



ALLIED BANK LIMITED

Investor Presentation – June 2020
Financial Results

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Major Highlights

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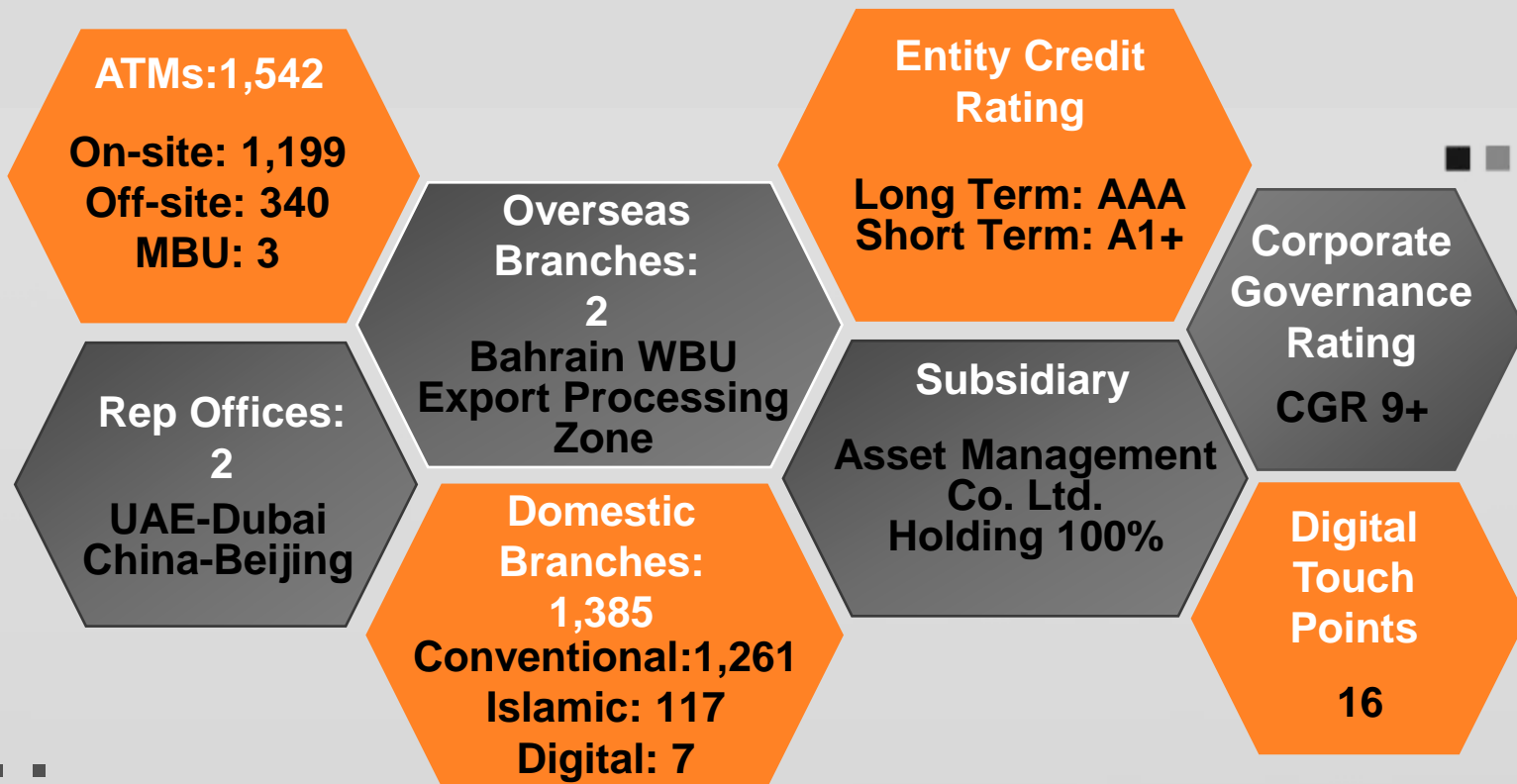
Advances & Asset Quality

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Awards & CGR



ABL At Glance



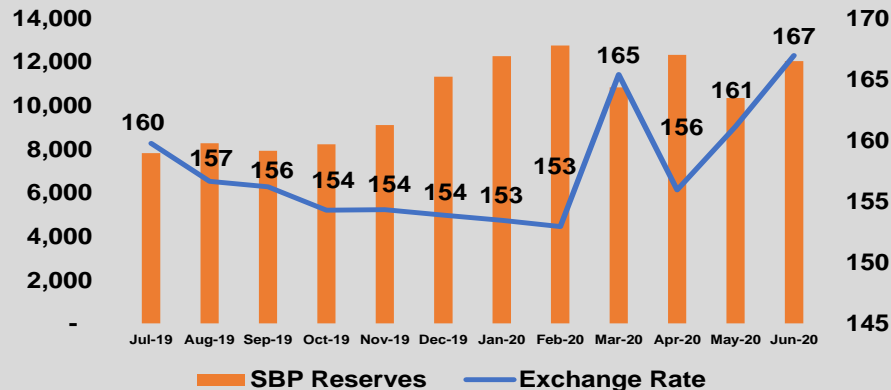


Economic Highlights

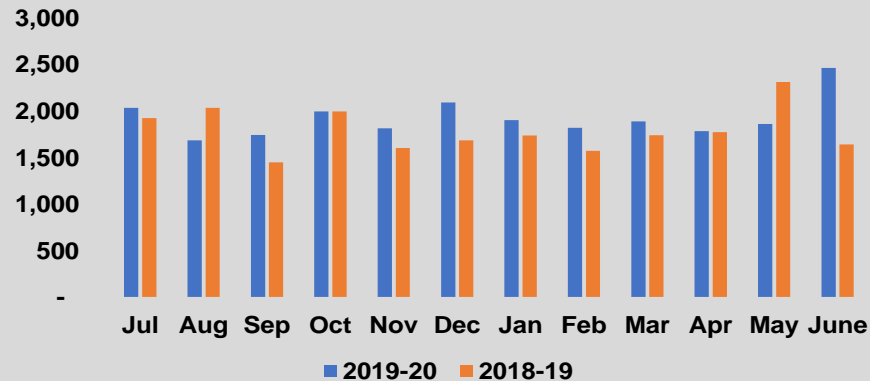
*(US\$ Millions)



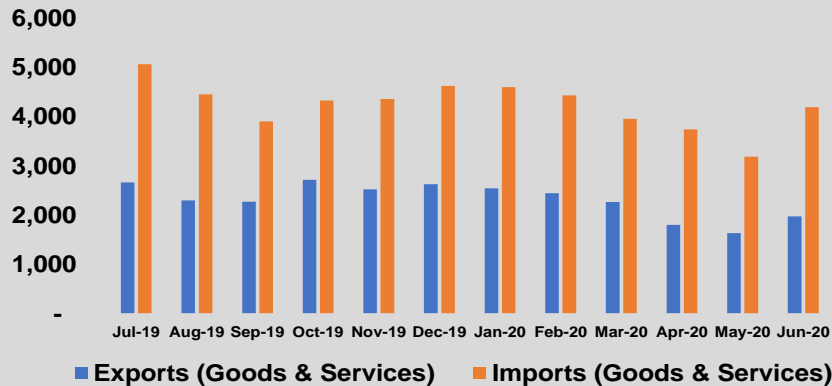
SBP Reserves* and Exchange Rate



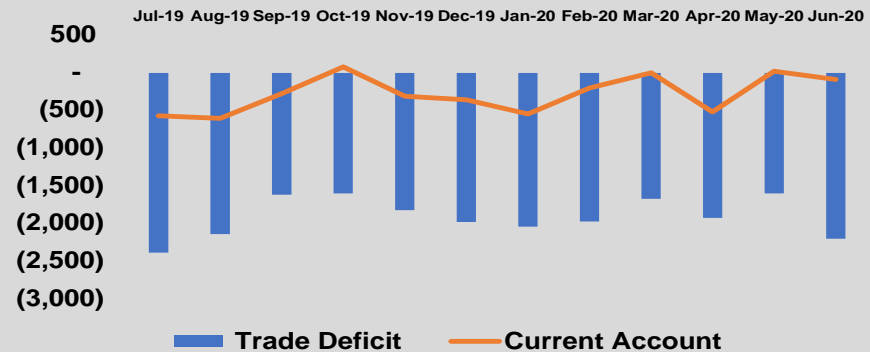
Workers Remittances- US\$ Million



Export & Import- US\$ Million



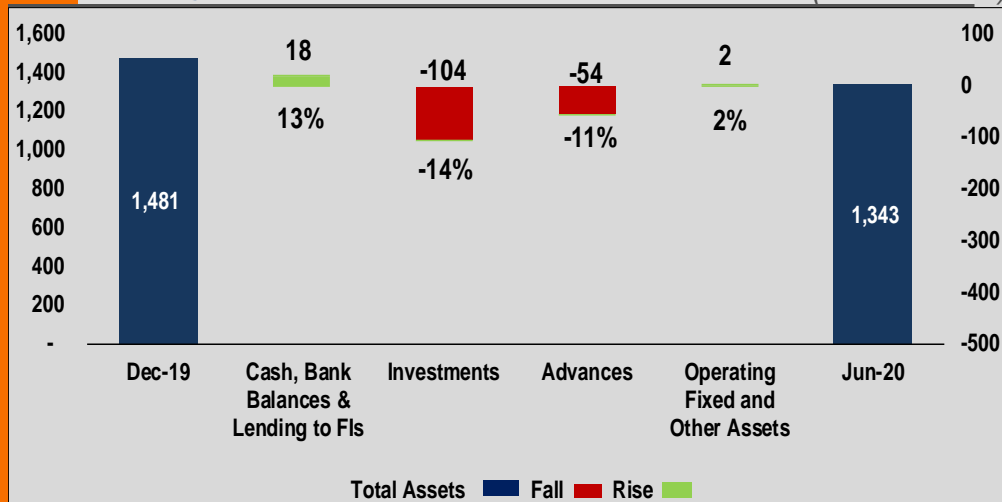
Trade Deficit & Current Account - US\$ Million





Highlights Financial Position (Assets)

(Rs. in Billion)



- Total Assets stood at Rs. 1,343 Billion (decreasing by 9%).



- Investment portfolio optimized due to evolving yield curve and capital market expectations amidst Covid-19 outbreak.
- Total Investments thereby reached Rs. 654 billion (decreasing by 14% compared to an industry growth of 21%)



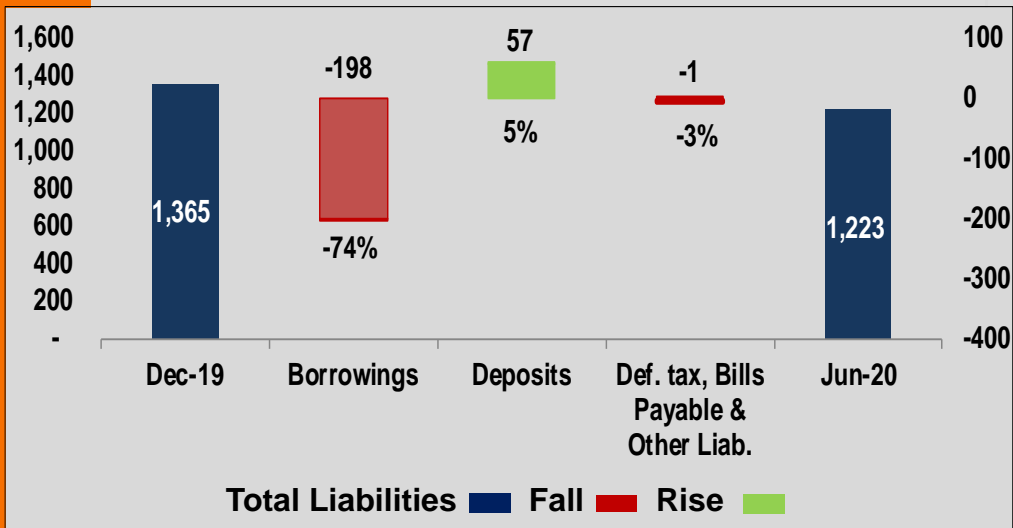
- Net Advances stood at Rs. 431 Billion (decreasing by 11% compared to an industry growth of 1%)

Particulars	Jun' 20	Dec'19	ABL Growth	Industry Growth
Cash, Bank Balance & Lending to FI	152	134	13%	2%
Investments	654	758	-14%	21%
Advances - Net	431	485	-11%	1%
Operating fixed & other assets	106	104	2%	7%
Total Assets	1,343	1,481	-9%	10%



Highlights Financial Position (Liabilities)

(Rs. in Billion)



- Total Liabilities stood at Rs. 1,223 Billion (decreased by 10%)

- CASA June'20 improved to: 86.2% (Dec'19: 82.9%).
- Deposits aggregated to reach Rs. 1,106 billion; increase of 5%.

- Total Equity stood at Rs.120 billion (US\$ 721 Million); Increased by 4% (Dec: Rs.115 billion)

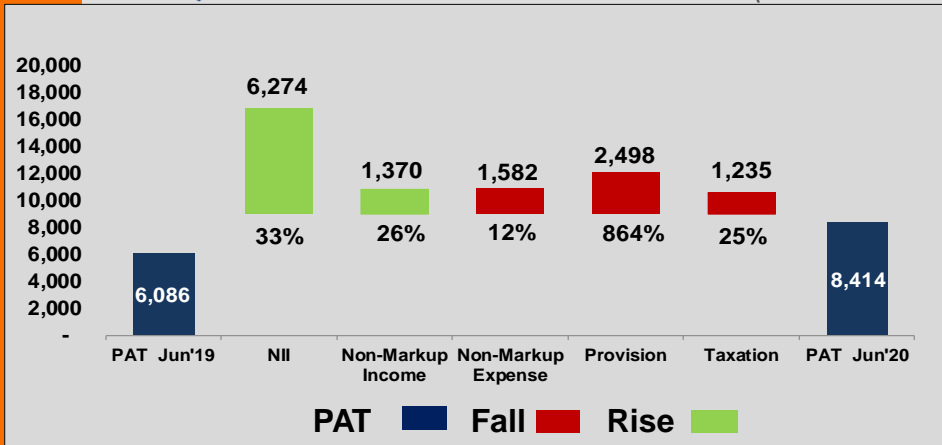
- CAR: 25%; as at June 30, 2020 (Dec 19: 22%); Industry CAR Mar'20 :17%

Particulars	Jun'20	Dec'19	ABL Growth	Industry Growth
Borrowings	68	266	-74%	6%
Deposits & Other Accounts	1,106	1,049	5%	11%
Def Tax, Bills Payable & Other Liab.	49	50	-3%	6%
Total Liabilities	1,223	1,366	-10%	10%



Highlights Income Statement

(Rs. in Million)



- Rate variance along with volumetric growth in earning assets and effective duration management facilitated growth of 33% in Net Interest Income.
- Fee & Commission income increased by 10%.
- Capital Gains of Rs. 2,426 million recognized through sale of fixed income securities and equity portfolio.
- Administrative cost growth restricted to 12% despite investment in human resource, significant increase in regulatory & FATF related compliance costs and cost of doing business.

Particulars	Jun' 20	Jun'19	Growth
Interest Income	61,947	52,010	19%
Interest Expense	36,940	33,277	11%
Net Interest Income (NII)	25,007	18,733	33%
Non Markup Income	6,698	5,328	26%
Gross Income	31,705	24,062	32%
Non Markup Expense	14,834	13,251	12%
Profit Before Provisions	16,871	10,810	56%
Provision Charge/ (Reversal)	2,209	(289)	864%
Profit Before Taxation	14,662	11,099	32%
Current Year Taxation	6,249	4,179	50%
Profit After Current Taxation	8,414	6,920	22%
Prior Year Super Tax	-	835	100%
Profit After Taxation	8,414	6,086	38%
EPS	7.35	5.31	38%

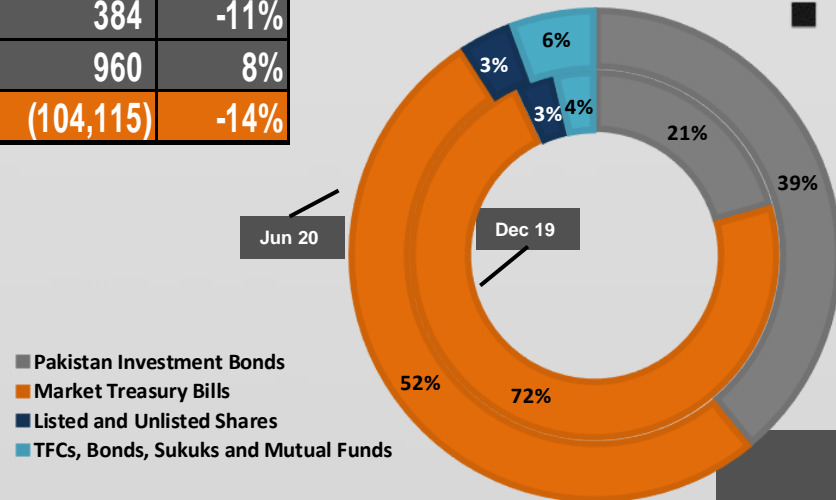
- Alleviated downside risks amidst COVID-19 outbreak led to recognition of:
 - General provisioning charge of Rs. 1,311 million against performing credit portfolio; and
 - Net charge of Rs. 588 million for diminution in value of equity securities; and
- Profit after tax increased by 38%; EPS increased to Rs 7.35 per share

A Investments

(Rs. in Million)

Investments	Jun' 20	Dec'19	Var.	Growth
Pakistan Investment Bonds	251,507	154,349	97,158	63%
Market Treasury Bills	333,938	542,566	(208,628)	-38%
Listed and Unlisted Shares	22,205	25,387	(3,182)	-13%
TFCs, Bonds, Sukuks and Mutual Funds	36,498	27,304	9,194	34%
Subsidiary	500	500	-	0%
Investments at Cost	644,648	750,106	(105,458)	-14%
Prov. for dimin. in value of investments	(3,200)	(3,584)	384	-11%
Surplus on Revaluation	12,394	11,435	960	8%
Investments at Carrying Value	653,842	757,957	(104,115)	-14%

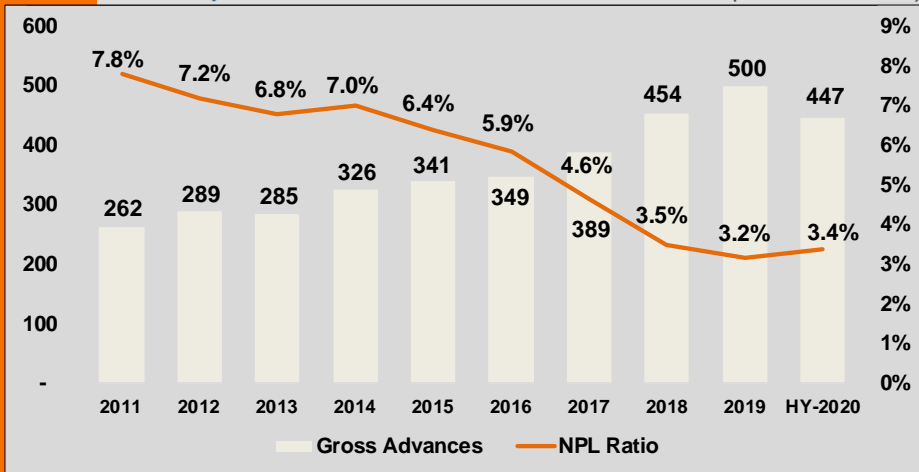
Investments	Jun'20	Dec'19
Surplus / (Deficit) on revaluation of securities	12,394	11,435
Pakistan Investment Bonds	6,208	784
Market Treasury Bills	2,142	177
Listed and Unlisted Shares	4,052	9,686
TFCs, Bonds, Sukuks and Mutual Funds	(7)	788





Advances & Asset Quality

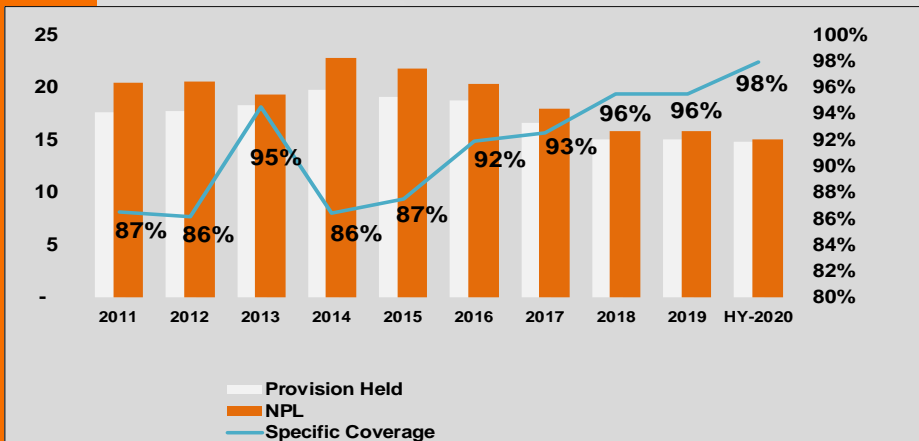
(Rs. in Billion)



Gross Advances reached Rs. 447 billion (11%↓) (Industry Growth 1%)

Gross ADR ratio reached 40.4% (Industry Mar'20 ADR: 55.5%)

- NPLs at 15.1 Billion (4.5%↓)
- NPL Ratio 3.4% (0.2%↓); Industry Mar'20: 8.5%
- Specific NPL Coverage 98% (2.6%↑) and Overall NPL Coverage at 107%; Industry Mar'20: 83.6%



Key Lending Sectors;

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

A Deposits

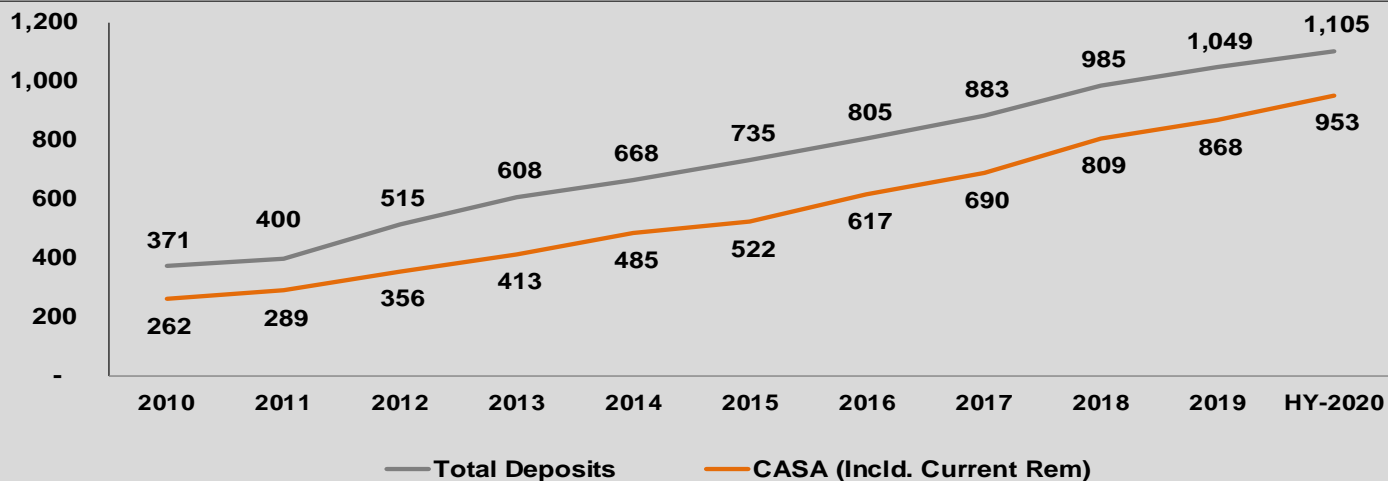
(Rs. in Billion)

Particulars	Jun' 20	Dec' 19	Var (%)
Current	436	410	6%
Saving	518	458	13%
Term	152	181	-16%
Total Deposits	1,106	1,049	5%

Market Share: 7%

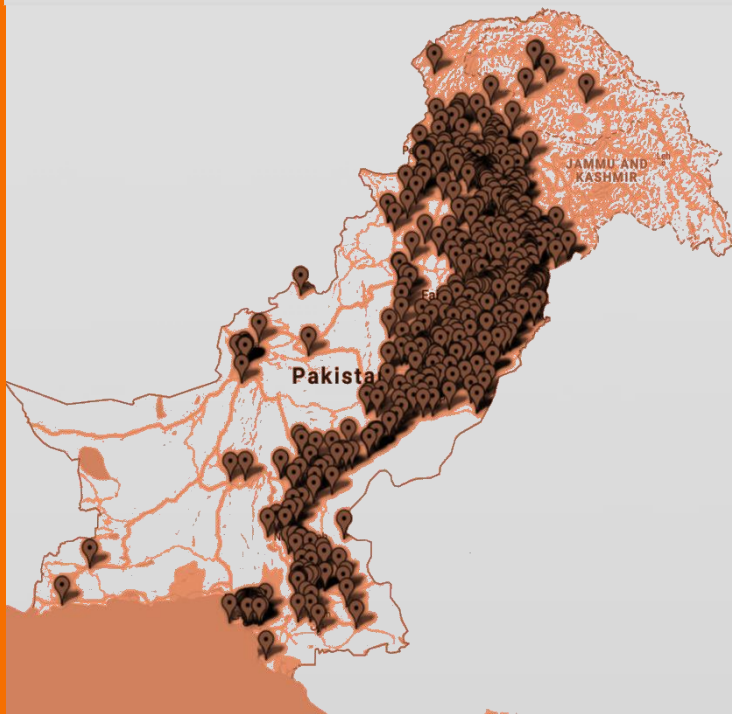
Industry Growth: 11%

CASA Mix: 86%





Key Ratios & Channels



Key Ratios	ABL		Industry
Month	Jun'20	Dec'19	Mar' 20
ROA (%)	1.2%	1.0%	1.9%
ROE (Tier I) (%)	18%	16%	13%
Capital Adequacy Ratio (%)	25%	22%	17%

Channels	Jun' 20	Dec' 19	Growth
Total Branches	1,387	1,395	(8)
Conventional	1,270	1,278	(8)
Islamic	117	117	-
Total ATMs	1,542	1,515	27
On-site	1,199	1,186	13
Off-site	340	328	12
Mobile Banking Units	3	1	2
ATM Network Uptime (%)	97%	97%	-
Digital Touchpoints	16	14	2
Digital vs Counter Transaction	62:38	55:45	↑ 7%
Islamic Windows	85	60	25

Stock Market Data

Pakistan Stock Exchange Code: ABL

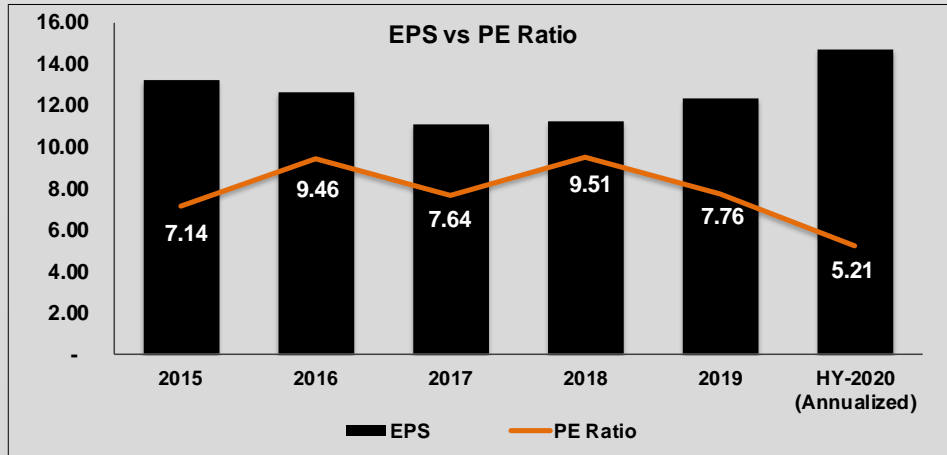
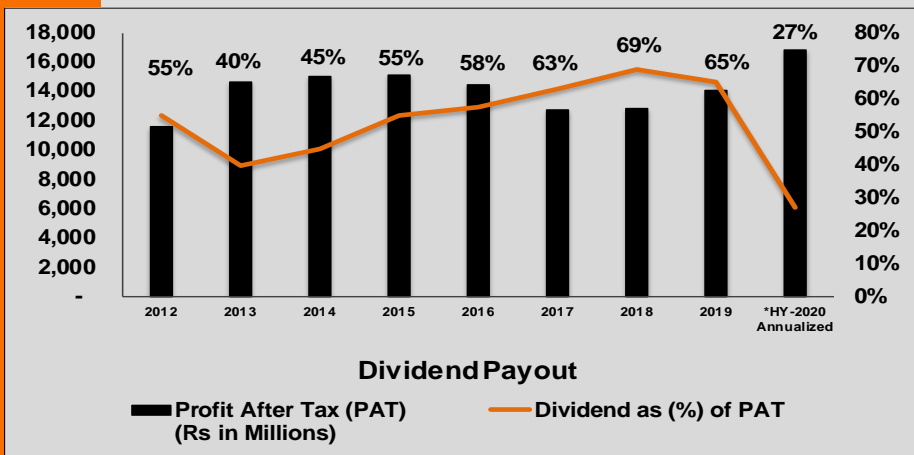
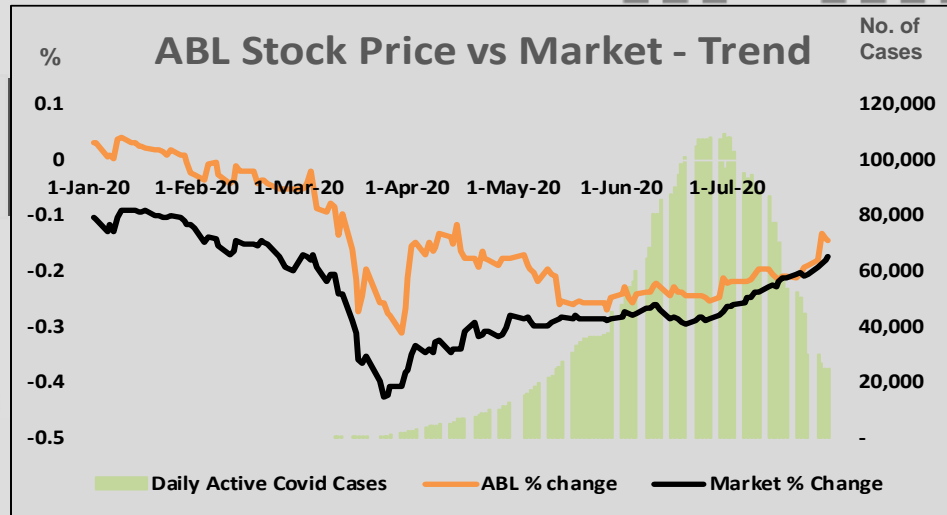
Bloomberg Code: ABL PA

Shares Outstanding (mln): 1,145.07

Market Capitalization (Rs. bln): 87.689

Stock Price as at Jun 30: Rs. 76.58

Period High/Low: 78.47/73.99



*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

Certificate of Excellence 2020 - Management Association of Pakistan



3

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



4

ABF Wholesale Banking Awards 2020 - Pakistan Domestic Initiative of the Year for Green Banking



5

Best Corporate Report 2018 Awards by ICAP/ICMA P -2nd Position



6

Best Place to Work in Financial Services 2019- PSHRM



7

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



8

Top Issuer of PayPak Debit Cards by 1-Link and Best Primary Dealer – SBP 2018-19



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

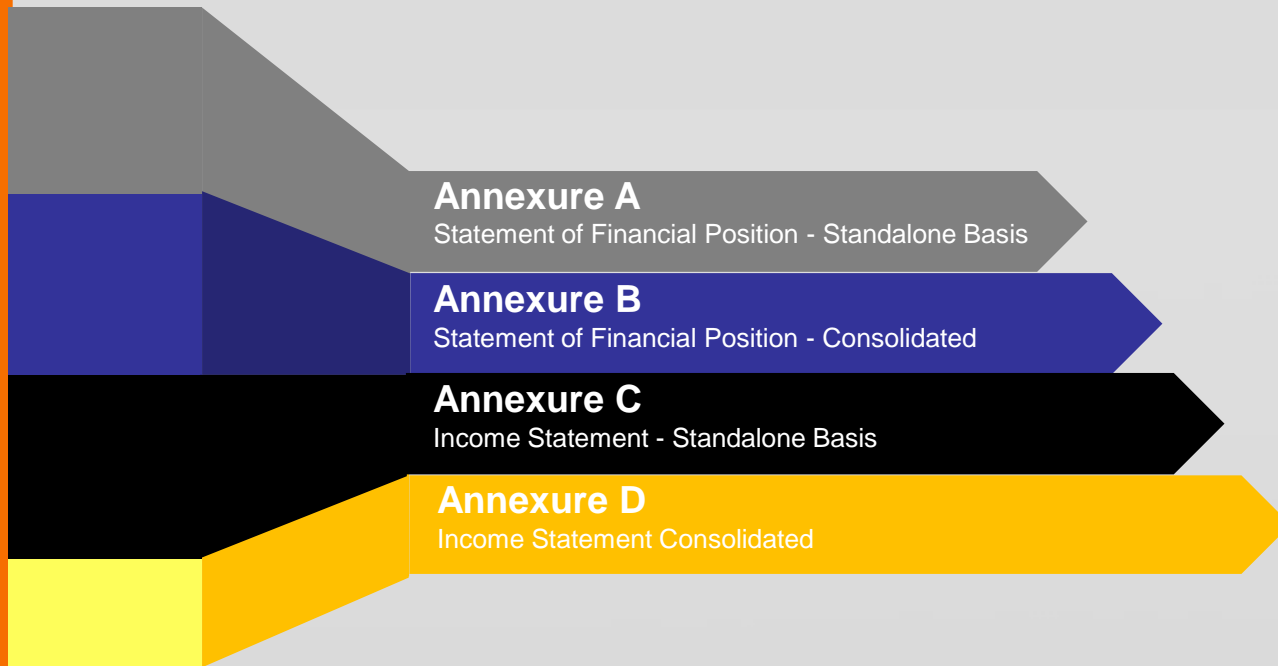
Deposits

- 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





Statement of Financial Position : Standalone

ASSETS	Rs. in Million			US\$ in Million			Growth
	Jun'20	Dec'19	Var.	Jun'20	Dec'19	Var.	
Cash and Balances with Banks	119,094	120,546	(1,452)	713	722	(9)	-1%
Lending to FIs	32,992	13,607	19,385	198	81	116	142%
Investments	653,842	757,957	(104,115)	3,916	4,539	(624)	-14%
Advances - net	431,150	485,016	(53,866)	2,582	2,905	(323)	-11%
Fixed Assets	68,132	64,084	4,048	408	384	24	6%
Other Assets	38,054	39,911	(1,857)	228	239	(11)	-5%
TOTAL ASSETS	1,343,264	1,481,121	(137,857)	8,044	8,870	(826)	-9%
LIABILITIES							
Deposits	1,106,140	1,049,043	57,097	6,624	6,282	342	5%
Borrowings	68,088	266,448	(198,360)	408	1,596	(1,188)	-74%
Bills Payable	9,508	7,879	1,629	57	47	10	21%
Other Liabilities	39,201	42,400	(3,199)	235	254	(19)	-8%
TOTAL LIABILITIES	1,222,937	1,365,770	(142,833)	7,324	8,179	(855)	-10%
NET ASSETS	120,328	115,351	4,977	721	691	30	4%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	69	69	-	0%
Reserves	82,545	78,091	4,454	494	468	27	6%
Equity Tier I	93,996	89,542	4,454	563	536	27	5%
Equity Tier II	120,328	115,351	4,977	721	691	30	4%



Statement of Financial Position : Consolidated

ASSETS	Rs. in Million			US\$ in Million			Growth
	Jun' 20	Dec'19	Var.	Jun' 20	Dec'19	Var.	
Cash and Balances with Banks	119,086	120,538	(1,452)	713	722	(9)	-1%
Lending to Fis	32,992	13,607	19,385	198	81	116	142%
Investments	655,541	759,654	(104,113)	3,926	4,549	(624)	-14%
Advances - net	431,203	485,052	(53,849)	2,582	2,905	(322)	-11%
Operating fixed assets	68,248	64,216	4,032	409	385	24	6%
Other Assets	38,449	40,317	(1,868)	230	241	(11)	-5%
TOTAL ASSETS	1,345,520	1,483,383	(137,865)	8,058	8,884	(826)	-9%
LIABILITIES							
Deposits	1,106,110	1,049,019	57,091	6,624	6,282	342	6%
Borrowings	68,088	266,448	(198,360)	408	1,596	(1,188)	-74%
Bills Payable	9,508	7,879	1,629	57	47	10	21%
Other Liabilities	39,562	42,826	(3,264)	237	256	(20)	-8%
TOTAL LIABILITIES	1,223,268	1,366,172	(142,904)	7,326	8,182	(856)	-10%
NET ASSETS	122,252	117,212	5,041	732	702	30	4%
EQUITY and RESERVES							
Share Capital	11,451	11,451	-	69	69	-	0%
Reserves	84,469	79,952	4,517	506	479	27	6%
Equity Tier I	95,920	91,403	4,517	574	547	27	5%
Equity Tier II	122,252	117,212	5,040	732	702	30	4%



Income Statement : Standalone

Particulars	Rs. in Million			US\$ in Million			Growth
	Jun' 20	Jun'19	Var.	Jun' 20	Jun'19	Var.	
Mark-up/ interest Income	61,947	52,010	9,937	371	311	60	19%
Mark-up/ interest Expensed	36,940	33,277	3,663	221	199	22	11%
Net Mark-up/ interest Income	25,007	18,733	6,274	150	112	38	33%
Capital Gain & Dividend	3,138	1,287	1,851	19	8	11	144%
Fee based Income & Others	3,560	4,042	(482)	21	24	(3)	-12%
Non Mark-up/ Interest Income	6,698	5,328	1,370	40	32	8	26%
Gross Income	31,705	24,061	7,644	190	144	46	32%
Human Resource Cost	6,881	6,200	681	41	37	4	11%
Other Operating Cost	7,953	7,051	902	48	42	5	13%
Total Operating Cost	14,834	13,251	1,583	89	79	9	12%
Operating Profit/(Loss)	16,871	10,810	6,061	101	65	36	56%
Total Provisions	2,209	(289)	2,498	13	(2)	15	-864%
Profit Before Tax	14,662	11,099	3,563	88	66	21	32%
Taxation-Current	6,249	4,179	2,070	37	25	12	50%
Profit Before Prior Year Super Tax	8,414	6,920	1,494	50	41	9	22%
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
Profit After Tax	8,414	6,086	2,328	50	36	14	38%



Income Statement : Consolidated

Particulars	Rs. in Million			US\$ in Million			Growth
	Jun' 20	Jun'19	Var.	Jun' 20	Jun'19	Var.	
Mark-up/ interest Income	61,948	52,011	9,937	371	311	60	19%
Mark-up/ interest Expensed	36,942	33,279	3,663	221	199	22	11%
Net Mark-up/ interest Income	25,006	18,732	6,274	150	112	38	33%
Capital Gain & Dividend	3,075	1,373	1,702	18	8	10	124%
Fee based Income & Others	3,927	4,324	(397)	24	26	(2)	-9%
Non Mark-up/ Interest Income	7,002	5,697	1,305	42	34	8	23%
Gross Income	32,008	24,428	7,580	192	146	45	31%
Human Resource Cost	7,028	6,299	729	42	38	4	12%
Other Operating Cost	8,018	7,135	883	48	43	5	12%
Total Operating Cost	15,046	13,433	1,613	90	80	10	12%
Operating Profit/(Loss)	16,962	10,995	5,967	102	66	36	54%
Total Provisions	2,209	(289)	2,498	13	(2)	15	-864%
Profit Before Tax	14,753	11,284	3,469	88	68	21	31%
Taxation - Current	6,276	4,207	2,069	38	25	12	49%
Profit Before Prior Year Super Tax	8,477	7,077	1,400	51	42	8	20%
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
Profit After Tax	8,477	6,242	2,235	51	37	13	36%



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.



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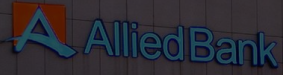
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THANK YOU

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