

# Flash Note

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Securities

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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 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 9.20bn (PKR 5.84/share @1,577mn shares) earnings during 4QCY23 compared to PKR 4.11bn (PKR 2.61/share @1,577mn shares) last year, an increase of +7%q/q and a jump of +2.2xy/y. This brings total profitability for CY23 to PKR 36.46bn (PKR 23.12/share @1,577mn shares), up by +100%/y.

**Dividend/Payout:** The Bank announced cash dividend of PKR 5/share along with the result bringing total cash payout for CY23 stands at PKR 8/share.

**Operating Performance:** During the 4QCY23 period under review, the Bank reported net-interest income of PKR 35bn (up by +50%/y) and non-interest income of PKR 10bn (up by +2.2xy/y). As a result, the bank's total revenue stood at PKR 45bn (up by +61%/y). Moreover, BAFL recorded operating expenses of PKR 19bn (up by +28%/y), which improved the bank's cost/income ratio to 42% (4QCY22: 54%). The bank booked a provision charge of PKR 0.3bn during 4QCY23 compared to a provision charge of PKR 4.3bn in the same period last year. The tax charge for this quarter came at PKR 16bn (effective tax rate of 64% compared to 50% in 4QCY22). This brings total effective tax rate for CY23 to 53% compared to 49% last year.

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)										
Latest result published for 4Q'/23										
Period (PKRbn)	CY23	4Q'/23	3Q'/23	2Q'/23	1Q'/23	CY22	4Q'/22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	126	35	32	31	28	77	23	22	18	14
Fee Income	15	4	4	3	3	11	3	3	3	2
Treasury Income	13	5	2	3	3	11	1	4	4	2
Non-Interest Income	28	10	6	6	7	22	4	7	7	4
<b>Total Revenue</b>	<b>154</b>	<b>45</b>	<b>37</b>	<b>38</b>	<b>34</b>	<b>99</b>	<b>28</b>	<b>28</b>	<b>24</b>	<b>19</b>
Op. Exp.	(66)	(19)	(16)	(16)	(15)	(50)	(15)	(14)	(12)	(10)
Provision charge	(9.5)	(0.3)	(4.2)	(4.5)	(0.5)	(12.5)	(4.3)	(4.1)	(3.7)	(0.4)
Profit Before Tax	78	25	17	17	19	36	9	11	9	8
Tax	(42)	(16)	(8)	(9)	(8)	(18)	(4)	(5)	(5)	(3)
<b>Profit After tax</b>	<b>36.46</b>	<b>9.20</b>	<b>8.63</b>	<b>7.88</b>	<b>10.74</b>	<b>18.21</b>	<b>4.11</b>	<b>5.39</b>	<b>3.69</b>	<b>5.02</b>
EPS *	23.12	5.84	5.47	5.00	6.81	11.54	2.61	3.42	2.34	3.18
DPS	8.00	5.00	0.00	3.00	0.00	5.00	2.50	0.00	2.50	0.00

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

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