

Flash Note

Thursday, October 17, 2024

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Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the third quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 13.0bn (PKR 8.26/share) during 3QCY24 compared to PKR 8.6bn (PKR 5.47/share) last year, posting a growth of 51%/y/y and 23%/q/q taking the total earnings for 9M CY24 to PKR 33.6bn (PKR 21.3/share), up by +23%/y/y, as compared to PKR 27.3bn (PKR 17.3/share) in 9M CY23.

Dividend/Payout: The Company announced a cash dividend of PKR 2.0/share along with the result taking the cumulative dividend for 9M CY24 to PKR 6.0/share.

Operating Performance: During the 3QCY24 period under review, the Bank reported net-interest income of PKR 34bn (up by +6%/y/y) and non-interest income of PKR 13bn increasing by +2.3x/y/y as the bank's treasury income surged by +5.5x/y/y on the back of high capital gains. As a result, the bank's total revenue clocked in at PKR 47bn (up by +25%/y/y). Moreover, BAFL recorded operating expenses of PKR 21bn (up by +26%/y/y), with the bank's cost/income ratio remaining stable at 44% during 3QCY24 same as in the same period last year. The bank booked a provision charge of PKR 0.4bn during 3QCY24 compared to a provision charge of PKR 4.2bn in 3QCY23. The tax charge for this quarter came at PKR 13bn (effective tax rate of 49% same as 3QCY23) bringing total effective tax rate for 9M CY24 to 49% compared to 48% in the same period last year.

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)					
Latest result published for 3Q/'24					
Period (PKRbn)	3Q/'24	3Q/'23	2Q/'24	9M'24	9M'23
Net Interest Income	34	32	31	95	91
Fee Income	4	4	5	13	11
Treasury Income	9	2	7	19	8
Non-Interest Income	13	6	12	33	19
Total Revenue	47	37	43	128	110
Op. Exp.	(21)	(16)	(20)	(60)	(48)
Provision charge	(0.4)	(4.2)	(2)	(1.7)	(9.2)
Profit Before Tax	26	17	21	66	53
Tax	(13)	(8)	(10)	(33)	(26)
Profit After tax	13.0	8.6	10.6	33.6	27.3
EPS	8.26	5.47	6.79	21.33	17.28
DPS	2.00	0.00	2.00	6.00	3.00

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

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