

Flash Note

Wednesday, 13 February 2019

Commercial Bank

Allied Bank Limited (ABL)

2018 profitability marginally up by +1% to PKR 11.25/share;

- Allied Bank Limited (ABL) reported its full year earnings for 2018 of PKR 11.25/share marginally up by +1%. However, on a quarterly basis, earnings are down by 16% to PKR 2.08/share, owing to higher opex (+11%QoQ, C/I ratio 58%), provision charge of PKR 67mn against a reversal in the previous quarter and higher taxation (effective tax 42% vs. 39% last quarter).
- Bank declared a dividend of PKR 2.0/share taking cumulative payout to PKR 8.0/share.
- Overall result held no surprise and was in-line with our and market consensus.

Exhibit:

ABL Result Highlights

PKRmn (Period end=Dec)	4QCY18	4QCY17	YoY	CY18	CY17	YoY	3QCY18	QoQ
Interest Earned	20,061	17,504	15%	73,274	65,709	12%	19,893	1%
Interest Expensed	11,567	9,506	22%	41,159	34,130	21%	12,084	-4%
NII	8,494	7,998	6%	32,115	31,578	2%	7,809	9%
Fee Income	1,172	854	37%	4,361	3,917	11%	940	25%
FX Income	453	238	91%	1,504	762	97%	377	20%
Capital Gain and Dividend Income	912	1,423	-36%	5,172	3,869	34%	683	33%
NFI	2,398	2,565	-7%	11,289	8,872	27%	2,188	10%
Operating Expenses	6,312	6,683	-6%	23,306	21,530	8%	5,662	11%
Pre-Provisioning Profits	4,580	3,879	18%	20,099	18,921	6%	4,335	6%
Provision (Rev.) / Charge	67	(722)	n.m.	(1,090)	(1,958)	-44%	(276)	n.m.
Pre-Tax Profits	4,076	4,602	-11%	21,016	20,879	1%	4,611	-12%
Extraordinary Item/Assoc.	(437)	-	-11%	(172)	-	n.m.	-	n.m.
Taxation	1,693	1,610	5%	8,136	8,145	0%	1,786	-5%
Profit After Tax	2,382	2,992	-20%	12,881	12,734	1%	2,825	-16%
EPS (PKR)	2.08	2.61		11.25	11.12		2.47	
DPS (PKR)	2.00	1.75		8.00	7.00		2.00	
BVPS (PKR)	94.3	93.2					94.2	
Cost-To-Income Ratio	58%	63%		54%	53%		57%	
Effective Tax Rate	42%	35%		39%	39%		39%	
Non-II / Total Income	38%	55%		46%	44%		31%	

SOURCE: IGI Research, Company accounts, PSX

No. of shares (mn): 1145.07

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