

Result announcement 3QCY22

Commercial Banks

Bank Alfalah Limited

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the third quarter of the year 2022. As per the financial result, the bank reported earnings of PKR 5.4bn (PKR 3/share) when compared to last year of PKR 3.5bn (PKR 2.0/share), an increase of +52%/y. This takes 9mCY22 total earnings to PKR 14.1bn or PKR 7.9/share compared to last year PKR 10.5bn or PKR 5.9/share; up by +34%/y.

Dividends/Payouts: The bank did not announce an interim cash dividend for this quarter. However, total payout during the 9MCY22 stands at PKR 2.5/share.

Operating performance: During the period under review, the bank reported net-interest income of PKR 21.9bn (up by +84%y) and non-interest income of PKR 6.6bn (up by +81%y). As a result total revenue of the bank stood at PKR 28.4bn (up by +83%y). Moreover, the bank recorded operating expenses of PKR 13.5bn (up by +45%y) that improved bank's cost/income ratio to 48% (last year: 60%). The bank booked a provision charge of PKR 4.1bn taking 9MCY22 total charge to PKR 9.1bn which increased 5.7x compared to last year provisioning charge of PKR 1.4bn.

Exhibit: Financial Highlights Bank Alfalah Limited (BAFL)									
Latest result published for 3QCY22									
Period (PKRbn)	3q'22	2q'22	1q'22	2021	4q'21	3q'21	2q'21	1q'21	2020
Net Interest Income	21.9	17.9	14.3	46.0	12.2	11.9	11.7	10.3	44.7
Fee Income	2.8	2.7	2.5	8.2	2.2	2.0	2.0	1.9	6.6
Treasury Income	3.7	3.8	1.7	8.1	2.6	1.5	2.1	1.9	6.1
Non-Interest Income	6.6	6.5	4.4	16.5	4.9	3.6	4.0	3.8	12.8
Total Revenue	28.4	24.4	18.7	62.5	17.0	15.5	15.7	14.2	57.5
Operating Expenses	(13.5)	(11.7)	(10.4)	(36.8)	(9.9)	(9.3)	(9.1)	(8.6)	(32.0)
Provision charge	(4.1)	(3.7)	(0.4)	(2.3)	(0.9)	(0.3)	(0.9)	(0.2)	(7.6)
Tax Charge	(5.4)	(5.3)	(2.8)	(9.2)	(2.5)	(2.4)	(2.3)	(1.9)	(7.4)
Profit After tax	5.4	3.7	5.0	14.2	3.7	3.5	3.5	3.5	10.5
EPS	3.0	2.1	2.8	8.0	2.1	2.0	1.9	2.0	5.9
DPS	0.0	2.5	0.0	4.0	2.0	0.0	2.0	0.0	4.0
Source: Company accounts, IGI Research, PSX					No. of shares: 1777.1mn				

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: 816

Important Disclaimer and Disclosures

Research Analyst(s) Certification: The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

Disclaimer: The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution.

Rating system: IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

Risk: Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

Basic Definitions and Terminologies used: **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2022 IGI Finex Securities Limited

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
Zaid Farook	Branch Manager (Stock Exchange) Karachi	Tel: (+92-21) 32462651-52	zaid.farook@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

Saad Khan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 810	saad.khan@igi.com.pk
Abdullah Farhan	Senior Analyst	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Aariz Raza	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	Aariz.raza@igi.com.pk
Ajay Kumar	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	ajay.kumar@igi.com.pk
Huzaifa Yaseen	Analyst	Tel: (+92-21) 111-234-234 Ext: 816	huzaifa.yaseen@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

Room #: 515-516, 5th Floor, State Life
 Building, 2- Liaqat Road
 Tel: (+92-41) 2540843-45
 Fax: (+92-41) 2540815

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

© Copyright 2022 IGI Finex Securities Limited