

Sector**COMMERCIAL
BANKS**Chase Research

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Symbol: **ABL**

Current Price: **PKR 82.11**

Market Cap (PKR bn): **94.02**

Total Shares (mn): **1,145.07**

Free Float (mn): **114.51**

52 Week High: **PKR 91.00**

52 Week Low: **PKR 61.03**

Allied Bank Limited (ABL)

Allied Bank reported a consolidated net mark-up and interest income of PKR 80.66 Bn in 9MCY23, up 78% from PKR 45.44 Bn in SPLY.

Non markup and interest income was recorded at PKR 17.6 Bn in 9MCY23 representing 5% growth when compared to PKR 16.8 Bn in 9MCY22.

As a result, consolidated gross income surged 58% to PKR 98.2 Bn in 9MCY23 from PKR 62.3 Bn in SPLY.

Operating costs in the period increased 25% to PKR 37.3 Bn in 9MCY23 from PKR 29.9 Bn in 9MCY22. This was driven primarily by a 34% increase in other operating costs alongside a 12% increase in human resource costs.

In 9MCY23, Allied Bank recorded consolidated profit before tax of PKR 58.5 Bn. This is 77% more than PKR 33.1 Bn in 9MCY22. Similarly, taxation costs for the company went from PKR 20.5 Bn in 9MCY22 to PKR 29.4 Bn in 9MCY23, an increase of 44%.

The bank reported consolidated profit after tax of PKR 29 Bn in 9MCY23, surging 130% from PKR 12.6 Bn in 9MCY22.

The bank has also seen its total assets rise 1% from PKR 2.253 Tn as of Dec'22 to PKR 2.266 Tn as of Sep'23. Net assets grew 18% from PKR 130 Bn on Dec'22 to PKR 153 Bn on Sep'23.

Allied Bank has also seen 19% growth in Tier 1 equity from PKR 125 Bn at the end of CY22 to PKR 148 Bn at the end of 3QCY23. Additionally, total equity was up 18% in the same period from PKR 130 Bn to PKR 153 Bn.

Allied Bank saw its return on assets rise to 1.7% as of Sep'23 against 1% as of Dec'22. Similarly, a growth in return on tier 1 equity was seen from 18.4% to 28.6% in the same time period.

The Bank's capital adequacy ratio stands at 22.61% as of Sep'23 showing a rise from 19.74% as of Dec'22.

The bank has opened 21 conventional branches and 25 Islamic banking windows bringing the total to 1474 and 160 respectively. It has also added 42 new ATMs bringing the total in its network to 1569.

As of September 30, 2023, the bank has also opened 1.15 Mn new accounts to bring its total to over 7.61 Mn.

Allied Bank has also launched an industry first Allied Freelancer Account to cater to a greater number of customers. Additionally, Allied bank is continuing to work to expand its e-commerce payment alliances with leading merchants.

Going forward Allied bank expects a 1-4% reduction in the SBP policy rate over the next year as inflation cools. It also does not expect an unusual rise in NPLs.

PKR'Mn	9MCY23	9MCY22	YoY	3QCY23	3QCY22	YoY
Mark-up/interest revenue	264,046	147,560	79%	95,144	59,987	59%
Mark-up/interest expense	183,385	102,121	80%	65,130	42,058	55%
Net mark-up/interest income	80,661	45,438	78%	30,013	17,930	67%
Total non-mark-up/interest income	17,611	16,830	5%	5,425	5,841	-7%
- Fee, commission and brokerage income	8,519	6,502	31%	2,979	2,238	33%
- Dividend income	2,716	2,058	32%	1,000	674	48%
- Income from dealing in foreign currencies	5,781	7,142	-19%	1,421	2,846	-50%
- Gain/(loss) on sale of securities	531	1,050	-49%	-10	37	-127%
- Other income	64	78	-18%	35	46	-24%
Total Revenue	98,272	62,268	58%	35,439	23,771	49%
Total provisions	-2,532	697	-463%	211	-53	-498%
- Provision against non-performing loans and advances	-1,227	551	-323%	234	-50	-568%
- Provision against off-balance sheet obligations	-354	53	-768%	-22	-15	47%
- Provision for diminution in the value of investments	-958	6	-	-4	9	-144%
- Bad debts written off directly	6	86	-93%	3	3	0%
Administrative expense	35,807	28,886	24%	12,130	10,373	17%
Other charges	267	280	-5%	109	65	68%
Workers welfare fund	1,209	695	74%	468	270	73%
Profit before tax	58,457	33,103	77%	22,943	13,010	76%
Taxation	29,425	20,460	44%	11,548	7,193	61%
Effective Tax Rate	50%	62%		50%	55%	
Profit after tax	29,031	12,643	130%	11,395	5,817	96%
EPS	25.35	11.04	130%	9.95	5.08	96%

Important Disclosures

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