



Financial Results – March 2018

Investor Presentation

Consolidated PBT for Q1'18 is Rs 7.4 bn compared to Rs 14.1 bn in Q1'17

- Domestic PBT is Rs 3.6 bn lower YoY at Rs 9.7 Bn, mainly due to
 - Impact of pensions charge (one-off) – Rs 2.2 bn
 - Impact of Rupee devaluation on foreign currency borrowings – Rs 1.1 bnExcluding these, normalized PBT is Rs 0.3 bn (2%) lower YoY, mainly due to non-recurring capital gains of Rs 0.7 bn on fixed income bonds in Q1'17
- International business incurred a loss of Rs 2.4 bn in Q1'18 vs a profit of Rs 0.7 bn in Q1'17.
 - Significant decline in revenue as a result of Balance Sheet shrinkage post de-risking, while cost reduction will only occur with a lagged effect
 - Higher cost incurred in relation to New York branch.

Net interest income of Rs 19.93 bn in Q1'18 is slightly lower than the Rs 20.13 bn in Q1'17

- Domestic NII increased by 3% over Q1'17, driven by a 12% YoY growth in average balance sheet
- Average total domestic deposits have grown by Rs 186 bn (13%) , largely driven by growth in CASA deposits (Rs 157 bn)
- Average domestic advances grew by 29% (Rs 156 Bn) YoY, mainly driven by growth in Corporate and Islamic lending
- However, spreads have reduced by 27 bps YoY to 3.1% , mainly due to a decline in investment yields resulting from the sale of higher yielding PIBs in 2017.

Non markup income is at Rs 5.2 Bn, Rs 3.1 Bn lower than in Q1'17

- Domestic fees up 5% despite a significant drop in home remittances income. Excluding this, domestic fees have grown by 12% led by account operations, cards and consumer financing
- FX loss of Rs 0.7 bn in Q1'18 is mainly as a result of Rs 1.1 Bn impact of rupee devaluation on foreign currency borrowings
- Capital gains are nominal in Q1'18 compared to Rs 1.2 Bn in Q1'17.

Administrative expenses (Ex - pensions charge) are up 13% YoY

- The growth is mainly due to higher expenses related to New York and costs of the Bank's on-going business and compliance transformation program.
- Excluding the impact of these, expense growth has been contained to single digits

Provisions

- Gross NPLs have increased by Rs 0.5 Bn over Dec'17, due to a Rs 1.5 Bn impact of currency devaluation on overseas NPLs
- However, asset quality remained flat at Dec'17 level of 8.2%
- In Q1'18, there is a provision reversal of Rs 111 mn compared to a charge of Rs 359 mn in Q1'17
- The coverage ratio stood at 90.5% in Mar'18 (Dec'17: 91.6%)

Total deposits increased by 2% over Dec'17 to Rs 2.0 trillion.

- Domestic deposits grew by 3% (Rs 47 bn) and crossed Rs 1.8 trillion, with market share improving to 14.4% in Mar'18
- Domestic CASA deposits grew by Rs 43 bn, with the CASA ratio improving to 86.5%
- Average domestic current deposits have increased by 17.1% (Rs 86 Bn) over Q1'17
- The cost of domestic deposits has increased by 11bps YoY to 2.78% in Q1'18.

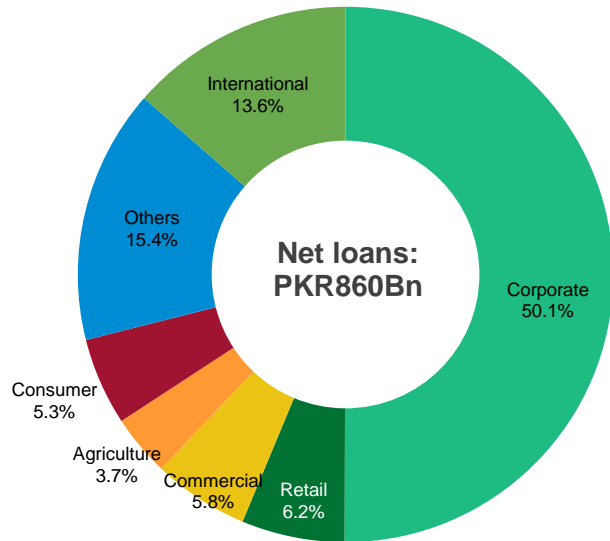
Net advances increased by 1% over Dec'17 to Rs 860 Bn

- Domestic advances have grown by 3.7% (Rs 26 Bn) to Rs 727 Bn
- Overseas advances have declined by 17.8% (\$ 218 mn) to \$ 1.0 Bn

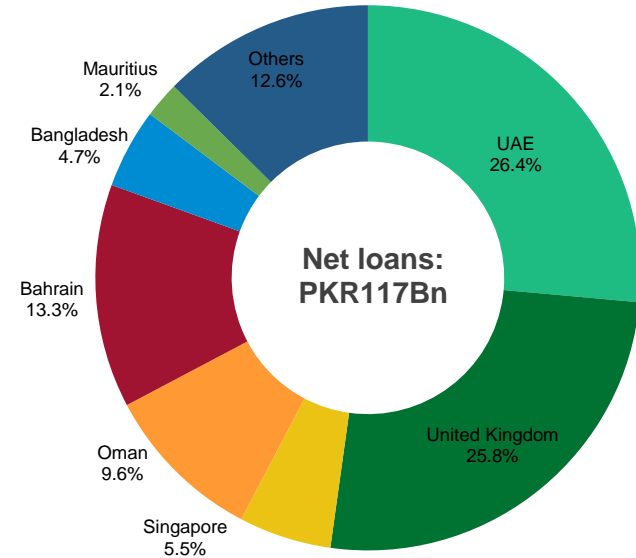
PKR Bln	Mar'18	Dec'17	Var%
Cash & Bank Balances	298.8	286.8	4%
Lending to Financial Institutions	144.1	33.9	325%
Investments	1,126.4	1,374.8	-18%
Performing Advances	853.2	845.2	1%
Non Performing advances - net of provision	7.3	6.3	15%
Net Advances	860.5	851.5	1%
Others	130.9	137.0	-4%
Total Assets	2,560.7	2,684.1	-5%

Deposits - Domestic	1,809.7	1,762.3	3%
Deposits - FMFB	22.6	20.9	8%
Deposits - International	199.5	215.8	-8%
Total Deposits	2,031.8	1,998.9	2%
Borrowings	225.7	397.8	-43%
Subordinated loan	10.0	10.0	0%
Others	97.1	88.6	10%
Total Liabilities	2,364.6	2,495.3	-5%
Shareholders' equity	171.9	163.9	5%
Non - controlling interest	3.7	3.5	6%
Surplus on revaluation of assets - net of tax	20.5	21.4	-4%
Total Liabilities & Equity	2,560.7	2,684.1	-5%

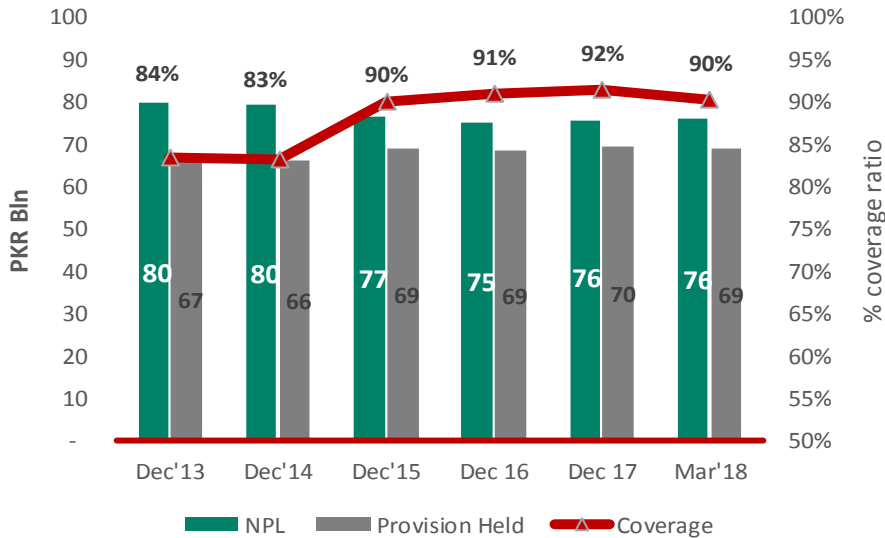
Loan portfolio composition by line of business



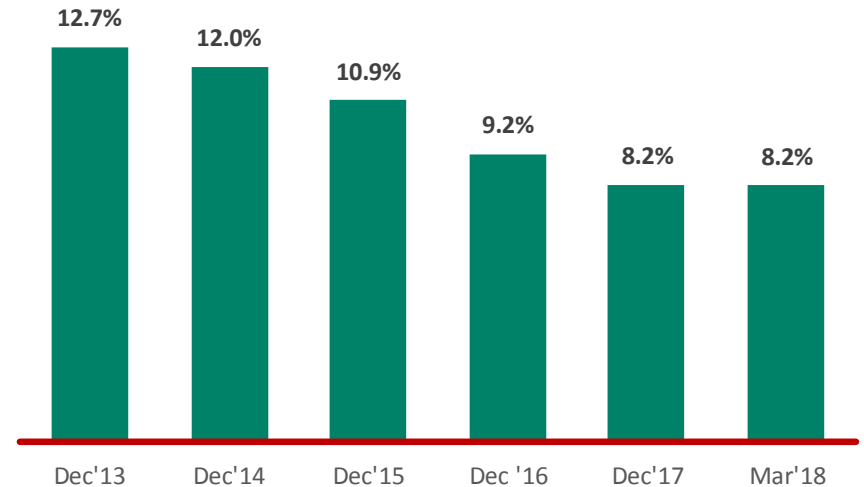
International Advances – Location wise



Coverage ratio



Asset quality



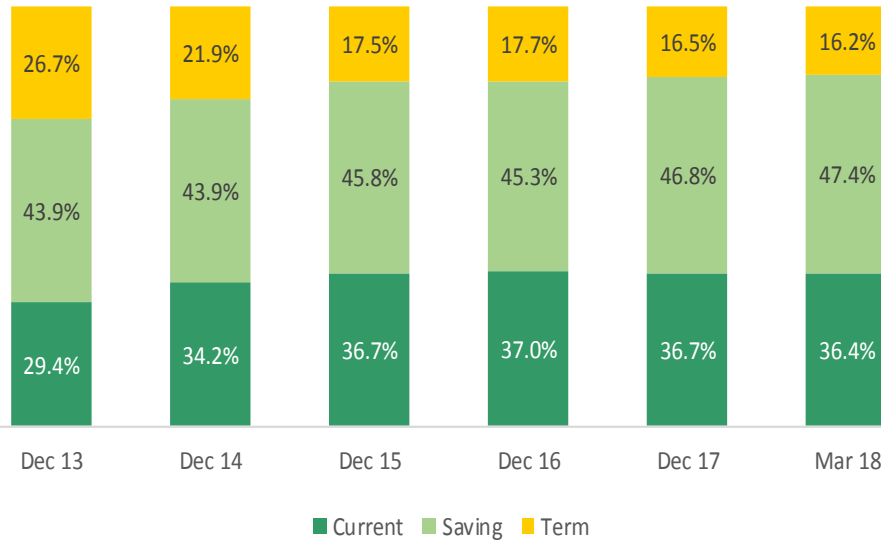
Period End Deposits			
PKR Bln	Mar'18	Dec'17	Var%
Current	639.8	627.8	2%
Saving	925.2	894.3	3%
Term	244.8	240.2	2%
Domestic	1,809.7	1,762.3	3%
FMFB	22.6	20.9	8%
International	199.5	215.8	-8%
Group	2,031.8	1,998.9	2%

Average Deposits			
PKR Bln	Q1-18	Q1-17	Var%
Current	590.4	504.3	17%
Saving	860.3	789.2	9%
Term	213.8	184.9	16%
Domestic	1,664.5	1,478.4	13%
FMFB	21.7	11.8	84%
International	204.2	292.9	-30%
Group	1,890.3	1,783.0	6%

CASA Ratio - Dom	86.5%	86.4%	0.1%
CASA Ratio - Group	83.8%	83.5%	0.3%

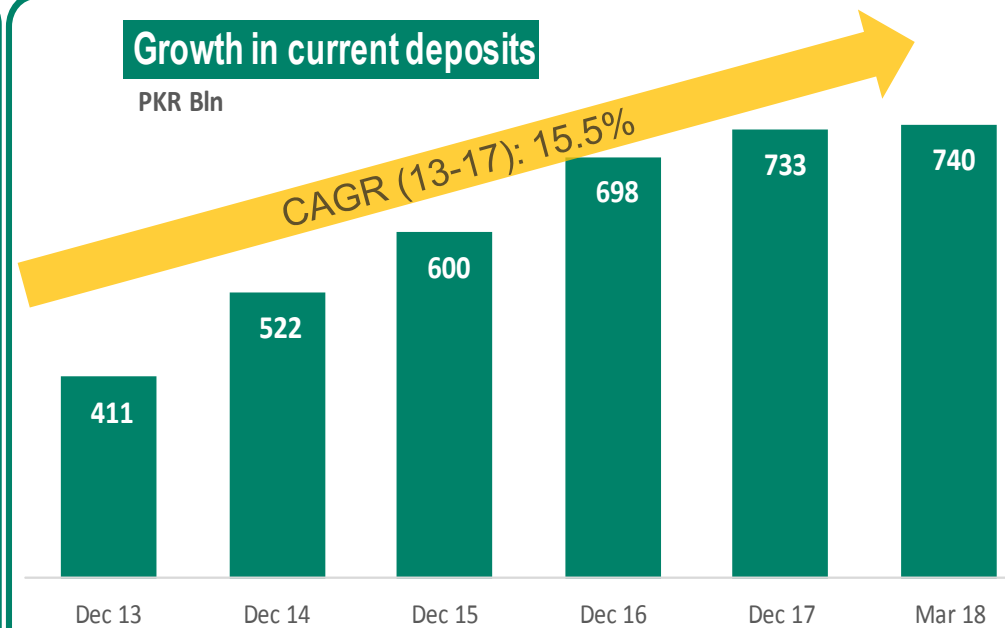
Cost of deposits - Dom	2.78%	2.67%	+ 11bps
Cost of deposits - Group	2.63%	2.41%	+ 22bps

Deposits Composition



Growth in current deposits

PKR Bln



PKR Bn	Q1 2018	Q1 2017	Var%
Interest Income	37.0	34.9	6%
Interest expensed	(17.1)	(14.8)	-15%
Net Interest Income	20.0	20.1	-1%
Non Interest Income	5.2	8.3	-38%
Gross Revenue	25.1	28.4	-12%
Admin Expenses	(17.7)	(13.8)	-29%
Operating Expenses	(17.9)	(14.0)	-27%
Pre Provision Operating Profit	7.3	14.4	-50%
Provisions	0.1	(0.4)	131%
Profit Before Tax	7.4	14.1	-48%
Tax	(2.7)	(5.0)	46%
Profit After Tax	4.7	9.1	-48%

Ratios	Mar'18	Dec'17
Advances : Deposits	45.7%	46.1%
Asset Quality	8.2%	8.2%
Coverage	90.5%	91.6%
Capital Adequacy - Tier I	12.3%	12.0%
Capital Adequacy - Total	16.5%	16.0%

Ratios	Q1 2018	Q1 2017
Yield on advances	7.9%	7.5%
Cost of deposits	2.6%	2.4%
Net Interest Margin	3.9%	4.0%
Spreads	3.1%	3.4%
NCL ratio	-0.1%	0.1%
Return on average assets	0.7%	1.4%
Return on shareholders' equity*	10.9%	20.9%
Cost : Income ratio	70.5%	48.4%
NFI : Gross revenue	20.6%	29.2%

* *excluding surplus on revaluation*