

Flash Note

Thursday, August 17, 2023



Commercial Banks

Allied Bank Limited (ABL)

Earnings: Allied Bank Limited (ABL) announced its financial result for the second quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 9.9bn (PKR 8.6/share) during 2QCY23 compared to PKR 2.1bn (PKR 1.8/share) last year, an increase of +30%q/q and a jump of +4.8x y/y. This brings total profitability for 1HCY23 to PKR 17.4bn (PKR 15.2/share), up by +2.5x y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 2.5/share along with the result compared to PKR 2/share last year's same period. This brings total cash payout for 1HCY23 to PKR 5/share.

Operating Performance: During the 2QCY23 period under review, the Bank reported net-interest income of PKR 30bn (up by +2x y/y) and non-interest income of PKR 4bn (down by 33% y/y). As a result, the bank's total revenue stood at PKR 35bn (up by +61%y/y). Moreover, ABL recorded operating expenses of PKR 13bn (up by +26%y/y), which improved the bank's cost/income ratio to 36% (last year: 46%). The bank booked a provision charge of PKR 0.4bn during 2QCY23 compared to a provision reversal of PKR 0.5bn in the same period last year. The tax charge for this quarter came at PKR 12bn (effective tax rate of 55% compared to 83% in 2QCY22).

Exhibit: Financial Highlights Allied Bank Limited (ABL)								
Latest result published for 2Q/23								
Period (PKRbn)	2Q/23	1Q/23	2022	4Q/22	3Q/22	2Q/22	1Q/22	2021
Net Interest Income	30	21	67	21	18	15	13	46
Fee Income	3	3	8	2	2	2	2	7
Treasury Income	2	4	12	2	4	5	2	8
Non-Interest Income	4	7	21	4	6	7	4	16
Total Revenue	35	27	87	26	24	22	17	62
Op. Exp.	(13)	(12)	(41)	(12)	(11)	(10)	(9)	(34)
Provision charge	(0.4)	(2.3)	0	(0)	(0)	0.5	0.3	1
Profit Before Tax	22	13	47	14	13	12	8	28
Tax	(12)	(6)	(25)	(5)	(7)	(10)	(3)	(11)
Profit After tax	9.85	7.59	21.19	8.57	5.74	2.06	4.83	17.31
EPS	8.61	6.63	18.51	7.48	5.01	1.80	4.22	15.12
DPS	2.50	2.50	8.00	2.00	2.00	2.00	2.00	8.00

Source: Company accounts, IGI Research. No. of shares: 1145.1mn

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