

Flash Note

Thursday, July 31, 2025



Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the second quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 8.2bn (PKR 5.2/share) during 2QCY25 compared to PKR 10.6bn (PKR 6.8/share) last year, posting a decline of -23%/y/y while improving by +17%q/q. The earnings for 1HCY25 has been recorded at PKR 15.3b, down by -26%/y/y, as compared to PKR 20.5bn recorded in the same period of last year.

Dividend/Payout: The Company announced a cash dividend of PKR 2.5/share along with the result taking the cumulative dividends for 1HCY25 to PKR 5.0/share.

Operating Performance: During the 2QCY25 period under review, the Bank reported net-interest income of PKR 34.4bn (up by +13%/y/y) and non-interest income of PKR 15.0bn increasing by +24%/y/y. As a result, the bank's total revenue clocked in at PKR 49.3bn (up by +16%/y/y). Moreover, BAFL recorded operating expenses of PKR 29.4bn (up by +46%/y/y), with the bank's cost/income ratio increasing to 60% during 2QCY25 as compared to 47% in the same period last year. The bank booked a provision charge of PKR 1.4bn during 2QCY25 compared to a provision charge of PKR 1.5bn in 2QCY24. The tax charge for the quarter came at PKR 10.3bn (effective tax rate of 56% as compared to 50% in 2QCY24).

Exhibit: Financial Highlights Bank Alfalah Limited (BAFL)					
Latest result published for 2Q/25					
Period (PKRbn)	2Q'/25	2Q'/24	1Q'/25	1HCY'25	1HCY'24
Net Interest Income	34.4	30.5	33.2	67.6	61.4
Fee Income	4.1	5.1	3.6	7.6	9.5
Treasury Income	10.8	6.9	4.7	15.5	10.2
Non-Interest Income	15.0	12.1	9.1	24.1	19.9
Total Revenue	49.3	42.6	42.3	91.6	81.2
Op. Exp.	(29.4)	(20.1)	(27.4)	(56.8)	(39.1)
Provision charge	(1.4)	(1.5)	0.5	(0.9)	(1.4)
Profit Before Tax	18.5	21.0	15.4	147.5	118.9
Tax	(10.3)	(10.4)	(8.3)	(18.7)	(20.2)
Profit After tax	8.2	10.6	7.0	15.3	20.5
EPS	5.2	6.8	4.5	9.68	13.01
DPS	2.5	2.0	2.5	5.0	4.0

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

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- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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