

Flash Note

Thursday, April 23, 2026



Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the first quarter of the year 2026. As per the financial result, the Bank reported unconsolidated earnings of PKR 11.1bn (PKR 3.5/share) during 1QCY26 compared to PKR 7.0bn (PKR 2.2/share restated at 3.15bn shares) last year, posting an incline of +58%/y/+61%q/q.

Dividend/Payout: The Bank announced a cash dividend of PKR 1.5/share along with the result.

Operating Performance: During the 1QCY26 period under review, the Bank reported net-interest income of PKR 34.5bn (up by +4%/y) and non-interest income of PKR 18.9bn increasing by +2.1xy/y mainly due to surge in treasury income by +3xy/y on the back gain in securities. As a result, the bank's total revenue clocked in at PKR 53.4bn (up by +26%/y). Moreover, BAFL recorded operating expenses of PKR 31.2bn (up by +14%/y), with the bank's cost/income ratio decreasing to 59% during 1QCY26 as compared to 65% in the same period last year. The bank booked a provision reversal of PKR 1.4bn during 1QCY26 compared to a provision reversal of PKR 0.5bn in 1QCY25. The tax charge for the quarter came at PKR 12.4bn (effective tax rate of 53% as compared to 54% in 1QCY25).

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)					
Latest result published for 1Q/26					
Period (PKRbn)	1Q'/26	1Q'/25	4Q'/25	CY'25	CY'24
Net Interest Income	34.5	33.2	34.2	135.8	126.7
Fee Income	4.2	3.6	4.6	16.4	17.6
Treasury Income	14.3	4.7	7.7	30.0	26.6
Non-Interest Income	18.9	9.1	12.4	47.5	44.5
Total Revenue	53.4	42.3	46.7	183.4	171.2
Op. Exp.	(31.2)	(27.4)	(30.3)	(117.7)	(86.3)
Provision charge	1.4	0.5	(1.4)	(3.3)	(1.8)
Profit Before Tax	23.5	15.4	15.0	62.3	83.1
Tax	(12.4)	(8.3)	(8.1)	(34.0)	(44.8)
Profit After tax	11.1	7.0	6.9	28.3	38.3
EPS	3.5	2.2	2.2	9.0	12.1
DPS	1.5	2.5	3.0	10.5	8.5

Source: Company accounts, IGI Research. No. of shares: 3154.3mn

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- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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