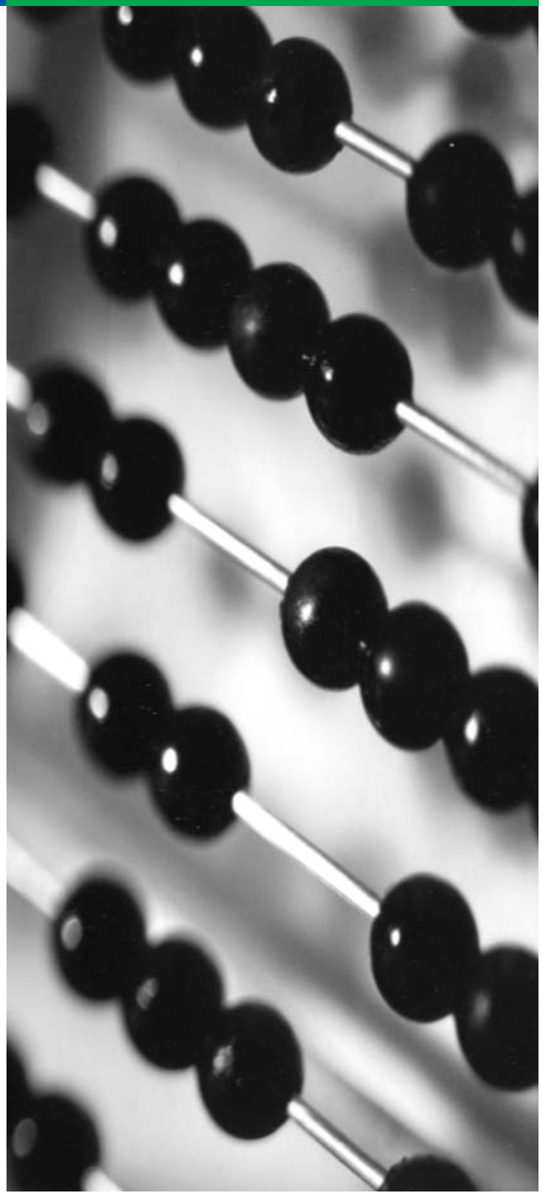
January 2008

BANKS
PAKISTAN



Allied Bank Limited

Initiating Coverage

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IGI Securities

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All prices are as of January 11, 2008

Recommendation	BUY
Fair Value	PRs142

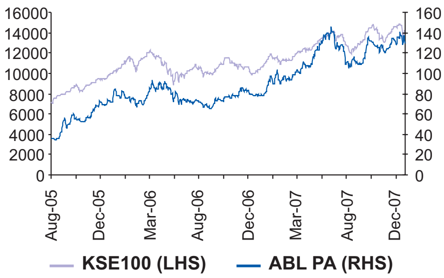
Bloomberg Code	ABL PA
Current Price (PRs per share)	128.00
Average daily Volume (shares)	158,765
Market Capitalization (PRs mn)	68,946
Market Capitalization (US$ mn)	1.03
Paidup Capital (PRs mn)	5386.37
Shares Outstanding (mn)	538.64
Weightage in KSE100 (%)	1.86
Average Price Per Share (PRs per share)	70.77
Free Float (%)	10

Table 1: ABL: Required return analysis

Normalised ROE	29.5%
Required return	17.2%
Fair price/book	363.6%
Normalised price/book	316.8%
Misvaluation	15.0%
12 month return potential	32.0%

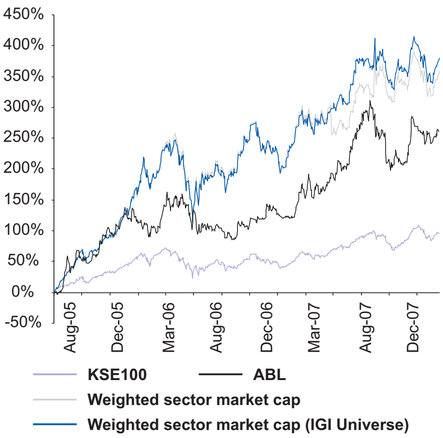
Source : Company Reports & IGI Research

Chart 1: ABL: Price Performance



Source: Bloomberg & IGI Research

Chart 2: ABL: Relative Performance



Source: Bloomberg & IGI Research

Investment Consideration

Capital restructuring - A turnaround success

With Ibrahim Group assuming control of ABL in August 2004, a marked improvement in performance followed yielding robust growth in assets and strengthening earning power. The Return-on-Equity (ROE) surged to 27% in 2006 as compared to a dismal 6% in 2004. With strong group backing, increased presence in strategic locations, human and technology restructuring, and revamped strategic priorities we expect the overall performance of ABL to improve further.

Corporate sector - Backbone of profitability

Corporate banking activities are the mainstay of ABL's business mix. Around 80% of ABL's advances portfolio comprises of blue chip corporate loans. Moreover, ABL has emerged as a key player in striking long-term syndicate financing deals in a lead arranger and advisor capacity. Going forward, in the medium-term we expect ABL to continue to fuel growth with corporate sector along with increased penetration into the SME segment. Although, ABL's management plans to rationalize its advances mix with increased presence in other segments, we view the current lack of diversification a risk to bank's future growth potential.

Low loan leverage – ADR to bounce back

In line with the banking sector, analysis of CY07 reveals staggered growth in advances portfolio with increased proportion of investments in the assets mix. In 9MCY07 ABL posted an advances-to-deposits ratio (ADR) of 61% indicating low loan leverage. With low credit penetration in the country and available leverage on the balance sheet, we expect the ADR ratio to bounce back exhibiting robust loan growth in CY08-CY09.

Changing Deposit Mix – Term deposits on the rise

The rising cost of funding is a risk to ABL's profitability by squeezing interest margins. The low cost deposit franchise, a key determinant of net margins, has marginally declined over time with increasing share of term deposits. Currently, current/saving accounts (CA/SA) constitute 55% of ABL's deposit mix and the management expects to sustain current levels. Going forward, we do not expect ABL to pursue aggressive deposit growth in an effort to secure its low cost deposit base.

Political turmoil- Rising country risk

The multitude of recent political events has led to increased volatility in the market. Although the market discounts political uncertainty to a large extent, however the event risk like the recent turmoil can affect price potential in an adverse manner. In essence, diminishing investor confidence and economic uncertainty is a key risk for any operator in the market.

Recommendation

We value ABL at PRs142 as the fair price per share based on 2008E book value, and make a 'BUY' recommendation. We have used adjusted beta of 1.0, market risk premium of 7%, and a growth adjustment of 12.5%.

Table 2: Key Financials (mn)

	2005A	2006A	2007E	2008F	2009F
Advances	111,207	144,034	171,624	210,240	255,171
Deposits	161,410	206,031	252,388	300,342	254,404
Total Assets	192,574	252,027	307,856	368,377	436,200
Total Equity	14,550	17,688	21,218	25,379	30,303
Net Interest Revenues	7,867	10,422	12,475	15,189	18,409
Non-Interest Revenues	1,940	2,449	3,659	3,750	4,272
Profit After Tax	3,090	4,397	5,388	6.724	8,073
Earnings Per Share (PRs)	5.74	8.16	10.00	12.48	14.99

Source: Company Reports & IGI Research

Table 3: Valuation Highlights

	2005A	2006A	2007E	2008F	2009F
EPS (PRs)	5.74	8.16	10.00	12.48	14.99
DPS (PRs)	2.04	2.08	4.00	5.40	6.00
PE Rating (x)	22.31	15.68	12.80	10.25	8.54
NAV (PRs)	27.01	32.84	39.39	47.12	56.25
Price / Book (x)	4.74	3.90	3.25	2.72	2.28

Source: Company Reports & IGI Research

Valuation Summary

Our valuation method is Normalized Required Return Analysis. The valuation has three parts:

- We arrive at bank's Normalized Return on Equity through Du Pont Analysis.
- The required return is calculated through the Capital Asset Pricing Model (CAPM) using the 10 year Pakistan Investment Bond (PIB) rate as a proxy of risk free rate, and risk factors used are adjusted betas available on Bloomberg. Market Risk Premium of 7% is used as Pakistan is an emerging market.
- We assume a growth adjustment factor of 12.5% for ABL.

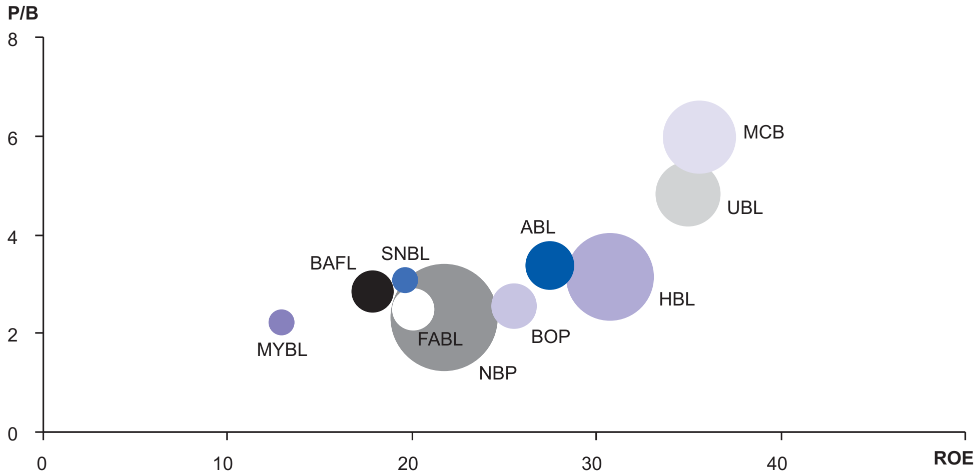
The above mentioned factors are used to calculate the fair price-to-book multiple for the bank. The fair book value is multiplied with 2008E adjusted equity value of the bank to arrive at its net fair value.

Normalized P/B = (Normalized ROE – g) / (Required Return – g)

Our valuation approach entails adjustments for coverage on credit loss. Moreover, we consider coverage ratio (Loan loss reserves-to-NPLs) of 50% as prudent coverage. Coverage ratio lower than 50% warrants an adjustment to equity levels.

Based on our valuation we expect ABL to post a Normalized ROE of 29.5%. The required return based on CAPM is 17.2%. Keeping in view all the assumptions, we arrive at a fair price-to-book multiple of 3.63x for ABL 2008E adjusted book value. The fair value is computed at PRs142 per share. We make a 'BUY' recommendation for the bank.

Chart 3: ROE vs. Price to Book **(2006)**



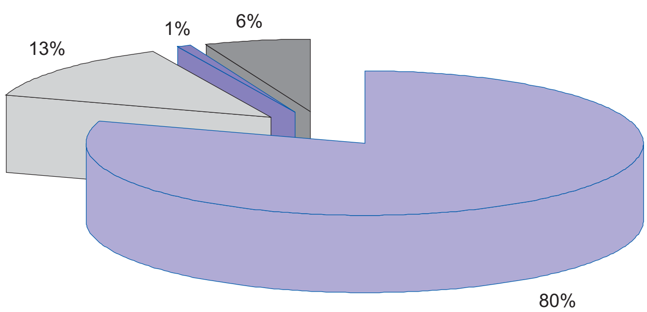
Source: Company Reports & IGI Research

Management and strategy

Allied Bank Limited (ABL) is a large Tier-I bank in terms of assets, deposits and advances. In 1991 ABL was initially privatized to its employees, however, amidst deteriorating financial performance and management concerns State Bank of Pakistan (SBP) initiated a restructuring process. SBP decided to handover the bank to a strategic investor in an effort to rejuvenate and usher in a new era of growth and stability. Ibrahim Group offered the highest bid for the purchase of 325mn additional shares (75.35% of capital) to secure control of the bank in 2004.

A full turnaround in performance followed, under the new management, posting a healthy recovery as evident from 2005 and 2006 financials along with restructuring and renewed strategic priorities. ABL drives its strength from a low-cost deposit base and being one of the largest banks in the country with 751 branches connected via online network. Moreover, ABL has the largest ATM network with over 350 ATMs operational in 126 cities. The bank offers a range of Corporate, Treasury, and Consumer banking services with emphasis on corporate lending.

Chart 4: ABL: Business Mix



Source: Company Reports & IGI Research

Investments in technology, human resource, infrastructure and marketing have been made as part of the restructuring process. ABL is the only bank with 100% branches on-line, recently launched internet banking, and is currently in the process of implementing TEMENOS T24 core banking software solution across the bank.

ABL has a vision to emerge as a diversified bank with 50% business mix in SME, commercial and consumer segment while other 50% in corporate and investment banking. As part of the diversification effort ABL has launched an asset management company and plans to gain market share in other niche segments including corporate cash management. Moreover, ABL plans to launch a range of consumer financing products with major initiatives planned in 2008. The details of launch of consumer banking solutions are as follows:

Table 4: Major Initiatives

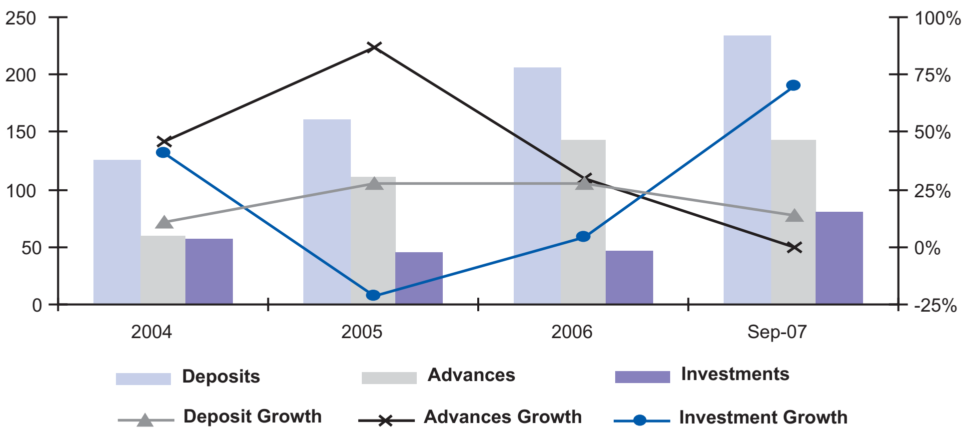
Business Activity	Planned Launch
Credit card	Feb-08
Call center	Mar-08
Debit card	Apr-08
Branch branding	Apr-08
Personal loan	Jun-08
Auto financing	Jul-08
Home loan	Sep-08

Source: Company Reports & IGI Research

However, recent discussions with the management suggest consumer banking will remain largely untapped as the management does not intend to aggressively penetrate the segment in the foreseeable future. A delay in launch of some consumer products is on the cards, as a result of lag in software implementation and training of key personnel.

Future growth is expected to be fueled by the corporate sector on the back of major expansions in power, cement, and fertilizers sectors and aggressive penetration into SME segment.

Chart 5: ABL: Growth Profile **(PRsbn)**

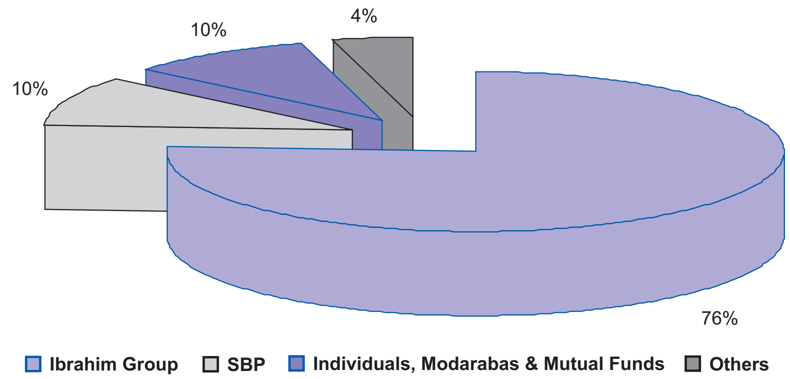


Source: Company Reports & IGI Research

Ownership Structure

As of Sept-2007, ABL had 538.6mn shares outstanding. Consortium of Ibrahim Leasing, Ibrahim Group and its sponsors holds more than 75% of the shareholding of ABL. After the acquisition of the bank Ibrahim Leasing Limited has been merged into ABL. Along with presence in the financial sector the group is diversified into textiles, yarn, polyester and power generation. State Bank of Pakistan (SBP) holds 10% of the shares outstanding while Individual investors, Mutual funds and Modarbas own 9.95% of the free float shares.

Chart 6: ABL: Ownership structure - 2006



Source: Company Reports & IGI Research

Market Position

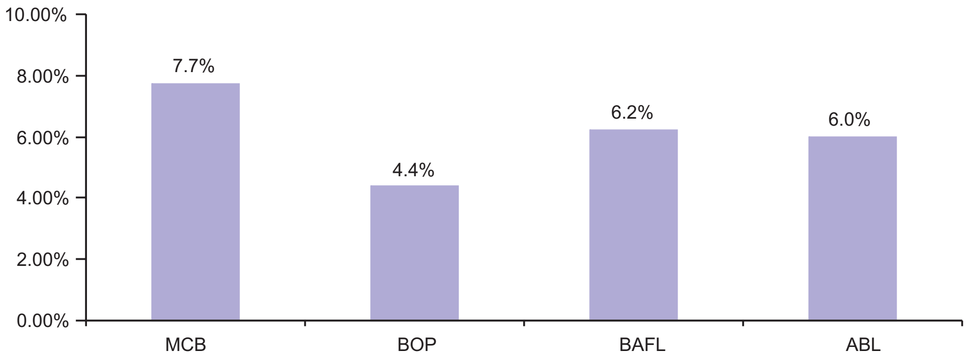
In 1HCY07, ABL had a market share of 6% of total banking sector assets. ABL's share of total assets stands comparable to that of large Tier-I banks. In terms of deposits ABL's share stood at 6.7% of the total industry deposit base. ABL's credit portfolio is characterized by low advances-to-deposits (ADR) ratio of 70% in 2006 and 61% in 9MCY07 with a focus towards corporate lending. ABL is a key player in corporate and investment banking transactions by acting as a lead advisor and arranger in major project financing deals. Future focus towards a more diversified credit base is required to safeguard its market share.

Table 5: ABL: Major Corporate Finance Transactions 2006 **(PRsbn)**

Company	Financing	Amount
Fatima Fertlizer	Non Recourse Project Financing	23
Orient Power Ltd	Syndicated Term Finance	8.6
Best Way	Term Finance	5.5
Century Papers & Board Mills Ltd	10 Year Expansionary Financing	5.5

Source: Company Reports & IGI Research

Chart 7: Market Share (Assets)

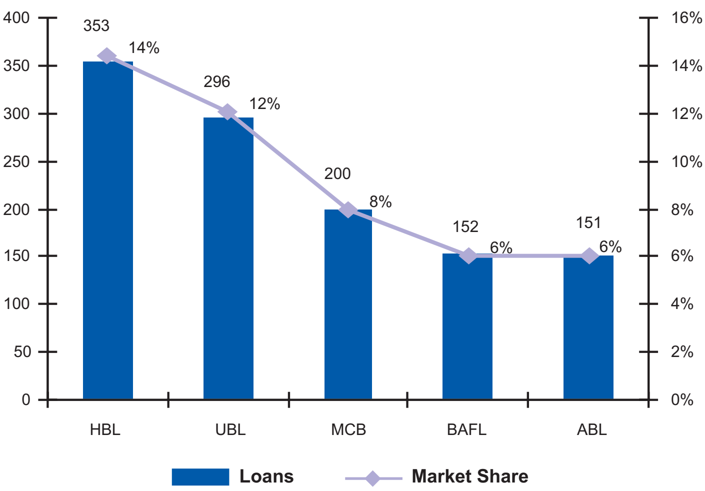


Source: Company Reports & IGI Research

Advances

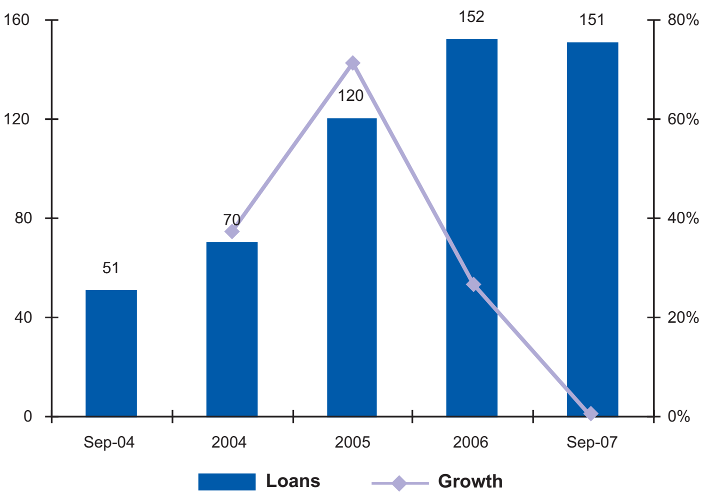
Under the new management ABL has posted robust growth in gross advances portfolio (CAGR 44%) during the period Sept-04 to Sept-07, well above sector's average. Moreover, the bank has been able to aggressively increase market share from 4.3% in 9MCY04 to 6.2% in 9MCY07. However, on the flip side this aggressive growth stance is solely backed by corporate sector lending which forms 80% of advances portfolio, while consumer segment constitutes a negligible portion. Competition in blue chip corporate segment has intensified and opportunities for growth are limited. Going forward, lack of diversification in consumer banking coupled with slowdown in corporate credit off-take and political noise is a key threat to bank's future performance.

Chart 8: Gross Loans Comparison (PRsbn)



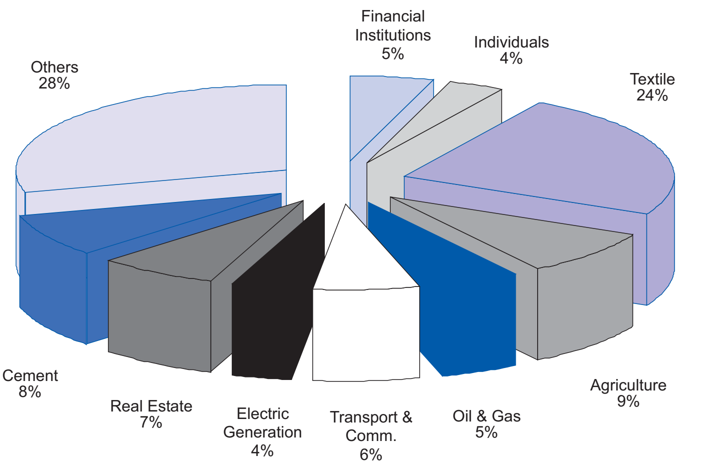
Source: Company Reports & IGI Research

Chart 9: ABL: Gross Loans (PRsbn)



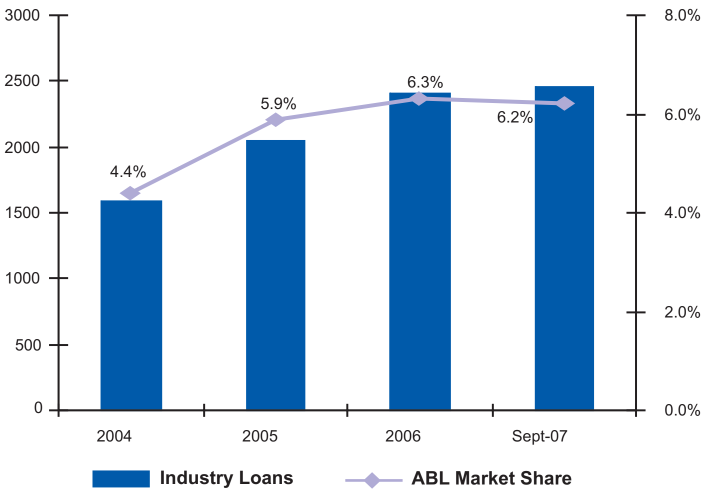
Source: Company Reports & IGI Research

Chart 10: Segment breakdown - Advances



Source: Company Reports & IGI Research

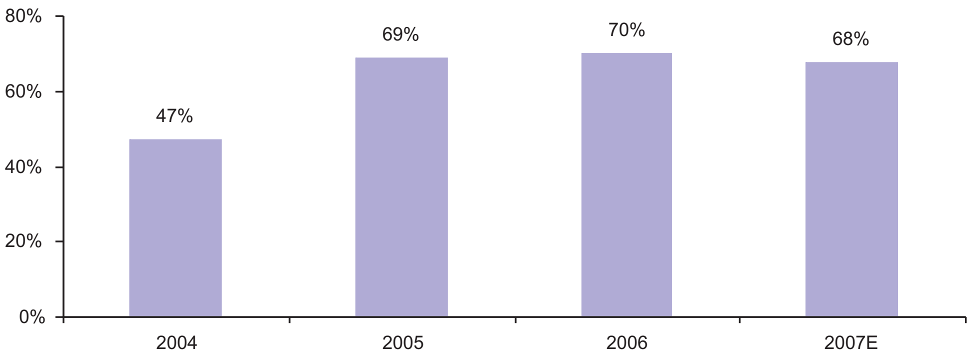
Chart 11: Loans ABL Market Share (PRsbn)



Source: Company Reports & IGI Research

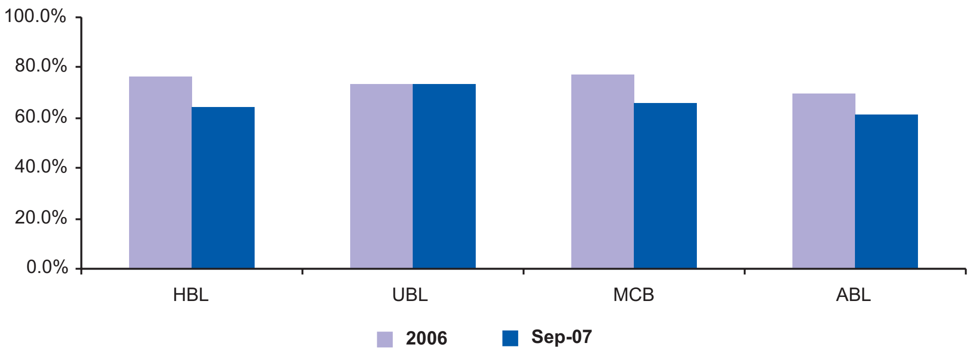
The year-to-date (YTD) financial results reveal virtually no growth in advances with 3QCY07 ADR of 61.4%. However, the slowdown is inline with the negligible loan growth of 3% for the banking sector driven by sluggish credit demand. Notwithstanding the recent downturn in ADR we believe the hold up in credit off-take is temporary and is likely to reverse due to the low penetration of banking services (27% of GDP in 2006). Consequently, going forward the bank is poised to attain above average loan growth backed by low loan leverage providing room to further gear the balance sheet without much deposit growth. We forecast loan growth of CAGR 24% during the period CY07-CY09.

Chart 12: ABL: Advances to Deposits Ratio



Source: Company Reports & IGI Research

Chart 13: Advances to Deposits Ratio Comparison



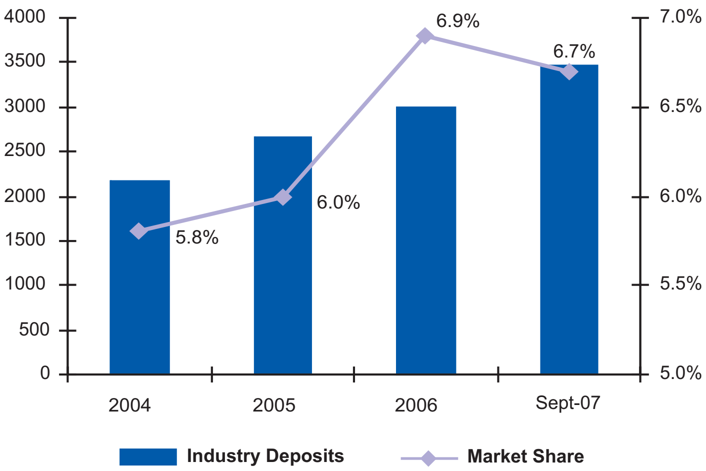
Source: Company Reports & IGI Research

Deposits

ABL had 6.7% share in banking sector's total deposits in Sept-07 driven by robust growth in deposits (CAGR 23%) during the period Sept-04 to Sept-07 under the auspices of the new management. However, in 9MCY07 deposit growth subsided to 14% as compared to average 28% in 2006 and 2007. This resulted in a marginal decline of 20 basis points (bps) to 6.7% in 9MCY07 as compared to 6.9% in 2006.

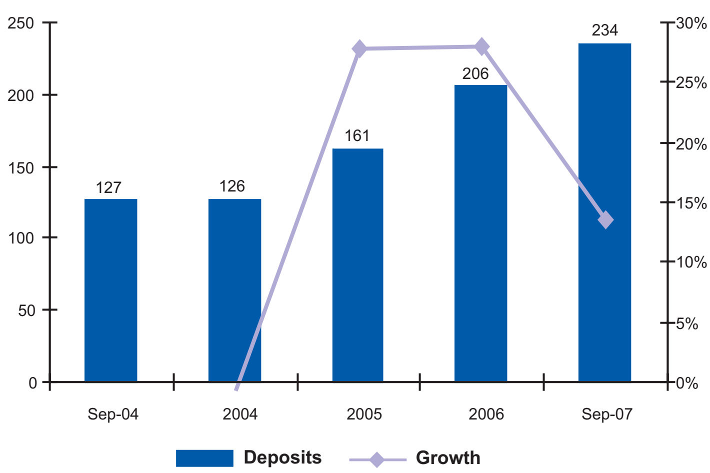
In line with the overall banking sector the proportion of fixed deposits has increased over time driven by lower Cash Reserve Requirement (CRR) on longer tenor deposits. This change comes at the cost of reduced share of low cost current account / savings account (CA/SA) deposits which were reported at 55% in Sept-07 as compared to 59% in Dec-06. In essence, this changing trend is going to increase cost of funding for the bank leading to marginally squeezed spreads in the future. Going forward, the deposits base is not expected to grow at an unprecedented rate as ABL plans to safeguard current low-cost CA/SA deposits at current levels. We forecast a deposit CAGR of 19% for the period CY07-CY09.

Chart 14: ABL: Deposits Market Share **(PRsbn)**



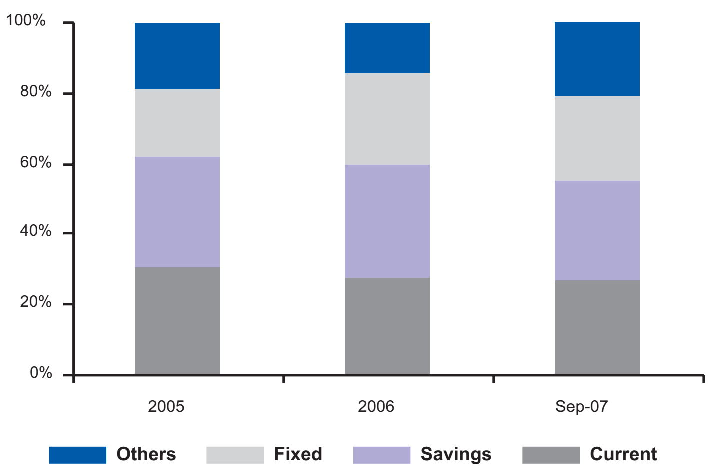
Source: Company Reports & IGI Research

Chart 15: ABL: Deposits **(PRsbn)**



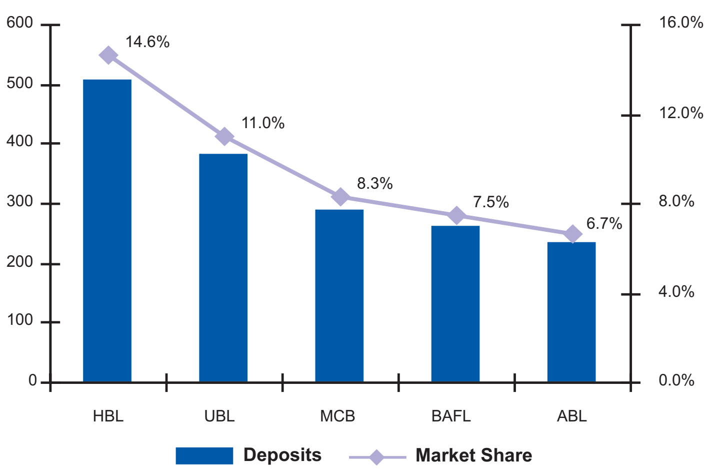
Source: Company Reports & IGI Research

Chart 16: ABL: Deposits Breakup



Source: Company Reports & IGI Research

Chart 17: Deposits Comparison 9MCY07 **(PRsbn)**



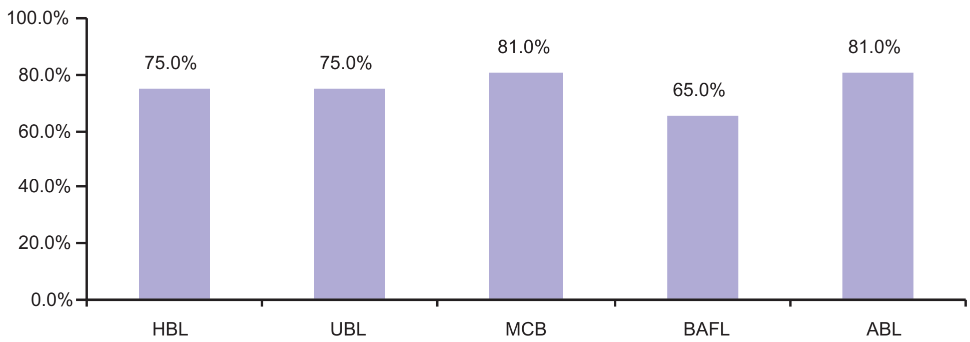
Source: Company Reports & IGI Research

Financial Performance

Net Interest Revenue

ABL's net interest revenue (NIR), a baseline measure of profitability, constitutes 81% of total revenues earned, higher than most Tier-I banks. ABL has seen impressive NIR growth in CY05 (77%) and in CY06 (32%). However, in CY07 the year-to-date growth trend has subsided to a mere 10% based on YoY comparison to 9MCY06 due to slow down in industry credit off-take. Going forward dependable corporate segment and increased penetration into SME segment is likely to drive net interest revenue growth. We expect NIR to grow at an impressive 25% CAGR during the period CY07-CY09.

Chart 18: Net Interest Revenues / Total Revenues (2006)



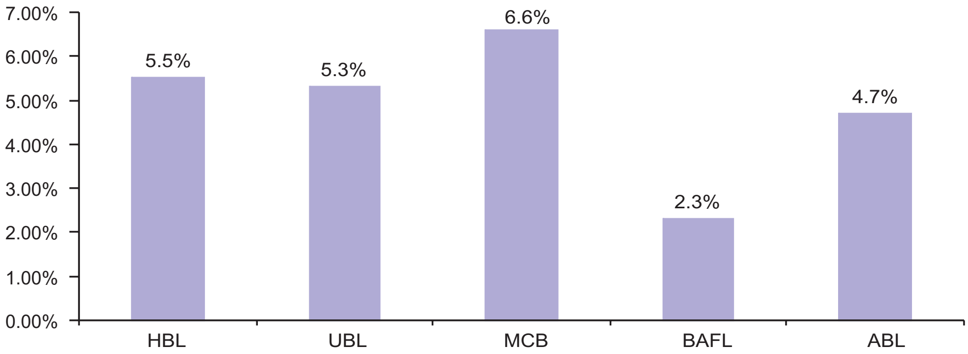
Source: Company Reports & IGI Research

Chart 19: ABL: Net-Interest Revenue / Total Revenue

Source: Company Reports & IGI Research

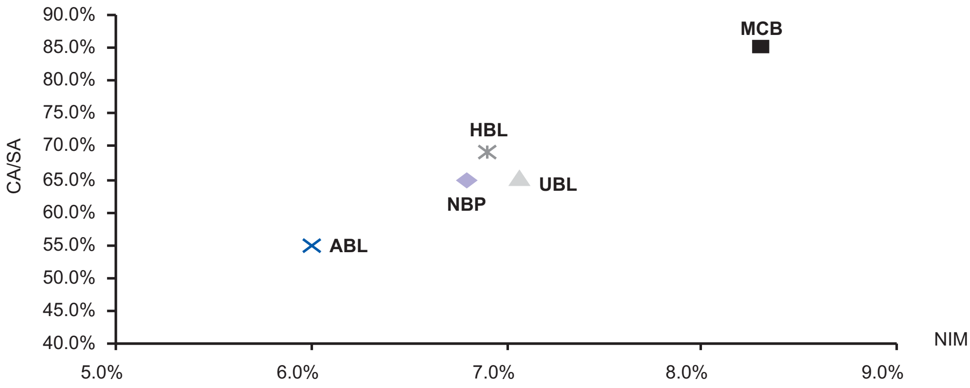
In 2006, ABL reported Net Interest Margin (NIM) on a lower side at 4.7% as compared to large Tier-I banks. ABL's low NIM is a result of high cost of funding (4.2%) driven by smaller low-cost deposit franchise. CA/SA accounted for 55% of deposit base as compared to MCB (85%) and UBL (65%). Analysis of large Tier-I banks intuitively reveals that NIM is positively related to the low cost deposit base of the bank. Going forward we believe the margin outlook is at best likely to be steady, given pressure from increasing proportion of high cost term deposits.

Chart 20: Net Interest Margin Comparison 2006



Source: Company Reports & IGI Research

Chart 21: CA/SA vs. NIM (2006)

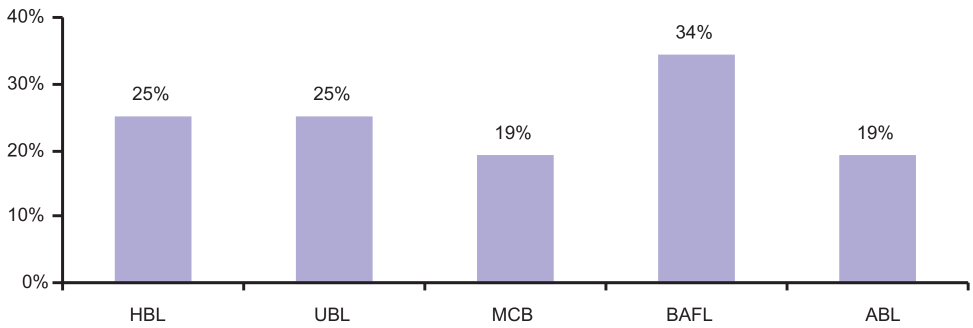


Source: Company Reports & IGI Research

Non-Interest Revenue

Non-Interest Revenue forms 19% of total revenue. A major portion of non-interest income comes from fee-based income (55%). This is viewed favorably as fee income is a more sustainable source as compared to trading income from securities and other volatile sources. However, in the past fee income has posted staggered average growth of 5% in CY05 and CY06. In comparison to large Tier-I banks, non-interest revenue forms a small percentage of total revenues primarily due to non-existent consumer segment. Going forward, we expect the trend to persist as ABL's primary focus remains corporate and SME lending.

Chart 22: Non-Interest Revenue / Total Revenue (2006)

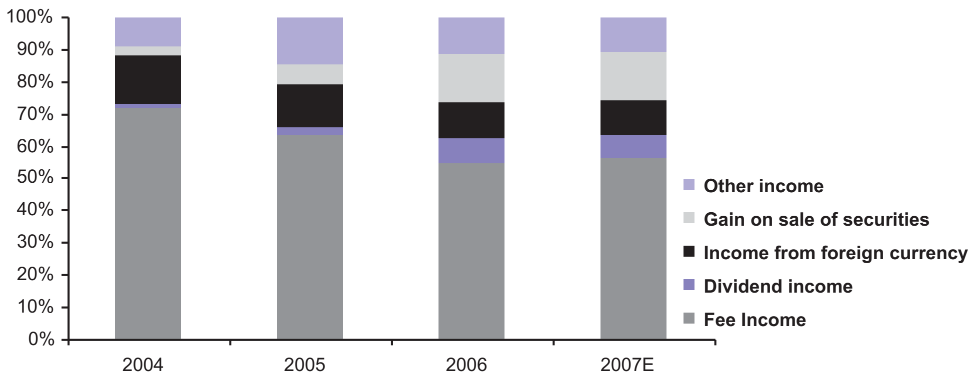


Source: Company Reports & IGI Research

Chart 23: ABL: Non-Interest Revenues / Total Revenues

Source: Company Reports & IGI Research

Chart 24: ABL: Non-Interest Revenue Breakup

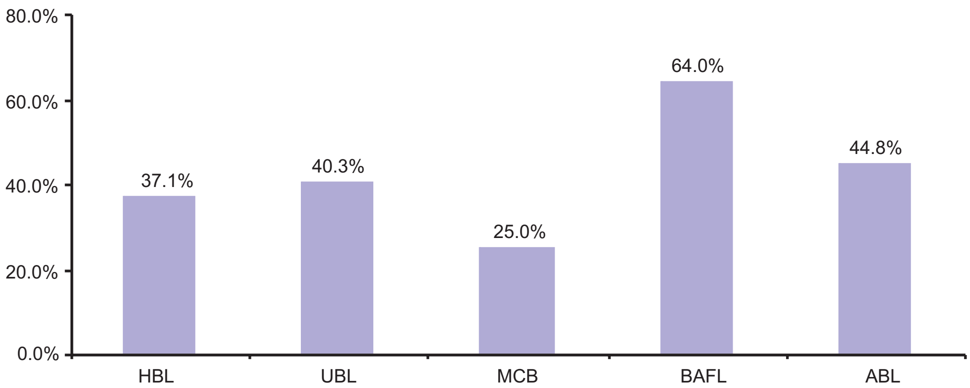


Source: Company Reports & IGI Research

Costs

ABL's cost-to-income ratio has historically been on the higher side; however, post privatization new management has followed an aggressive cost reduction strategy along with effective resource management. Consequently, the cost-to-income ratio has followed a downward trajectory with the ratio posted at 40% in Sept-07 as compared to 67% in CY04. The operating expenses witnessed average increase of 10% during the period CY04-CY06, however since gross income grew at a much larger pace during the same period resulting in improvement in the ratio. The declining trend reflects improved efficiency and favorable operating cost leverage yielding higher profitability.

Chart 25: Cost / Income (2006)

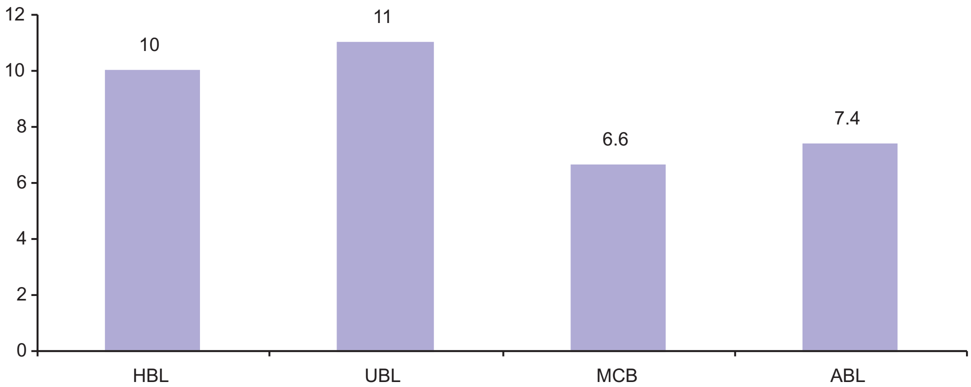


Source: Company Reports & IGI Research

Chart 26: ABL: Cost / Income

Source: Company Reports & IGI Research

Chart 27: Cost / Branch (2006) **(PRsmn)**

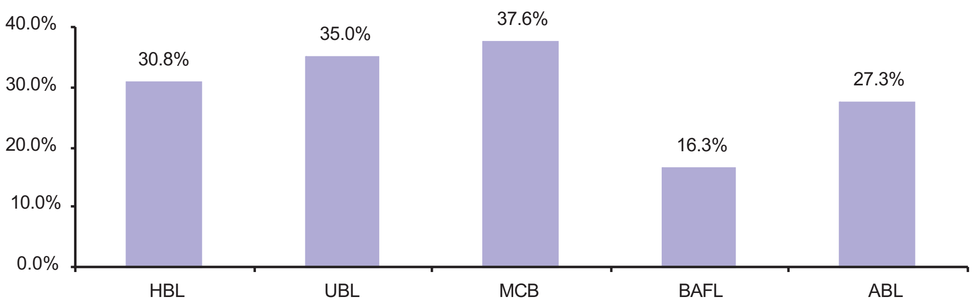


Source: Company Reports & IGI Research

Profitability

ABL's profits, before and after-tax, kept their pace of growth on the back of growing high yield earning assets. The profit after tax grew by 38% in 2006 and strong profitability was reflected by most key performance indicators. Return on Equity (ROE) averaged 27.3% while Return on Assets (ROA) averaged at 2.0% in 2006, which is higher than industry average yet on lower end in comparison with other large Tier-I banks. In future we forecast a normalized ROE of 29.5% and ROA of 2.0%. We do not expect return measures to rise appreciably primarily due to increase in equity of the bank in order to fulfill the Minimum Capital Requirement (MCR) by 2009.

Chart 28: Return on Equity (2006)

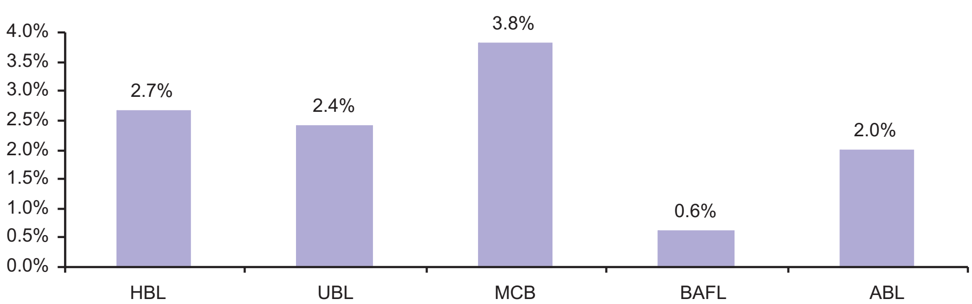


Source: Company Reports & IGI Research

Chart 29: ABL: Return on Equity

Source: Company Reports & IGI Research

Chart 30: Return on Assets (2006)



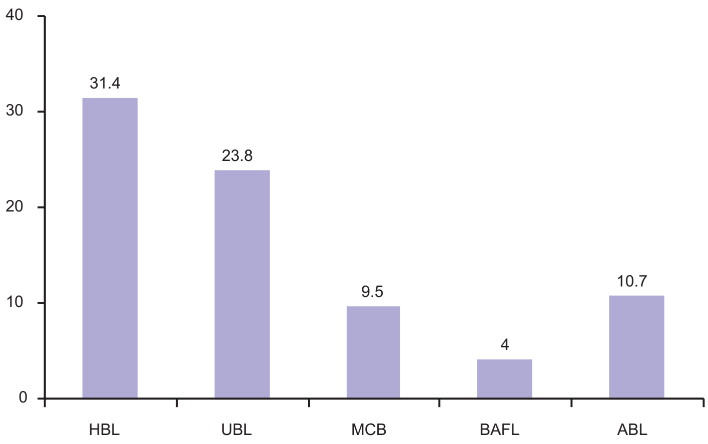
Source: Company Reports & IGI Research

Asset Quality

Asset quality has been a major concern post re-privatization with a legacy of NPLs. ABL, under new management, has actively pursued a policy of provisioning and recovering delinquent loans. The NPL-to-Advances ratio was posted at 7.1% in Sept-07. The restructuring process has reaped benefits and infection ratio has declined significantly from 22% in CY04. However, the current levels (7.1%) are still higher than the industry average (5.9%). Moreover, high advances exposure to the textile sector (24% in 2006) may prove risky for the bank. The dismal performance of textile exports may result in defaults and declining asset quality.

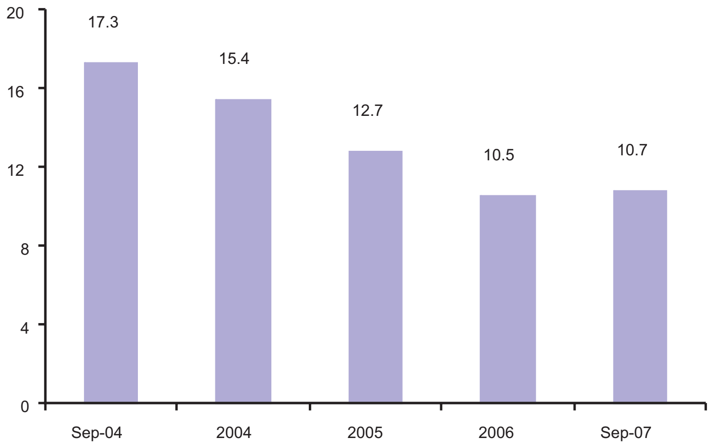
In the near term the after-tax profitability is likely to decline significantly due to withdrawal of collateral's forced sale value benefit in determining NPL provisioning. In our opinion, the net adverse impact on ABL's 2007E earnings of PRs2 per share. The per share impact on earnings is softened by the impressive reversals averaging 10% on outstanding NPLs in the past few years. On the flip side, in future the banking sector is likely to gain from this regulation by expediting recoveries, write-backs and becoming more prudent in credit risk management.

Chart 31: NPL Comparison September 2007 (PRsbn)



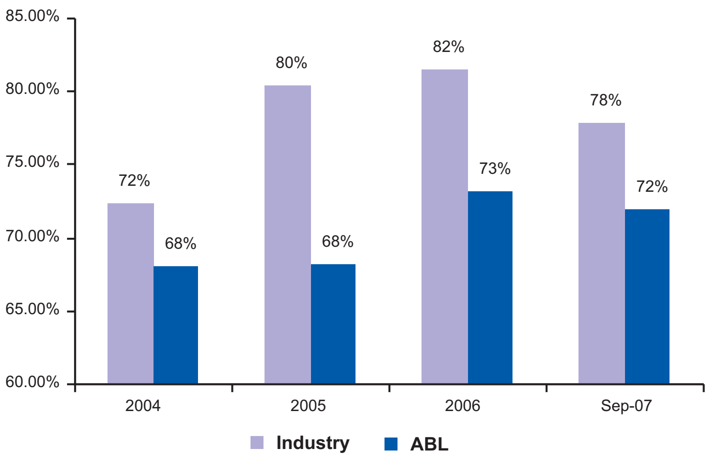
Source: Company Reports & IGI Research

Chart 32: ABL: Non Performing Loans (PRsbn)



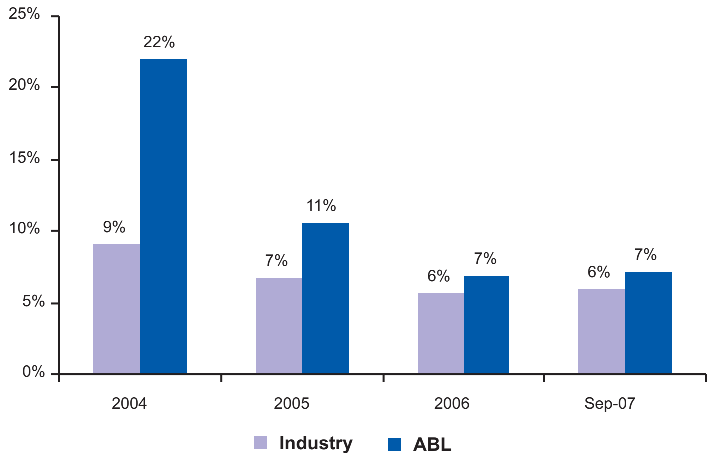
Source: Company Reports & IGI Research

Chart 33: Loan Loss Coverage Ratio



Source: Company Reports & IGI Research

Chart 34: NPL-to-Loans

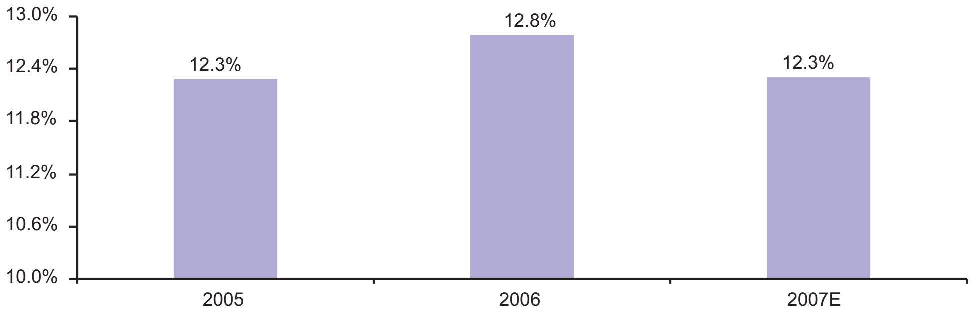


Source: Company Reports & IGI Research

Capital Adequacy

ABL's capitalization is strong in the wake of regulatory pressures with capital adequacy ratio (CAR) of 12.8% in 2006. SBP requires banks to meet the MCR requirement of PRs6bn by CY09. In line with Pakistan banks, ABL's capital base is mainly supported by Tier-I capital, and the bank posted a Tier-I ratio of 10.6% in 2006. ABL has resorted to subordinated debt as a form of Tier II capital along with the revaluation reserve. The subordinated debt has been issued as floating rate Term Finance Certificate (TFC) with semi-annual payments. In 2008, we expect ABL to issue 20% bonus shares in order to fulfill MCR.

Chart 35: ABL: Capital Adequacy Ratio



Source: Company Reports & IGI Research

Recent Result – 9MCY07 Result Review

ABL announced their results for 9MCY07 on October 25th, 2007. Profit After tax (PAT) was posted at PRs4.2bn as compared to PRs3.4bn in 9MCY06. This represents an increase of an impressive 23% based on YoY comparison to 9MCY06. The PAT translates into annualized earnings per share of PRs10.4 as compared to PRs8.3 in the same period last year. Annualized Return-on-Equity (ROE) was reported at 28% and annualized Return-on-Assets (ROA) at 2.1%.

- Net interest income (NII) was recorded at PRs15.9bn for 9MCY07 as compared to PRs12.6bn for 9MCY06, registering a growth of 26%. The loan book did not register a gain with ADR of 61% in Sept-07, however, the increase in NII was a result of favorable rate variance as compared to 2006. The gross yield on funds for ABL increased to 9.5% in Sept-07 as compared to 8.9% in 2006 resulting in NII growth.

- Non mark-up interest income amounted to PRs2.8bn in 9MCY07 versus PRs1.8bn in the corresponding period last year, recording a growth of 54%. The unprecedented growth was a result of ABL booking capital gains on sale of securities.

- Operating expenses were recorded at PRs4.8bn as compared to PRs3.9bn in 9MCY06, recording an increase of 23%.

- Profit Before Tax (PBT) reached PRs6.3bn which is 24% higher than PBT of PRs5.1bn in the corresponding period last year.

- The EPS for 3QCY07 was recorded at PRs2.60 as compared to PRs2.08 in the corresponding period last year. However, in the 4QCY07 we expect an EPS of PRs2.30, a marginal decline as a result of increased provisioning for NPLs with the withdrawl of Forced sale value (FSV) benefit.

The Board of Directors did not announce a payout for 3QCY07. However, ABL did announce 20% bonus shares in 1QCY07 and an interim cash dividend of 15% in the 2QCY07.

Table 6: Income Statement (PRsmn)

	9MCY06	9MCY07	%change
Mark up / Interest Earned	12,593	15,868	26%
Mark up / Interest Expensed	4,675	7,189	54%
Net Interest Income	7,918	8,679	10%
Non-markup / Interest Income	1,826	2,805	54%
Net Operating Income	9,744	11,484	18%
Operating Expenses	(3,917)	(4,810)	23%
Provisions	(725)	(350)	-52%
Profit Before Tax (PBT)	5,102	6,324	24%
Taxation	(1,722)	(2,175)	26%
Profit After Tax (PAT)	3,380	4,149	23%
Earnings Per Share (EPS)	6.28	7.70	23%
Annualized EPS	8.3	10.4	

Source: Company Reports & IGI Research

Table 7: Valuation Summary

Income Statement - PRs mn	**2004**	**%change**	**2005**	**%change**	**2006**	**%change**	**2007E**	**%change**	**2008F**	**%change**	**2009F**
Net Markup / return / interest income	4,451	76.8%	7,867	32.5%	10,422	19.7%	12,475	21.8%	15,189	21.2%	18,409
Non-markup/ interest income	1,740	11.4%	1,940	26.2%	2,449	49.4%	3,659	2.5%	3,750	13.9%	4,272
Total Operating Income	6,191	58.4%	9,807	31.2%	12,871	25.4%	16,134	17.4%	18,940	19.8%	22,681
Operating expnses	4,172	5.3%	4,393	25.3%	5,506	16.0%	6,386	18.5%	7,566	19.1%	9,012
Profit before taxation	482	902.1%	4,834	37.8%	6,661	24.4%	8,289	24.8%	10,345	20.1%	12,421
Taxation	290	501.5%	1,744	29.8%	2,264	28.1%	2,901	24.8%	3,621	20.1%	4,347
Profit after taxation	192	1505.5%	3,090	42.3%	4,397	22.5%	5,388	24.8%	6,724	20.1%	8,073
Balance Sheet - PRs mn											
Total Assets	154,927	24.3%	192,574	30.9%	252,027	22.2%	307,856	19.7%	368,377	18.4%	436,200
Advances-net	59,485	86.9%	111,207	29.5%	144,034	19.2%	171,624	22.5%	210,240	21.4%	255,171
Balances with other banks	1,478	122.7%	3,292	-48.2%	1,705	3.6%	1,767	2.0%	1,802	18.0%	2,126
Investments-net	57,321	-21.6%	44,927	4.5%	46,953	63.9%	76,978	11.2%	85,598	13.9%	97,461
Deposits and other accounts	126,392	27.7%	161,410	27.6%	206,031	22.5%	252,388	19.0%	300,342	18.0%	354,404
Lendings to FI's and other institutions	16,175	-64.3%	5,777	229.7%	19,050	-20.5%	15,143	68.6%	25,529	18.0%	30,124
Total Equity	10,256	41.9%	14,550	21.6%	17,688	20.0%	21,218	19.6%	25,379	19.4%	30,303
Ratios											
Net Margin	3.8%		5.8%		6.0%		5.7%		5.6%		5.6%
Net Interest Revenue/Total Revenue	71.9%		80.2%		81.0%		77.3%		80.2%		81.2%
Non-Interest Revenue / Total Revenues	28.1%		19.8%		19.0%		22.7%		19.8%		18.8%
Commisions/Total Revenue	20.3%		12.4%		10.5%		10.9%		11.2%		11.4%
Cost / Assets	3.1%		2.5%		2.5%		2.3%		2.2%		2.2%
Advances / Total Assets	38.4%		57.7%		57.2%		55.7%		57.1%		58.5%
Equity/Assets	6.6%		7.6%		7.0%		6.9%		6.9%		6.9%
Investment/Assets	37.0%		23.3%		18.6%		25.0%		23.2%		22.3%
Advances/Deposits	47.1%		68.9%		69.9%		68.0%		70.0%		72.0%
Deposits / Total Liabilities	87.4%		90.7%		87.9%		88.1%		87.6%		87.3%
NPL/Loans	25.8%		11.3%		7.3%		6.0%		5.8%		5.5%
Coverage Ratio (LLR / NPL)	68.1%		67.9%		72.1%		88.3%		90.2%		90.5%
LLR / Loans	17.6%		7.7%		5.2%		5.3%		5.2%		5.0%
LLP / Loans (Yearly Charge to Loans)	2.6%		0.5%		0.5%		0.9%		0.5%		0.5%
Tier I Ratio	-		11.5%		10.6%		10.5%		10.6%		10.8%
Tier II Ratio	-		0.7%		2.1%		1.7%		1.5%		1.3%
Capital Adequacy Ratio	-		12.3%		12.8%		12.2%		12.0%		12.0%
ROA(average)	0.1%		1.8%		2.0%		1.9%		2.0%		2.0%
ROE(average)	6.1%		24.9%		27.3%		27.7%		28.9%		29.0%
Data Per Share - PRs											
Earnings Per Share	-		5.7		8.2		10.00		12.5		15.0
Dividends Per Share	-		2.0		2.1		4.0		5.4		6.0
NAV	-		27.01		32.84		39.39		47.12		56.25
Price-to-Earnings	-		22.31		15.68		12.80		10.25		8.54
Price-to-Book	-		4.74		3.90		3.25		2.72		2.28

Source: Company Reports & IGI Research

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Analyst Certification

We, Sobia Muhammad Din and Ahmed Raza Khan, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject, securities and issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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