

Flash Note

Monday, February 16, 2026



Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its financial result for the fourth quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 6.9bn (PKR 4.4/share) during 4QCY25 compared to PKR 4.8bn (PKR 3.0/share) last year, posting an incline of +44%y/y/+12%q/q. The earnings for CY25 has been recorded at PKR 28.3bn (PKR: 18.0/share), down by -26%y/y, as compared to PKR 38.3bn (PKR: 24.3/share) recorded in the last year.

Dividend/Payout: The Bank announced a cash dividend of PKR 3.0/share along with the result taking the cumulative dividends for CY25 to PKR 10.5/share.

Stock Split: BAFL also announced stock split in the ratio of 02 share for each 01 share held bringing face value to PKR 5/share from PKR 10/share.

Operating Performance: During the 4QCY25 period under review, the Bank reported net-interest income of PKR 34.2bn (up by +11%y/y) and non-interest income of PKR 12.4bn increasing by +6%y/y. As a result, the bank's total revenue clocked in at PKR 46.7bn (up by +10%y/y). Moreover, BAFL recorded operating expenses of PKR 30.3bn (up by +17%y/y), with the bank's cost/income ratio increasing to 65% during 4QCY25 as compared to 61% in the same period last year. The bank booked a provision charge of PKR 1.4bn during 4QCY25 compared to a provision charge of PKR 0.01bn in 4QCY24. The tax charge for the quarter came at PKR 8.1bn (effective tax rate of 54% as compared to 71% in 4QCY24). The effective tax rate for CY25 clocked in at 55% as compared to 54% last year.

Exhibit: Financial Highlights Bank Al-Falah Limited (BAFL)					
Latest result published for 4Q'/25					
Period (PKRbn)	4Q'/25	4Q'/24	3Q'/25	CY'25	CY'24
Net Interest Income	34.2	30.9	34.0	135.8	126.7
Fee Income	4.6	4.3	4.1	16.4	17.6
Treasury Income	7.7	7.3	6.8	30.0	26.6
Non-Interest Income	12.4	11.7	11.0	47.5	44.5
Total Revenue	46.7	42.6	45.1	183.4	171.2
Op. Exp.	(30.3)	(25.9)	(30.6)	(117.7)	(86.3)
Provision charge	(1.4)	(0.01)	(1.1)	(3.3)	(1.8)
Profit Before Tax	15.0	16.7	13.4	62.3	83.1
Tax	(8.1)	(11.9)	(7.2)	(34.0)	(44.8)
Profit After tax	6.9	4.8	6.2	28.3	38.3
EPS	4.4	3.0	3.9	18.0	24.3
DPS	3.0	2.5	2.5	10.5	8.5

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

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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)

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Valuation Methodology: To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- 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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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.

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