

Flash Note

Wednesday, August 21, 2024

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Commercial Banks

Allied Bank Limited (ABL)

Earnings: Allied Bank Limited (ABL) announced its financial result for the second quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 12.3bn (PKR 10.72/share) during 2QCY24 compared to PKR 9.9bn (PKR 8.61/share) last year, up by 8%q/q and a jump of +25%/y.

Dividend/Payout: The Company announced a cash dividend of PKR 4.0/share along with the result taking the cumulative dividend for 1HCY24 to PKR 8.0/share.

Operating Performance: During the 2QCY24 period under review, the Bank reported net-interest income of PKR 29.3bn (down by -3%/y) and non-interest income of PKR 7bn (up by +58%/y). As a result, the bank's total revenue clocked in at PKR 36bn (up by +4%/y). Moreover, the Bank recorded 2.1xy/y higher treasury income at PKR 4bn mainly led by higher foreign exchange income. ABL recorded operating expenses of PKR 15bn (up by +19%/y), which led to higher cost/income ratio of 41% during 2QCY24 against 36% in the same period last year. The bank booked a provision reversal of PKR 2.9bn during 2QCY24 compared to a provision charge of PKR 0.4bn in 2QCY23. The tax charge for this quarter clocked in at PKR 12bn (effective tax rate of 49% compared to 55% in 2QCY23).

Exhibit: Financial Highlights Allied Bank Limited (ABL)					
Latest result published for 2Q/24					
Period (PKR billion)	2Q'/24	2Q'/23	1Q'/24	1H'24	1H'23
Net Interest Income	29	30	29	58	51
Fee Income	3	3	4	6.5	5
Treasury Income	4	2	3	7	6
Non-Interest Income	7	4	6	13	11
Total Revenue	36	35	35	72	62
Op. Exp.	(15)	(13)	(13)	(28)	(24)
Provision charge	2.9	(0.4)	0.2	3.0	(2.7)
Profit Before Tax	24	22	22	47	35
Tax	(12)	(12)	(11)	(23)	(18)
Profit After tax	12.3	9.9	11.4	23.6	17.4
EPS	10.72	8.61	9.92	20.65	15.23
DPS	4.00	2.50	4.00	8.00	5.00

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

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- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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