



## Rating Action

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## PACRA MAINTAINS RATINGS OF ALLIED BANK LIMITED

PACRA has maintained the long-term and short-term entity ratings of "AA" (Double A) and "A1+" (A one plus), respectively. PACRA has also maintained the rating of subordinated TFC(II) of PKR 3,000mln, issued by ABL, at "AA-" (Double A minus). These ratings denote very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments. The outlook on these ratings remains 'positive'.

The ratings reflect ABL's robust performance emanating from increasing asset base and sound asset quality. ABL continues to leverage its extensive network for mobilizing low cost deposits, while simultaneously expanding its advances portfolio. The bank remains focused on strengthening its infrastructure and control environment - pre-requisites to withstand increasingly tough and competitive operating environment in the country.

The positive outlook on ratings recognize ABL's improving profile in the peer universe; wherein deepening of client relationships, further dilution of credit and deposit concentration, and full scale benefits of advanced technology platform would be key essentials.

**About the Bank:** Ibrahim Group (IG), through its different companies and family members, owns 80% of shareholding in ABL. Apart from interest in financial sector, IG is engaged in manufacturing of yarn and polyester staple fibre. State Bank of Pakistan also has a shareholding of around 10% in ABL. With a sizeable network spanning over 300 cities and towns of Pakistan, ABL offers a full range of banking services. The bank has one of the largest ATMs network of the country (587 ATMs).

Mr. Khalid A. Sherwani re-joined ABL as CEO in Jun10. He is a seasoned banker with 43 years of banking experience, including being CEO of ABL previously. He is in charge of a stable and experienced management team.

**About the TFCs Issue:** ABL issued listed, unsecured, subordinated TFC-II, of PKR 3,000mln in Aug09. The instrument has a tenor of 10 years and carries a profit rate of 6MK+0.85% for the first 5 years and 6MK+1.3% thereafter, payable semi-annually in arrears. A call option is available on any profit payment date starting 60th month from the issue date. Principal repayment will be in bullet form at maturity.

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