

Flash Note

Thursday, October 29, 2026

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Commercial Banks

Allied Bank Limited (ABL)

Earnings: Allied Bank Limited (ABL) announced its financial result for the third quarter of the year 2026. As per the financial result, the Bank reported unconsolidated earnings of PKR 7.3bn (PKR 6.41/share) during 3QCY26 compared to PKR 8.4bn (PKR 7.35/share) last year, declining by -13%/y/y/-2%q/q. The total earnings for 9MCY26 clocked in at PKR 23.1bn (PKR 20.13/share), down by -11%/y/y, as compared to PKR 25.9bn (PKR 22.60/share) recorded in the same period last year.

Dividend/Payout: The Company announced a cash dividend of PKR 4.0/share with the result taking the cumulative dividend to PKR 12.0/share.

Operating Performance: During the 3QCY26 period under review, the Bank reported net-interest income of PKR 26.8bn (flat y/y) and non-interest income of PKR 7.4bn (increasing by +5%/y/y). As a result, the bank's total revenue stood at PKR 34.2bn (up by +1%/y/y). Moreover, ABL recorded operating expenses of PKR 19.9bn (up by +16%/y/y), with the bank's cost/income ratio climbing to 58% (3QCY25: 50%). The bank booked a provision reversal of PKR 0.8bn during 3QCY26 compared to a provision reversal of PKR 1.0bn in the same period last year. The tax charge for this quarter was recorded at PKR 7.8bn (effective tax rate of 52% as compared to 53% in 3QCY25). The cumulative tax charge for 9MCY26 was recorded at PKR 24.1bn (Effective tax rate of 51%).

Recommendation: We maintain our 'Hold' stance on ABL with Dec-26 target price of PKR 190/share, offering an upside of 11% from the last close. It is currently trading at CY27 P/B of 0.7x and D/Y of 7%.

Exhibit: Financial Highlights Allied Bank Limited (ABL)					
Latest result published for 3Q'/26					
Period (PKRbn)	3Q'/26	3Q'/25	2Q'/26	9M'26	9M'25
Net Interest Income	26.8	26.9	25.3	79.9	78.6
Fee Income	4.0	4.1	4.1	12.3	11.8
Treasury Income	3.1	2.9	3.7	9.0	8.9
Non-Interest Income	7.4	7.0	8.6	23.0	21.2
Total Revenue	34.2	34.0	33.8	102.9	99.8
Op. Exp.	(19.9)	(17.1)	(18.8)	(55.7)	(49.2)
Provision charge	0.8	1.0	0.1	(0.1)	4.3
Profit Before Tax	15.1	17.8	15.2	47.2	54.8
Tax	(7.8)	(9.4)	(7.7)	(24.1)	(28.9)
Profit After tax	7.3	8.4	7.5	23.1	25.9
EPS	6.41	7.35	6.51	20.13	22.60
DPS	4.0	4.0	4.0	12.0	12.0

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

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- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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