

Flash Note

Thursday, April 27, 2023

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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 2023. As per the financial result, the Bank reported earnings of PKR 10.7bn (PKR 6.8/share) during 1QCY23 compared to PKR 5bn (PKR 3.2/share) last year, an increase of +114%/y/y.

Dividend/Payout: The Company did not announce any cash dividend this quarter.

Operating Performance: During the period under review, the Bank reported net-interest income of PKR 28bn (up by +96%/y/y) and non-interest income of PKR 7bn (up by +50%/y/y). As a result total revenue of the bank stood at PKR 34bn (up by +85%/y/y). Moreover, BAFL recorded operating expenses of PKR 15bn (up by +44%/y/y). The bank's cost/income ratio improved to 43% (last year: 56%) on the back of revenue growth. The bank booked provision charge of PKR 0.5bn during 1QCY23 compared to provision charge of PKR 0.4bn last year. Tax charge for this quarter came at PKR 8bn (effective tax rate of 43%) compared to 36% in 1QCY22.

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)												
Latest result published for 1Q/23												
Period (PKRbn)	1Q/23	2022	4Q/22	3Q/22	2Q/22	1Q/22	2021	4Q/21	3Q/21	2Q/21	1Q/21	2020
Net Interest Income	28	77	23	22	18	14	46	12	12	12	10	45
Fee Income	3	11	3	3	3	2	8	2	2	2	2	7
Treasury Income	3	11	1	4	4	2	8	3	2	2	2	6
Non-Interest Income	7	22	4	7	7	4	16	5	4	4	4	13
Total Revenue	34	99	28	28	24	19	62	17	16	16	14	57
Op. Exp.	(15)	(50)	(15)	(14)	(12)	(10)	(37)	(10)	(9)	(9)	(9)	(32)
Provision charge	(1)	(12)	(4)	(4)	(4)	(0)	(2)	(1)	(0)	(1)	(0)	(8)
Profit Before Tax	19	36	9	11	9	8	23	6	6	6	5	18
Tax	(8)	(18)	(4)	(5)	(5)	(3)	(9)	(3)	(2)	(2)	(2)	(7)
Profit After tax	10.74	18.21	4.11	5.39	3.69	5.02	14.12	3.74	3.55	3.36	3.47	10.47
EPS	6.81	11.54	2.61	3.42	2.34	3.18	8.95	2.37	2.25	2.13	2.20	6.64
DPS	0.00	5.00	2.50	0.00	2.50	0.00	4.00	2.00	0.00	2.00	0.00	4.00
BVPS	70	63	63	65	66	64	63	63	59	59	56	58

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

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