

Flash Note

Thursday, August 10, 2023



Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the second quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 7.9bn (PKR 5/share) earnings during 2QCY23 compared to PKR 3.7bn (PKR 2.3/share) last year, a decrease of 27%q/q and a jump of +2.1x y/y. This brings total profitability for 1HCY23 to PKR 18.6bn (PKR 11.8/share), up by +2.1x y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 3/share along with the result compared to PKR 2.5/share last year's same period.

Operating Performance: During the 2QCY23 period under review, the Bank reported net-interest income of PKR 31bn (up by +75%/y/y) and non-interest income of PKR 6bn (down by 1%/y/y). As a result, the bank's total revenue stood at PKR 38bn (up by +55%/y/y). Moreover, BAFL recorded operating expenses of PKR 16bn (up by +40%/y/y), which improved the bank's cost/income ratio to 43% (last year: 48%). The bank booked a hefty provision charge of PKR 4.5bn during 2QCY23 compared to a provision charge of PKR 3.7bn in the same period last year. The tax charge for this quarter came at PKR 9bn (effective tax rate of 53% compared to 59% in 2QCY22).

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL) - Unconsolidated								
Latest result published for 2Q'/23								
Period (PKRbn)	2Q'/23	1Q'/23	2022	4Q'/22	3Q'/22	2Q'/22	1Q'/22	2021
Net Interest Income	31	28	77	23	22	18	14	46
Fee Income	3	3	11	3	3	3	2	8
Treasury Income	3	3	11	1	4	4	2	8
Non-Interest Income	6	7	22	4	7	7	4	16
Total Revenue	38	34	99	28	28	24	19	62
Op. Exp.	(16)	(15)	(50)	(15)	(14)	(12)	(10)	(37)
Provision charge	(4.5)	(0.5)	(12)	(4)	(4)	(3.7)	(0.4)	(2)
Profit Before Tax	17	19	36	9	11	9	8	23
Tax	(9)	(8)	(18)	(4)	(5)	(5)	(3)	(9)
Profit After tax	7.88	10.74	18.21	4.11	5.39	3.69	5.02	14.12
EPS	5.00	6.81	11.54	2.61	3.42	2.34	3.18	8.95
DPS	3.00	0.00	5.00	2.50	0.00	2.50	0.00	4.00

Source: Company accounts, IGI Research.

No. of shares: 1577.2mn

Analyst

Abdullah Farhan

Abdullah.Farhan@igi.com.pk

Tel: +92 21 111 234 234 Ext: 912

Aariz Raza

Aariz.Raza@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Faisal Jawed Khan	Head of Equities	Tel: (+92-21) 35301779	faisal.jawed@igi.com.pk
Zaeem Haider Khan	Regional Head (North)	Tel: (+92-42) 38303559-68	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Deputy Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 810	Aariz.raza@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
 Khayaban-e-Jami Block-09, Clifton, Karachi-75600
 UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
 Fax: (+92-21) 35309169, 35301780

Stock Exchange Office

Room # 134, 3rd Floor, Stock Exchange Building,
 Stock Exchange Road, Karachi.
 Tel: (+92-21) 32429613-4, 32462651-2
 Fax: (+92-21) 32429607

Lahore Office

Shop # G-009, Ground Floor,
 Packages Mall
 Tel: (+92-42) 38303560-69
 Fax: (+92-42) 38303559

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
 Regency International 949, The Mall
 Faisalabad
 Tel: (+92-41) 2540843-45

Multan Office

Mezzanine Floor, Abdali Tower,
 Abdali Road
 Tel: (92-61) 4512003, 4571183

Islamabad Office

Mezzanine Floor, Office 5, 6 & 7, Kashmir Plaza,
 Block- B, Jinnah Avenue, Blue Area
 Tel: (+92-51) 2604861-2, 2604864, 2273439
 Fax: (+92-51) 2273861

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
 Model Town, Town Hall Road
 Tel: (+92-68) 5871652-3
 Fax: (+92-68) 5871651

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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