

Flash Note

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Commercial Banks

Allied Bank Limited (ABL)

Earnings: Allied Bank Limited (ABL) announced its financial result for the fourth quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 12.02bn (PKR 10.50/share) during 4QCY23 compared to PKR 8.57bn (PKR 7.48/share) last year, an increase of +7%q/q and a jump of +40%/y/y. This brings total profitability for CY23 to PKR 40.68bn (PKR 35.53/share), up by +92%/y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 4.0/share along with the result bringing total cash payout for CY23 to PKR 12.0/share.

Operating Performance: During the 4QCY23 period under review, the Bank reported net-interest income of PKR 32bn (up by +52%/y/y) and non-interest income of PKR 8bn (up by +90%/y/y). As a result, the bank's total revenue stood at PKR 41bn (up by +58%/y/y). Moreover, ABL recorded operating expenses of PKR 12bn (up by +5%/y/y), which improved the bank's cost/income ratio to 30% (4QCY22: 45%). The bank booked a provision charge of PKR 0.4bn during 4QCY23 compared to a provision charge of PKR 0.4bn in the same period last year. The tax charge for this quarter came at PKR 16bn (effective tax rate of 57% compared to 37% in 4QCY22. This brings total effective tax rate for CY23 to 53% compared to 55% in the same period last year.

Exhibit: Financial Highlights Allied Bank Limited (ABL)										
Latest result published for 4Q'/23										
Period (PKRbn)	CY23	4Q'/23	3Q'/23	2Q'/23	1Q'/23	CY22	4Q'/22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	113	32	30	30	21	67	21	18	15	13
Fee Income	11	3	3	3	3	8	2	2	2	2
Treasury Income	14	5	2	2	4	12	2	4	5	2
Non-Interest Income	24	8	5	4	7	21	4	6	7	4
Total Revenue	138	41	35	35	27	87	26	24	22	17
Op. Exp.	(49)	(12)	(13)	(13)	(12)	(41)	(12)	(11)	(10)	(9)
Provision charge	(3.0)	(0.4)	0.2	(0.4)	(2.3)	0.3	(0.4)	(0.1)	0.5	0.3
Profit Before Tax	86	28	23	22	13	47	14	13	12	8
Tax	(45)	(16)	(11)	(12)	(6)	(25)	(5)	(7)	(10)	(3)
Profit After tax	40.68	12.02	11.22	9.85	7.59	21.19	8.57	5.74	2.06	4.83
EPS	35.53	10.50	9.80	8.61	6.63	18.51	7.48	5.01	1.80	4.22
DPS	12.00	4.00	3.00	2.50	2.50	8.50	2.50	2.00	2.00	2.00

Source: Company accounts, IGI Research. No. of shares: 1,145.1mn

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