

Flash Note

Thursday, August 1, 2024

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Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the second quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 10.7bn (PKR 6.79/share) during 2QCY24 compared to PKR 7.88bn (PKR 5.00/share) last year, up by 8%q/q and a jump of +36%/y.

Dividend/Payout: The Company announced a cash dividend of PKR 2.0/share along with the result taking the cumulative dividend for 1HCY24 to PKR 4.0/share.

Operating Performance: During the 2QCY24 period under review, the Bank reported net-interest income of PKR 30.6bn (down by -2%/y) and non-interest income of PKR 12bn (up by +88%/y). As a result, the bank's total revenue clocked in at PKR 43bn (up by +13%/y). Moreover, BAFL recorded operating expenses of PKR 20bn (up by +23%/y), however the higher total revenue supported the bank's cost/income ratio which increased to 47% during 2QCY24 against 43% in the same period last year. The bank booked a provision charge of PKR 2bn during 2QCY24 compared to a provision charge of PKR 4bn in 2QCY23. The tax charge for this quarter came at PKR 10bn (effective tax rate of 49% compared to 53% in 2QCY23).

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)

Latest result published for 2Q'/24

Period (PKRbn)	2Q'/24	2Q'/23	1Q'/24	1H'24	1H'23
Net Interest Income	31	31	31	61	59
Fee Income	5	3	4	9.5	7
Treasury Income	7	3	3	10	6
Non-Interest Income	12	6	8	20	13
Total Revenue	43	38	39	81	72
Op. Exp.	(20)	(16)	(19)	(39)	(31)
Provision charge	(2)	(4)	0.1	(1)	(5)
Profit Before Tax	21	17	20	41	36
Tax	(10)	(9)	(10)	(20)	(17)
Profit After tax	10.70	7.88	9.91	20.61	18.62
EPS	6.79	5.00	6.28	13.07	11.81
DPS	2.00	3.00	2.00	4.00	3.00

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

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- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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