

# AHL Alert: Commercial Banks

## Askari Bank Limited

### Result Review: EPS arrives at PKR 5.58 in 1HCY24

- AKBL announced earnings (PAT) today for 2QCY24 at PKR 4.4bn (EPS: PKR 3.04), depicting an increase of +6% YoY | +19% QoQ (2QCY23 EPS: PKR 2.85). With this, 1HCY24's EPS settles at PKR 8.0bn (EPS: 5.58), down by 8% YoY (1HCY23: PKR 6.10).
- During 1HCY24, on a YoY basis, higher non-markup income and provisioning reversals contributed to an increase in overall profitability.
- In 2QCY24, the bank reported a Net Interest Income of PKR 12bn, down 7% YoY and 7% from the previous quarter.
- Interest earned surged by 48% in 2QCY24 YoY and rose 5% from the previous quarter. However, interest expenses climbed by 60% compared to the same period last year and increased by 6% QoQ.
- In the outgoing quarter, the bank's improved profitability compared to the previous year was largely driven by a 9% YoY increase in Non-Funded Income. This boost was primarily due to gains from the sale of securities, which amounted to PKR 625mn, up from PKR 117mn in the same period last year. Additionally, fee income saw an increase of 13% YoY, reaching PKR 1.9bn. However, FX income declined by 36%, totaling PKR 963mn, down from PKR 1.5bn in the corresponding period last year.
- In the 2QCY24, the bank reported a reversal in provisioning of PKR 1.6bn, compared to a provisioning charge of PKR 675mn recorded in the same period last year. With this, total provisioning reversals for 1HCY24 stand at PKR 452mn against a charge of PKR 617mn recorded SPly.
- The operating expense of the bank clocked in at PKR 8.6bn in 2QCY24, up 20% YoY | 6% QoQ. With this, the Cost/Income ratio stood at 54% for 2QCY24, up from 43% in the same period last year.
- The effective tax rate for the bank was set at 50.7% during 2QCY24, showing an increase from 52.2% in the same period last year.

#### Exhibit: Financial Highlights (Consolidated)

(PKR mn)	1HCY24a	1HCY23a	YoY	2QCY24a	2QCY23a	YoY	QoQ
Interest Earned	205,413	128,013	60%	104,972	70,864	48%	5%
Interest Expensed	180,537	103,187	75%	92,959	57,979	60%	6%
NII	24,877	24,821	0%	12,013	12,885	-7%	-7%
NFI	7,720	6,763	14%	3,957	3,622	9%	5%
Total Income	32,597	31,584	3%	15,970	16,508	-3%	-4%
Total provisions	(452)	617	nm	(1,626)	675	nm	nm
OPEX	16,740	13,961	20%	8,627	7,179	20%	6%
PBT	16,309	17,006	-4%	8,970	8,654	4%	22%
Taxation	8,172	8,168	0%	4,548	4,520	1%	25%
Profit after tax*	8,093	8,838	-8%	4,402	4,134	6%	19%
EPS (PKR)	5.58	6.10		3.04	2.85		

Source (s): Company Financials, AHL Research, \*profit attributable to equity shareholders of the bank

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