

# Flash Note

Thursday, April 17, 2025

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Securities

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## Commercial Banks

### Bank Alfalah Limited (BAFL)

**Earnings:** Bank Alfalah Limited (BAFL) announced its financial result for the first quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 7.0bn (PKR 4.5/share) during 1QCY25 compared to PKR 9.8bn (PKR 6.3/share) last year, posting a decline of -29%/y/y while surging by +48%q/q.

**Dividend/Payout:** The Company announced a cash dividend of PKR 2.5/share along with the result.

**Operating Performance:** During the 1QCY25 period under review, the Bank reported net-interest income of PKR 33.2bn (up by 8%/y/y) and non-interest income of PKR 9.1bn increasing by +17%/y/y as the bank's treasury income surged by +42%/y/y on the back of higher trading gain on securities. As a result, the bank's total revenue clocked in at PKR 42.3bn (up by +17%/y/y). Moreover, BAFL recorded operating expenses of PKR 27.4bn (up by +44%/y/y), with the bank's cost/income ratio increasing to 65% during 1QCY25 as compared to 49% in the same period last year. The bank booked a provision reversal of PKR 0.5bn during 1QCY25 compared to a provision charge of PKR 0.1bn in 1QCY24. The tax charge for the quarter came at PKR 8.3bn (effective tax rate of 54% as compared to 50% in 1QCY25).

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)- Unconsolidated					
Latest result published for 1Q'/25					
Period (PKRbn)	1Q'/25	1Q'/24	4Q'/24	CY'24	CY'23
Net Interest Income	33.2	30.8	31.6	506.9	411.9
Fee Income	3.6	4.4	4.2	3.1	2.3
Treasury Income	4.7	3.3	7.4	1.8	1.3
Non-Interest Income	9.1	7.8	11.7	17.6	14.8
<b>Total Revenue</b>	<b>42.3</b>	<b>38.6</b>	<b>43.3</b>	<b>524.5</b>	<b>426.8</b>
Op. Exp.	(27.4)	(19.0)	(26.6)	0.0	0.0
Provision charge	0.5	0.1	(0.0)	0.0	0.0
Profit Before Tax	15.4	19.7	16.7	524.5	426.8
Tax	(8.3)	(9.8)	(11.9)	(2.2)	(2.1)
<b>Profit After tax</b>	<b>7.0</b>	<b>9.9</b>	<b>4.8</b>	<b>38.3</b>	<b>36.5</b>
<b>EPS</b>	<b>4.5</b>	<b>6.3</b>	<b>3.0</b>	<b>24.30</b>	<b>23.12</b>
<b>DPS</b>	<b>2.5</b>	<b>2.0</b>	<b>2.5</b>	<b>8.5</b>	<b>8.0</b>

Source: Company accounts, IGI Research. No. of shares: 1577.2mn

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