

Flash Note

Thursday, February 2, 2023



Result announcement CY22

Commercial Banks

Bank Alfalah Limited (BAFL)

Earnings: Bank Alfalah Limited (BAFL) announced its annual result for the year 2022. As per the financial result, the Bank reported earnings of PKR 18.2bn (PKR 10.2/share) during CY22 compared to same period last year of PKR 14.2bn (PKR 8/share), an increase of +28%/y.

Dividend/Payout: The bank announced a final cash dividend of PKR 2.5/share this quarter. This brings total cash payout to PKR 5/share for CY22.

Operating Performance: During the period under review, the Bank reported net-interest income of PKR 77.3bn (up by +68%/y) and non-interest income of PKR 21.8bn (up by +32%/y). As a result total revenue of the bank stood at PKR 99.1bn (up by +58.5%/y). Moreover, BAFL recorded operating expenses of PKR 50.5bn (up by +37%/y) that improved bank's cost/income ratio to 51% (last year: 59%). The Bank booked a provision charge of PKR 12.5bn during CY22. Tax charge for the year came at PKR 18bn (effective tax rate of 50%).

| Exhibit: Financial Highlights BAFL (Bank Al-Falah Limited) | | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|-------------------------|--------------|--------------|--------------|--------------|---------------|
| Latest result published for CY2022 | | | | | | | | | | | |
| Period (PKRbn) | 2022 | 4q/22 | 3q/22 | 2q/22 | 1q/22 | 2021 | 4q/21 | 3q/21 | 2q/21 | 1q/21 | 2020 |
| Net Interest Income | 77.3 | 23.3 | 21.9 | 17.9 | 14.3 | 46.0 | 12.2 | 11.9 | 11.7 | 10.3 | 44.7 |
| Fee Income | 10.8 | 2.9 | 2.8 | 2.7 | 2.5 | 8.2 | 2.2 | 2.0 | 2.0 | 1.9 | 6.6 |
| Treasury Income | 10.6 | 1.4 | 3.7 | 3.8 | 1.7 | 8.1 | 2.6 | 1.5 | 2.1 | 1.9 | 6.1 |
| Non-Interest Income | 21.8 | 4.3 | 6.6 | 6.5 | 4.4 | 16.5 | 4.9 | 3.6 | 4.0 | 3.8 | 12.8 |
| Total Revenue | 99.1 | 27.7 | 28.4 | 24.4 | 18.7 | 62.5 | 17.0 | 15.5 | 15.7 | 14.2 | 57.5 |
| Op. Exp. | (50.5) | (14.8) | (13.5) | (11.7) | (10.4) | (36.8) | (9.9) | (9.3) | (9.1) | (8.6) | (32.0) |
| Provision charge | (12.5) | (4.3) | (4.1) | (3.7) | (0.4) | (2.3) | (0.9) | (0.3) | (0.9) | (0.2) | (7.6) |
| Profit Before Tax | 36.2 | 8.8 | 10.8 | 9.0 | 7.8 | 23.4 | 6.3 | 5.9 | 5.7 | 5.4 | 17.9 |
| Tax | (18.0) | (4.4) | (5.4) | (5.3) | (2.8) | (9.2) | (2.5) | (2.4) | (2.3) | (1.9) | (7.4) |
| Profit After tax | 18.2 | 4.1 | 5.4 | 3.7 | 5.0 | 14.2 | 3.7 | 3.5 | 3.4 | 3.5 | 10.5 |
| EPS | 10.2 | 2.3 | 3.0 | 2.1 | 2.8 | 8.0 | 2.1 | 2.0 | 1.9 | 2.0 | 5.9 |
| DPS | 5.0 | 2.5 | 0.0 | 2.5 | 0.0 | 4.0 | 2.0 | 0.0 | 2.0 | 0.0 | 4.0 |
| BVPS | 61.5 | 57.5 | 58.1 | 58.8 | 57.0 | 56.3 | 56.3 | 52.1 | 52.3 | 49.5 | 51.2 |
| Source: Company accounts, IGI Research, PSX | | | | | | No. of shares: 1777.1mn | | | | | |

*number of shares does not include BAFL announced shares buy-back of 200 million shares ([link](#))

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