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ABL — 9MCY26 Analyst Briefing Takeaways

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Allied Bank Ltd. (ABL) held its analyst briefing today wherein the bank discussed 9MCY26 results and its future outlook. Following are the key takeaways:

- To recall, bank posted standalone NPAT of PkR23.1bn (EPS: PkR20.1) in 9MCY26, down 11%YoY, mainly led by higher non-markup expenses.
- Bank's net mark-up income increased by 2%YoY to PkR80bn in 9MCY26, primarily due to growth in bank's asset base. Specifically, the bank's interest income and expense inclined by 18%/26%YoY during the period, respectively.
- Non-markup income grew by 9%YoY to PkR23bn during the period, mainly led by growth in fee and FX income.
- Non-markup expenses grew by 13%YoY to PkR56bn during 9M, mainly due to increase in salaries and home remittance marketing cost, as per the management. Consequently, cost to income ratio increased to 53% from 48% in SPLY.
- Deposits increased by 10% during 9MCY26 to PkR2.6tn as of Sep'26 (market share: 6.4%), with CASA standing at 78%. Management is focused on growing average deposits, which remain 15%YoY higher during the period.
- Management targets CA ratio at 40% while maintaining CASA ratio above 80%.
- Bank's investment book increased by 3% during 9M to PkR2.2tn as of Sep'26. Breakup of the bank's investment book is as follows: PkR1.5tn/242bn/446bn/28bn of PIBs/T-bills/TFC, bonds, sukuk & MFs/shares & subsidiaries, respectively.
- Out of PkR1.5tn PIB exposure, 46% is placed in fixed PIB bonds while the remaining 54% is floaters. Moreover, fixed and floating rate PIBs are yielding 11.06%/12.28%, respectively.
- Management apprised that majority of the fixed PIBs will mature in CY28-29, while most of T-bills, currently yielding ~11%, will mature in Feb'27.
- Gross Advances of the bank increased by 2% during 9M to PkR819bn as of Sep'26. NPLs stood at PkR11.4bn as of Sep'26, resulting in industry lowest NPL ratio of 1.4%.
- Bank's total Capital Adequacy Ratio (CAR) eased to 23.9% as of Sep'26 from 27.7% in Dec'25, mainly due to drop in revaluation surplus amid change in yields.
- Bank added 11 branches during 9M, taking the total to 1,546. In addition, Islamic branches increased to 583 from 302 in Dec'25 amid aggressive conversion drive, with plan to reach 850 branches by CY26 end. Bank also plans to add 30+ branches in CY27.
- Management guided that they have cut deposit rates by 50bps on certain non-MDR consumers, following MDR removal, while the full impact would be reflected in upcoming quarter.
- On the monetary policy outlook, management expects a further 50bps hike in upcoming decisions, with CY27 outlook stable amid improving macros.
- We have a 'BUY' stance on ABL with Dec'26 target price of PkR334.0/sh, as it remains well-positioned for sustained profitability, supported by growth in low cost deposits, a well diversified investment portfolio, and resilient asset quality.

175.4	1,145.1
Price (PkR/sh)	Shares (mn)
200,800.1	725.7
Market Capitalization (PkRmn)	Market Capitalization (USDmn)
0.086	14.8
3M Avg Turnover (mn)	3M Avg DT Value(PkRmn)

Price Performance

175.4	2.9%	168.3
HIGH	1 Month	LOW
208.6	-4.3%	157.9
HIGH	52 Week	LOW

Source: PSX & AKD Research

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NEUTRAL > 0% to < 15% expected total return

SELL < 0% expected total return

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