



ALLIED BANK LIMITED

Investor Presentation – December 2020
Financial Results

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Major Highlights

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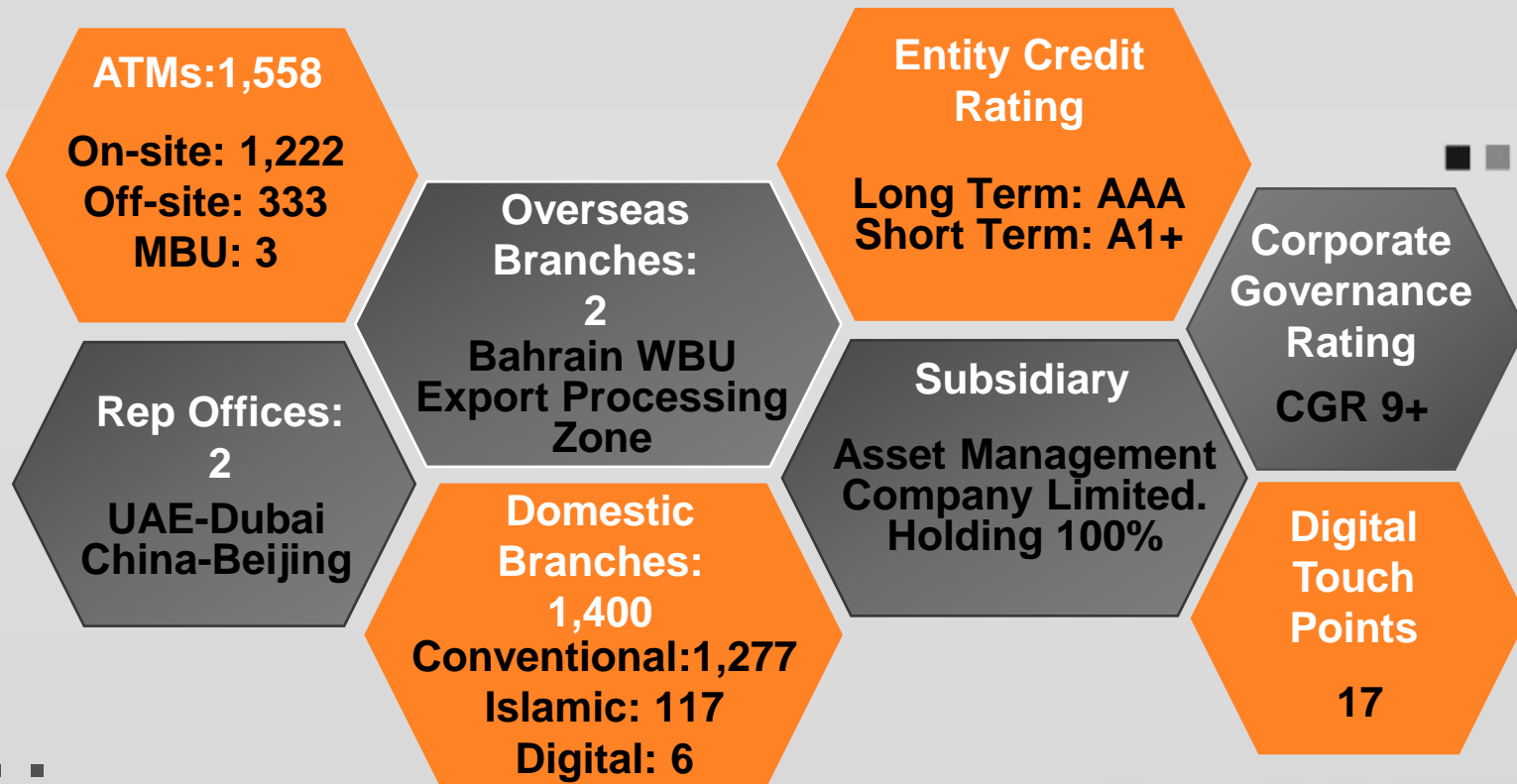
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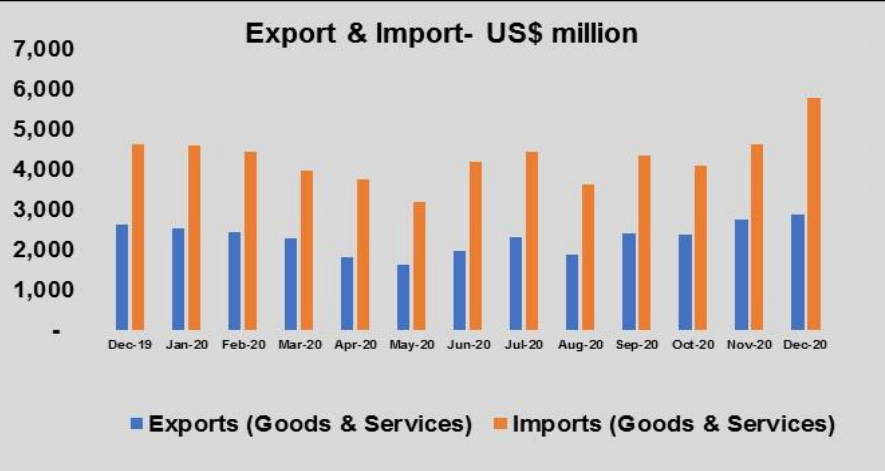
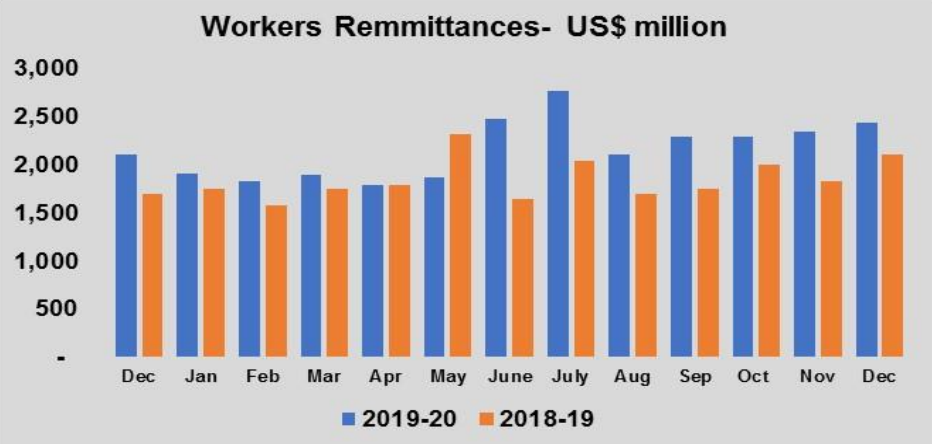
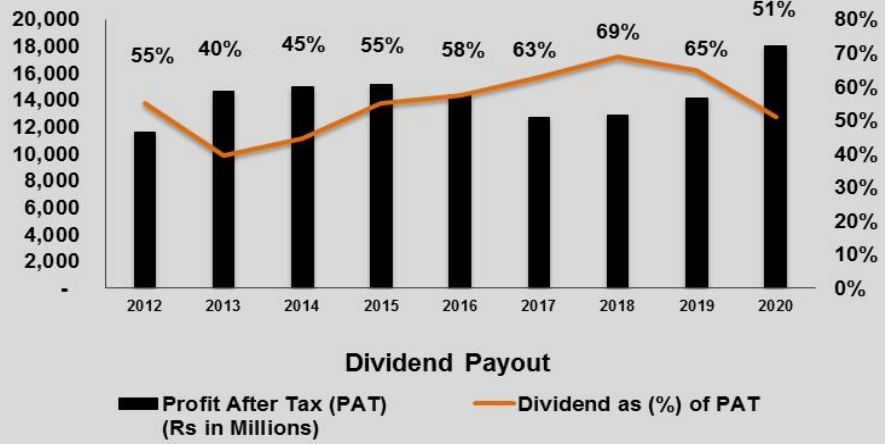
ABL at Glance





Economic Highlights

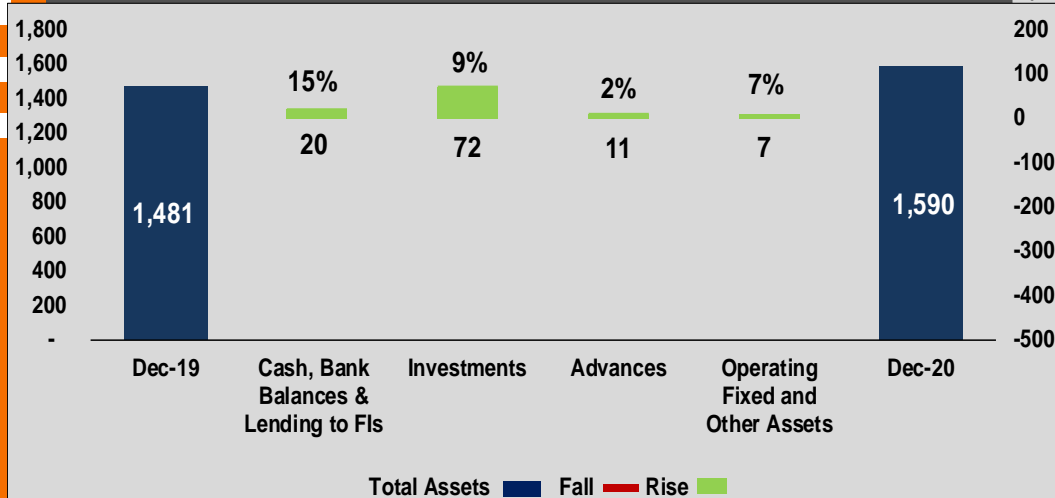
*(US\$ millions)





Highlights Financial Position (Assets)

(Rs. in billion)



- Total Assets reached at Rs. 1,590 billion (Increase of 7%).

- Investment portfolio optimized due to evolving yield curve and capital market expectations amidst economic recovery post Covid-19 pandemic.
- Total Investments thereby reached Rs. 830 billion (Increased by 9%).

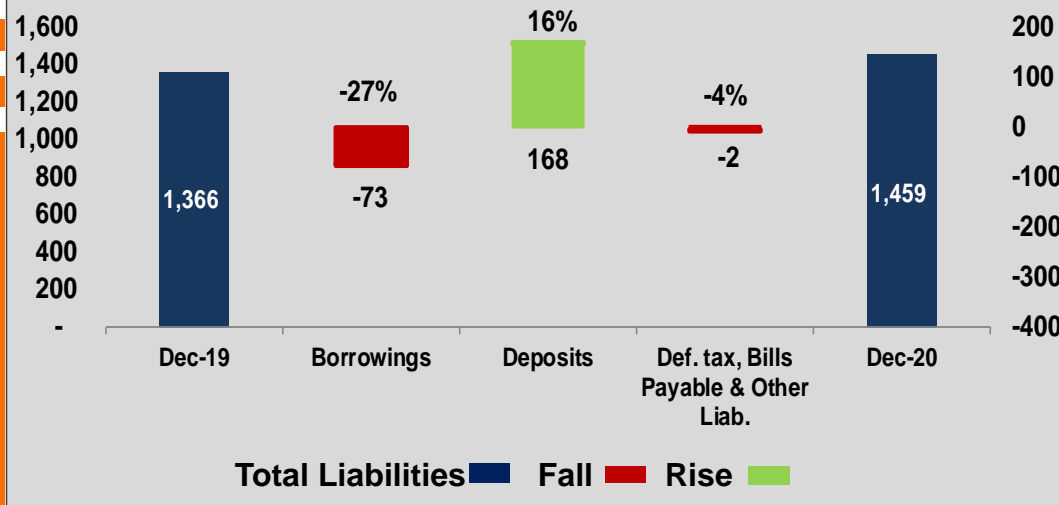
- Net Advances reached at Rs. 496 billion (Increasing by 2% compared to an industry ascent of 1%)

Particulars	Dec' 20	Dec'19	ABL Growth	Industry Growth
Cash, Bank Balance & Lending to FI's	154	134	15%	22%
Investments	830	758	9%	31%
Advances - Net	496	485	2%	1%
Operating fixed and other assets	111	104	7%	7%
Total Assets	1,590	1,481	7%	17%



Highlights Financial Position (Liabilities)

(Rs. in billion)



- Total Liabilities reached at Rs. 1,459 billion (Increased by 7%)

- Current Account Saving Account (CASA) as at Dec'20 improved to: 87% (Dec'19: 83%).
- Deposits aggregated to reach Rs. 1,217 billion; increase of 16%.

- Total Equity reached at Rs.132 billion (US\$ 823 million); Increased by 14% (Dec19: Rs.115 billion)

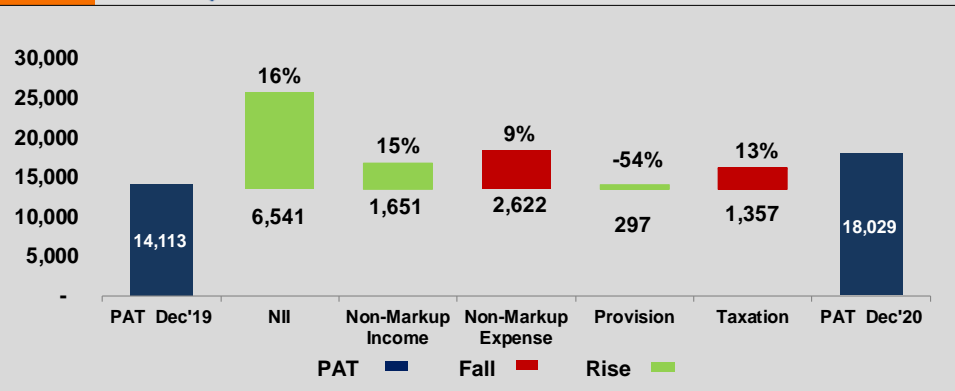
- CAR: 25.20%; as at Dec 31, 2020 (Dec 19: 21.69%); Industry CAR Sep'20 :19.3%

Particulars	Dec'20	Dec'19	ABL Growth	Industry Growth
Borrowings	194	266	-27%	21%
Deposits and Other Accounts	1,217	1,049	16%	17%
Deferred Tax, Bills Payable & Other Liabilities	48	50	-4%	9%
Total Liabilities	1,459	1,366	7%	17%



Highlights Income Statement

(Rs. in million)



Particulars	Dec' 20	Dec'19	Growth
Interest Income	110,547	122,637	-10%
Interest Expense	62,126	80,758	-23%
Net Interest Income (NII)	48,421	41,880	16%
Non Markup Income	12,542	10,891	15%
Gross Income	60,963	52,771	16%
Non Markup Expense	30,604	27,983	9%
Profit Before Provisions	30,359	24,788	22%
Provision Charge	844	547	-54%
Profit Before Taxation	29,515	24,241	22%
Current Year Taxation	11,486	9,294	24%
Profit After Current Taxation	18,029	14,947	21%
Prior Year Super Tax	-	835	100%
Profit After Taxation (PAT)	18,029	14,113	28%
Earning Per Share (EPS)	15.75	12.32	28%

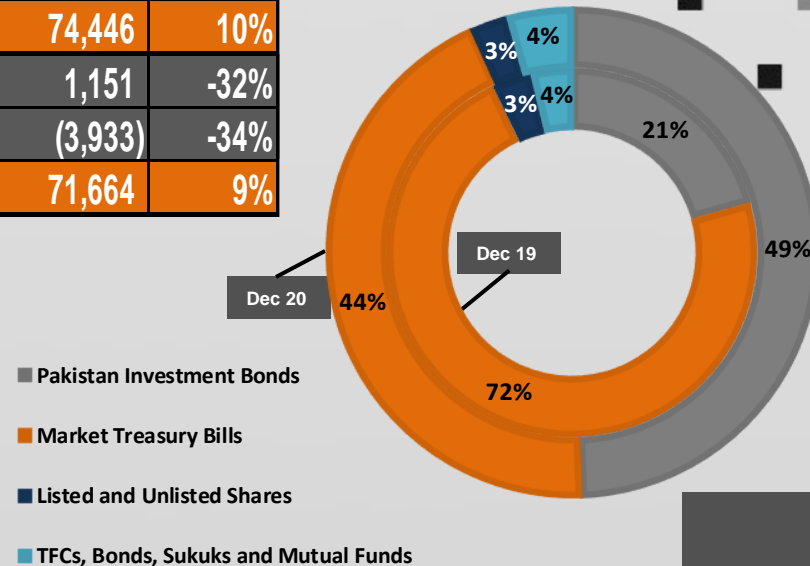
- Effective duration management, favorable repricing delay and funding cost decrease facilitated growth of 16% in Net Interest Income.
- Fee, Commission and Capital Gains increased by 7% and 1.2 times respectively.
- Non-markup income increased by 15%; Rs. 12,542 million.
- Administrative cost growth restricted to 5% despite investment in socio-economic spending amid COVID-19 pandemic, increase in regulatory & Financial Action Task Force (FATF) related compliance costs and cost of doing business.
- Alleviated downside risks amidst COVID-19 pandemic led to recognition of Net charge of Rs. 577 million for diminution in value of equity securities; and
- Profit after tax increased by 28%; EPS Increased to Rs. 15.75 per share

Investments

(Rs. in million)

Investments	Dec' 20	Dec'19	Var.	Growth
*Pakistan Investment (PIBs)	407,300	154,349	252,950	1.6T
Market Treasury Bills	360,865	542,566	(181,701)	-33%
Listed and Unlisted Shares	20,604	25,387	(4,784)	-19%
TFCs, Bonds, Sukuks and Mutual Funds	35,285	27,304	7,981	29%
Subsidiary	500	500	-	0%
Investments at Cost	824,553	750,106	74,446	10%
Provision for diminution in value of investments	(2,433)	(3,584)	1,151	-32%
**Surplus on Revaluation	7,501	11,435	(3,933)	-34%
Investments at Carrying Value	829,621	757,957	71,664	9%

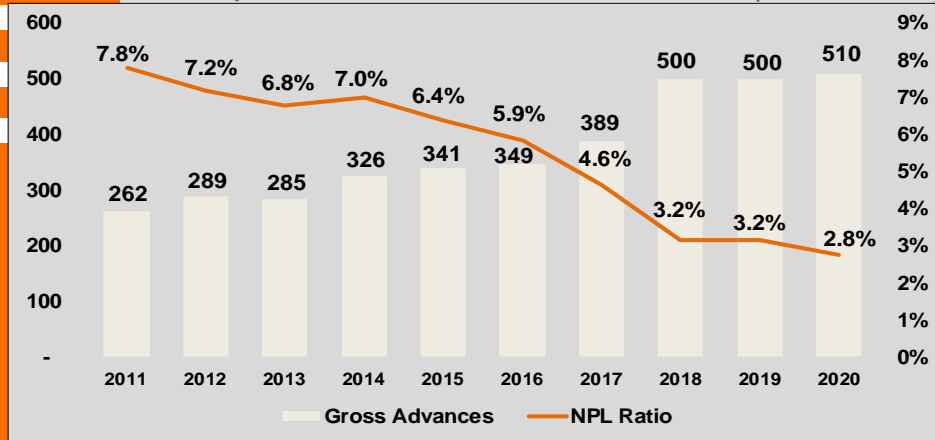
**Surplus on revaluation of securities	Dec'20	Dec'19
Pakistan Investment Bonds	1,134	784
Market Treasury Bills	35	177
Listed and Unlisted Shares	5,787	9,686
TFCs, Bonds, Sukuks and Mutual Funds	546	788
Surplus on revaluation of securities	7,501	11,435





Advances and Asset Quality

(Rs. in billion)



Gross Advances reached Rs. 510 billion (2%↑) (Industry Increase; 2%↑)



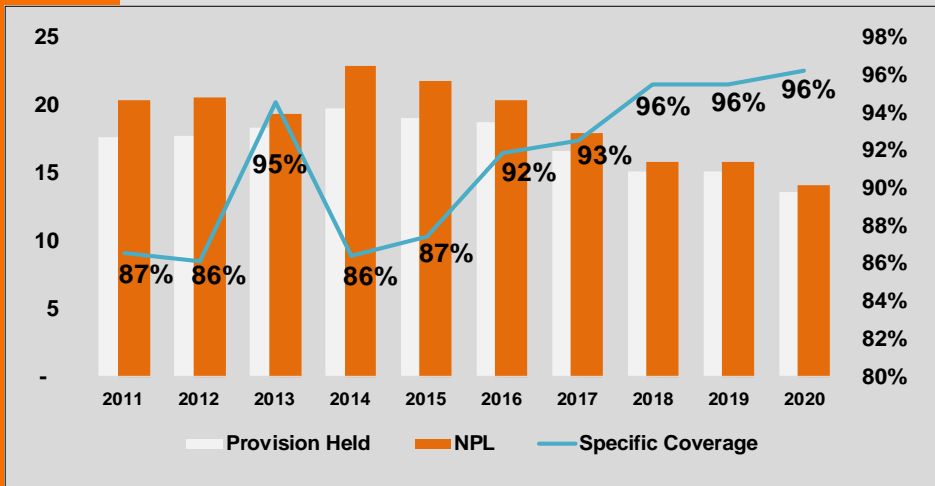
Gross Advances to Deposit (ADR) ratio reached 41.9% (Variance 5.8% ↓) (Industry Dec'20 ADR: 47.8%; Variance 7.1% ↓)



• Non Performing Loans (NPLs) at 14.2 billion (10.7%↓)

• NPL Ratio 2.8% (0.39% ↓); Industry Sep'20: 9.2%

• Specific NPL Coverage 96% (0.9%↑) and Overall NPL Coverage at 97.04%; Industry Sep'20: 87.4%



Key Lending Sectors;

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

A Deposits

(Rs. in billion)

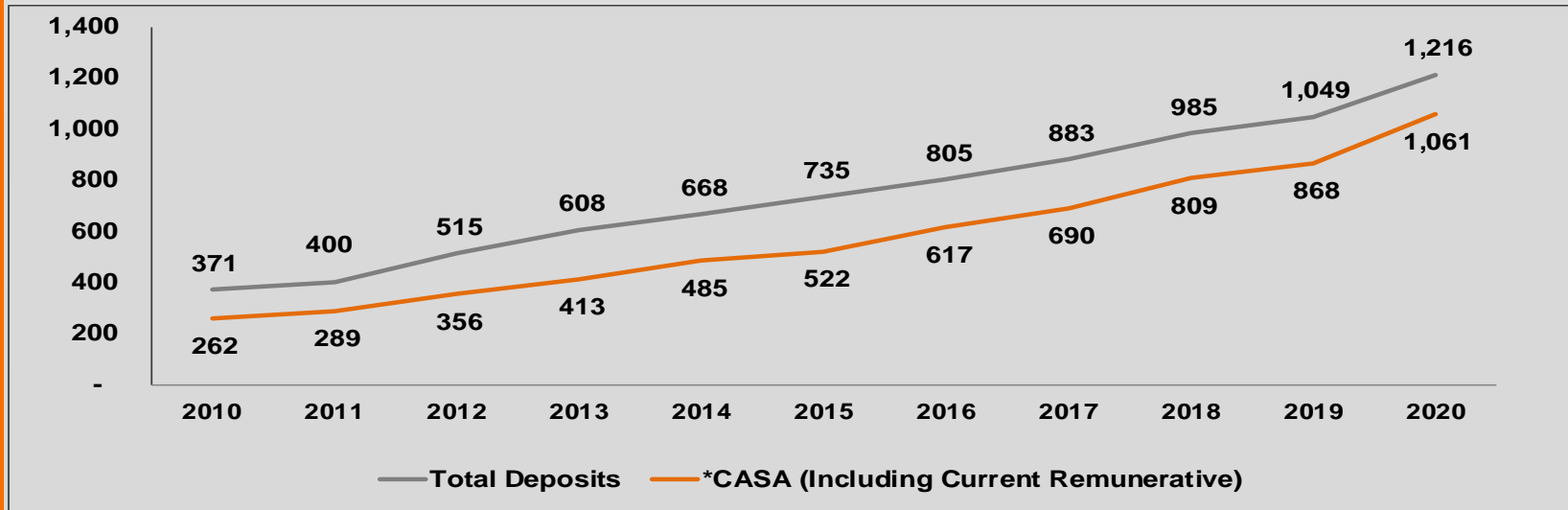
Particulars	DEC' 20	Dec' 19	Var (%)
Current	491	410	20%
Saving	570	458	24%
Term	155	181	-14%
Total Deposits	1,217	1,049	16%

Market Share: 7%

Industry Growth: 17%

ABL Growth: 16%

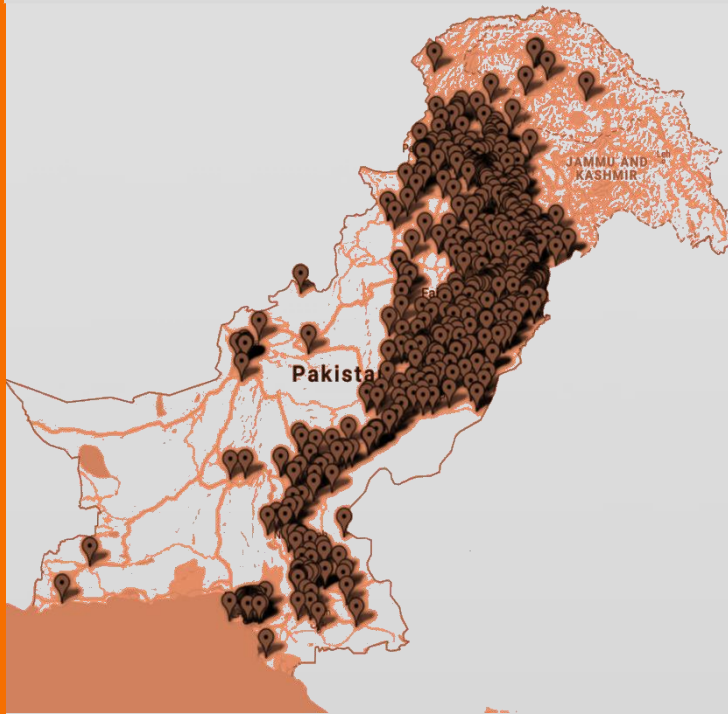
CASA Mix: 87%



*CASA = Current Account and Saving Account



Key Ratios and Channels



Particulars	ABL		
	Dec'20	Dec'19	Variance
Return on Assets (%)	1.2%	1.0%	0.2%
Return on Equity (Tier I) (%)	18.8%	16.0%	2.8%
Capital Adequacy Ratio (%)	25.2%	21.7%	3.5%

Channels	Dec' 20	Dec' 19	Growth
Total Branches	1,402	1,395	7
Conventional	1,285	1,278	7
Islamic	117	117	-
Total Automated Teller Machines (ATMs)	1,558	1,515	43
On-site	1,222	1,186	36
Off-site	333	328	5
Mobile Banking Units	3	1	2
ATM Network Uptime (%)	96%	97%	-1%
Digital Touchpoints	17	14	3
Digital vs Counter Transactions	65:35	56:44	9%
Islamic Windows	85	60	25

Stock Market Data

Pakistan Stock Exchange Code: ABL

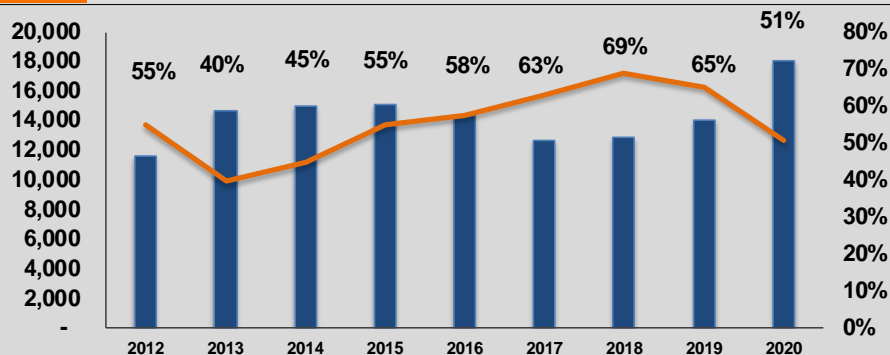
Bloomberg Code: ABL PA

Shares Outstanding (mln): 1,145.07

Market Capitalization (Rs. bln): 97.755

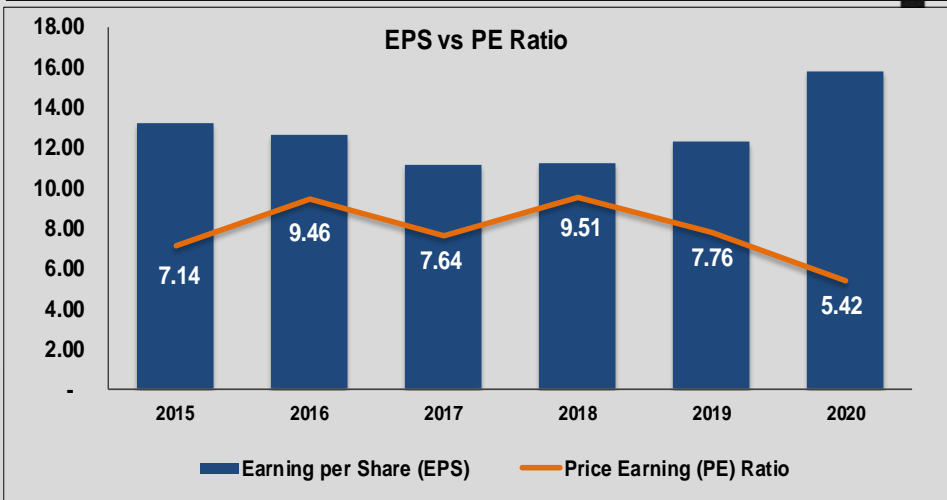
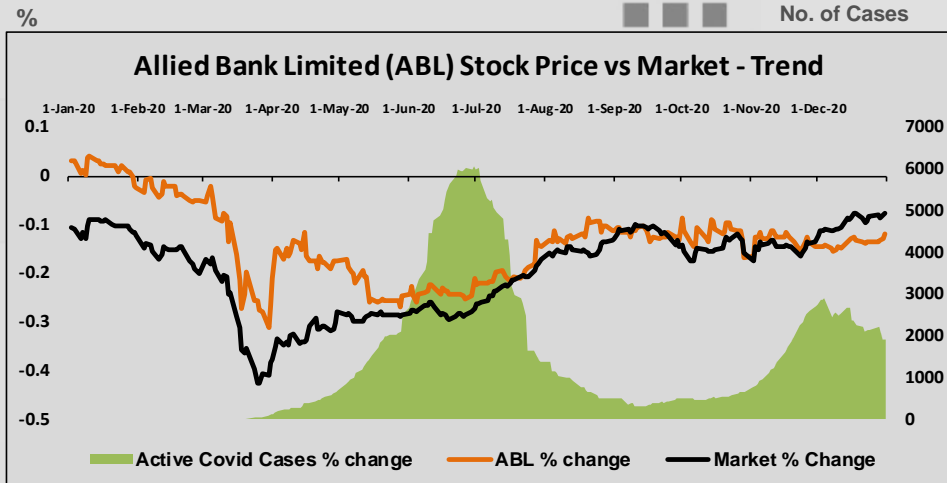
Stock Price as at Dec 31: Rs. 85.37

Period High/Low: 86.41/83.81



Dividend Payout

■ Profit After Tax (PAT) (Rs in Millions) — Dividend as (%) of PAT



*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

Asian Banking and Finance (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

Asian Banking and Finance (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 –
1. Best Telecom Deal of the Year
2. Utility Deal of the year
3. Best Loan Advisor



7

(Certified Financial Analyst) CFA Society Pakistan – Runner-up Best Bank of the Year 2019 – Large size Bank



8

Global Diversity & Inclusion Benchmarks Award 2021 – Best Progressive Bank in Leadership & Recruitment & Development





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 and not being significantly vulnerable to foreseeable events

CGR

VIS Credit Rating Company

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

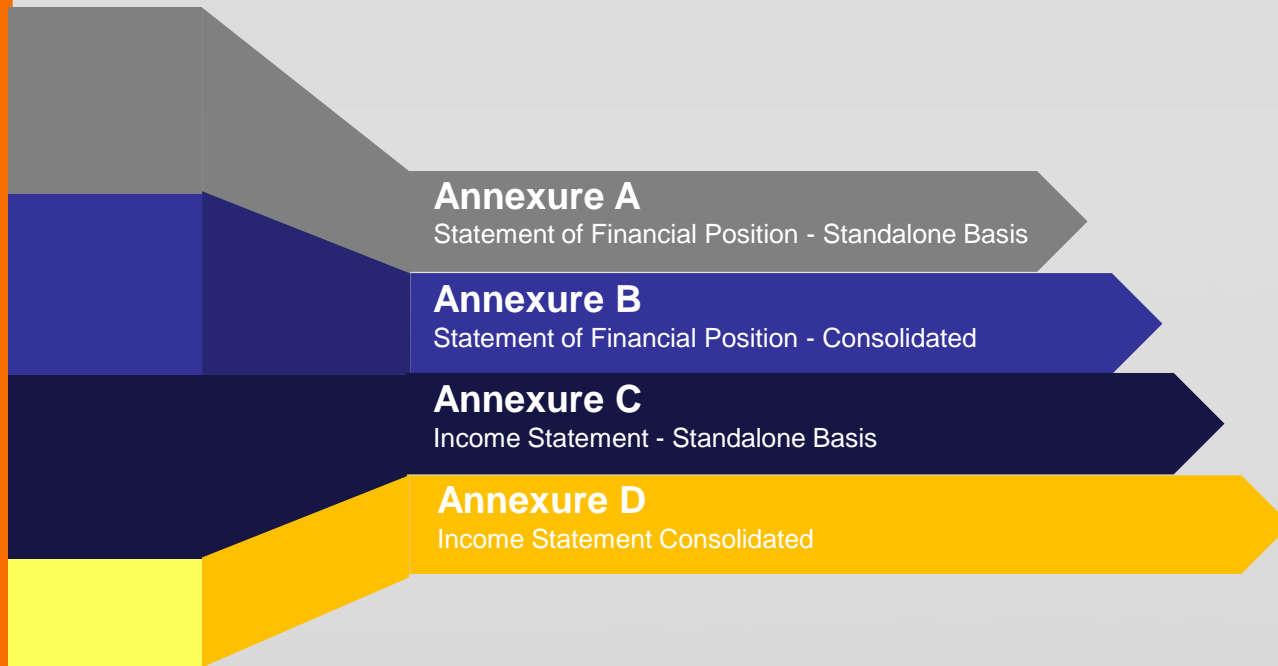
Deposits

Moody's

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



Annexures





Statement of Financial Position : Standalone

ASSETS	Rs. in Million			US\$ in Million			Growth
	Dec'20	Dec'19	Variance	Dec'20	Dec'19	Variance	
Cash and Balances with Banks	135,628	120,546	15,082	849	754	95	13%
Lending to FIs	17,996	13,607	4,389	113	85	28	33%
Investments	829,621	757,957	71,664	5,191	4,742	449	9%
Advances - net	496,432	485,016	11,416	3,106	3,034	72	2%
Fixed Assets	76,246	64,084	12,162	477	401	76	19%
Other Assets	34,534	39,911	(5,377)	216	250	(34)	-14%
TOTAL ASSETS	1,590,458	1,481,121	109,335	9,951	9,267	684	7%
LIABILITIES							
Deposits	1,216,678	1,049,043	167,635	7,612	6,563	1,049	16%
Borrowings	193,928	266,448	(72,520)	1,213	1,667	(454)	-27%
Bills Payable	9,622	7,879	1,743	60	49	11	22%
Other Liabilities	38,670	42,400	(3,730)	242	265	(23)	-9%
TOTAL LIABILITIES	1,458,898	1,365,770	93,128	9,128	8,545	583	7%
NET ASSETS	131,560	115,351	16,209	823	722	101	14%
EQUITY AND RESERVES							
Share Capital	11,451	11,451	-	72	72	-	0%
Reserves	91,272	78,091	13,181	571	489	82	17%
Equity Tier I	102,722	89,542	13,181	643	560	83	15%
Equity Tier II	131,560	115,351	16,209	823	722	101	14%

*FI = Financial Institution



Statement of Financial Position : Consolidated

ASSETS	Rs. in Million			US\$ in Million			Growth
	Dec' 20	Dec'19	Variance	Dec' 20	Dec'19	Variance	
Cash and Balances with Banks	135,625	120,538	15,087	849	754	95	13%
Lending to FIs	17,996	13,607	4,389	113	85	28	33%
Investments	831,704	759,654	72,050	5,204	4,753	451	9%
Advances - net	496,502	485,052	11,450	3,106	3,035	71	2%
Operating fixed assets	76,375	64,216	12,159	478	402	76	19%
Other Assets	34,887	40,317	(5,430)	218	252	(34)	-13%
TOTAL ASSETS	1,593,090	1,483,383	109,707	9,967	9,281	686	7%
LIABILITIES							
Deposits	1,216,668	1,049,019	167,649	7,612	6,563	1,049	16%
Borrowings	193,928	266,448	(72,520)	1,213	1,667	(454)	-27%
Bills Payable	9,622	7,879	1,743	60	49	11	22%
Other Liabilities	39,103	42,826	(3,723)	245	268	(23)	-9%
TOTAL LIABILITIES	1,459,321	1,366,172	93,149	9,130	8,547	583	7%
NET ASSETS	133,769	117,212	16,557	837	733	104	14%
EQUITY AND RESERVES							
Share Capital	11,451	11,451	-	72	72	-	0%
Reserves	93,481	79,952	13,529	585	500	85	17%
Equity Tier I	104,932	91,403	13,529	657	572	85	15%
Equity Tier II	133,769	117,212	16,557	837	733	104	14%

*FI = Financial Institution



Income Statement : Standalone

Particulars	Rs. in Million			US\$ in Million			Growth
	Dec' 20	Dec'19	Variance	Dec' 20	Dec'19	Variance	
Mark-up and interest Income	110,547	122,637	(12,090)	692	767	(75)	-10%
Mark-up and interest Expensed	62,126	80,758	(18,632)	389	505	(116)	-23%
Net Mark-up and interest Income	48,421	41,879	6,542	303	262	41	16%
Capital Gain and Dividend	5,076	3,404	1,672	32	21	11	52%
Fee based Income and Others	7,466	7,487	(21)	47	47	(0)	0%
Non Mark-up and Interest Income	12,542	10,891	1,651	78	68	10	15%
Gross Income	60,962	52,770	8,192	381	330	51	16%
Human Resource Cost	13,955	13,458	497	87	84	3	4%
Other Operating Cost	16,649	14,524	2,125	104	91	13	14%
Total Operating Cost	30,604	27,983	2,621	191	175	16	9%
Operating Profit	30,359	24,788	5,571	190	155	35	22%
Total Provisions	844	547	297	5	3	2	54%
Profit Before Tax	29,515	24,241	5,274	185	152	33	22%
Taxation-Current	11,486	9,294	2,192	72	58	14	24%
Profit Before Prior Year Super Tax	18,029	14,947	3,082	113	94	19	20%
Super Tax Prior Year	-	835	(835)	-	5	(5)	-100%
Profit After Tax	18,029	14,113	3,916	113	88	25	28%



Income Statement : Consolidated

Particulars	Rs. in Million			US\$ in Million			Growth
	Dec' 20	Dec'19	Var.	Dec' 20	Dec'19	Var.	
Mark-up and interest Income	110,549	122,639	(12,090)	692	767	(75)	-10%
Mark-up and interest Expensed	62,153	80,761	(18,608)	389	505	(116)	-23%
Net Mark-up and interest Income	48,396	41,878	6,518	303	262	41	16%
Capital Gain and Dividend	5,261	3,666	1,595	33	23	10	43%
Fee based Income and Others	8,182	8,091	91	51	51	(0)	1%
Non Mark-up and Interest Income	13,443	11,757	1,686	84	74	10	14%
Gross Income	61,839	53,635	8,204	387	336	51	15%
Human Resource Cost	14,260	13,749	511	89	86	3	4%
Other Operating Cost	16,761	14,638	2,123	105	92	13	15%
Total Operating Cost	31,020	28,386	2,634	194	178	16	9%
Operating Profit	30,818	25,249	5,569	193	158	35	22%
Total Provisions	844	547	297	5	3	2	54%
Profit Before Tax	29,974	24,702	5,272	188	155	33	21%
Taxation - Current	11,597	9,378	2,219	73	59	14	24%
Profit Before Prior Year Super Tax	18,377	15,324	3,053	115	96	19	20%
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
Profit After Tax	18,377	14,489	3,888	115	91	24	27%



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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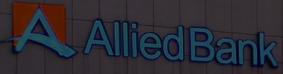
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THANK YOU

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