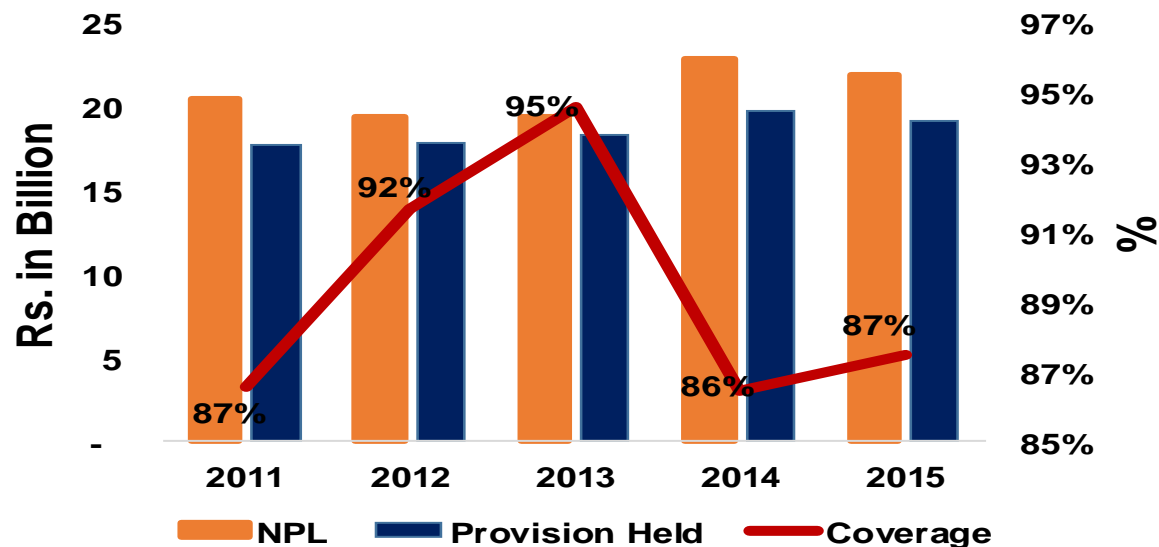
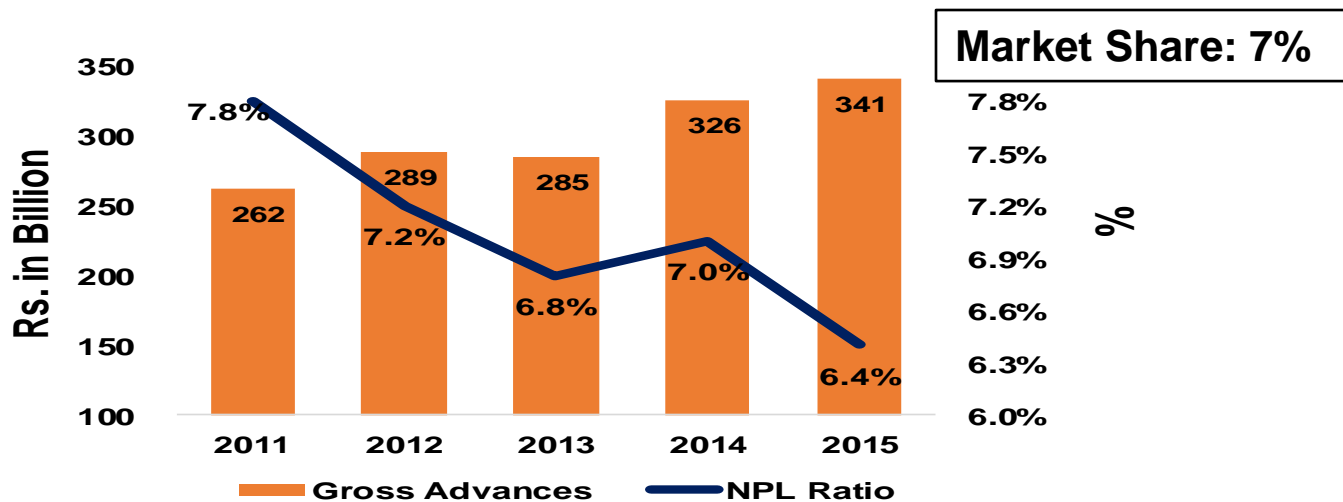
	2015	2014	2013
ABL Growth	10.0%	9.8%	18.2%
Industry Growth	16.0%	10.8%	12.7%
M2 Growth	14.5%	9.9%	14.6%

Rs. In Billion	2015	2014	Growth
Current	223	206	8%
Saving	321	280	15%
Term	191	182	5%
Total Deposits	735	668	10%

CASA (Avg)	74.0%	72.4%	2%
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ADVANCES & ASSET QUALITY

- Limited private sector credit appetite in quality assets; 5% growth in advances
- NPL coverage at 87% (Industry Sep'15: 82%)
- NPLs ratio at 6.4% (Industry Sep'15: 12.5%)
- Power, Petroleum, Telecommunication, Food, Textile remained major growth sectors.
- No FSV benefit taken



INCOME STATEMENT – Standalone
Rs. in Million

	2015	2014	Inc./ (Dec.)	Growth
Mark-up/ interest Income	72,116	67,001	5,115	8%
Mark-up/ interest Expensed	35,977	38,815	(2,838)	-7%
Net Mark-up/ interest Income	36,139	28,186	7,953	28%
Capital Gain & Dividend	4,361	7,850	(3,489)	-44%
Fee based Income & Others	5,394	4,886	508	10%
Non Mark-up/ Interest Income	9,755	12,736	(2,981)	-23%
Gross Income	45,894	40,922	4,972	12%
Human Resource Cost	9,956	9,570	386	4%
Other Operating Cost	8,786	7,896	890	11%
Total Operating Cost	18,742	17,466	1,276	7%
Operating Profit/(Loss)	27,152	23,456	3,696	16%
Total Provisions	1,649	1,254	395	31%
Profit Before Tax	25,503	22,201	3,302	15%
Taxation	10,383	7,187	3,196	44%
Profit After Tax	15,120	15,015	105	1%
PAT (excluding prior year tax impact)	16,580	15,015	1,565	10%

INCOME STATEMENT - Consolidated
Rs. in Million

	2015	2014	Inc./ (Dec.)	Growth
Mark-up/ interest Income	72,119	67,003	5,116	8%
Mark-up/ interest Expensed	35,967	38,830	(2,863)	-7%
Net Mark-up/ interest Income	36,152	28,173	7,979	28%
Capital Gain & Dividend	4,457	7,970	(3,513)	-44%
Fee based Income & Others	5,853	5,215	638	12%
Non Mark-up/ Interest Income	10,309	13,185	(2,876)	-22%
Gross Income	46,462	41,358	5,105	12%
Human Resource Cost	10,135	9,711	424	4%
Other Operating Cost	8,902	7,960	942	12%
Total Operating Cost	19,037	17,671	1,366	8%
Operating Profit/(Loss)	27,426	23,687	3,739	16%
Total Provisions	1,649	1,254	395	31%
Profit Before Tax	25,777	22,433	3,344	15%
Taxation	10,461	7,231	3,230	45%
Profit After Tax	15,315	15,202	113	1%
PAT (excluding prior year tax impact)	16,775	15,202	1,573	10%

Key Ratios

	Dec-15	Dec-14
ROA (%)	1.7	1.9
ROE (Tier I) (%)	23.3	25.9
Capital Adequacy Ratio (%)	20.9	19.8

Excluding Prior Year Tax Impact:

ROA (%)	1.8	1.9
ROE (Tier I) (%)	25.5	25.9

Channels

	Dec-15	Dec-14	Growth
Total Branches	1,050	1,000	50
Conventional	1,023	996	27
Islamic	27	4	23
Total ATMs	1,011	890	121
On-site	837	804	33
Off-Site	174	86	88

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.
TFC Rating	-	PACRA	Redeemed unsecured, listed and subordinated TCFs II of Rs.3,000 million after exercising call option. Rating of 'AA' (Double 'A') stands withdrawn.
Deposits	B3	Moody's	Positive outlook, driven by assessment of the bank's standalone credit strength.

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”



“Best Bank of the Year – 2014”



“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.

29th October, 2014


Jean-Paul Megeath
Managing Director – Temenos Middle East



“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 Company's objectives, plans or goals 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
