



# **ALLIED BANK LIMITED**

**Corporate Briefing Session– September 2020**

**Financial Results**

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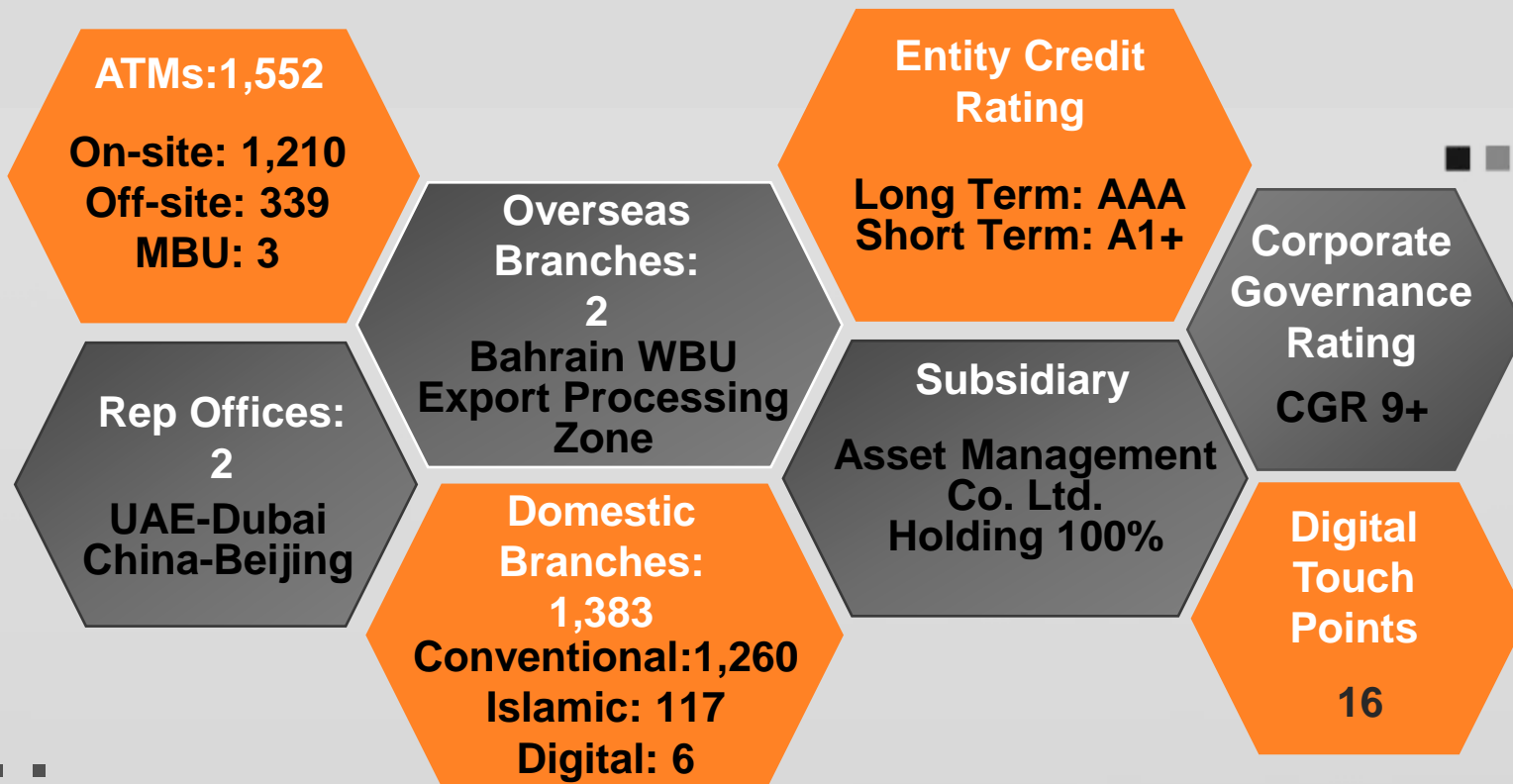
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# ABL at Glance





# 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, Standard Operating Procedures, Service Level Agreements & Turn Around Times 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 Human Resource & 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

- ✓ Launched Branchless Banking
- ✓ Pioneered the launch of NIFT e-Pay
- ✓ Successfully launched myABL Wallet.
- ✓ Launched Visa contactless debit cards also known as NFC cards to facilitate customers with contactless payment technology.
- ✓ Launched Allied Basic Debit Card for illiterate customers.
- ✓ Opened all variants of Allied Assan Accounts vide self service kiosk (SSK) in top 100 branches.

## Enhancing Brand Image & Shareholders Value

- ✓ Stable Dividend stream and increasing Equity
- ✓ Highest acquirer ATM business; ATM uptime at 96%
- ✓ Best Bank of the Year – Finance Asia Country Awards 2020
- ✓ Best Bank of the Year 2019 – Runner up - Large Banks by CFA Society

# Key Operational Milestones

## Employer of Choice for top Professionals

- ✓ e-Learning application for staff training and development
- ✓ Implemented SOP's for the safety of the employees and also provided Work from Home facility to implement social distancing.
- ✓ Enhanced medical care against the COVID-19

## Operating Effectiveness

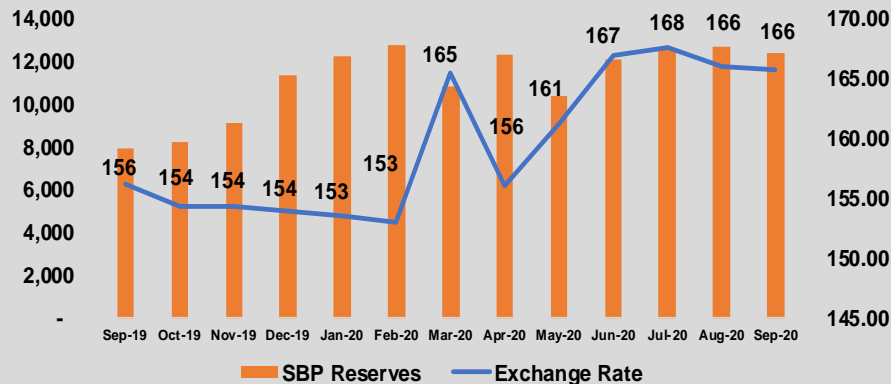
- ✓ Oracle big data platform has been initiated, wherein an enterprise wide “Data Lake” is being built with machine learning capabilities
- ✓ Launched country's first voice-assisted banking facility using “Siri”
- ✓ Bank has rolled out “Customer 360” view” for branches.
- ✓ Invoked Business Continuity Plan, adopted social distancing measures and work from home to ensure availability of round the clock, seamless and uninterrupted financial services during pandemic
- ✓ Bank ensured payment of Rs. 20 billion worth of salary and pension funds during the first 10 days of lockdown.
- ✓ Electronic Queue Management System Integration with core banking software
- ✓ Implementation of “Universal Banker” in additional 150 branches



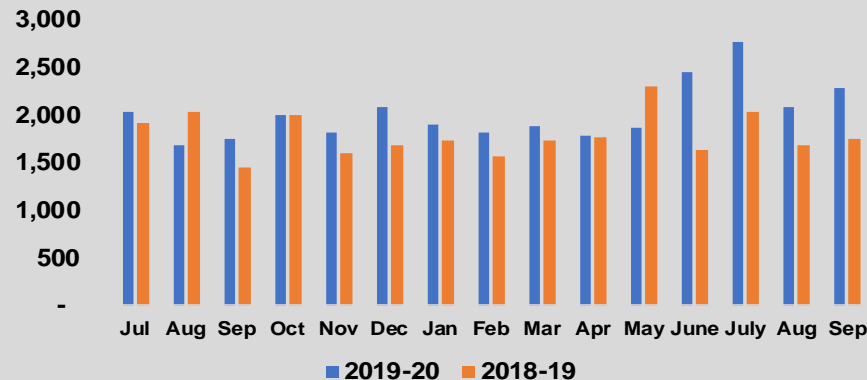
# Economic Highlights

\*(US\$ Millions)

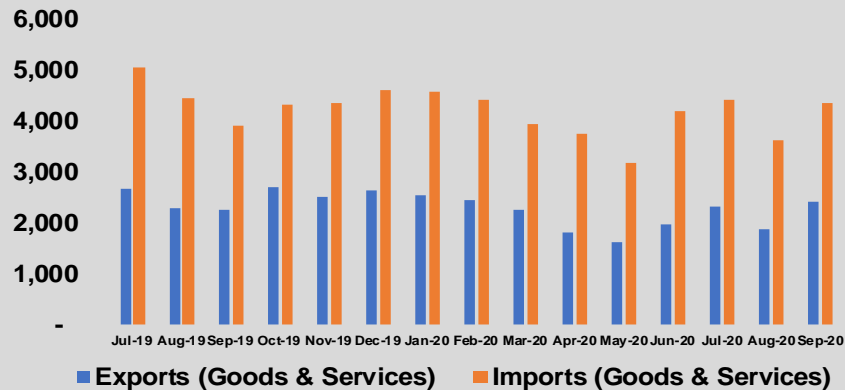
### SBP Reserves\* and Exchange Rate



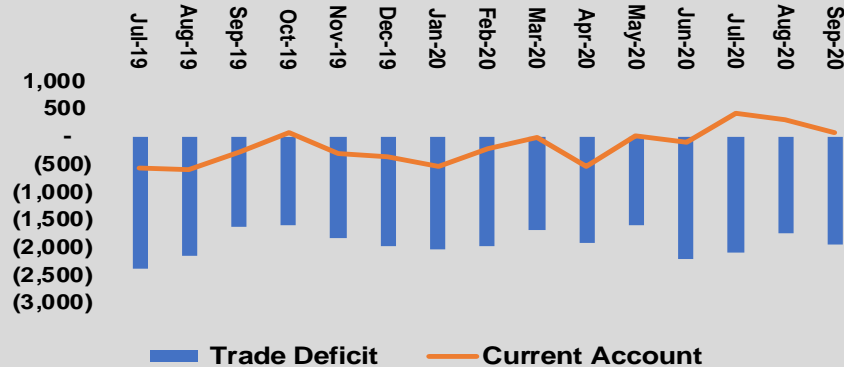
### Workers Remittances- US\$ Million



### Export & Import- US\$ Million



### Trade Deficit & Current Account - US\$ Million

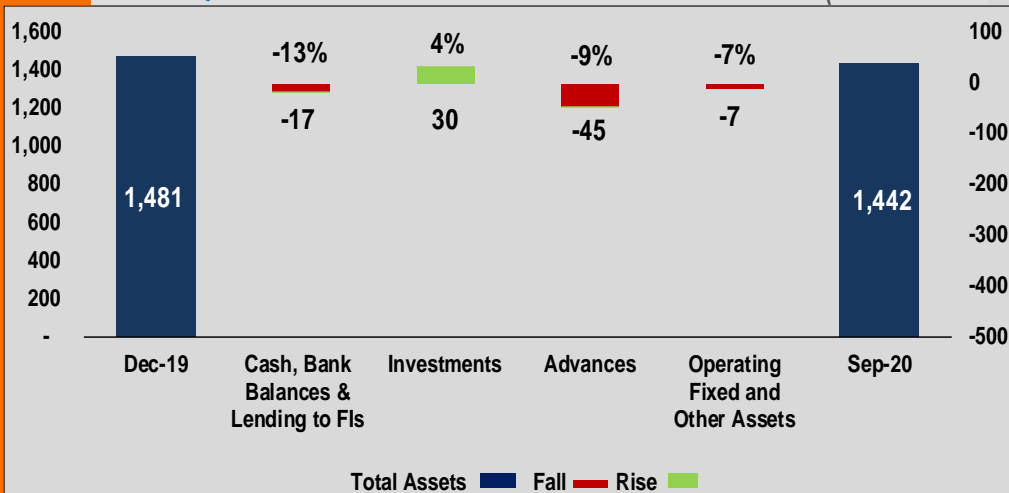






# Highlights Financial Position (Assets)

(Rs. in Billion)



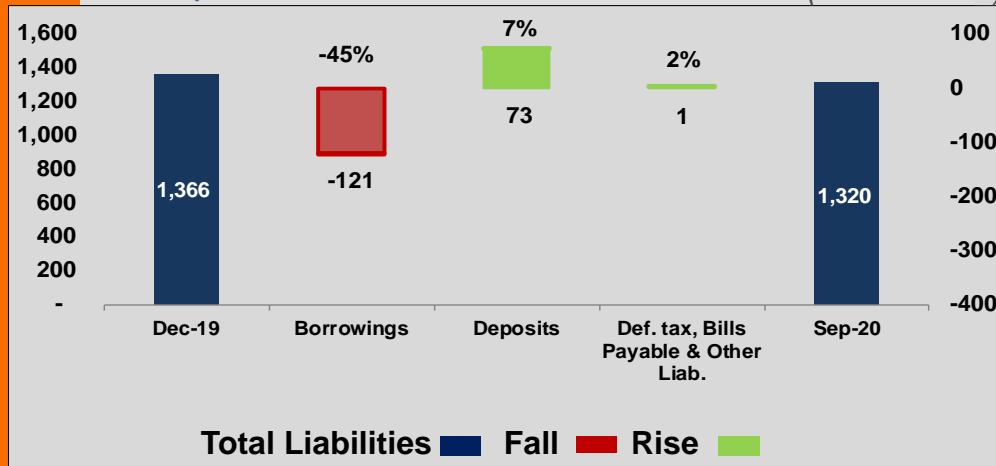
- Total Assets stood at Rs. 1,442 Billion (decreasing by 3%).
- Investment portfolio optimized due to evolving yield curve and capital market expectations amidst economic recovery post Covid-19 outbreak.
- Total Investments thereby reached Rs. 788 billion (Increasing by 4% compared to an industry growth of 25%)
- Net Advances stood at Rs. 440 Billion (decreasing by 9% compared to an industry decline of 2%)

Particulars	Sep' 20	Dec'19	ABL Growth	Industry Growth
Cash, Bank Balance & Lending to FI	117	134	-13%	1%
Investments	788	758	4%	25%
Advances - Net	440	485	-9%	-2%
Operating fixed & other assets	97	104	-7%	2%
<b>Total Assets</b>	<b>1,442</b>	<b>1,481</b>	<b>-3%</b>	<b>11%</b>



# Highlights Financial Position (Liabilities)

(Rs. in Billion)



- Total Liabilities stood at Rs. 1,320 Billion (decreased by 3%)

- CASA Sep'20 improved to: 86.3% (Dec'19: 82.8%).
- Deposits aggregated to reach Rs. 1,122 billion; increase of 7%.

- Total Equity stood at Rs.122 billion (US\$ 737 Million); Increased by 6% (Dec: Rs.115 billion)

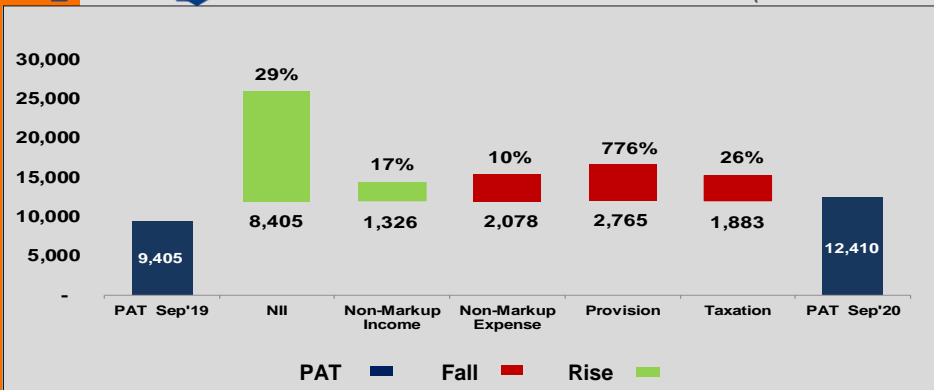
- CAR: 27.07%; as at Sep 30, 2020 (Dec 19: 22%); Industry CAR Sep'20 :19.3%

Particulars	Sep'20	Dec'19	ABL Growth	Industry Growth
Borrowings	146	266	-45%	1%
Deposits & Other Accounts	1,122	1,049	7%	13%
Def Tax, Bills Payable & Other Liab.	51	50	2%	3%
<b>Total Liabilities</b>	<b>1,320</b>	<b>1,366</b>	<b>-3%</b>	<b>10%</b>



# Highlights Income Statement

(Rs. in Million)



- Rate variance along with volumetric growth in earning assets and effective duration management facilitated growth of 29% in Net Interest Income.
- Fee & Commission and Capital Gains increased by 10% and 2.3 times respectively.
- Non-markup income increased by 17%; Rs. 9,146 million.
- Administrative cost growth restricted to 10% despite investment in human resource, significant increase in regulatory & FATF related compliance costs and cost of doing business.

Particulars	Sep' 20	Sep'19	Growth
Interest Income	86,630	86,985	0%
Interest Expense	49,445	58,204	-15%
<b>Net Interest Income (NII)</b>	<b>37,185</b>	<b>28,780</b>	<b>29%</b>
Non Markup Income	9,146	7,820	17%
<b>Gross Income</b>	<b>46,331</b>	<b>36,601</b>	<b>27%</b>
Non Markup Expense	22,479	20,402	10%
<b>Profit Before Provisions</b>	<b>23,852</b>	<b>16,199</b>	<b>47%</b>
Provision Charge/ (Reversal)	2,408	(356)	7.8 times
<b>Profit Before Taxation</b>	<b>21,443</b>	<b>16,555</b>	<b>30%</b>
Current Year Taxation	9,034	6,315	43%
<b>Profit After Current Taxation</b>	<b>12,410</b>	<b>10,239</b>	<b>21%</b>
Prior Year Super Tax	-	835	100%
<b>Profit After Taxation</b>	<b>12,410</b>	<b>9,405</b>	<b>32%</b>
<b>EPS</b>	<b>10.84</b>	<b>8.21</b>	<b>32%</b>

Alleviated downside risks amidst COVID-19 outbreak led to recognition of:

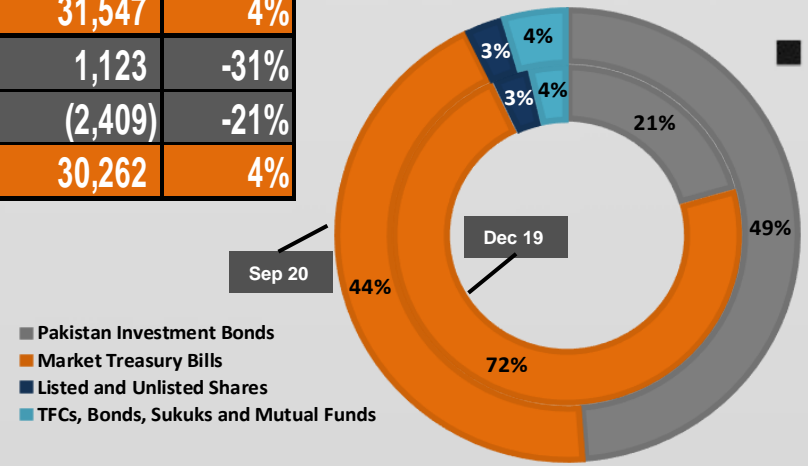
- General provisioning charge of Rs. 1,311 million against performing credit portfolio; and
- Net charge of Rs. 589 million for diminution in value of equity securities; and
- Profit after tax increased by 32%; EPS Increased to Rs. 10.84 per share

# A Investments

(Rs. in Million)

Investments	Sep' 20	Dec'19	Var.	Growth
Pakistan Investment Bonds	381,361	154,349	227,012	1.5 Times
Market Treasury Bills	343,401	542,566	(199,164)	-37%
Listed and Unlisted Shares	20,590	25,387	(4,797)	-19%
TFCs, Bonds, Sukuks, IBG and Mutual Funds	35,801	27,304	8,497	31%
Subsidiary	500	500	-	0%
<b>Investments at Cost</b>	<b>781,653</b>	<b>750,106</b>	<b>31,547</b>	<b>4%</b>
Prov. for dimin. in value of investments	(2,461)	(3,584)	1,123	-31%
*Surplus/(Deficit) on revaluation of securities	9,026	11,435	(2,409)	-21%
<b>Investments at Carrying Value</b>	<b>788,219</b>	<b>757,957</b>	<b>30,262</b>	<b>4%</b>

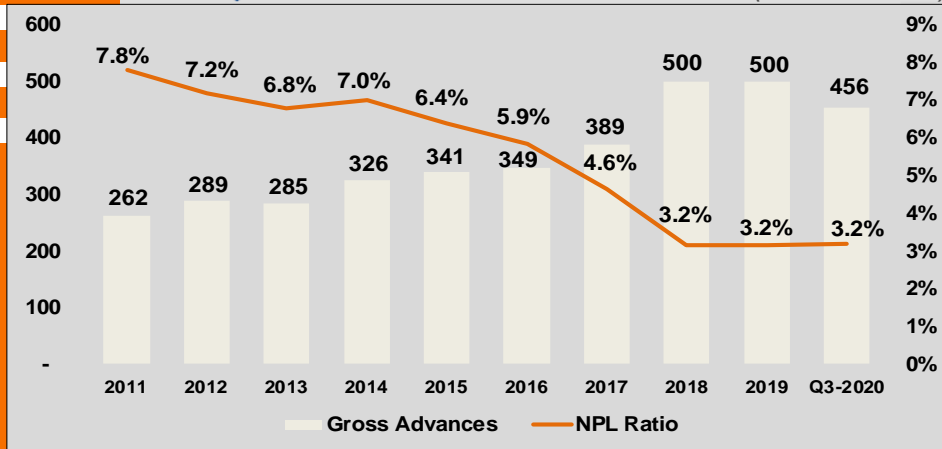
*Surplus / (Deficit) on revaluation of securities	Sep'20	Dec'19
Pakistan Investment Bonds	2,620	784
Market Treasury Bills	163	177
Listed and Unlisted Shares	5,930	9,686
TFCs, Bonds, Sukuks, IBG and Mutual Funds	313	788
<b>Surplus / (Deficit) on revaluation of securities</b>	<b>9,026</b>	<b>11,435</b>





# Advances & Asset Quality

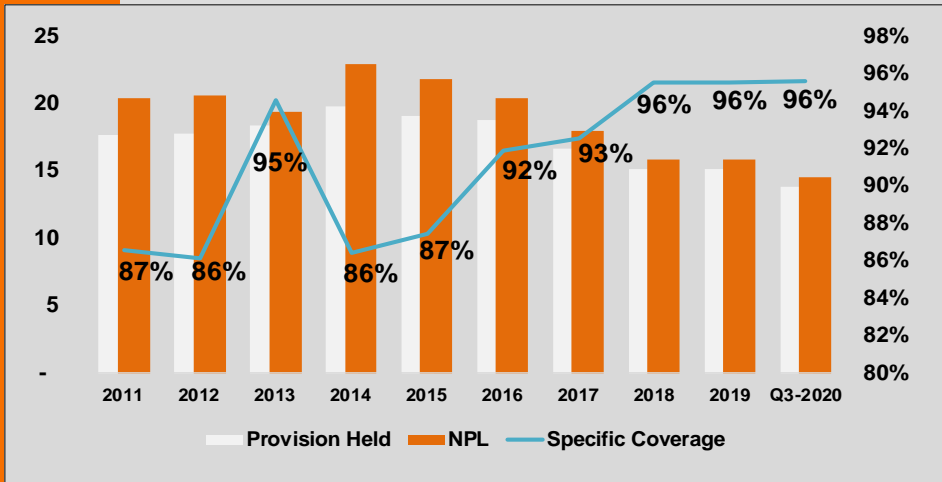
(Rs. in Billion)



**Gross Advances reached Rs. 456 billion (9%↓) (Industry Decline; 1%↓)**

**Gross ADR ratio reached 40.6% (Industry Sep'20 ADR: 48%)**

• **NPLs at 14.5 Billion (8.4%↓)**  
 • **NPL Ratio 3.2% (0.02% ↑); Industry Sep'20: 9.2%**  
 • **Specific NPL Coverage 96% (0.3%↑) and Overall NPL Coverage at 105%; Industry Sep'20: 87.4%**



**Key Lending Sectors;**

- Non Financial Public Sector Enterprises,
- Government (incl. Trust and Corporate Bodies),
- Textile,
- Chemical, Pharmaceutical & Petroleum products
- Utilities
- NBFI's

# A Deposits

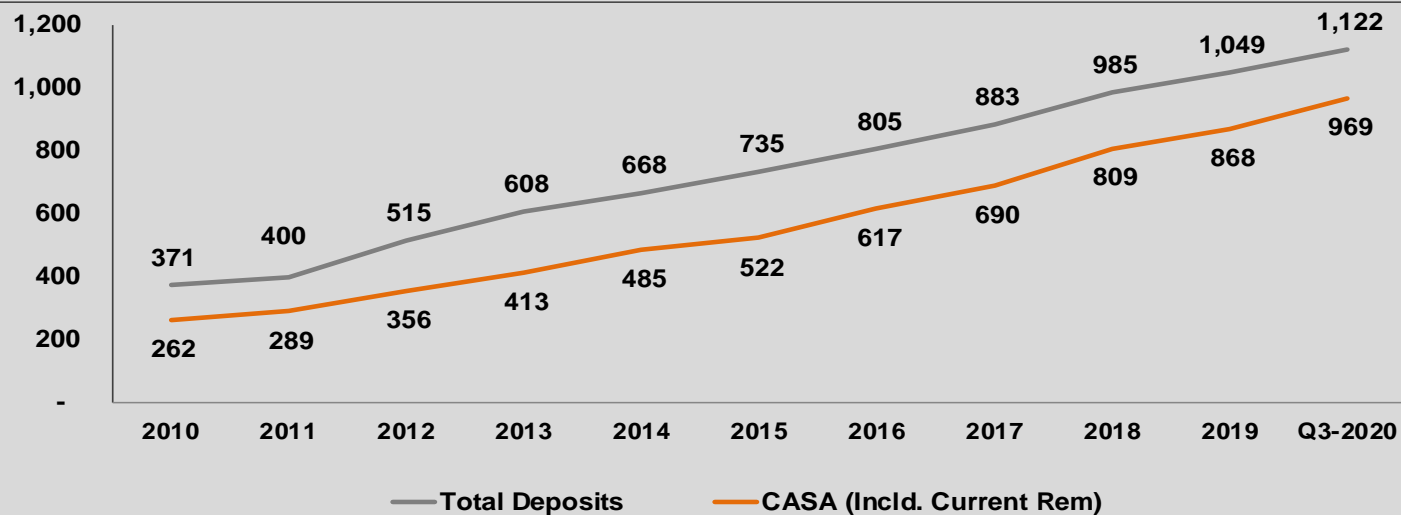
(Rs. in Billion)

Particulars	Sep' 20	Dec' 19	Var (%)
Current	454	410	11%
Saving	515	458	12%
Term	153	181	-15%
<b>Total Deposits</b>	<b>1,122</b>	<b>1,049</b>	<b>7%</b>

Market Share: 7%

Industry Growth: 13%

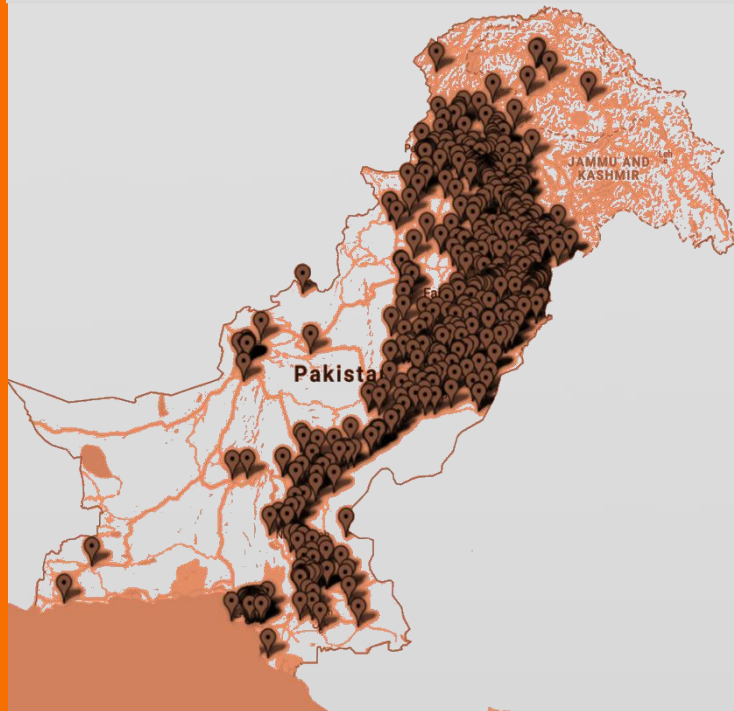
CASA Mix: 86%







# Key Ratios & Channels



	ABL		Industry
Month	Sep'20	Dec'19	Sep' 20
ROA (%)	1.1%	1.0%	2.4%
ROE (Tier I) (%)	18%	16%	17%
Capital Adequacy Ratio (%)	27%	22%	19%

Channels	Sep' 20	Dec' 19	Growth
<b>Total Branches</b>	<b>1,385</b>	<b>1,395</b>	<b>(10)</b>
Conventional	1,268	1,278	(10)
Islamic	117	117	-
<b>Total ATMs</b>	<b>1,552</b>	<b>1,515</b>	<b>37</b>
On-site	1,210	1,186	24
Off-site	339	328	11
Mobile Banking Units	3	1	2
ATM Network Uptime (%)	96%	97%	-1%
<b>Digital Touchpoints</b>	<b>16</b>	<b>14</b>	<b>2</b>
<b>Digital vs Counter Transactions</b>	<b>57:43</b>	<b>46:54</b>	<b>11%</b>
<b>Islamic Windows</b>	<b>85</b>	<b>60</b>	<b>25</b>

# Stock Market Data

Pakistan Stock Exchange Code: ABL

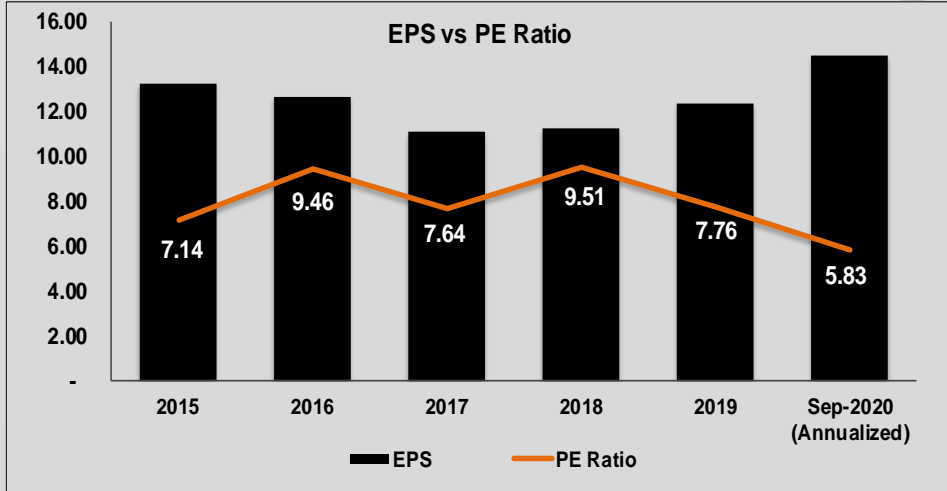
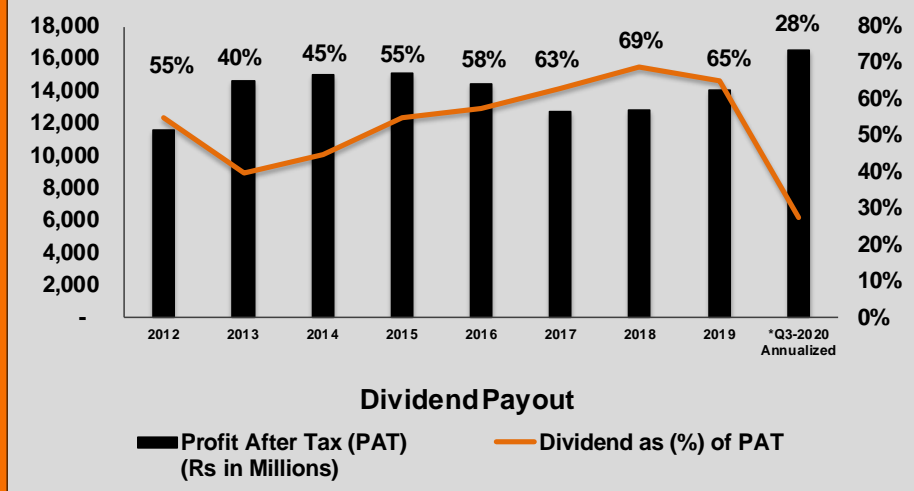
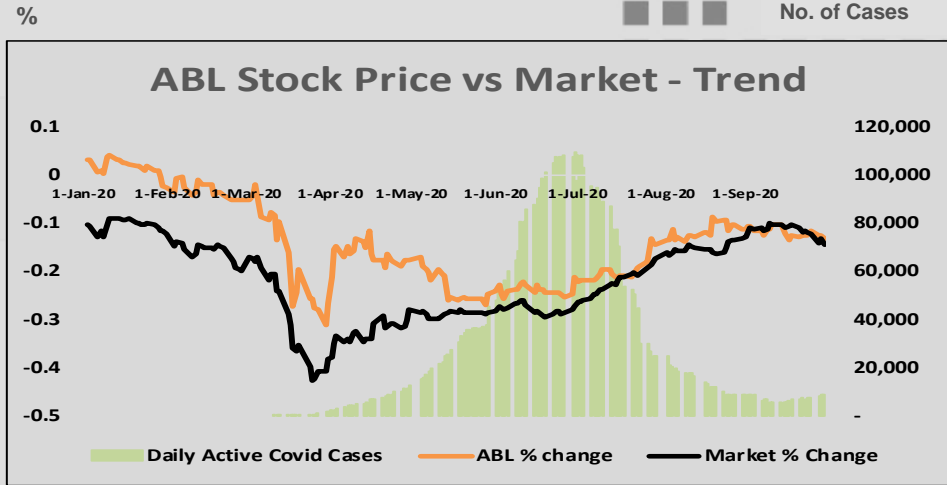
Bloomberg Code: ABL PA

Shares Outstanding (mln): 1,145.07

Market Capitalization (Rs. bln): 96.495

Stock Price as at Sep 30: Rs. 84.27

Period High/Low: 85.00/84.25



\*State Bank of Pakistan (SBP) vide its circular BPRD/BA&CPD/006315/20 dated April 22,2020, had advised the banks to suspend paying dividend for two consecutive quarters of 2020.



# Awards & Achievements

1

Finance Asia  
Country  
Awards 2020  
– Best bank



2

Corporate  
Excellence  
Award -  
Management  
Association  
of Pakistan



3

ABF  
Wholesale  
Banking  
Awards 2020  
- Pakistan  
Domestic  
Initiative for  
Green  
Banking



4

Pakistan Digital  
Awards 2020  
1. Best Mobile  
Banking App  
Awards  
2. Best Digital  
Innovation Award  
3. Best App and  
Web Enabled  
Market Award



5

ABF Corporate  
& Investment  
Banking  
Awards 2020  
1. Green Deal  
of the Year –  
Pakistan  
2. Syndicated  
Loan of the  
Year – Pakistan



6

The Asset  
Triple A Asia  
Infrastructure  
Awards  
2020 – Best  
Telecom  
Deal of the  
Year



7

CFA Society  
Pakistan –  
Runner-up  
Best Bank of  
the Year 2019  
– Large size  
Bank



# A Corporate Governance & Ratings

## Entity Rating

- 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

PACRA

## CGR

- CGR-9+ (Corporate Governance Rating)
- 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.

VIS Credit  
Rating  
Company

## Deposits

- 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.

Moody's



# Annexures

## **Annexure A**

Statement of Financial Position - Standalone Basis

## **Annexure B**

Statement of Financial Position - Consolidated

## **Annexure C**

Income Statement - Standalone Basis

## **Annexure D**

Income Statement Consolidated



# Statement of Financial Position : Standalone

ASSETS	Rs. in Million			US\$ in Million			Growth
	Sep'20	Dec'19	Var.	Sep'20	Dec'19	Var.	
Cash and Balances with Banks	111,693	120,546	(8,853)	674	727	(53)	-7%
Lending to FIs	4,876	13,607	(8,731)	29	82	(53)	-64%
Investments	788,219	757,957	30,262	4,757	4,574	183	4%
Advances - net	440,378	485,016	(44,638)	2,658	2,927	(269)	-9%
Fixed Assets	68,203	64,084	4,119	412	387	25	6%
Other Assets	28,319	39,911	(11,592)	171	241	(70)	-29%
<b>TOTAL ASSETS</b>	<b>1,441,688</b>	<b>1,481,121</b>	<b>(39,433)</b>	<b>8,700</b>	<b>8,938</b>	<b>(238)</b>	<b>-3%</b>
<b>LIABILITIES</b>							
Deposits	1,122,372	1,049,043	73,329	6,773	6,331	443	7%
Borrowings	145,896	266,448	(120,552)	880	1,608	(728)	-45%
Bills Payable	9,578	7,879	1,699	58	48	10	22%
Other Liabilities	41,794	42,400	(606)	252	256	(4)	-1%
<b>TOTAL LIABILITIES</b>	<b>1,319,640</b>	<b>1,365,770</b>	<b>(46,130)</b>	<b>7,964</b>	<b>8,242</b>	<b>(278)</b>	<b>-3%</b>
<b>NET ASSETS</b>	<b>122,049</b>	<b>115,351</b>	<b>6,698</b>	<b>737</b>	<b>696</b>	<b>40</b>	<b>6%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	69	69	-	0%
Reserves	86,482	78,091	8,391	522	471	51	11%
Equity Tier I	97,933	89,542	8,391	591	540	51	9%
Equity Tier II	122,048	115,351	6,697	737	696	40	6%





# Statement of Financial Position : Consolidated

ASSETS	Rs. in Million			US\$ in Million			Growth
	Sep' 20	Dec'19	Var.	Sep' 20	Dec'19	Var.	
Cash and Balances with Banks	111,685	120,538	(8,853)	674	727	(53)	-7%
Lending to Fis	4,876	13,607	(8,731)	29	82	(53)	-64%
Investments	790,143	759,654	30,489	4,768	4,584	184	4%
Advances - net	440,429	485,052	(44,623)	2,658	2,927	(269)	-9%
Operating fixed assets	68,313	64,216	4,097	412	388	25	6%
Other Assets	28,698	40,317	(11,618)	173	243	(70)	-29%
<b>TOTAL ASSETS</b>	<b>1,444,144</b>	<b>1,483,383</b>	<b>(39,239)</b>	<b>8,715</b>	<b>8,952</b>	<b>(237)</b>	<b>-3%</b>
<b>LIABILITIES</b>							
Deposits	1,122,352	1,049,019	73,333	6,773	6,331	443	7%
Borrowings	145,896	266,448	(120,552)	880	1,608	(728)	-45%
Bills Payable	9,578	7,879	1,699	58	48	10	22%
Other Liabilities	42,186	42,826	(640)	255	258	(4)	-1%
<b>TOTAL LIABILITIES</b>	<b>1,320,012</b>	<b>1,366,172</b>	<b>(46,160)</b>	<b>7,966</b>	<b>8,245</b>	<b>(279)</b>	<b>-3%</b>
<b>NET ASSETS</b>	<b>124,132</b>	<b>117,212</b>	<b>6,921</b>	<b>749</b>	<b>707</b>	<b>42</b>	<b>6%</b>
<b>EQUITY and RESERVES</b>							
Share Capital	11,451	11,451	-	69	69	-	0%
Reserves	88,566	79,952	8,614	534	483	52	11%
Equity Tier I	100,017	91,403	8,614	604	552	52	9%
Equity Tier II	124,132	117,212	6,921	749	707	42	6%



# Income Statement : Standalone

Particulars	Rs. in Million			US\$ in Million			Growth
	Sep' 20	Sep'19	Var.	Sep' 20	Sep'19	Var.	
Mark-up/ interest Income	86,630	86,985	(355)	523	525	(2)	0%
Mark-up/ interest Expensed	49,445	58,204	(8,759)	298	351	(53)	-15%
<b>Net Mark-up/ interest Income</b>	<b>37,185</b>	<b>28,781</b>	<b>8,404</b>	<b>224</b>	<b>174</b>	<b>51</b>	<b>29%</b>
Capital Gain & Dividend	3,693	2,181	1,512	22	13	9	69%
Fee based Income & Others	5,454	5,640	(186)	33	34	(1)	-3%
<b>Non Mark-up/ Interest Income</b>	<b>9,147</b>	<b>7,820</b>	<b>1,327</b>	<b>55</b>	<b>47</b>	<b>8</b>	<b>17%</b>
<b>Gross Income</b>	<b>46,331</b>	<b>36,601</b>	<b>9,730</b>	<b>280</b>	<b>221</b>	<b>59</b>	<b>27%</b>
Human Resource Cost	10,346	9,437	910	62	57	5	10%
Other Operating Cost	12,133	10,965	1,168	73	66	7	11%
<b>Total Operating Cost</b>	<b>22,479</b>	<b>20,402</b>	<b>2,077</b>	<b>136</b>	<b>123</b>	<b>13</b>	<b>10%</b>
Operating Profit/(Loss)	23,852	16,199	7,653	144	98	46	47%
Total Provisions	2,408	(356)	2,765	15	(2)	17	-776%
<b>Profit Before Tax</b>	<b>21,443</b>	<b>16,555</b>	<b>4,888</b>	<b>129</b>	<b>100</b>	<b>29</b>	<b>30%</b>
Taxation-Current	9,034	6,315	2,719	55	38	16	43%
<b>Profit Before Prior Year Super Tax</b>	<b>12,410</b>	<b>10,240</b>	<b>2,170</b>	<b>75</b>	<b>62</b>	<b>13</b>	<b>21%</b>
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
<b>Profit After Tax</b>	<b>12,410</b>	<b>9,405</b>	<b>3,005</b>	<b>75</b>	<b>57</b>	<b>18</b>	<b>32%</b>



# Income Statement : Consolidated

Particulars	Rs. in Million			US\$ in Million			Growth
	Sep' 20	Sep'19	Var.	Sep' 20	Sep'19	Var.	
Mark-up/ interest Income	86,632	86,986	(354)	523	525	(2)	0%
Mark-up/ interest Expensed	49,452	58,207	(8,755)	298	351	(53)	-15%
<b>Net Mark-up/ interest Income</b>	<b>37,180</b>	<b>28,779</b>	<b>8,401</b>	<b>224</b>	<b>174</b>	<b>51</b>	<b>29%</b>
Capital Gain & Dividend	3,770	2,316	1,454	23	14	9	63%
Fee based Income & Others	6,003	6,073	(71)	36	37	(0)	-1%
<b>Non Mark-up/ Interest Income</b>	<b>9,772</b>	<b>8,389</b>	<b>1,383</b>	<b>59</b>	<b>51</b>	<b>8</b>	<b>16%</b>
<b>Gross Income</b>	<b>46,952</b>	<b>37,168</b>	<b>9,784</b>	<b>283</b>	<b>224</b>	<b>59</b>	<b>26%</b>
Human Resource Cost	10,575	9,644	931	64	58	6	10%
Other Operating Cost	12,223	11,035	1,189	74	67	7	11%
<b>Total Operating Cost</b>	<b>22,798</b>	<b>20,678</b>	<b>2,120</b>	<b>138</b>	<b>125</b>	<b>13</b>	<b>10%</b>
<b>Operating Profit/(Loss)</b>	<b>24,154</b>	<b>16,490</b>	<b>7,664</b>	<b>146</b>	<b>100</b>	<b>46</b>	<b>46%</b>
Total Provisions	2,408	(356)	2,765	15	(2)	17	-776%
<b>Profit Before Tax</b>	<b>21,746</b>	<b>16,846</b>	<b>4,900</b>	<b>131</b>	<b>102</b>	<b>30</b>	<b>29%</b>
Taxation - Current	9,112	6,374	2,737	55	38	17	43%
<b>Profit Before Prior Year Super Tax</b>	<b>12,634</b>	<b>10,472</b>	<b>2,162</b>	<b>76</b>	<b>63</b>	<b>13</b>	<b>21%</b>
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
<b>Profit After Tax</b>	<b>12,634</b>	<b>9,637</b>	<b>2,997</b>	<b>76</b>	<b>58</b>	<b>18</b>	<b>31%</b>



# 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 Corporate Briefing Session 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.**



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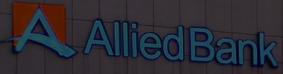


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**THANK YOU**

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