



ABL: 1QCY21 Result Review

(In-Line)



AKD Securities Limited

- ❑ Allied Bank Limited (ABL) announced its 1QCY21 results today where earnings clocked in at PkR4.1bn (EPS: PkR3.59) compared to PkR3.9bn (EPS: PkR3.40) in the same period last year. The result release came in line with our expectations.
- ❑ Together with the result, the bank announced a dividend of PkR2/sh.
- ❑ On a sequential basis, earnings dropped 28.4% on account of normalization in provisioning levels (1QCY21 reversal stood at PkR0.1bn compared to PkR1.4bn in the previous quarter) and diminishing gross yield (1QCY21: 45.4% vs. 47.0% in the previous quarter) taking its toll on net interest income (down 3.8%).
- ❑ Non-funded income improved 10.8%QoQ driven largely by capital gains to the tune of PkR1.5bn in 1QCY21 against PkR0.7bn in the previous quarter. Fee income also improved 14.6%QoQ.
- ❑ Effective tax rate normalized to 39.7% in 1QCY20 vs. 30.2% in the previous quarter.

ABL: Income Statement Snapshot

(PkRmn)	1QCY21	1QCY20	YoY	4QCY20	QoQ
Markup Earned	23,774	32,071	-25.9%	23,917	-0.6%
Markup Expensed	12,981	20,455	-36.5%	12,701	2.2%
Net Interest Income	10,793	11,616	-7.1%	11,216	-3.8%
Non-Interest Income	4,068	2,801	45.2%	3,671	10.8%
Non-Mark-up Expenses	8,185	7,329	11.7%	8,110	0.9%
Pre-Provision Profit	6,676	7,088	-5.8%	6,777	-1.5%
Provisions	(139)	659	-121.1%	(1,453)	-90.4%
PBT	6,815	6,429	6.0%	8,230	-17.2%
Taxation	2,703	2,538	6.5%	2,486	8.7%
PAT	4,112	3,891	5.7%	5,744	-28.4%
EPS (PkR)	3.59	3.40	-	5.02	-

Source: AKD Research & PSX