

Flash Note

Thursday, January 30, 2025

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Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the fourth quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 5bn (PKR 3.02/share) during 4QCY24 compared to PKR 9bn (PKR 5.84/share) last year, posting a decline of 48%/y/y and 63%q/q taking the total earnings for CY24 to PKR 38.3bn (PKR 24.3/share), up by +5%/y/y, as compared to PKR 36.5bn (PKR 23.1/share) in CY23.

Dividend/Payout: The Company announced a cash dividend of PKR 2.5/share along with the result taking the cumulative dividend for CY24 to PKR 8.5/share.

Operating Performance: During the 4QCY24 period under review, the Bank reported net-interest income of PKR 32bn (down by -10%/y/y) and non-interest income of PKR 12bn increasing by +23%/y/y as the bank's treasury income surged by +43%/y/y on the back of higher trading gain on securities. As a result, the bank's total revenue clocked in at PKR 43bn (down by -3%/y/y). Moreover, BAFL recorded operating expenses of PKR 27bn (up by +41%/y/y), with the bank's cost/income ratio increasing to a whopping 61% during 4QCY24 as compared to 42% in the same period last year. The bank booked a provision charge of PKR 0.01bn during 4QCY24 compared to a provision charge of PKR 0.3bn in 4QCY23. The tax charge for the quarter came at PKR 12bn (effective tax rate of 71% same as compared to 64% in CY23) bringing total effective tax rate for 9MCY24 to 54% compared to 53% in the last year.

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)					
Latest result published for 4Q'/24					
Period (PKRbn)	4Q'/24	4Q'/23	3Q'/24	CY'24	CY'23
Net Interest Income	32	35	34	127	126
Fee Income	4	4	4	18	15
Treasury Income	7	5	9	27	13
Non-Interest Income	12	10	13	45	28
Total Revenue	43	45	47	171	154
Op. Exp.	(27)	(19)	(21)	(86)	(66)
Provision charge	(0)	(0)	(0)	(1.8)	(9.5)
Profit Before Tax	17	25	26	83	78
Tax	(12)	(16)	(13)	(45)	(42)
Profit After tax	5	9	13	38.3	36.5
EPS	3.02	5.84	8.26	24.30	23.12
DPS	2.50	5.00	2.00	8.50	8.00

Source: Company accounts, IGI Research. No. of shares: 1,577.2mn

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