

BANK ALFALAH LIMITED (BAFL)
December 17, 2014
BUY

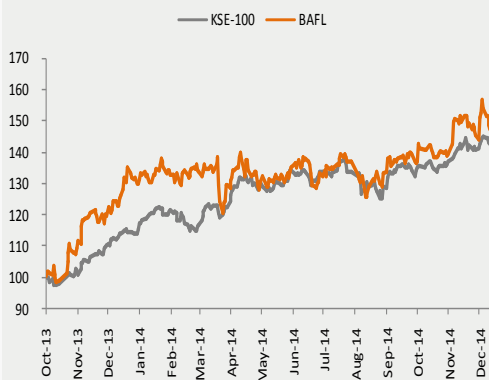
Price Target : PKR 38.7/share

Closing Price : PKR 30.3/share

Reuters
Bloomberg
KATS Code
BAFL.KA
BAFL.PA
BAFL
COMPANY DATA

52-week Price Range (PKR)	25.05-32.64
No. of Shares Outstanding (mn)	1,349.16
Market Cap (PKRmn)	40,879.43
Market Cap (USDmn)	407.41
Free Float (mn shares)	634
Year End	Dec

Source: KSE

CHART: STOCK PERFORMANCE


Source: KSE

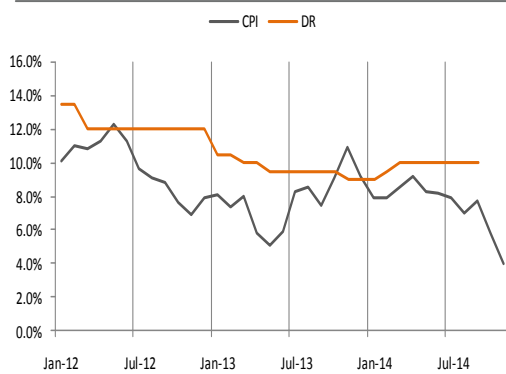
- **We initiate our coverage on BAFL with BUY rating:** Our Dec-15 PBV based PT of PKR 38.7/share implies 28% upside from current price levels. At today's closing, BAFL trades at CY15E P/BV of 1.07x and offers prospective dividend yield of 9.8%.
- **Core income to drive profitability in CY14-15E:** Excessive investment in PIBs and higher maturity yields will energize core margins to drive the profitability.
- **Aggressive branch expansion:** Branch expansion to bode well for the bank with growing deposit market share. Management plans to achieve 700 branches mark by CY15.
- **IFC's investment shows confidence on bank's performance:** With IFC equity investment of PKR 6.7bn, management expects CAR to increase from existing 11.5% to 13% by Dec-14 end.
- **Profitability ratios to improve:** BAFL's return ratios are expected to further improve on the back of strong earnings in CY14-15E but with IFC equity investment, earnings will dilute.
- **Investment Risks:** Key risks to our valuation are 1) monetary easing, 2) NPL accumulation, 3) increase in cost-to-income ratio, and 4) political and economic downturn.

BAFL FINANCIAL HIGHLIGHTS

	CY12	CY13	CY14E	CY15E	CY16E	CY17E	CY18E
EPS	3.38	3.47	4.25	5.21	5.85	6.69	7.50
DPS	2.00	2.00	2.50	3.00	3.50	3.75	4.25
BVPS	22.3	23.6	26.0	28.2	30.6	33.5	36.8
PE (x)	4.71	5.72	7.14	5.81	5.18	4.53	4.04
PBV (x)	0.71	0.84	1.17	1.07	0.99	0.90	0.82
Dividend Yield (%)	12.6	10.1	8.3	9.8	11.5	12.4	14.0
ROA (%)	0.91	0.82	0.88	0.96	0.99	1.03	1.06
ROE (inl.surplus) (%)	16.3	15.1	17.1	19.1	19.9	20.9	21.6
ROE (ex.surplus) (%)	18.9	17.4	19.2	21.5	22.2	23.2	23.6
Net Profit growth (%)	30.1	2.6	22.6	22.8	12.2	14.3	12.1

Source: Company Accounts, NAEL Research

Fig: 1



Source: PBS, SBP

Macroeconomic Outlook

CPI fully under control for FY15

CPI for Nov-14 sharply declined to 3.96% (11-yr low headline inflation), taking average CPI inflation for Jul-Oct FY15 to 6.45%. Downward trend of inflation is on the back of 1) lower fuel prices due to decline in international oil prices, 2) soft food inflation 2.1% YoY and 3) significant base effect.

For FY15E, we expect CPI inflation outlook to 6%-6.5% YoY due to declining trend in food prices and reduction in fuel prices which is likely to impact headline inflation.

Monetary policy eases out

SBP cuts DR by 50bps to 9.5% for Nov-Jan MPS on account of 1) sharp decline in CPI to 3.96% in Nov-14 (avg. CPI FY15 at 6.45%), 2) stable FX reserves at \$13.92bn (5th Dec-14) and 3) improvement in curtailing budgetary imbalances.

Since inflation is on downward trend, we expect 2HFY15E CPI to depict further decline alongside expected increase in FX reserves to \$15.0bn by end Dec-14 would strengthen the case for further monetary easing. We believe there is room for another 50-100bps cut in DR in the next MPS.

External account to support BoP

The external account may show some respite as Pakistan is expected to 1) receive financial inflows from IMF amounting USD 1.1bn by Dec-14, 2) successfully raised USD 1bn from Global Sukuk issuance and 3) generate ~USD 1bn from the share sales in ABL and HBL.

Although, trade deficit increased by 50% YoY in 4MFY15 to USD 8.8bn, we expect import bill to decline significantly from Nov-14 onwards as the impact of lower Arab Light crude oil prices trickles in.

Stable PKR exchange rate

Pakistan's macroeconomic indicators recovered in recent months particularly external account and PKR exchange rate. We expect above mentioned developments to play considerable role in PKR stability in medium-term although these are one-off inflows.

Further on, S&P rating services has reaffirmed Pakistan's long-term and short-term sovereign credit rating as 'B-' and 'B' respectively along with stable outlook.

Fig: 2

ECONOMIC INDICATORS (%)	FY14	FY13
GDP	4.14	3.70
- Agriculture	2.1	2.9
- Industrial	5.8	1.4
- Services	4.3	4.9
Per capita income (growth)	3.5	1.4
Fiscal Deficit	3.2	4.7
Inflation	8.7	7.7

Source: SBP

Company Profile

Bank Alfalah Limited (BAFL) is owned and operated by the Abu Dhabi Group which was incorporated as public limited company on June 21, 1992 under Companies Ordinance 1984. BAFL is a mid-sized bank with a balance sheet size of PKR 667bn and a network of 605 branches that includes 148 Islamic Banking branches, 10 international branches (Bangladesh and Afghanistan) and one offshore banking unit in Bahrain.

PARTICULARS OF INVESTMENTS

Associates	% of Holding
Alfalah Insurance Ltd	30.00%
Alfalah GHP Value Fund	33.26%
Alfalah GHP Income Multiplier Fund	41.66%
Alfalah GHP Islamic Fund	99.37%
Alfalah GHP Cash Fund	41.49%
Alfalah GHP Investment Management Ltd	40.22%
IGI Money Market Fund	17.42%
Subsidiary	
Alfalah Securities (Pvt) Ltd	97.18%

Source: Company Accounts

Market Share

The bank is the 6th largest in terms of deposits with a base of PKR 564bn (Sept-14) and market share of 7%. The bank is one of the major players in consumer finance services i.e. credit cards, personal loans, car lease etc. along with SME and Islamic banking. When measured by lending activities, BAFL has loan book of PKR 273bn (Sept-14) with a market share of 6.4% of the total advances of the industry.

Shareholding Pattern

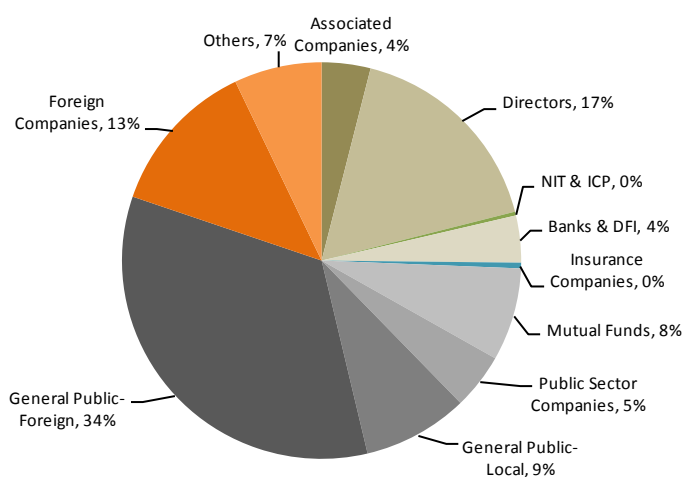
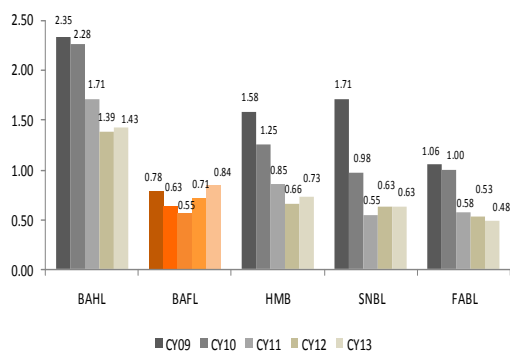
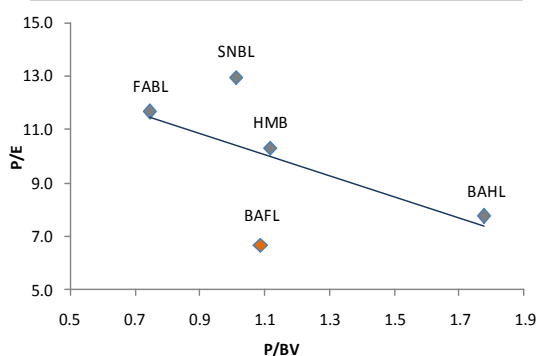


Fig: 3 Peer Comparison - 5 year Avg. P/BV



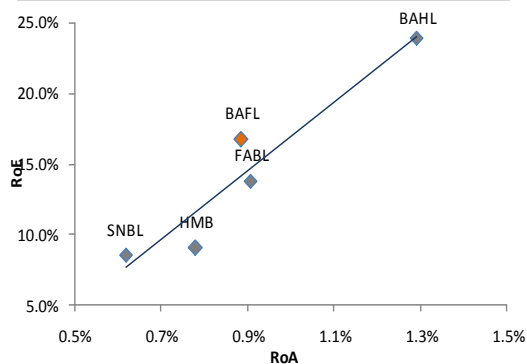
Source: Nael Research

Fig: 4 Peer Comparison - Avg. CY14 Price Multiples



Source: Nael Research

Fig: 5 Comparative Profitability Indicators



Source: Nael Research

Valuation

We initiate our coverage on Bank Alfalah Limited (BAFL) with a **BUY** recommendation using Gordon Growth valuation model. The Gordon Growth Model uses the sustainable ROE, cost of equity (COE) and expected growth in earnings (g) to calculate the target PBR 1.38x of the bank. We have made the following assumptions to arrive at the target price of the bank:

- Sustainable ROE calculated as the average ROE of the forecasted period, represented by 20.4%
- Cost of Equity at 17% is derived using Capital Asset Pricing Model (Risk free rate=9.5%, risk premium=6%, Beta=1.27)
- Terminal growth rate of 8.6%

Based on above assumptions, BAFL's Dec-15 PT comes to PKR 38.7/share offering an upside potential of 28% from its closing price of 17-Dec with a dividend yield of 9.8% for CY15E.

BAFL valuation attractive amongst peers: Initiate with BUY rating

Valuation comparison of mid-tier banks shows that BAFL is currently trading at attractive CY15E P/E and P/BV of 1.07x and 5.8x respectively. BAFL's valuation is attractive when compared to mid-tier banks average price multiples; P/E of ~9.87x and P/BV of ~1.32x. While in terms of profitability BAFL is second to BAHL (refer to Fig: 5) thus, both scrip remain our top picks among the mid-tier banks.

Financial Performance - 9MCY14

BAFL posted net earnings of PKR 4.0bn (EPS: PKR 2.98) in 9MCY14, up by 21% YoY as against PKR 3.3bn (EPS: PKR 3.5). Core income of PKR 15.5bn (24% YoY growth) was earned primarily due to investments in longer duration securities. Further, cautious lending resulted in considerable decline in provisioning cost to PKR 731mn, decrease by 32% YoY.

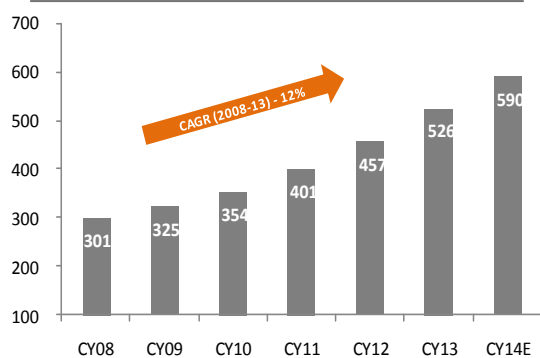
Non-interest income depicted 8% YoY growth on account of 1) 7% YoY increase in fee income and 2) 35% YoY increase in income from dealing in FX. While lower capital gains and meager growth of 3% YoY in dividend income restricted the overall non-interest income growth.

Branch expansion kept the operating expenses on the higher side with 19% YoY growth to PKR 15.1bn in 9MCY14 mainly due to full year impact of prior branch expansion in CY13.

BAFL FINANCIAL HIGHLIGHT						
(PKR mn)	9MCY14	9MCY13	YoY	3QCY14	2QCY14	QoQ
Interest Earned	39,834	32,291	23%	14,796	13,120	13%
Interest Expenses	24,362	19,772	23%	8,892	7,839	13%
NII	15,472	12,519	24%	5,904	5,280	12%
Provisions	731	1,077	-32%	504	98	413%
NII (after prov.)	14,741	11,441	29%	5,400	5,182	4%
Non-Interest Income	6,444	5,958	8%	2,069	2,319	-11%
Operating Expenses	15,056	12,614	19%	5,318	5,227	2%
PBT	6,128	4,785	28%	2,150	2,274	-5%
Taxation	2,114	1,467	44%	747	792	-6%
PAT	4,014	3,318	21%	1,404	1,482	-5%
EPS	2.98	2.46		1.04	1.10	

Source: Company Accounts

Fig: 6 BAFL - Deposit Growth



Source: Company Accounts, Nael Research

Investment Argument

Our investment view on BAFL is based on strong earnings growth for CY14-15E on the back of:

Strong deposit growth amid aggressive branch expansion

BAFL's deposit base has grown at a 6-yr CAGR of 12% to PKR 564bn in Sept-14. The bank maintains its aggressive approach towards branch network expansion with a target of adding around 100 more branches in CY15, taking the total tally to 700 by year end. We estimate BAFL's deposit base for the next 5-yr to grow at a CAGR of 8% from CY14-18E. Branch expansion has bode well for BAFL and we believe it can increase its presence in the local market from its current market share of 7% to 7.1%.

Banking coverage

BAFL has strong base in the domestic market covering 208 cities in Pakistan with over 457 conventional banking branches and 148 Islamic banking branches catering to diverse customer preferences. The bank commands a formidable position in the overall banking deposits with conventional banking deposits account for ~79%, Islamic 14% and overseas 7% of the total deposits.

Focus on CASA growth

In last 6-yrs, the bank focused on improving its low cost deposits by shedding its high cost fixed deposits from 39% in CY08 to 24% in CY13. While CASA improved considerably from 55% to 69% in the stated period. This shift in deposit mix has helped the bank to cut down its high cost of funds.

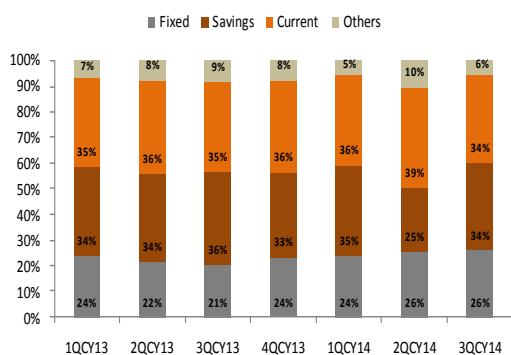
Quarterly deposit movement (CY13-14) shows some fluctuations in deposit mix (Fig:7) with fixed deposits taking an uptick since 4QCY13, primarily on the back of aggressive deposit mobilization and Islamic deposits re-profiling. Going forward, we expect BAFL to regain its CASA mix and sustain at 70%-71%.

Cost of funds trimmed

BAFL has efficiently trimmed its cost of funds on the back of favorable deposit mix (CA=34%, SA=34%) from 6.84% to 4.55% during CY09-13. The bank has improved its cost of funds with the change in deposit mix and is competing well among its peers to lower its cost (Fig: 8).

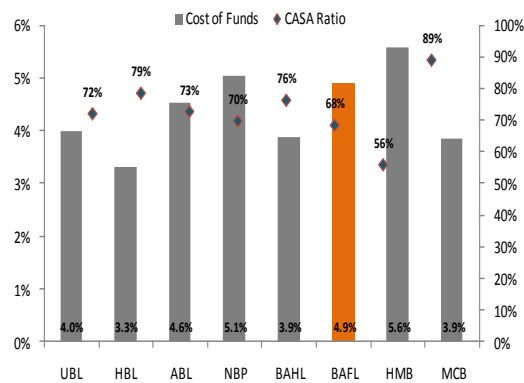
For CY14E/15E we have calculated cost of funds at 4.96%/4.83%, 41-28bps up from last year due to higher fixed deposit ratio in 9M CY14. We estimate that bank's cost of funds will decrease with CASA mix to be sustained at 70% above mark which will have a positive impact on core interest income.

Fig: 7 BAFL - Quarterly Deposit Mix



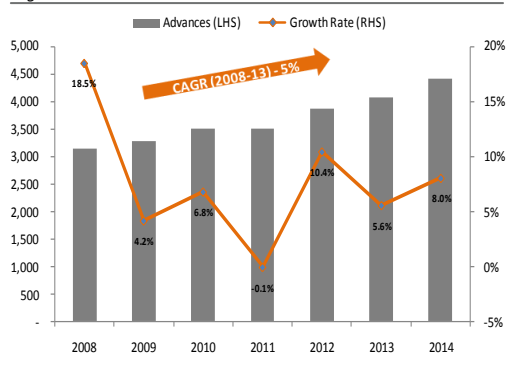
Source: Company Accounts, Nael Research

Fig: 8 Cost of Funds - Peer Comparison



Source: Company Accounts, Nael Research

Fig: 9 Sector Advances



Source: SBP

Sector loan growth to remain subdued

Credit off-take remained subdued in last 6-yrs with a CAGR of 5% in the given period mainly because of infrastructural issues faced by Pakistan's economy (energy crisis) and poor security outlook. Although, macroeconomic indicators have improved in last one year but the banking sector remains prudent towards loan disbursement.

Our outlook for loan growth in medium-term remains subdued and we estimate sector average loan growth of 7.5% between CY15-16E with sector ADR at 51%. If macroeconomic indicators showed positive outlook in long term along with stability in politics and security situation, we can expect credit growth to uptick especially from energy sector.

BAFL to continue prudent approach in lending

BAFL's gross advances have grown at a 6-yr CAGR of 6.7% from CY08-13, better than industry CAGR of 5% in the same period. On YoY basis, credit off-take surged by 10.3% vs. industry growth of 5.6% in CY13. Moreover, BAFL has been successful in maintaining its market share at 6.3%-6.7% since CY08. BAFL's ADR followed the industry downward trend with 52% in CY13. For CY14-16E we have taken BAFL's ADR at 50%.

Improving asset quality to strengthen balance sheet

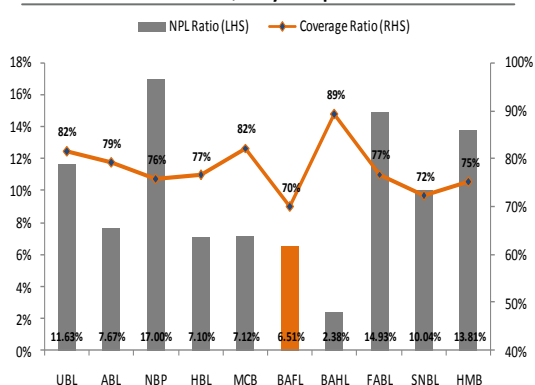
Increased fund placement in government securities (PIBs and MTBs) along with prudent lending has significantly lowered the risk weighted assets. BAFL's asset quality has considerably improved, evident from decline in infection ratio to 6.51% in Sep-14 from as high as 9.63% in Mar-13. NPL stocks have reduced to PKR 18.6bn (Sep-14) from PKR 23.8bn (Mar-13) while coverage ratio has gradually increased to 70% in Sep-14 compared to 58% in Mar-13.

Although BAFL has notably improved its NPL coverage but it still remains on the lower side compared to top-tier and mid-tier banks (Fig: 10) Going forward, we have estimated infection ratio at 6.40% from CY15E onwards along with coverage ratio at 70% to be maintained owing to stringent credit policies and vigilant focus on recoveries.

Investment to deposit ratio (IDR)

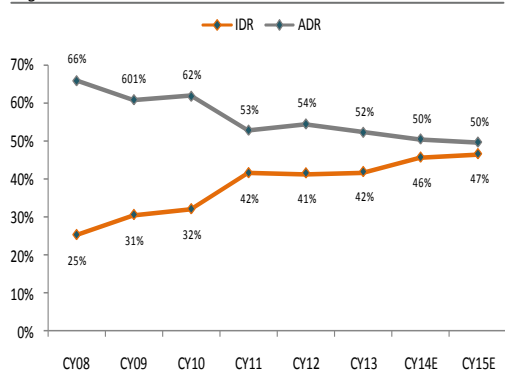
Bank's investment to deposit ratio (IDR) has outstandingly increased from 25% in CY08 to 46% in Sep-14 amid low risk appetite and lack of private credit demand. BAFL is one of the major investor in PIBs among mid-tier banks during 9MCY14 investing PKR 143bn (55% of the total investments) compared to PKR 32bn (15% of the total investments) in Dec-13. Given the increased exposure towards government papers we have maintained BAFL's IDR for CY14-15E at 46%.

Fig: 10 Asset Quality Comparison



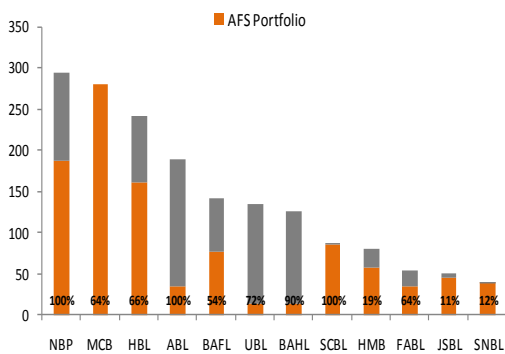
Source: Company Accounts, Nael Research

Fig: 11 BAFL - IDR vs. ADR



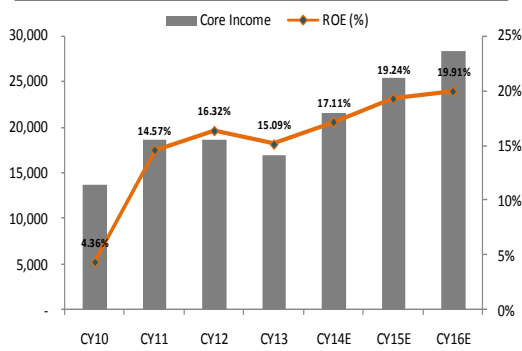
Source: Company Accounts, Nael Research

Fig: 12 PIB Position - Sept-14



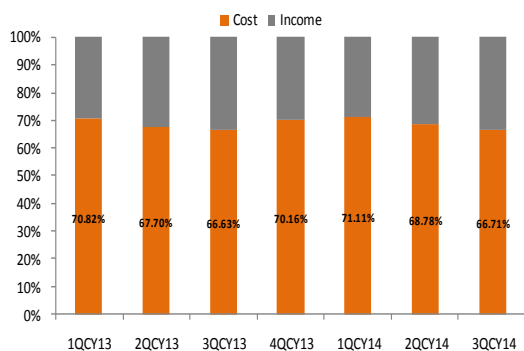
Source: Company Accounts, Nael Research

Fig: 13 Profitability on rise



Source: Company Accounts, Nael Research

Fig: 14 BAFL - Cost:Income Ratio



Source: Company Accounts

Revaluation gain on PIBs an upside trigger

Policy rate cut of 50bps accompanied with sharp decline in maturity yield of PIBs will unlock hefty revaluation gains on the books and will enhance NIMs for CY14-15E. Banks who have longer duration (PIBs) investment portfolio will enjoy substantial revaluation gains from yield changes in Available For Sale (AFS) portfolio. BAFL with 25% of its deposits invested in PIBs, have 54% of PIBs in the AFS portfolio which will provide significant revaluation benefit.

Core income to drive profitability in CY14-15E

BAFL's core interest income showed robust growth of 24% YoY in 9M CY14 due to 1) shift in investment mix and 2) deployment of excess liquidity in Islamic banking. We estimate net interest income for CY14E to clock in at PKR 21.56bn, up by 26% YoY from PKR 16.9bn in CY13. Also, lower provisioning charges for CY14E (PKR 1.01bn) and CY15E (PKR 1.05bn) will further supplement core earnings.

NIM to add value to net income

We expect NIM for CY14-15E to witness improvement on the back of higher investment yields and lower cost of funds. NIM is likely to expand by 49bps/26bps in CY14E/CY15E to clock in at 3.96%/4.21% respectively.

With expansion in NIMs, we anticipate net earnings growth of 23% in CY14E/15E and ROE at 17%/19% respectively. BAFL has gradually improved its profitability return ratio from 4.6% in CY09 to 15% in CY13, making itself an attractive choice among mid-tier banks. Going forward, we expect BAFL to continue strong growth and maintain an average ROE of 20.4% between CY15-18E.

Non interest income to support bottom-line

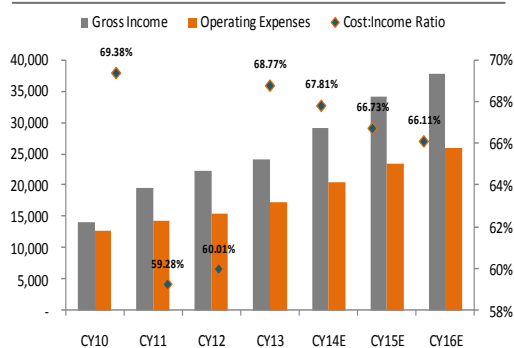
BAFL's non core income has supported the bottom line with 30%-34% share in total income. Fee and brokerage income remains the focal point, however it has declined to 35% in 9M CY14 from average of 40%. We expect fee income to maintain its contribution to non interest income as the management expects better performance from 'Mobile Paisa', a branchless banking product recently launched. We estimate non-interest income to grow at 5-yr CAGR of 9% between CY14-18E.

Operating expenses taking charge

BAFL's operating expenses have remained on the higher side when compared to its peers operating efficiency. Cost-to-income ratio of the bank surged to 71% in Dec-13 due to full year impact of CY13 branch expansions. Quarter analysis (Fig: 14) of admin expenses shows decline in cost-to-income ratio to 67% in Sep-14 due to higher income generation.

Going forward, we expect operating expenses to further increase in the next two years considering bank's heavy expansion plans; however, higher core income will keep cost-to-income ratio ~67% and then gradually decreases to 64% by CY18E. While we believe, growth in interest income is likely to outpace growth in admin costs, downside risk from aggressive branch expansion remains.

Fig: 15 Gross Income vs. Operating Expenses



Source: Company Accounts, Nael Research

IFC investment will strengthen capital base

International Finance Corporation after conducting due diligence has intended to become shareholder in BAFL by investing PKR 6.7bn (238mn shares at PKR 28/share) which is 15% of the paid-up capital. The bank has also given an option for purchasing Additional Equity of approximately 5% by December 31, 2015.

In short run, IFC investment will lead to earnings dilution due to increase in share capital but the long term outlook for the bank remains positive for 1) agreed price of PKR 28/share is greater than the 9MCY14 BV of PKR 24.65/share, showing the confidence of IFC on bank, 2) increase in capital base and 3) bank can expand its exposure towards equity investments and loans.

CAR in healthy zone with Basel-III implementation

The bank has maintained a CAR ratio of 11.5% as of Sep-14, against the Basel-III requirement of 10%. Tier-1 ratio, used for gauging dividend paying ability of the banks, also stands at a comfortable level of 8.44% well above the regulatory requirement of 6.5%. The bank has maintained its position through selective lending and investments in lower risk weighted assets such as government papers.

With IFC equity investment of PKR 6.7bn, management expects CAR to increase from existing 11.5% to 13% by Dec-14 end.

Ratio	2013	2014	2015	2016	2017	2018	2019
Common Equity Tier 1	5.0%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Additional Tier 1	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Tier 1	6.5%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%
Total Capital	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Capital Conservation Buffer (CCB)	0.0%	0.0%	0.3%	0.7%	1.3%	1.9%	2.5%
Total Capital plus CCB	10.0%	10.0%	10.3%	10.7%	11.3%	11.9%	12.5%

Source: SBP

PT Sensitivity

Figure: A

	Terminal Value							
	5%	6%	7%	8%	9%	10%	11%	
RRR	13%	54.1	57.8	62.7	69.7	80.0	97.3	131.9
	14%	48.1	50.6	53.8	58.0	64.0	73.0	87.9
	15%	43.3	45.0	47.1	49.8	53.3	58.4	65.9
	16%	39.3	40.5	41.8	43.5	45.7	48.7	52.7
	17%	36.1	36.8	37.6	38.7	40.0	41.7	44.0
	18%	33.3	33.7	34.2	34.8	35.6	36.5	37.7

Source: Nael Research

Key Risks

Monetary Easing - With better inflation outlook (avg. inflation at 6.45% for Jul-Oct FY15) and stability in PKR exchange rate, we expect 50-100bps DR cut in next MPS. Monetary easing beyond 50bps in CY15 will be a downside risk to our valuation.

Fig: Interest rate sensitivity

CY15E	-100bps	-50bps	Base	+50bps	+100bps
	8.5%	9%	9.5%	10%	10.5%
EPS	3.73	4.46	5.18	5.90	6.63

Source: Nael Research

NPL accumulation - Although we do not expect loan growth to pick-up in medium term but with improved economic conditions we cannot outplay the chance. BAFL being an aggressive player would need to be cautious while expanding its loan book as asset quality can deteriorate due to NPL accumulation.

Increase in Cost to Income ratio - As the bank is in the expansionary phase, admin expenses are likely to remain on the higher side. We believe this risk can be mitigated through higher core income generation but any dent on core margins will increase cost-to-income ratio.

Political uncertainty - Volatile political situation along with economic downturn can have negative impact on banking sectors profitability.

Financials

Income Statement	CY12	CY13	CY14E	CY15E	CY16E	CY17E	CY18E
Interest Earned	46,080	43,961	53,944	60,139	65,411	70,645	76,639
Interest Expensed	27,500	27,066	32,381	34,757	37,159	39,608	43,096
Net Interest Income	18,580	16,895	21,563	25,382	28,252	31,037	33,542
Total Provisions	3,559	1,054	1,039	1,048	1,280	1,522	1,664
Net Interest Income after provisions	15,021	15,841	20,523	24,334	26,971	29,515	31,879
Non mark-up Income	7,281	8,279	8,643	9,810	10,824	12,065	13,599
Total Income	22,303	24,120	29,167	34,144	37,795	41,580	45,477
Total Expenses	15,519	17,313	20,484	23,485	25,833	27,905	30,143
Profit before Taxation	6,783	6,807	8,683	10,659	11,962	13,675	15,335
Total Tax	2,227	2,131	2,952	3,624	4,067	4,650	5,214
Profit after Taxation	4,556	4,676	5,731	7,035	7,895	9,026	10,121
Profit available for app.	9,834	-	-	-	-	-	-

Source: Company Accounts, Nael Research

Balance Sheet	CY12	CY13	CY14E	CY15E	CY16E	CY17E	CY18E
Cash & Balances	84,765	96,385	92,586	99,039	112,390	126,048	141,503
Lending to Fls	877	2,522	2,774	2,774	2,774	2,774	2,774
Investments	189,487	219,690	269,121	304,106	332,997	364,631	399,271
Advances-net	233,933	260,780	283,040	308,732	337,406	368,611	402,701
Fixed Assets	13,748	14,835	15,725	16,040	16,361	16,688	17,022
Deferred Tax Assets-net	486	1,204	1,048	1,048	1,048	1,048	1,048
other assets	13,273	15,198	24,346	24,589	24,835	25,084	25,335
Total Assets	536,568	610,614	688,640	756,329	827,812	904,883	989,653
Bills payable	8,431	9,543	14,967	14,967	14,967	14,967	14,967
Borrowings	21,228	23,115	24,271	25,484	26,759	28,097	29,501
Deposits	457,044	525,526	590,186	654,011	721,047	793,152	872,467
Subordinated loans	5,875	9,991	9,989	9,989	9,989	9,989	9,989
Other liabilities	13,931	10,537	14,153	14,153	14,153	14,153	14,153
Total Liabilities	506,509	578,713	653,566	718,604	786,914	860,357	941,077
Share Capital	13,492	13,492	13,492	13,492	13,492	13,492	13,492
Reserves/Retained earnings	12,010	14,774	17,846	20,496	23,669	27,298	31,347
Surplus/(deficit) on re-valuation of assets	4,558	3,636	3,737	3,737	3,737	3,737	3,737
Total Equity	30,059	31,902	35,074	37,725	40,897	45,526	48,576
Equity and Liabilities	536,568	610,614	688,640	756,329	827,812	904,883	989,653

Source: Company Accounts, Nael Research

Ratio Analysis	CY12	CY13	CY14E	CY15E	CY16E	CY17E	CY18E
EPS (PKR)	3.38	3.47	4.25	5.21	5.85	6.69	7.50
DPS (PKR)	2.00	2.00	2.50	3.00	3.50	3.75	4.25
BVPS (PKR)	22.3	23.7	26.0	28.2	30.6	33.5	36.8
BVPS (ex.surplus)	18.9	20.9	23.2	25.4	27.8	30.7	33.9
PE (x)	4.71	5.72	7.14	5.81	5.18	4.53	4.04
PBV (x)	0.71	0.84	1.17	1.07	0.99	0.90	0.82
Dividend Yield (%)	12.6	10.1	8.3	9.8	11.5	12.4	14.0
ROE (%)	16.3	15.1	17.1	19.2	19.9	20.9	21.4
ROE (ex.surplus) (%)	18.9	17.4	19.2	21.4	21.9	22.8	23.2
ROA (%)	0.91	0.82	0.88	0.97	1.00	1.04	1.07
NIMs (%)	4.42	3.49	3.96	4.21	4.25	4.27	4.22
Spreads (%)	6.25	5.16	4.98	4.93	4.94	4.95	4.94
Cost : Income (%)	60.0	68.8	67.8	66.7	66.1	64.7	63.9
Leverage	17.9	19.1	19.6	19.9	20.1	20.0	20.0
NPL/Gross Loan (%)	8.93	6.55	6.50	6.40	6.35	6.35	6.35
Coverage (NPLs) (%)	62.5	69.3	70.0	70.0	70.0	70.0	70.0

Source: Company Accounts, Nael Research

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