



# Corporate Briefing Session

## Financial Results - September 2019



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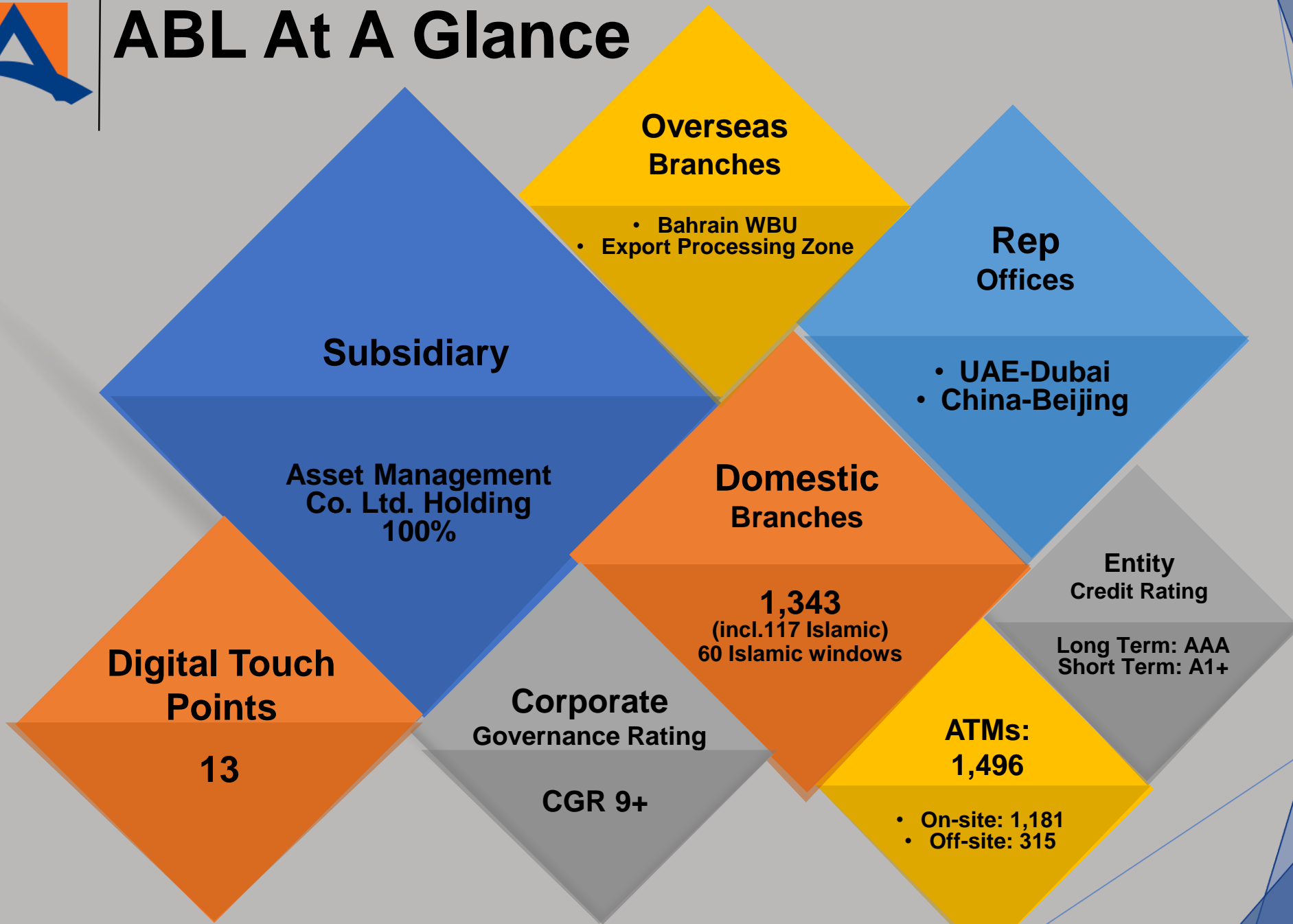
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# ABL Insight



# ABL At A Glance



# ABL Core Values & Strategic Objectives

## Innovation and Growth

Augmenting financial inclusion of unbanked population through innovative & diversified technologies, building customers' confidence through convenient delivery channels and product design.

## Excellence in Service

Continuous re-engineering of policies, procedure, SOPs, SLAs & TATs ensuring operational efficiencies through effective management

## High Performance

Enhancing Brand Image and creating shareholders' value through sustainable performance, while optimizing return against acceptable risk appetite.

## Integrity

Instilling a culture of ethics & responsibility among HR & becoming employer of choice for top professionals.

# Insight on ABL Business Groups

## Corporate & Investment Banking:

- Developing long term relationships to maintain corporate loan book
- Offering a wide range of investment banking solutions
- Maintaining Banks Capital market portfolio

## Commercial & Retail Banking:

- Undertaking all facets of liability business to expand Bank's deposit base
- Promote financing to SME and Agri based obligors in line with Banks risk appetite

## Digital Banking:

- Focused to shifting Bank's orientation towards the 'Digital Banking Age'.
- Striving to augment the digitized product suite to align with evolving virtual environment.

## Treasury:

- Providing optimal solutions to the customers including a wide array of FX spot, forward & discounting products.

## Islamic Banking :

- Offering diverse Shariah compliant services to better serve the niche Islamic Banking Market.

## Special Asset Management:

- Engaged in recovery against non-performing assets while being a focal point for remedial measures related to fraud.



# Key Operational Milestones

## Augmenting Financial Inclusion

- ✓ Launch of First ever Co-badged Debit and Prepaid cards in Pakistan.
- ✓ launched its first self-service branch for 24/7 banking.
- ✓ Collaboration with Avanza Premier Payment services to revamp online transactions.
- ✓ MyABL Upgradation and launch of MasterCard QR retail payments
- ✓ Bio-metric verification of active customers within timeline.
- ✓ Customer/Obligors awareness sessions

## Enhancing Brand Image & Shareholders Value

- ✓ Awarded “Best Bank of the Year 2018 – Large Banks” by CFA Institute.
- ✓ “Best Primary Dealer” by the State Bank of Pakistan
- ✓ ABL ROE=15%; above industry ROE of 13%.
- ✓ Highest acquirer ATM business; ATM uptime at 96.7%



# Key Operational Milestones

## Employer of Choice for top Professionals

- ✓ Recognized as “Best Place to Work 2019 – Financial Services” by the Pakistan Society of Human Resource Management.
- ✓ Trainings, Seminars & Workshops for employees.

## Operating Effectiveness

- ✓ Launched 3D Secure to enable Secure e-Commerce Transaction.
- ✓ Full week banking operations from Disaster Recovery site for robust banking operations
- ✓ Automation of approvals through system.
- ✓ Implementation of Robotics Process Automation for improved service delivery

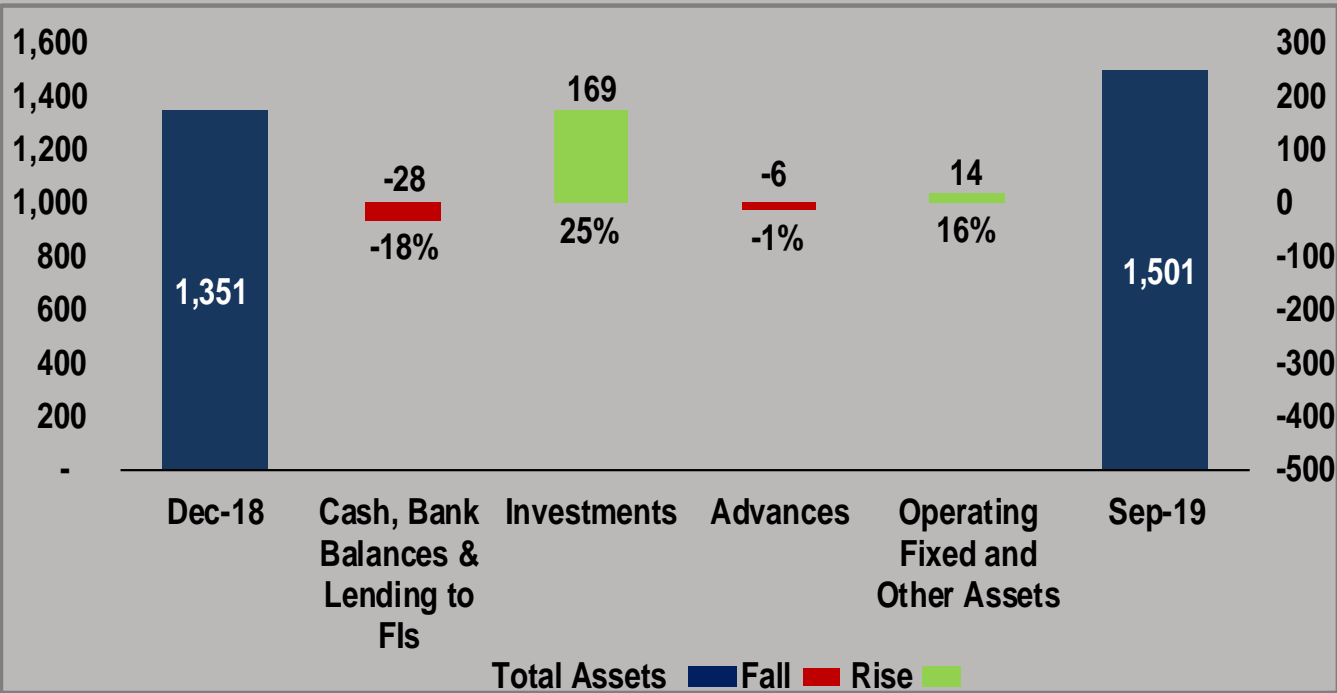




# Financial Highlights

# Major Highlights Balance sheet (Assets)

(Rs. in Billion)



Total Assets Rs. 1,501 Billion (Increase by 11%); Total Industry Assets increased by 10%

Net Advances stood at Rs. 432 Billion, decrease by 1% on account of slowdown in SME sector and seasonal adjustment of agriculture portfolio.

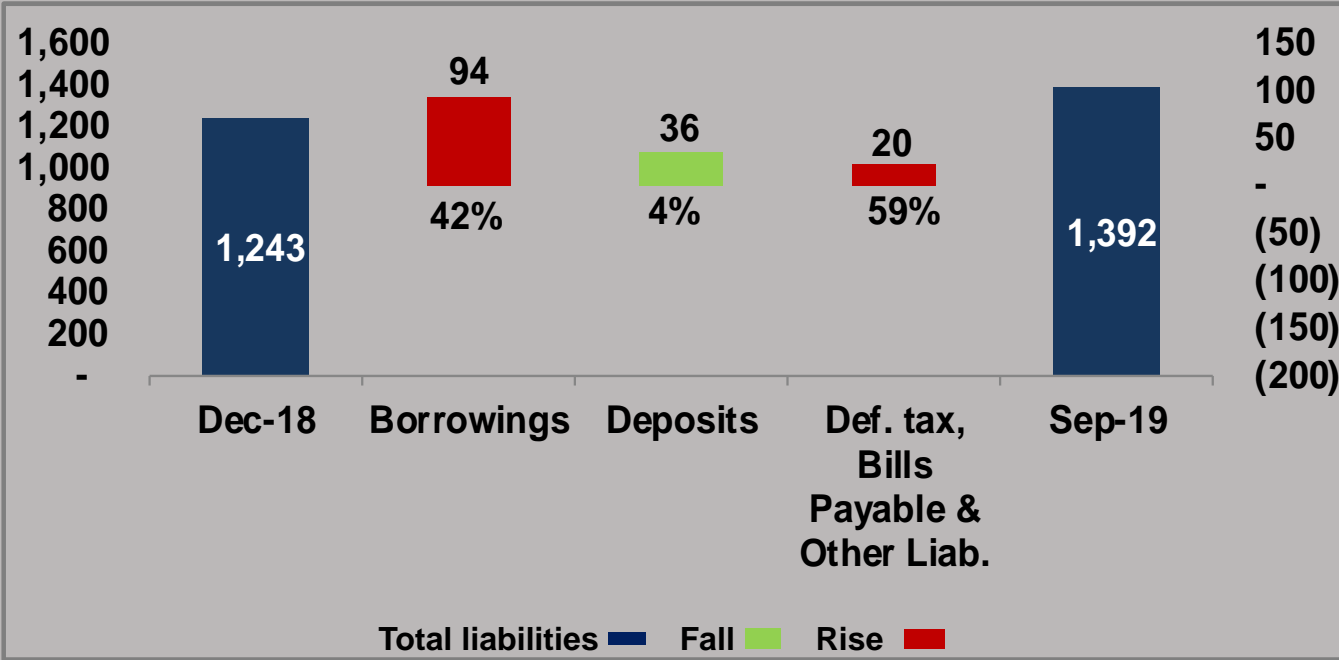
Operating fixed and Other assets increased by 17%; initial adoption of IFRS-16 (Leases); Right of Use (RoU) assets stood at Rs. 8.1 Billion

Re-profiling of investments in anticipation of peaking interest rates; PIB's contribution to total investment mix increased to 15%.

Particulars	Sep' 19	Dec'18	ABL Growth	Industry Growth
Cash, Bank Balance & Lending to FI	128	156	-18%	-2%
Investments	840	671	25%	22%
Advances - Net	432	438	-1%	1%
Operating fixed & other assets	100	86	17%	14%
<b>Total Assets</b>	<b>1,501</b>	<b>1,351</b>	<b>11%</b>	<b>10%</b>

# Major Highlights Balance sheet (Liabilities)

(Rs. in Billion)



Total Liabilities Rs. 1,392 Billion (increased by 12%); Total Industry Liabilities increased by 10%

- Deposits aggregated to reach Rs 1,020 billion; Growth of 4% from Dec-18 level. CASA Sep'19: 81% (Dec'18: 82%).
- Current Deposits grew by 5% against December 2018 to close at Rs. 382,869 million (38% of Total Deposits mix)

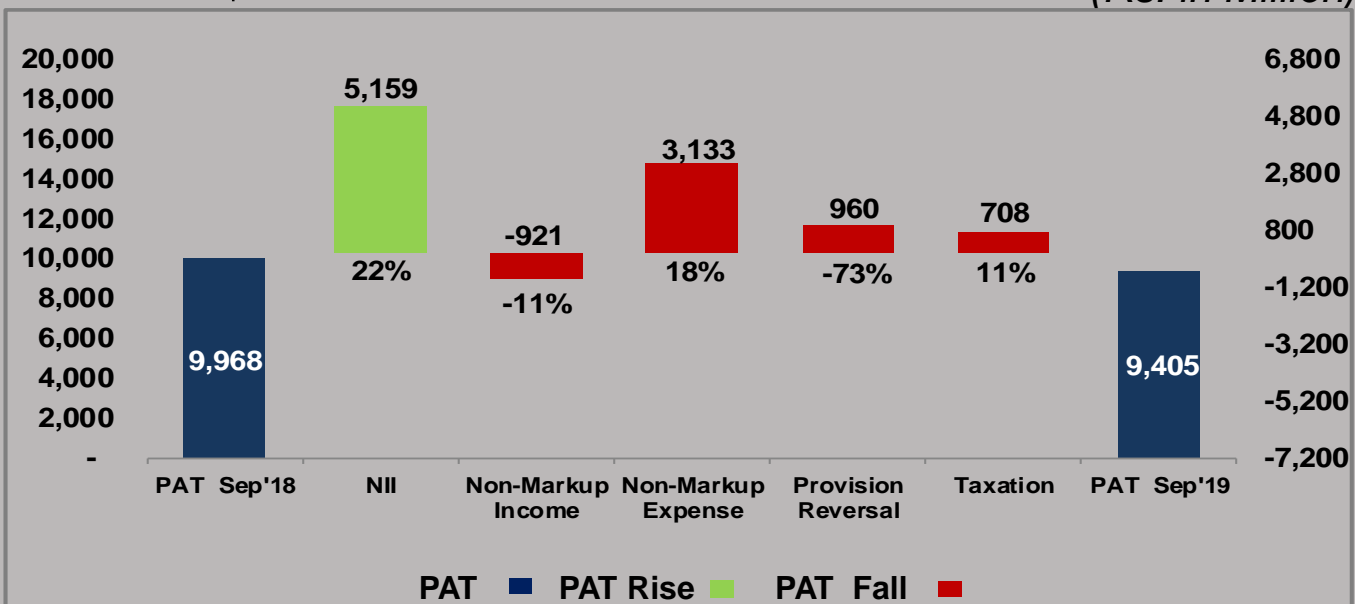
- Total Equity at Rs.108 billion (US\$ 636 Million).
- CAR: 22.9% as at September 2019; Industry CAR Sep'19 :16.7%

Particulars	Sep' 19	Dec'18	ABL Growth	Industry Growth
Borrowings	320	226	42%	32%
Deposits & Other Accounts	1,020	984	4%	5%
Def Tax, Bills Payable & Other Liab.	52	33	59%	26%
<b>Total Liabilities</b>	<b>1,392</b>	<b>1,243</b>	<b>12%</b>	<b>10%</b>

# Major Highlights Income Statement



(Rs. in Million)



- Growth in Net Interest Income by 22% despite duration management in steeply rising interest scenario.
- Fee & Commission income increased by 15%; Foreign Exchange Income increased by 53%
- Capital Gain of Rs. 552 million recognized against fixed income securities; Active market participation as primary dealer.
- Increase in non-markup expense curtailed to 18% despite additional deposit protection charge, network expansion impact, digital transformation and inflationary pressures.
- Reversal against NPL vide effective risk management in high interest rate scenario; amounted to Rs. 356 million.
- Super Tax charge for the year aggregated to Rs. 1,542 million (including charge of Rs. 835 million for Tax Year 2018).
- Profit before prior year super tax reached Rs. 10,240 million, growth of 3%. Profit After Tax decline restricted to 6% from 21% in March, 2019

Particulars	Sep' 19	Sep'18	YoY
Interest Income	86,985	53,213	63%
Interest Expense	58,204	29,592	97%
Net Interest Income (NII)	28,780	23,621	22%
Non Markup Income	7,820	8,742	-11%
Gross Income	36,601	32,363	13%
Non Markup Expense	20,402	17,269	18%
Profit Before Provisions	16,199	15,094	7%
Provision Reversal	(356)	(1,316)	-73%
Profit Before Taxation	16,555	16,410	1%
Taxation	7,150	6,442	11%
Profit After Taxation	9,405	9,968	-6%
EPS	8.2	8.7	-6%

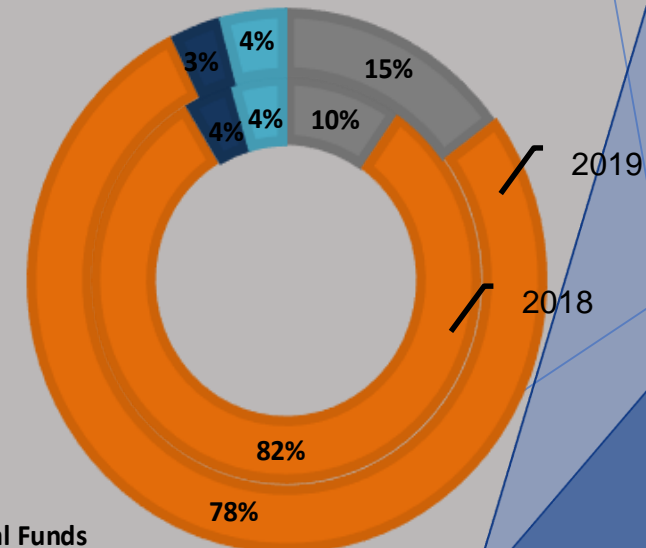
# Investments

(Rs. in Million)

Investments	Sep' 19	Dec'18	Var.	Growth
Pakistan Investment Bonds	124,602	64,695	59,907	93%
Market Treasury Bills	651,720	543,455	108,265	20%
Listed and Unlisted Shares	26,806	26,428	378	1%
TFCs, Bonds, Sukuks and Mutual Funds	34,957	30,826	4,130	13%
Subsidiary	500	500	-	0%
<b>Investments at Cost</b>	<b>838,585</b>	<b>665,905</b>	<b>172,680</b>	<b>26%</b>
Prov. for dimin. in value of investments	(2,530)	(2,655)	125	-5%
Surplus on Revaluation	4,318	7,978	(3,660)	-46%
<b>Investments at Carrying Value</b>	<b>840,373</b>	<b>671,228</b>	<b>169,145</b>	<b>25%</b>

Investments	Sep' 19	Dec'18
<b>Surplus / (Deficit) on revaluation of securities</b>	<b>4,318</b>	<b>7,978</b>
Pakistan Investment Bonds	(452)	(1,397)
Market Treasury Bills	107	(22)
Listed and Unlisted Shares	4,256	9,572
TFCs, Bonds, Sukuks and Mutual Funds	407	(175)

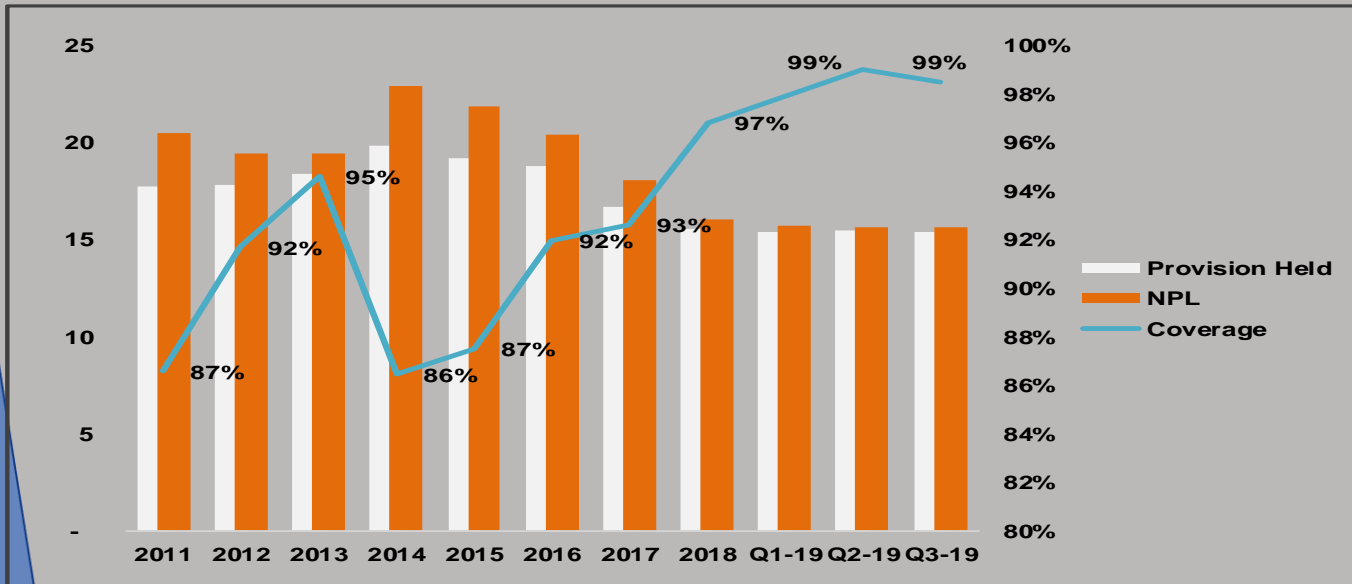
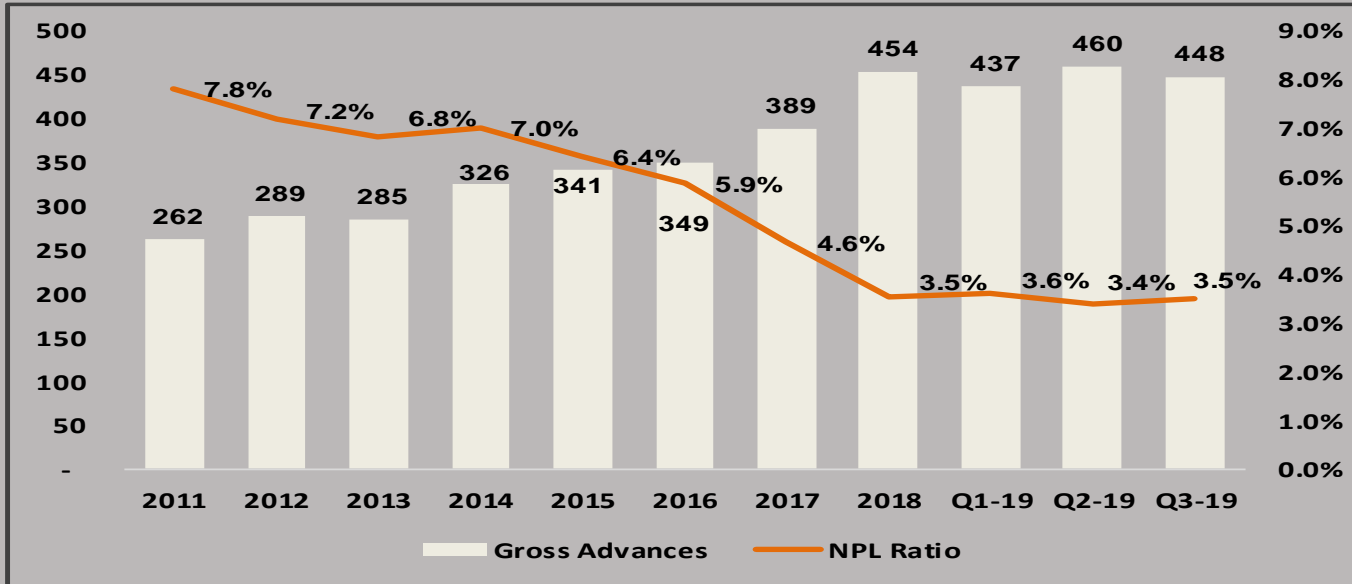
- Pakistan Investment Bonds
- Market Treasury Bills
- Listed and Unlisted Shares
- TFCs, Bonds, Sukuks and Mutual Funds





# Advances & Asset Quality

(Rs. in Billion)



Gross Advances reached Rs. 448 bln (1.3%↓) (Industry Growth 1.2%)

Gross ADR ratio reached 44% (Industry ADR 53%); Avg ADR at 47%

NPLs at 15.6 Billion (2.8%↓)

NPL Ratio 3.5% (0.05%↓); Industry Sep'19: 8.2%

NPL Coverage 98.5% (1.8% ↑); Industry Sep'19: 84.4%

Power, Agriculture, Textile, Cement, Chemical & Transport remained key sectors.

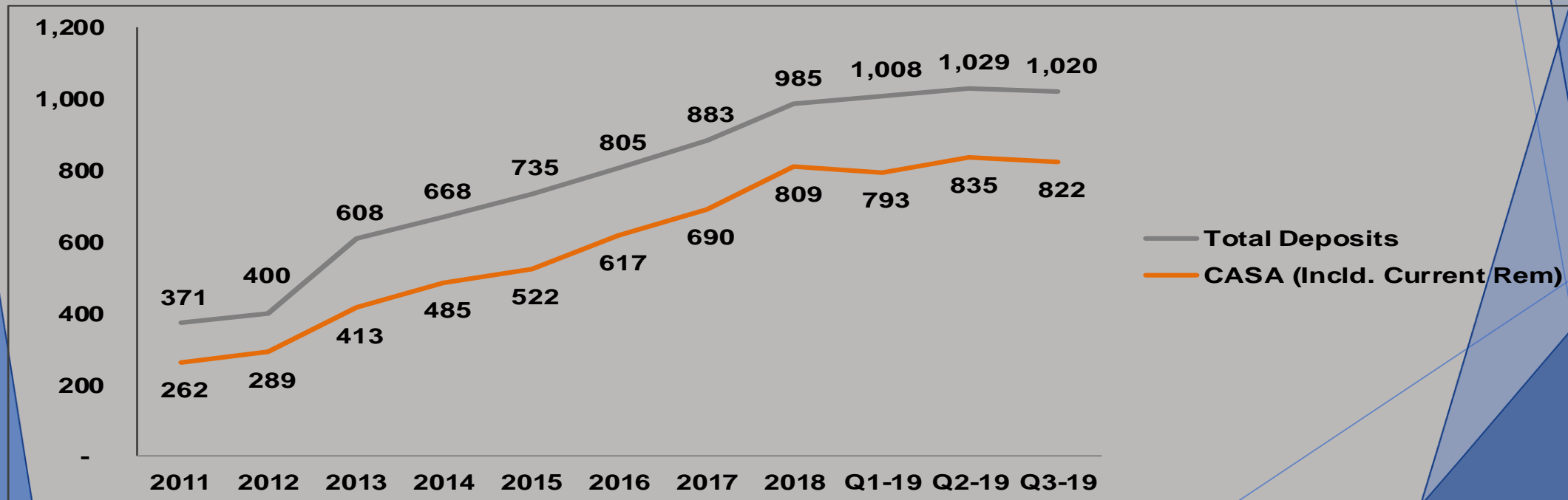
# Deposits

(Rs. in Billion)

Particulars	Sep' 19	Dec'18	Var (%)
Current	383	364	5%
Saving	439	445	-1%
Term	198	176	13%
<b>Total Deposits</b>	<b>1,020</b>	<b>985</b>	<b>4%</b>

**Market Share: 7.3%**

**Industry Growth: 5.0%**



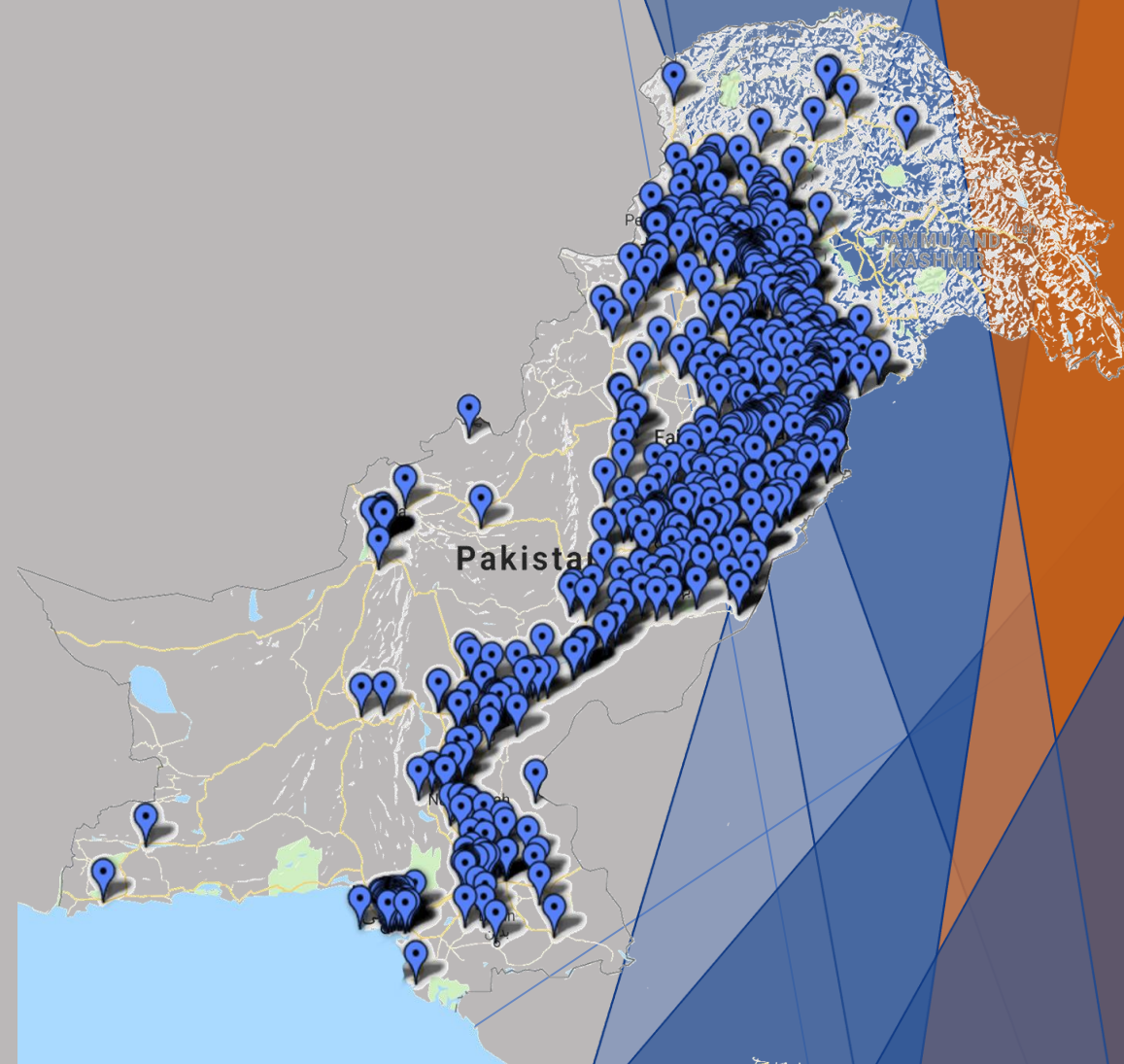




# Key Ratios & Channels

Key Ratios	ABL		Industry
	Sep'19	Dec'18	Sep' 19
ROA (%)	1%	1%	1%
ROE (Tier I) (%)	15%	16%	12%
Capital Adequacy Ratio (%)	23%	22%	17%

Channels	Sep' 19	Dec' 18	Growth
<b>Total Branches</b>	<b>1,345</b>	<b>1,345</b>	<b>-</b>
Conventional	1,228	1,228	-
Islamic	117	117	-
<b>Total ATMs</b>	<b>1,496</b>	<b>1,388</b>	<b>108</b>
On-site	1,181	1,083	98
Off-site	315	305	10
ATM Network Uptime (%)	96%	96%	-
<b>Islamic Windows</b>	<b>60</b>	<b>10</b>	<b>50</b>







# Stock Market Data

Pakistan Stock Exchange Code: ABL

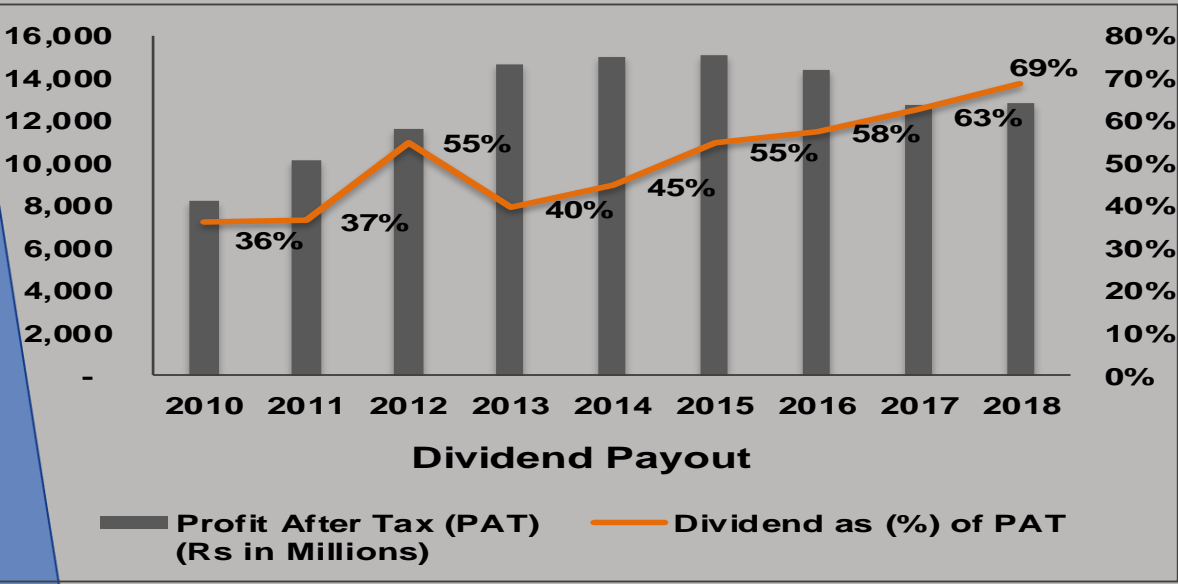
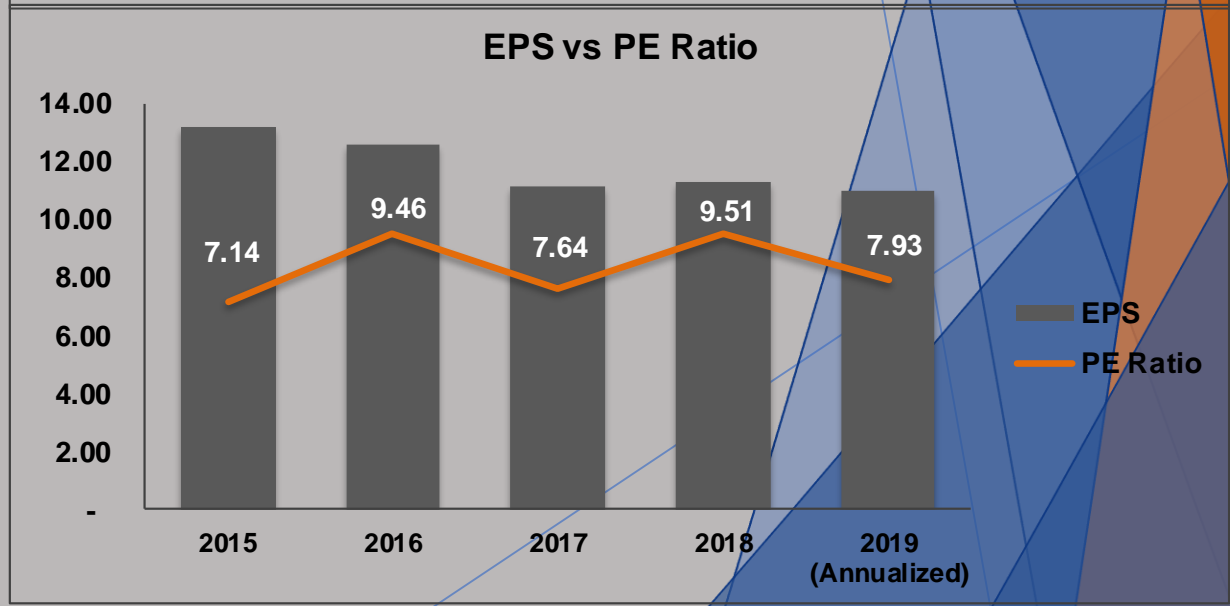
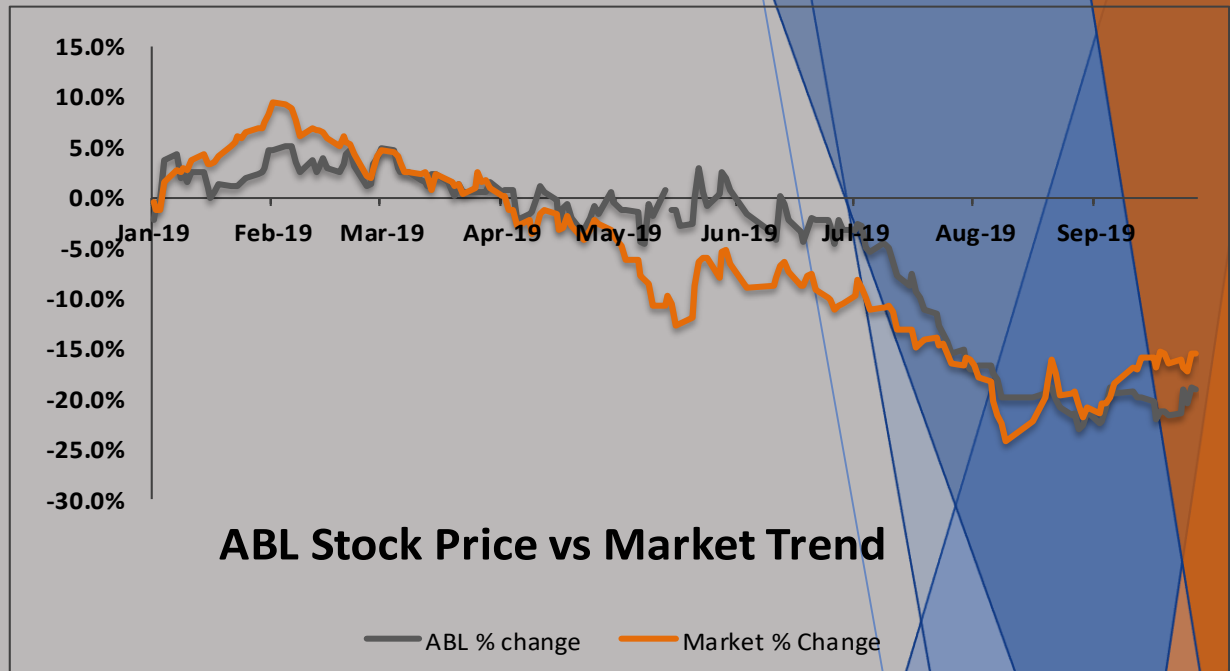
Bloomberg Code: ABL PA

Shares Outstanding (mln): 1,145.07

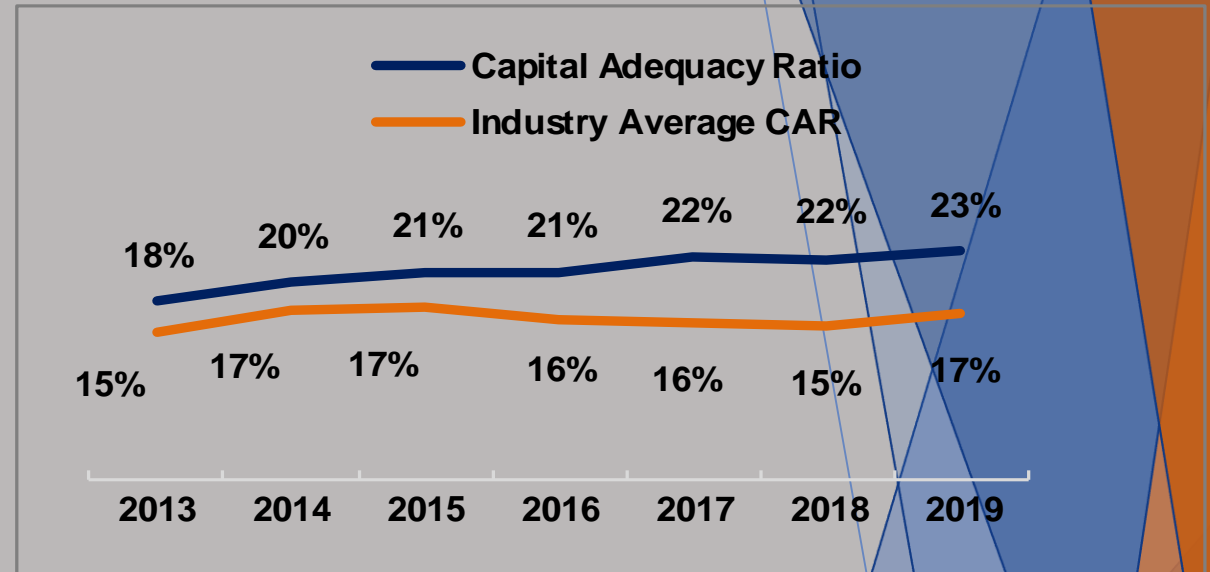
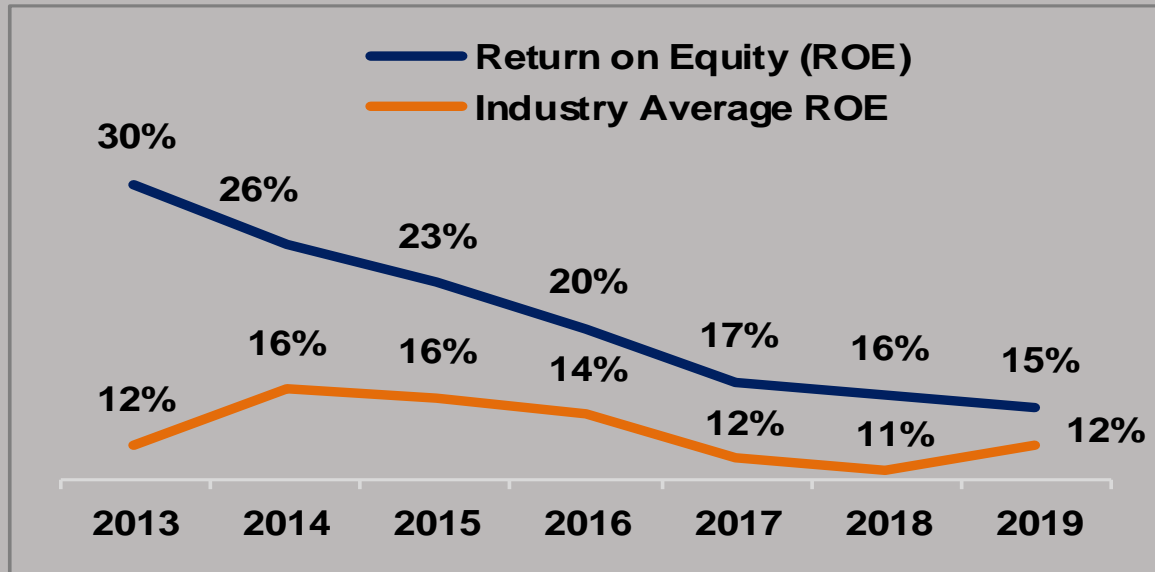
Market Capitalization (Rs. bln): 99.36

Stock Price as at Sep 30: Rs. 86.77

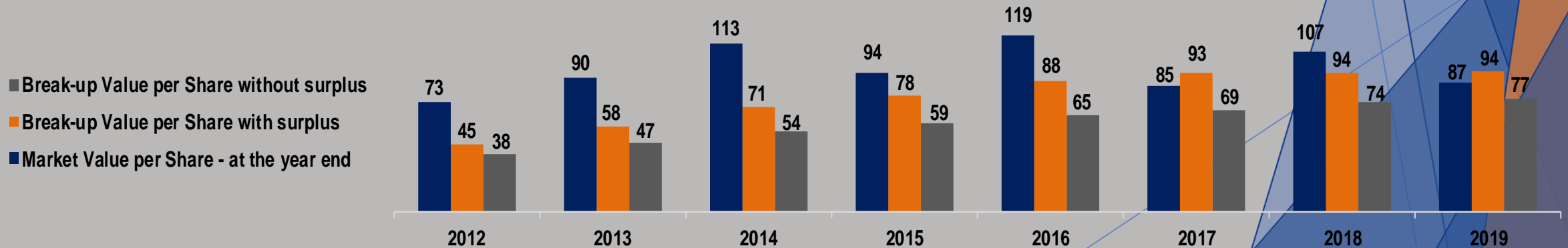
Year High/Low: 112.81/85.15



# Value Creation for Shareholders



## Breakup Value vs Market Price in Rs.





# Awards & Achievements

1

**CFA Society Pakistan – Best Bank of the Year 2018 – Large size Bank**



2

**Best Primary Dealer – SBP 2018-19**



3

**Best Place to Work in Financial Services 2019-PSHRM**



4

**Top Issuer of PayPak Debit Cards by 1-Link**



5

**SAFA-Certificate of Merit Corporate Governance Disclosure**



6

**Certificate of Excellence 2019 - Management Association of Pakistan**



7

**Best Corporate Report 2018 Awards by ICAP/ICMAP - 2nd Position**





# Corporate Governance & Ratings

## Entity Rating

### PACRA

- AAA (Long Term)
- A1+ (Short Term)
- A very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments & not being significantly vulnerable to foreseeable events

## Corporate Governance Rating

### JCR-VIS

- CGR-9+
- Very high level of corporate governance; the rating action takes into consideration the continued commitment of the board & management of the Bank to maintain a sound governance framework.

## Deposits

### Moody's

- B3
- Rating reflects bank's stable deposits-based funding profile, high liquidity buffer & good earnings generating capacity. Outlook stable, constrained by the stable outlook on the sovereign rating.



# Annexures

# Statement of Financial Position : Standalone

Annexure - A

ASSETS	Rs. in Million			US\$ in Million			Growth
	Sep' 19	Dec'18	Var.	Sep' 19	Dec'18	Var.	
Cash and Balances with Banks	98,220	101,763	(3,543)	628	651	(23)	-3%
Lending to FIs	29,396	53,786	(24,389)	188	344	(156)	-45%
Investments	840,373	671,228	169,145	5,377	4,294	1,082	25%
Advances - net	432,379	438,319	(5,940)	2,766	2,804	(38)	-1%
Fixed Assets	62,581	52,128	10,453	400	334	67	20%
Other Assets	37,570	33,382	4,188	240	214	27	13%
<b>TOTAL ASSETS</b>	<b>1,500,518</b>	<b>1,350,606</b>	<b>149,913</b>	<b>9,600</b>	<b>8,641</b>	<b>959</b>	<b>11%</b>
<b>LIABILITIES</b>							
Deposits	1,020,200	984,475	35,725	6,527	6,299	229	4%
Borrowings	319,760	225,883	93,877	2,046	1,445	601	42%
Bills Payable	6,802	7,753	(951)	44	50	(6)	-12%
Other Liabilities	45,650	25,190	20,460	292	161	131	81%
<b>TOTAL LIABILITIES</b>	<b>1,392,412</b>	<b>1,243,301</b>	<b>149,111</b>	<b>8,909</b>	<b>7,955</b>	<b>954</b>	<b>12%</b>
<b>NET ASSETS</b>	<b>108,106</b>	<b>107,305</b>	<b>801</b>	<b>692</b>	<b>687</b>	<b>5</b>	<b>1%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	73	73	-	0%
Reserves	76,209	72,777	3,432	488	466	22	5%
Equity Tier I	87,660	84,228	3,432	561	539	22	4%
Equity Tier II	108,106	107,305	802	692	687	5	1%

# Statement of Financial Position : Consolidated

Annexure - B

ASSETS	Rs. in Million			US\$ in Million			Growth
	Sep' 19	Dec'18	Var.	Sep' 19	Dec'18	Var.	
Cash and Balances with Banks	98,220	101,753	(3,533)	628	651	(23)	-3%
Lending to Fis	29,396	53,786	(24,389)	188	344	(156)	-45%
Investments	841,973	672,587	169,386	5,387	4,303	1,084	25%
Advances - net	432,414	438,358	(5,944)	2,767	2,805	(38)	-1%
Operating fixed assets	62,693	52,156	10,537	401	334	67	20%
Other Assets	37,923	33,751	4,172	243	216	27	12%
<b>TOTAL ASSETS</b>	<b>1,502,619</b>	<b>1,352,390</b>	<b>150,229</b>	<b>9,614</b>	<b>8,653</b>	<b>961</b>	<b>11%</b>
<b>LIABILITIES</b>							
Deposits	1,020,188	984,463	35,725	6,527	6,299	229	4%
Borrowings	319,760	225,883	93,877	2,046	1,445	601	42%
Bills Payable	6,802	7,753	(951)	44	50	(6)	-12%
Other Liabilities	46,047	25,502	20,545	295	163	131	81%
<b>TOTAL LIABILITIES</b>	<b>1,392,796</b>	<b>1,243,601</b>	<b>149,196</b>	<b>8,911</b>	<b>7,957</b>	<b>955</b>	<b>12%</b>
<b>NET ASSETS</b>	<b>109,823</b>	<b>108,790</b>	<b>1,034</b>	<b>703</b>	<b>696</b>	<b>7</b>	<b>1%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	73	73	-	0%
Reserves	77,926	74,262	3,664	499	475	23	5%
Equity Tier I	89,376	85,713	3,664	572	548	23	4%
Equity Tier II	109,823	108,790	1,033	703	696	7	1%



# Income Statement : Standalone

Annexure - C

Particulars	Rs. in Million			US\$ in Million			Growth
	Sep' 19	Sep'18	Var.	Sep' 19	Sep'18	Var.	
Mark-up/ interest Income	86,985	53,213	33,772	557	340	216	63%
Mark-up/ interest Expensed	58,204	29,592	28,612	372	189	183	97%
<b>Net Mark-up/ interest Income</b>	<b>28,780</b>	<b>23,621</b>	<b>5,159</b>	<b>184</b>	<b>151</b>	<b>33</b>	<b>22%</b>
Capital Gain & Dividend	2,181	4,260	(2,079)	14	27	(13)	-49%
Fee based Income & Others	5,640	4,482	1,158	36	29	7	26%
<b>Non Mark-up/ Interest Income</b>	<b>7,820</b>	<b>8,742</b>	<b>(922)</b>	<b>50</b>	<b>56</b>	<b>(6)</b>	<b>-11%</b>
<b>Gross Income</b>	<b>36,601</b>	<b>32,363</b>	<b>4,238</b>	<b>234</b>	<b>207</b>	<b>27</b>	<b>13%</b>
Human Resource Cost	9,437	8,512	925	60	54	6	11%
Other Operating Cost	10,965	8,757	2,208	70	56	14	25%
<b>Total Operating Cost</b>	<b>20,402</b>	<b>17,269</b>	<b>3,133</b>	<b>131</b>	<b>110</b>	<b>20</b>	<b>18%</b>
<b>Operating Profit/(Loss)</b>	<b>16,199</b>	<b>15,094</b>	<b>1,105</b>	<b>104</b>	<b>97</b>	<b>7</b>	<b>7%</b>
Total Provisions	(356)	(1,316)	960	(2)	(8)	6	-73%
<b>Profit Before Tax</b>	<b>16,555</b>	<b>16,410</b>	<b>145</b>	<b>106</b>	<b>105</b>	<b>1</b>	<b>1%</b>
Taxation-Current	6,315	6,442	(127)	40	41	(1)	-2%
<b>Profit Before Prior Year Super Tax</b>	<b>10,240</b>	<b>9,968</b>	<b>272</b>	<b>66</b>	<b>64</b>	<b>2</b>	<b>3%</b>
Super Tax Prior Year	835	-	835	5	-	5	100%
<b>Profit After Tax</b>	<b>9,405</b>	<b>9,968</b>	<b>(563)</b>	<b>60</b>	<b>64</b>	<b>(4)</b>	<b>-6%</b>



# Income Statement : Consolidated

Annexure - D

Particulars	Rs. in Million			US\$ in Million			Growth
	Sep' 19	Sep'18	Var.	Sep' 19	Sep'18	Var.	
Mark-up/ interest Income	86,986	53,214	33,772	557	340	216	63%
Mark-up/ interest Expensed	58,207	29,591	28,616	372	189	183	97%
<b>Net Mark-up/ interest Income</b>	<b>28,779</b>	<b>23,623</b>	<b>5,156</b>	<b>184</b>	<b>151</b>	<b>33</b>	<b>22%</b>
Capital Gain & Dividend	2,316	4,279	(1,963)	15	27	(13)	-46%
Fee based Income & Others	6,073	4,943	1,130	39	32	7	23%
<b>Non Mark-up/ Interest Income</b>	<b>8,389</b>	<b>9,222</b>	<b>(833)</b>	<b>54</b>	<b>59</b>	<b>(5)</b>	<b>-9%</b>
<b>Gross Income</b>	<b>37,168</b>	<b>32,845</b>	<b>4,323</b>	<b>238</b>	<b>210</b>	<b>28</b>	<b>13%</b>
Human Resource Cost	9,644	8,696	947	62	56	6	11%
Other Operating Cost	11,034	8,862	2,171	71	57	14	25%
<b>Total Operating Cost</b>	<b>20,678</b>	<b>17,558</b>	<b>3,120</b>	<b>132</b>	<b>112</b>	<b>20</b>	<b>18%</b>
<b>Operating Profit/(Loss)</b>	<b>16,490</b>	<b>15,288</b>	<b>1,202</b>	<b>106</b>	<b>98</b>	<b>8</b>	<b>8%</b>
Total Provisions	(356)	(1,316)	960	(2)	(8)	6	-73%
<b>Profit Before Tax</b>	<b>16,846</b>	<b>16,604</b>	<b>242</b>	<b>108</b>	<b>106</b>	<b>2</b>	<b>1%</b>
Taxation - Current	6,374	6,496	(121)	41	42	(1)	-2%
<b>Profit Before Prior Year Super Tax</b>	<b>10,472</b>	<b>10,108</b>	<b>364</b>	<b>67</b>	<b>65</b>	<b>2</b>	<b>4%</b>
Super Tax Prior Year	835	-	835	5	-	5	100%
<b>Profit After Tax</b>	<b>9,637</b>	<b>10,108</b>	<b>(471)</b>	<b>62</b>	<b>65</b>	<b>(3)</b>	<b>-5%</b>



# Question & Answer Session



# Disclaimer

**The information being presented herein is solely for your information.**

**Except for the historical information, statements that describe the Bank's objectives, plans or goals discussed in Investor Conference Call 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.**



 Allied Bank

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