

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

Analyst

Sakina Makati

sakina.makati@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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

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- 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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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@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

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@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

Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall

Tel: (+92-42) 38303560-69

Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area

Tel: (+92-51) 2604861-2, 2604864, 2273439

Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad

Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road

Tel: (+92-68) 5871652-3

Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road

Tel: (92-61) 4512003, 4571183

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Research Analyst(s)

Research Identity Number: BRP009

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