



Financial Results – June 2017

Investor Presentation

Consolidated PAT is Rs 15.7 Bn, 2% lower than H1'16. PBT is 2% lower YoY at Rs 27.7 Bn

Net interest income for H1'17 is Rs 41.4 Bn, in line with H1'16

- Average balance sheet in H1'17 is 10% higher than H1'16
- Average domestic deposits have grown by Rs 204 Bn (15.5%) over H1'16, largely driven by a growth of Rs 182 Bn in CASA deposits.
- Average domestic advances grew by 28%, with strong growth across all segments.
- However, falling investment yields and lower lending spreads have resulted in net interest margin falling by 46 bps YoY, from 4.4% in H1'16 to 4.0% in H1'17.

Non markup income at Rs 16.4 Bn, is an increase of 14% over H1'16

- Fees and commissions have grown by 9% to Rs 10.2 Bn. Primary drivers remained general banking and card related fees, asset management and home remittances.
- Income from treasury related activities has increased by 21% to Rs 3.9 Bn in H1'17

Administrative expenses are up 11% YoY to Rs 28.4 Bn

- The growth is primarily due to the consolidation impact of First MicroFinanceBank
- Excluding the impact of FMFB, expense growth has been contained to single digits.

Provisions

- Gross NPLs have reduced by Rs 0.1 Bn over Dec'16. International NPLs reduced by Rs 0.7 Bn, while domestic NPLs have grown by Rs 0.6 Bn.
- As a result of growth in the loan book, asset quality has improved further, to 8.4% in Jun'17 (Dec'16: 9.2%).
- Provisions have reduced by 19% YoY to Rs 1.2 Bn in H1'17
- The coverage ratio has improved from 91.2% in Dec'16 to 92.5% in Jun'17.

In Jun'17, the Balance sheet has grown by 7% over Dec'16 to Rs 2.7 trillion

Total deposits have crossed Rs 2.0 trillion, an increase of 6% from Dec'16

- Domestic deposits grew by 6.5% over Dec'16, to Rs 1.7 trillion
- Domestic market share stood at 14.0% in Jun'17.
- Domestic current deposits have increased from Rs 550 Bn in Dec'16 to Rs 590 Bn in Jun'17 and the current account mix has improved to 35.1% in Jun'17 (Dec'16: 34.8%).
- Average domestic current deposits have increased by 17.0% (Rs 76 Bn) over H1'16.
- The cost of domestic deposits has reduced by 13 bps to 2.65% in H1'17.

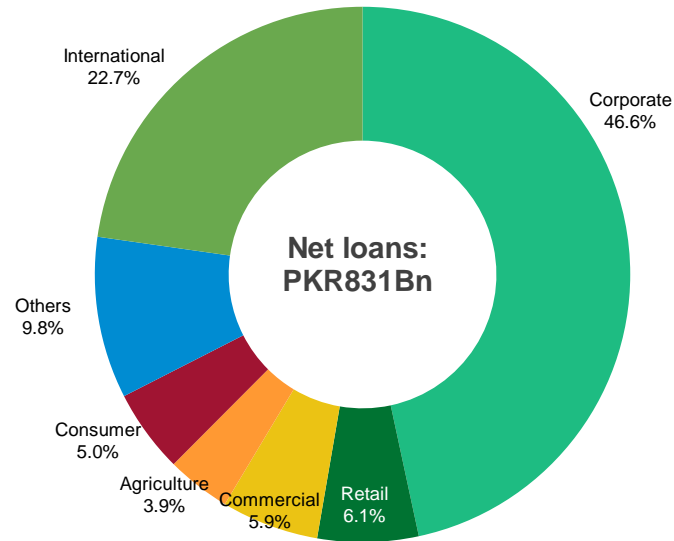
Net advances increased by 11% to Rs 831 Bn in Jun'17

- Domestic advances have grown by 10% (Rs 58 Bn) over Dec'16, primarily driven by growth in large ticket corporate and Islamic advances and seasonal increase in commodity financing
- Overseas advances have increased by 13.5% to Rs 189 Bn in Jun'17.

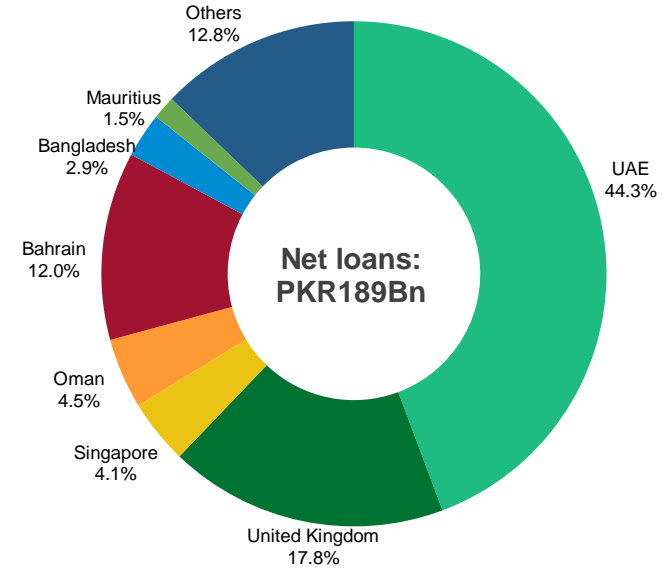
PKR Bln	Jun'17	Dec'16	Var%
Cash & Bank Balances	269.3	284.4	-5%
Lending to Financial Institutions	50.6	34.0	49%
Investments	1,422.3	1,344.4	6%
Performing Advances	825.3	742.8	11%
Non Performing advances - net of provision	5.7	5.7	0%
Net Advances	831.0	748.5	11%
Others	119.8	95.9	25%
Total Assets	2,693.1	2,507.2	7%

Deposits - Domestic	1,681.2	1,578.1	7%
Deposits - International + FMFB	321.3	307.9	4%
Total Deposits	2,002.6	1,886.0	6%
Borrowings	388.0	332.8	17%
Subordinated loan	10.0	10.0	0%
Others	92.8	82.1	13%
Total Liabilities	2,493.4	2,310.9	8%
Shareholders' equity	174.6	168.8	3%
Non - controlling interest	3.2	3.4	-6%
Surplus on revaluation of assets - net of tax	21.8	24.1	-9%
Total Liabilities & Equity	2,693.1	2,507.2	7%

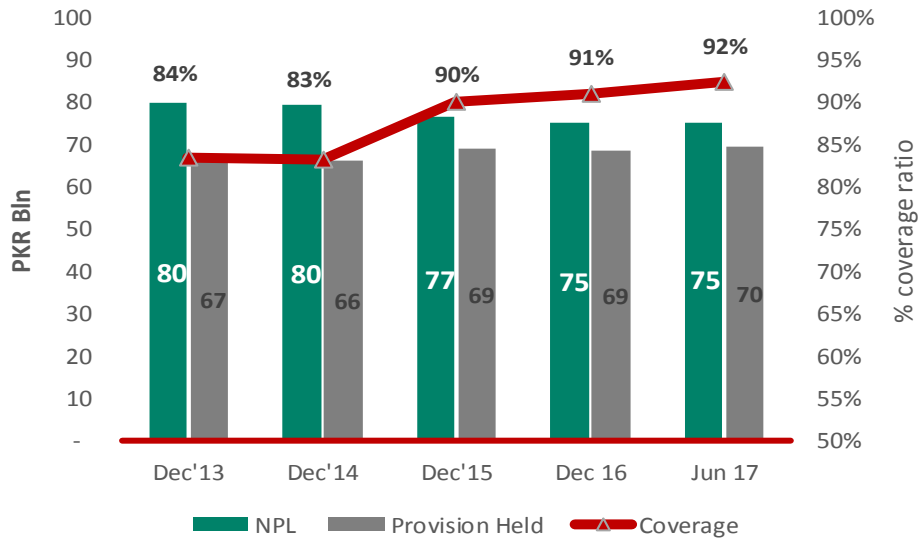
Loan portfolio composition by line of business



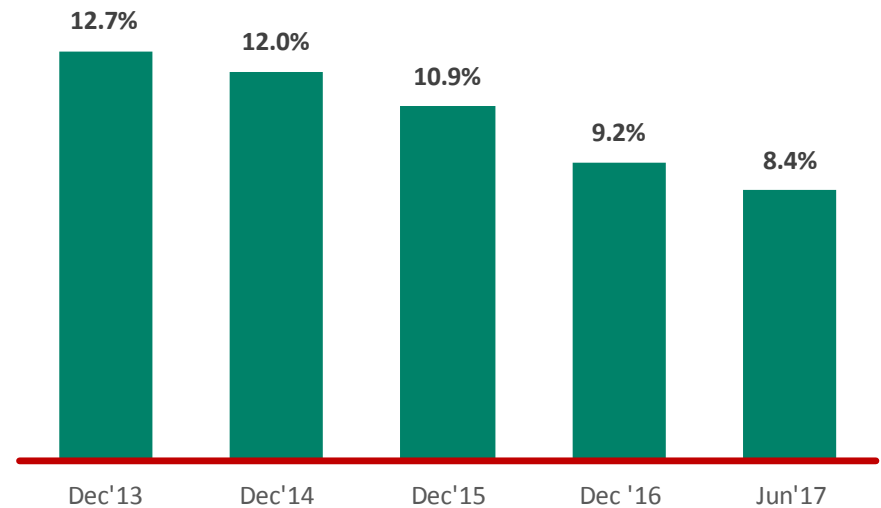
International Advances – Location wise



Coverage ratio



Asset quality



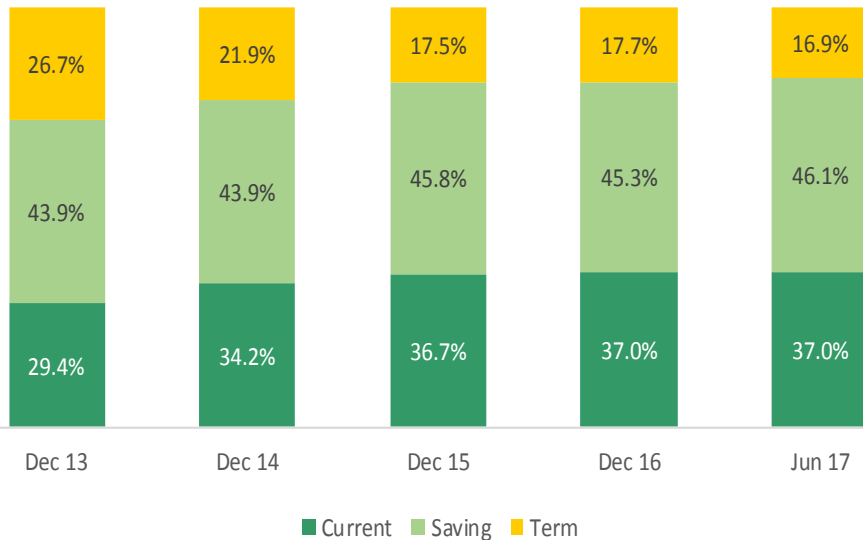
Growth in Period End Deposits			
PKR Bln	Jun'17	Dec'16	Var%
Current	589.7	549.7	7%
Saving	865.3	800.1	8%
Term	226.3	228.2	-1%
Domestic	1,681.2	1,578.1	7%
International + FMFB	321.3	307.9	4%
Group	2,002.6	1,886.0	6%

Growth in Average Deposits			
PKR Bln	H1'17 (Actual)	H1'16 (Actual)	Var%
Current	522.0	446.2	17%
Saving	809.9	703.3	15%
Term	189.6	167.6	13%
Domestic	1,521.5	1,317.1	16%
International + FMFB	313.5	272.8	15%
Group	1,835.0	1,589.9	15%

CASA Ratio	83.1%	82.3%	0.8%
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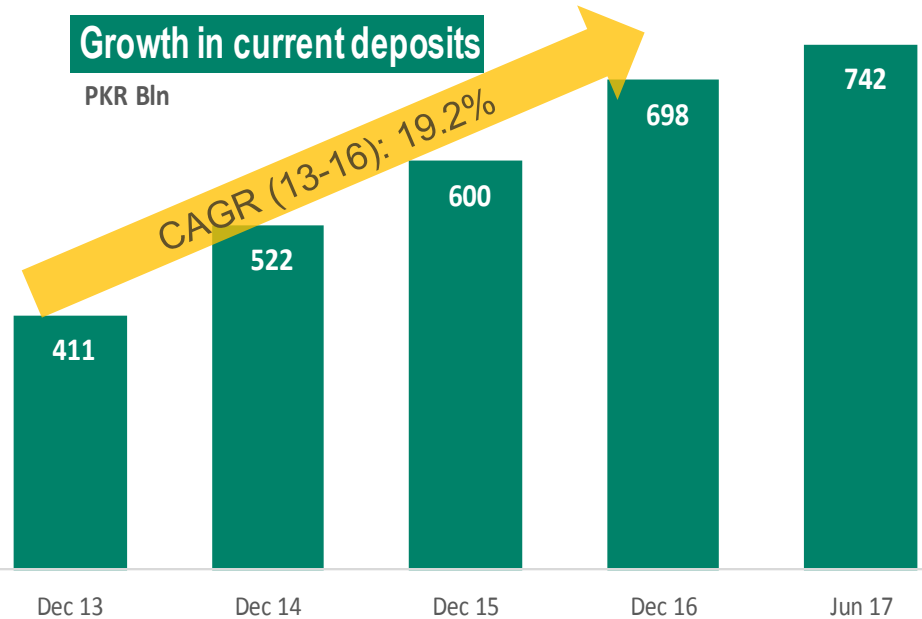
Cost of deposits - Group	2.39%	2.46%	-7bps
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Deposits Composition



Growth in current deposits

PKR Bln



PKR Bn	H1 2017 (Actual)	H1 2016 (Actual)	Var%
Interest Income	72.3	70.7	2%
Interest expensed	(30.9)	(29.3)	-6%
Net Interest Income	41.4	41.4	0%
Non Interest Income	16.4	14.4	14%
Gross Revenue	57.8	55.8	4%
Admin Expenses	(28.4)	(25.4)	-11%
Operating Expenses	(28.9)	(26.0)	-11%
Pre Provision Operating Profit	28.9	29.8	-3%
Provisions	(1.2)	(1.5)	19%
Profit Before Tax	27.7	28.3	-2%
Tax	(12.0)	(12.3)	2%
Profit After Tax	15.7	16.0	-2%

PKR Mln	H1 2017 (Actual)	H1 2016 (Actual)	Var%
Fees and commissions	10,201	9,326	9%
Dividend income	686	631	9%
FX Income	1,316	737	79%
Gain on sale of securities	1,881	1,841	2%
Share of profit of associates	1,903	1,475	29%
Other income	447	377	19%
Total non interest income	16,434	14,386	14%

Ratios	Jun'17	Dec'16
Advances : Deposits	45.0%	43.3%
Asset Quality	8.4%	9.2%
Coverage	92.5%	91.2%
Capital Adequacy	15.4%	15.5%

Ratios	H1 2017	H1 2016
Yield on advances	7.5%	8.0%
Cost of deposits	2.4%	2.5%
Net Interest Margin	4.0%	4.4%
Spreads	3.4%	3.7%
NCL ratio	0.1%	0.4%
Return on average assets	1.2%	1.4%
Return on shareholders' equity*	17.9%	19.6%
Cost : Income ratio	49.0%	45.6%
NFI : Gross revenue	28.4%	25.8%

**excluding surplus on revaluation*