



ALLIED BANK LIMITED

Investor Presentation – September 2020
Financial Results

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Major Highlights

Balance Sheet

Income Statement

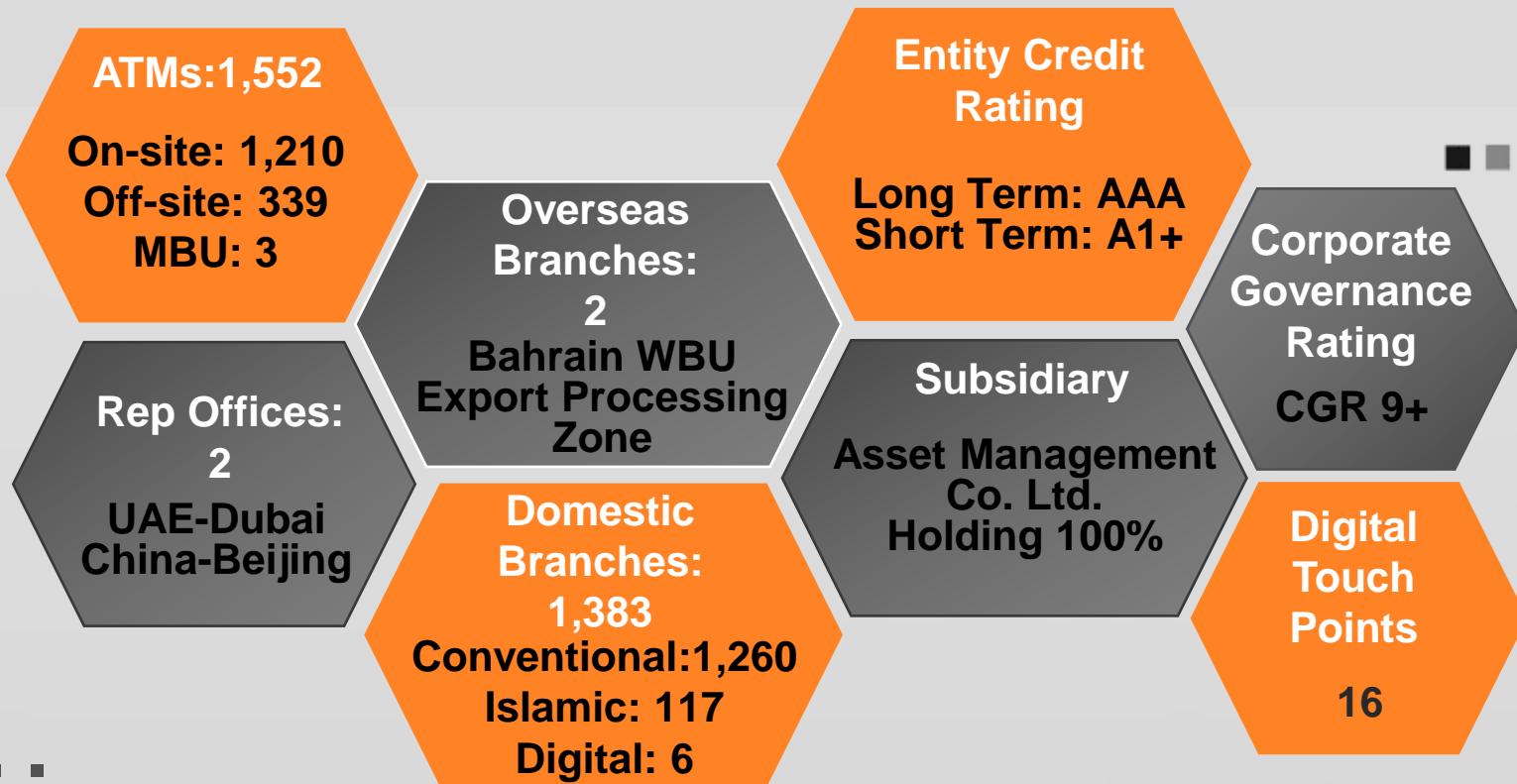
**Advances
&
Asset Quality**

**Key Ratios
&
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ABL at Glance

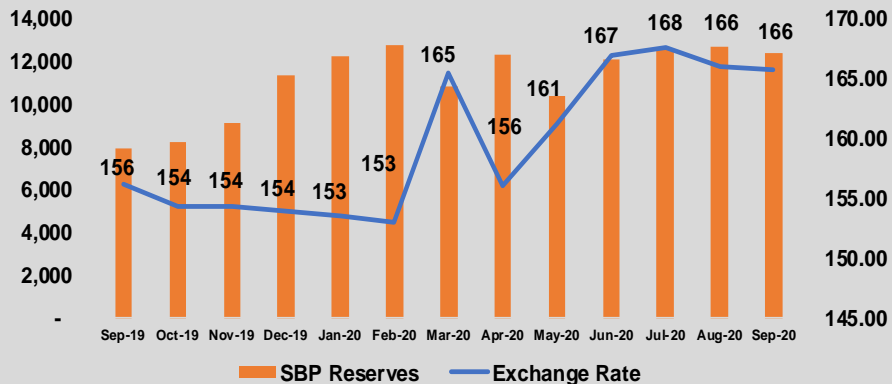




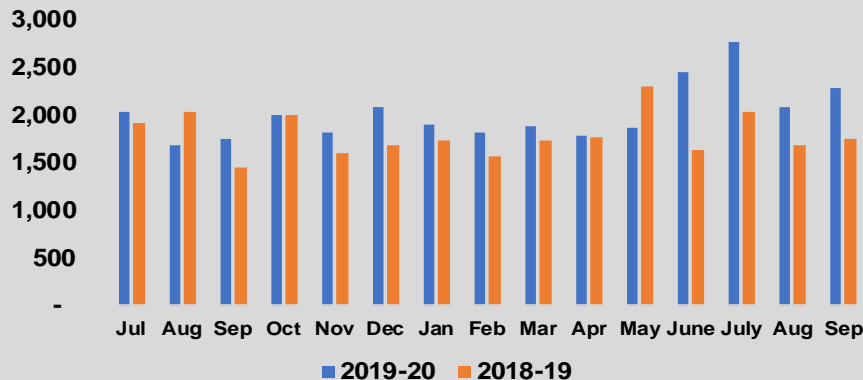
Economic Highlights

*(US\$ Millions)

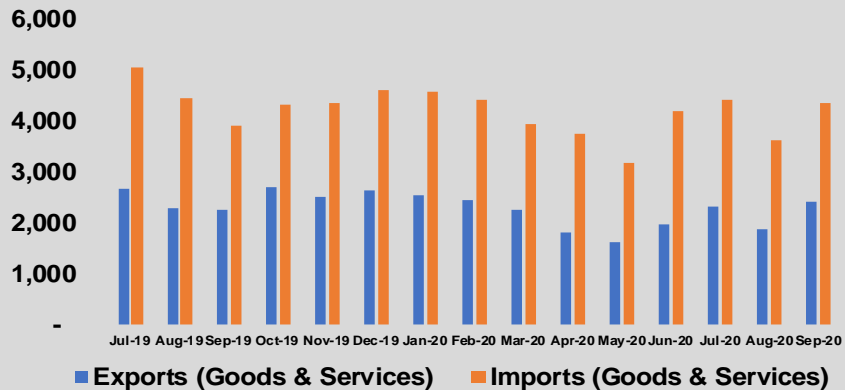
SBP Reserves* and Exchange Rate



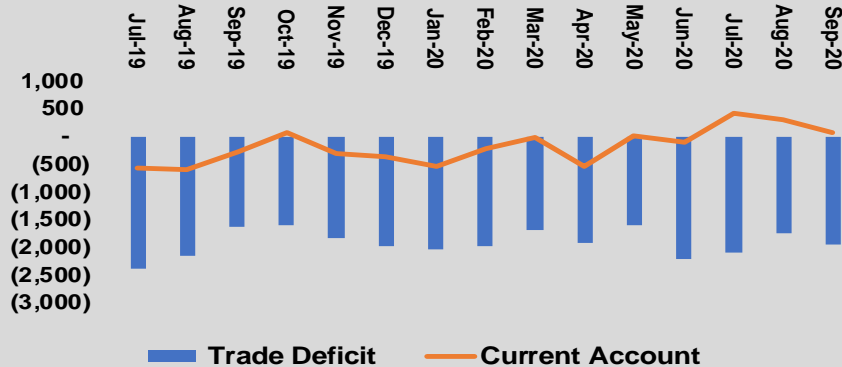
Workers Remittances- US\$ Million



Export & Import- US\$ Million



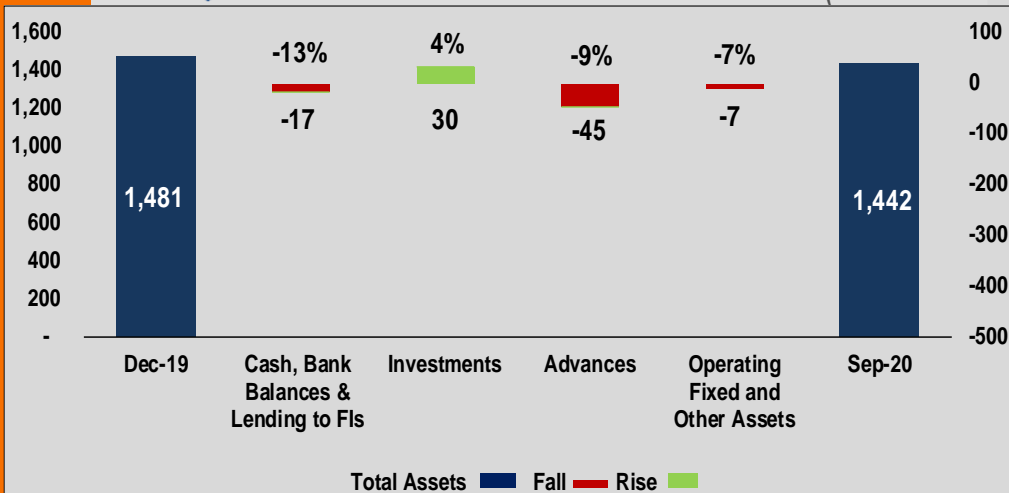
Trade Deficit & Current Account - US\$ Million





Highlights Financial Position (Assets)

(Rs. in Billion)



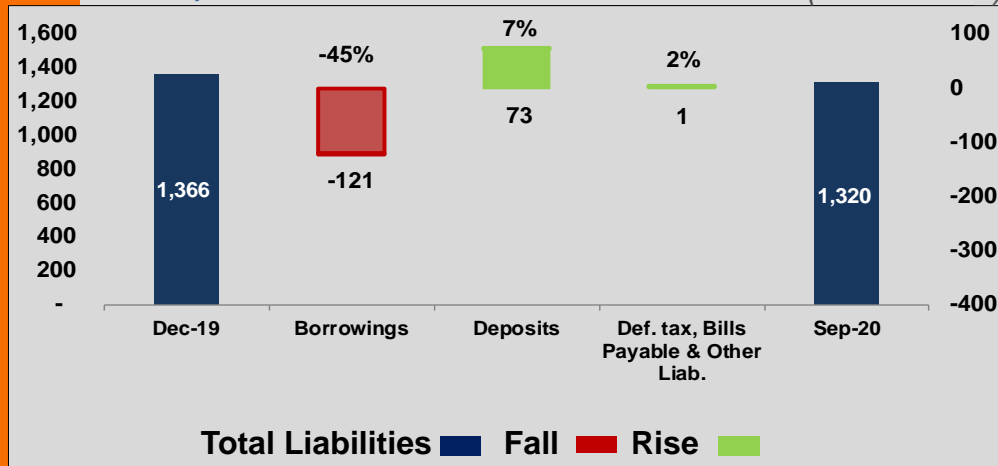
- Total Assets stood at Rs. 1,442 Billion (decreasing by 3%).
- Investment portfolio optimized due to evolving yield curve and capital market expectations amidst economic recovery post Covid-19 outbreak.
- Total Investments thereby reached Rs. 788 billion (Increasing by 4% compared to an industry growth 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%
Total Assets	1,442	1,481	-3%	11%



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%.

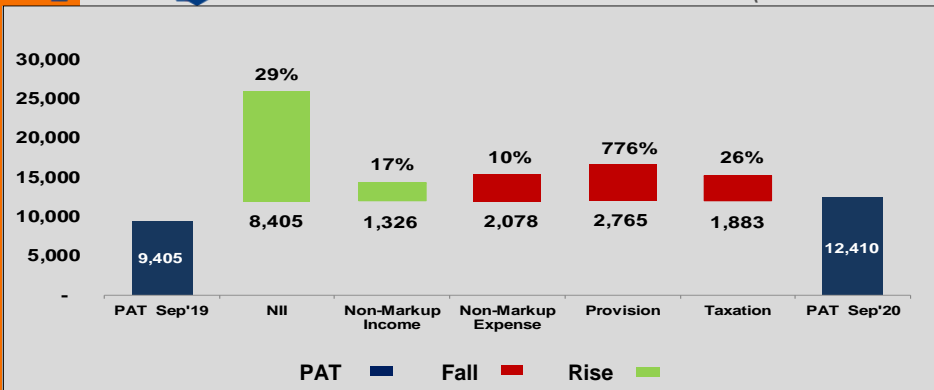
- Total Equity stood at Rs.122 billion (US\$ 737 Million); Increased by 6% (Dec: Rs.115 billion)
- CAR: 27.07%; as at Sep 30, 2020 (Dec 19: 22%); Industry CAR Jun'20 :19%

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%
Total Liabilities	1,320	1,366	-3%	10%



Highlights Income Statement

(Rs. in Million)



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

- 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.

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

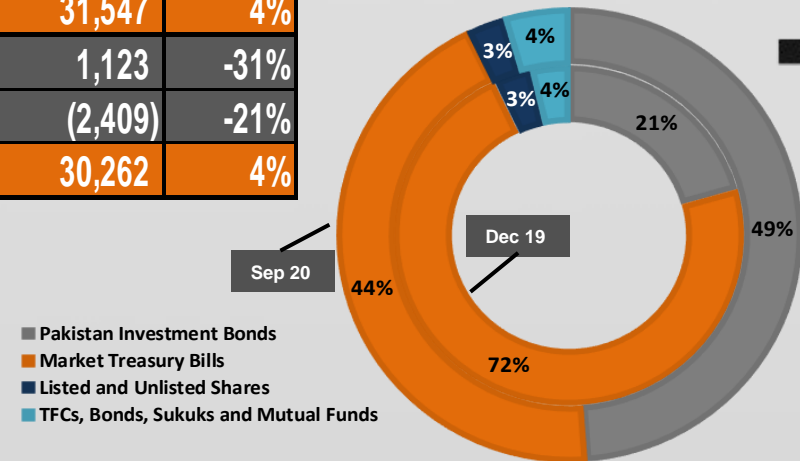
- Profit after tax increased by 32%; EPS increased to Rs. 10.84 per share

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%
Investments at Cost	781,653	750,106	31,547	4%
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%
Investments at Carrying Value	788,219	757,957	30,262	4%

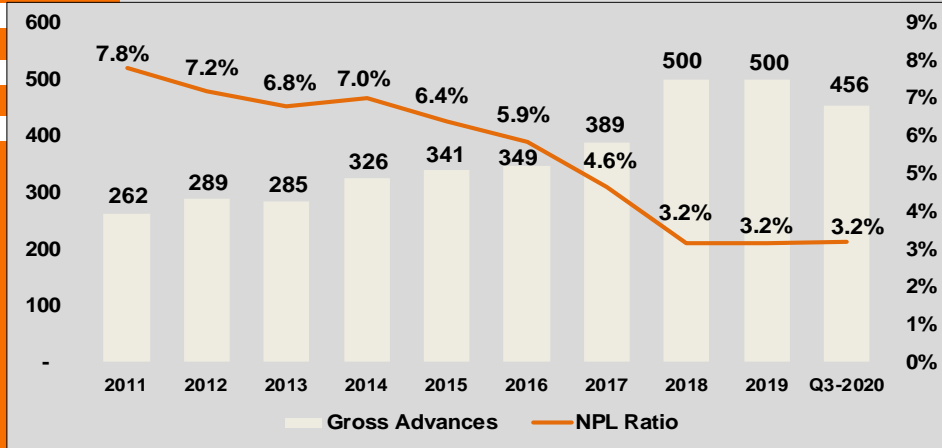
*Surplus / (Deficit) on revaluation of securities	Sep'20	Dec'19
Pakistan Investment Bonds	2,620	784
Market Treasury Bills	163	177
Listed and Unlisted Shares	5,930	9,686
TFCs, Bonds, Sukuks, IBG and Mutual Funds	313	788
Surplus / (Deficit) on revaluation of securities	9,026	11,435





Advances & Asset Quality

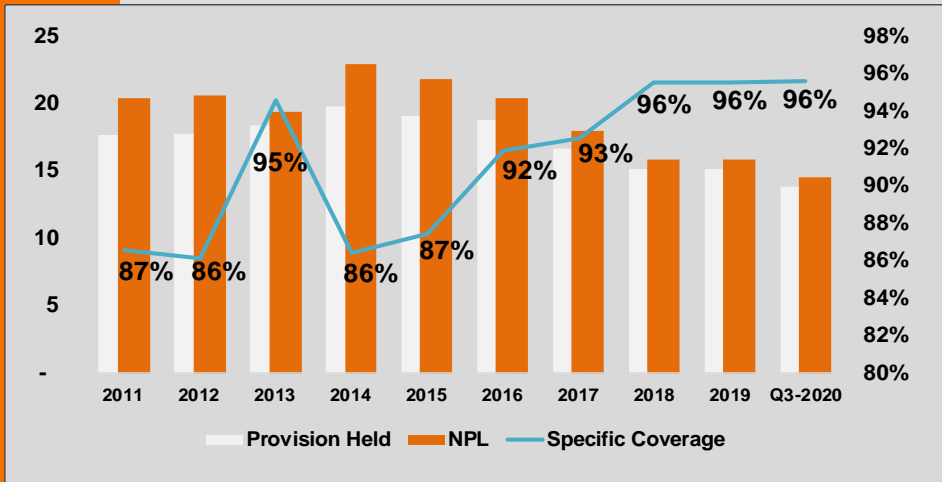
(Rs. in Billion)



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 Jun'20: 8.9%
•Specific NPL Coverage 96% (0.3%↑) and Overall NPL Coverage at 105%; Industry Jun'20: 85%



Key Lending Sectors;

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

A Deposits

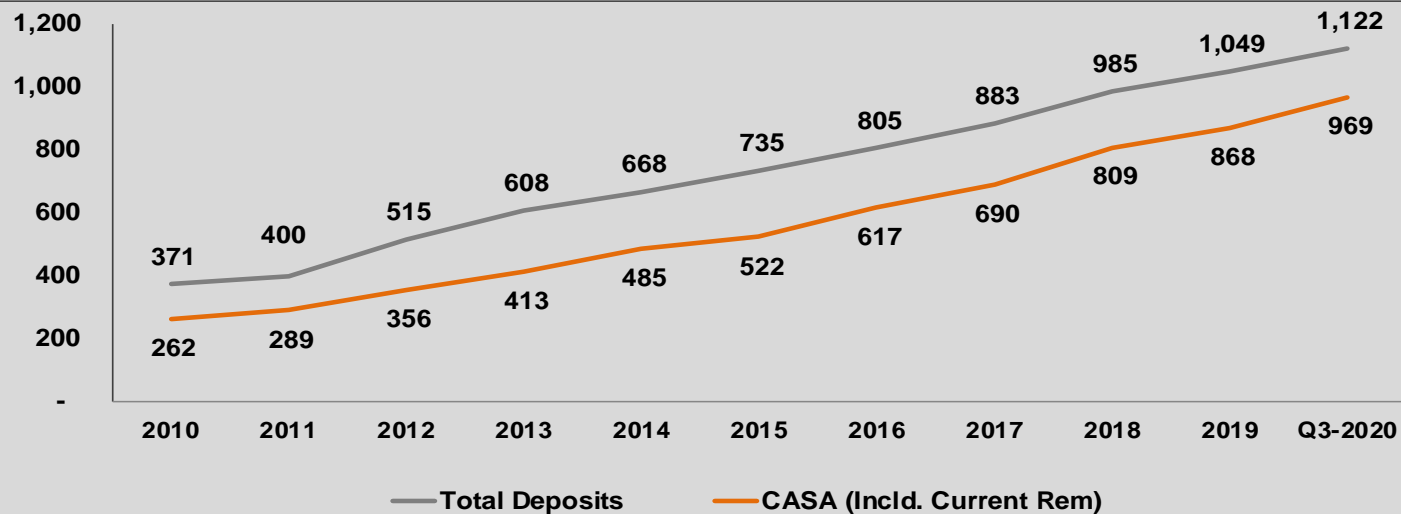
(Rs. in Billion)

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

Market Share: 7%

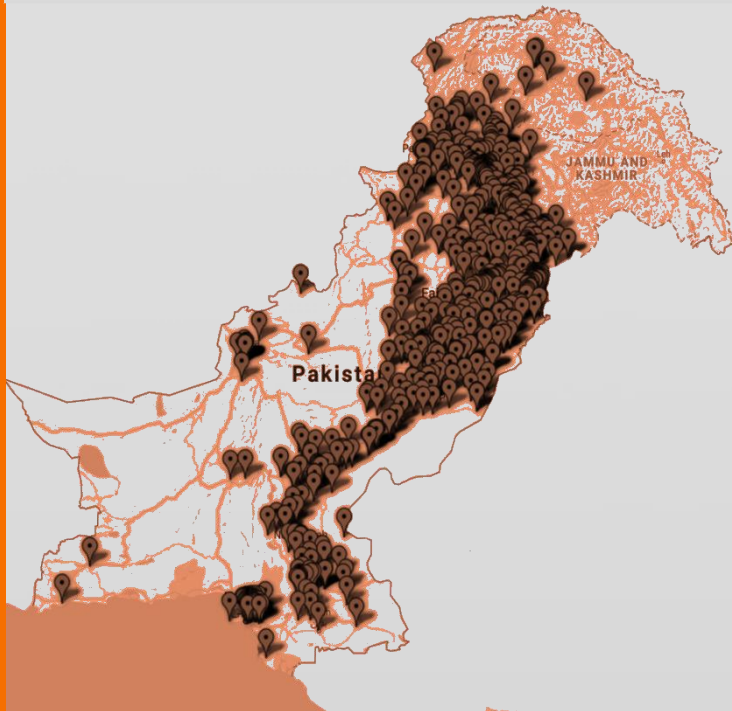
Industry Growth: 13%

CASA Mix: 86%





Key Ratios & Channels



Month	ABL		Industry
	Sep'20	Dec'19	Jun' 20
ROA (%)	1.1%	1.0%	1.8%
ROE (Tier I) (%)	18%	16%	16%
Capital Adequacy Ratio (%)	27%	22%	19%

Channels	Sep' 20	Dec' 19	Growth
Total Branches	1,385	1,395	(10)
Conventional	1,268	1,278	(10)
Islamic	117	117	-
Total ATMs	1,552	1,515	37
On-site	1,210	1,186	24
Off-site	339	328	11
Mobile Banking Units	3	1	2
ATM Network Uptime (%)	96%	97%	-1%
Digital Touchpoints	16	14	2
Digital vs Counter Transactions	57:43	46:54	11%
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): 96.495

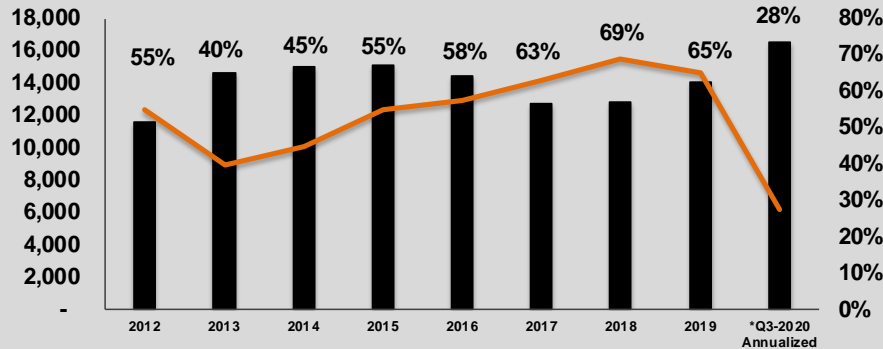
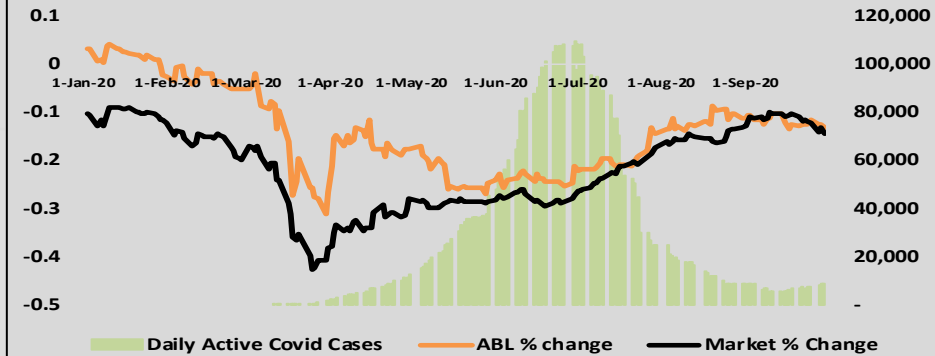
Stock Price as at Sep 30: Rs. 84.27

Period High/Low: 85.00/84.25

%

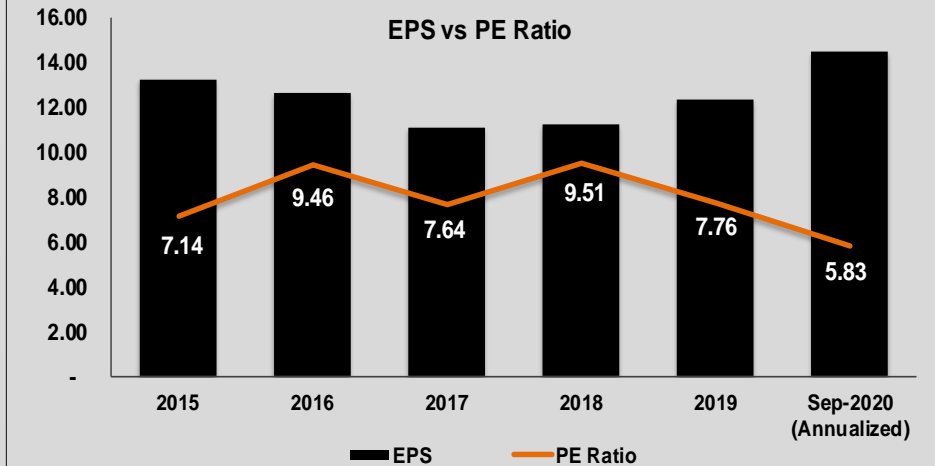
No. of Cases

ABL Stock Price vs Market - Trend



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

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

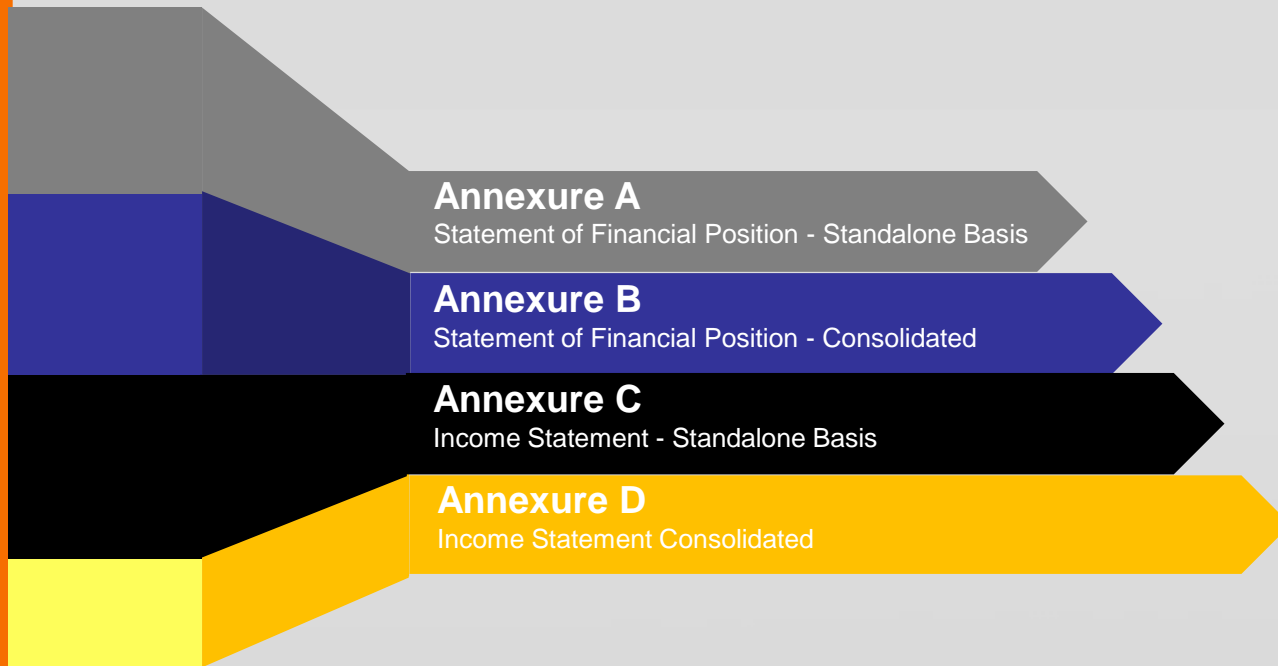
Deposits

- 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





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%
TOTAL ASSETS	1,441,688	1,481,121	(39,433)	8,700	8,938	(238)	-3%
LIABILITIES							
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%
TOTAL LIABILITIES	1,319,640	1,365,770	(46,130)	7,964	8,242	(278)	-3%
NET ASSETS	122,049	115,351	6,698	737	696	40	6%
EQUITY and RESERVES							
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%
TOTAL ASSETS	1,444,144	1,483,383	(39,239)	8,715	8,952	(237)	-3%
LIABILITIES							
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%
TOTAL LIABILITIES	1,320,012	1,366,172	(46,160)	7,966	8,245	(279)	-3%
NET ASSETS	124,132	117,212	6,921	749	707	42	6%
EQUITY and RESERVES							
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%
Net Mark-up/ interest Income	37,185	28,781	8,404	224	174	51	29%
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%
Non Mark-up/ Interest Income	9,147	7,820	1,327	55	47	8	17%
Gross Income	46,331	36,601	9,730	280	221	59	27%
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%
Total Operating Cost	22,479	20,402	2,077	136	123	13	10%
Operating Profit/(Loss)	23,852	16,199	7,653	144	98	46	47%
Total Provisions	2,408	(356)	2,765	15	(2)	17	-776%
Profit Before Tax	21,443	16,555	4,888	129	100	29	30%
Taxation-Current	9,034	6,315	2,719	55	38	16	43%
Profit Before Prior Year Super Tax	12,410	10,240	2,170	75	62	13	21%
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
Profit After Tax	12,410	9,405	3,005	75	57	18	32%



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%
Net Mark-up/ interest Income	37,180	28,779	8,401	224	174	51	29%
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%
Non Mark-up/ Interest Income	9,772	8,389	1,383	59	51	8	16%
Gross Income	46,952	37,168	9,784	283	224	59	26%
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%
Total Operating Cost	22,798	20,678	2,120	138	125	13	10%
Operating Profit/(Loss)	24,154	16,490	7,664	146	100	46	46%
Total Provisions	2,408	(356)	2,765	15	(2)	17	-776%
Profit Before Tax	21,746	16,846	4,900	131	102	30	29%
Taxation - Current	9,112	6,374	2,737	55	38	17	43%
Profit Before Prior Year Super Tax	12,634	10,472	2,162	76	63	13	21%
Super Tax Prior Year	-	835	(835)	-	5	(5)	100%
Profit After Tax	12,634	9,637	2,997	76	58	18	31%



Disclaimer

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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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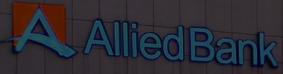
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THANK YOU

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