

Bank Alfalah Limited

Analyst Briefing

2024 – Performance Review & Outlook

5 March 2025

CORPORATE BRANCH
I.I. CHUNDRIGAR ROAD KARACHI

Financial Results – 2024



Major Sponsor

Abu Dhabi Group - 56%
(sponsors of the Bank based
in Abu Dhabi, UAE)



Credit Rating

AAA (Long Term)
and **A1+ (Short Term)**



Domestic Coverage

Presence in over **240 cities**
across Pakistan



Global Presence

10 International Branches
and **1** offshore banking unit
In **4 countries**



Profits

PBT Rs 83.1 Bn
PAT Rs 38.3 Bn

Profitability remains robust,
benefitting from volumetric
growth



Capital Adequacy Ratio

CAR stands at **17.96%**
as at 31 Dec 2024



Staff Strength

Staff strength of **16,000+**
as at 31 Dec 2024



PSX indicators

Share price:
2024: Rs 83 (2023: Rs 49)
Market Capitalisation:
Dec-24: Rs 131 Bn
Dec-23: Rs 77 Bn

Bank Alfalah Limited

Driving consistent growth as a dominant player across all products



Advances



Rs 1.2 Tn

49% ↑ YOY

8.1% Market share

Deposit



Rs 2.1 Tn

2.5% ↑ YOY

6.4% Market share

Current Deposit



Rs 817 Bn

3.4% ↑ YOY

6.7% Market share

SME Lending



Rs 52 Bn

53% ↑ YOY

7% Market share

Consumer Lending - Rs 107 Bn



Credit Card

Rs 32 Bn

Rs 9Bn ↑ LY



Auto Loan

Rs 41 Bn

Rs 2Bn ↑ LY



Personal Loan

Rs 11 Bn

Rs 1.5Bn ↑ LY



Home Loan

Rs 23 Bn

Rs 2Bn ↑ LY



★ Ranking on Size ★ Ranking on Growth

Personal Loan ranking without NBP which has higher Govt mandate

Primary Dealer



Ranked as no.1 Primary Dealer by SBP for FY 2023-24

3rd year of being no.1

Remittance



\$ 5,420 Mn

45% ↑ YOY

15.6% Market Share - LY 14.2%

Trade Volume

Total

\$ 7,064 Mn

14% ↑ YoY



Import

\$ 5,405 Mn



Export

\$ 1,658 Mn

Market Share

10.0%

5.4%



105K Touchpoints

21% ↑ YOY



1,153

Branches

including: 423 Islamic and 1 Digital Lifestyle Branch

13% ↑ YOY

6%
Market share



1,273

ATMs

12% ↑ YOY

6%
Market share



505

CDMs

27% ↑ YOY

65%
Market share



28,007

POS

5% ↑ YOY

20%
Market share



4,370

IPG Merchants

19% ↑ YOY

52%
Market share



36,031

BB Agents

39% ↑ YOY

5%
Market share



33,630

QR

22% ↑ YOY

Customer Penetration



Customers Served

Including G2P beneficiaries

8.7 Mn

37% ↑ YOY



Debit Card

5% Market Share

2.6 Mn

25% ↑ YOY



Credit Card

Market Leader: 20% share

418 K

2% ↑ YOY

Financial Results – 2024

Balance Sheet Snapshot



Amount PKR mn	Dec-23	Sep-24	Dec-24	YoY	QoQ
Cash	202,692	207,107	227,824	12%	10%
Bal with banks	16,618	13,207	18,470	11%	40%
Lending to FI	119,554	22,406	100,998	-16%	351%
Advances (net)	735,052	855,964	1,109,376	51%	30%
Investments (net)	2,067,263	1,918,262	1,991,232	-4%	4%
Fixed & Others	204,738	261,194	262,306	28%	0%
Total Assets	3,345,917	3,278,140	3,710,206	11%	13%
Deposits	2,084,997	2,136,416	2,136,913	2%	0%
Sub Loans/ADT1	14,000	14,000	14,000	0%	0%
Borrowings	909,543	724,729	1,141,886	26%	58%
Other Liabilities	199,454	235,809	239,295	20%	1%
Total Liabilities	3,207,994	3,110,954	3,532,094	10%	14%
Paid up Capital	15,772	15,772	15,772	0%	0%
Reserves	110,883	125,573	128,561	16%	2%
Reval Surplus	11,268	25,841	33,779	200%	31%
Total Equity	137,923	167,186	178,112	29%	7%
Book Value per Share	87.45	106.00	112.93	29%	7%

- Deposits growth was restricted to 2% YoY, while Net advances increased by 51% YoY as Bank focused to meet ADR targets.
- The ADR based taxation was removed at the end of Dec-24, while Banks' tax rate was increased by additional 5% for 2024, reducing to 4% for 2025, and 3% for 2026 and onwards.
- The impacts were also visible on Investments, which fell by 4% YoY. Fixed rate instruments were increased to lock-in higher rates; however, larger composition remained skewed towards floater PIBs.
- Borrowings increased by 26% YoY to build positions in declining rate environment.
- Reserves include impact of 2023 final dividend of Rs. 7.9 Bn, and impact of interim dividends of Rs. 9.4 Bn as well as IFRS9 opening ECL adjustment.
- Book value per share improved to Rs. 112.93/sh.

Financial Results – 2024

Profit & Loss Snapshot



Amount PKR mn	2023	2024	YoY	4Q 2023	3Q 2024	4Q 2024	YoY	QoQ
Interest Income	411,948	506,898	23%	125,715	131,340	119,765	-5%	-9%
Interest Expenses	285,877	380,172	33%	90,630	97,565	88,172	-3%	-10%
Net Int Income	126,070	126,726	1%	35,085	33,774	31,594	-10%	-6%
Non Int Income	28,758	44,506	55%	9,707	12,937	11,292	16%	-13%
Total Income	154,828	171,232	11%	44,792	46,711	42,886	-4%	-8%
Admin expenses	65,197	84,369	29%	18,408	20,158	25,831	40%	28%
Other charges	1,994	1,918	-4%	665	451	339	-49%	-25%
Non int expense	67,191	86,288	28%	19,073	20,609	26,170	37%	27%
Profit before prov	87,637	84,944	-3%	25,720	26,103	16,716	-35%	-36%
Provisions	9,462	1,849	-80%	298	439	103	-65%	-77%
Profit before tax	78,175	83,095	6%	25,422	25,664	16,613	-35%	-35%
Taxation	41,719	44,777	7%	16,218	12,630	11,937	-26%	-5%
Profit after tax	36,456	38,318	5%	9,205	13,034	4,675	-49%	-64%
Diluted EPS (Rupees) *	23.12	24.30	5%	5.84	8.26	2.96	-49%	-64%
DPS (Rupees)	8.00	8.50	6%	5.00	2.00	2.50	-50%	25%

* EPS is calculated using current number of the shares

- NII remained largely flat in 2024 driven by limited volume growth due to ADR tax, reduction in spreads caused by reversal in interest rate cycle and advances pricing distortion in Q4'24. IFRS 9 related income adjustment against staff loans (Rs. 2.7 Bn) included in Q4'24.
- Non-interest income grew by 55% YoY, where key highlights were:
 - Fee and Commission Income posted 11% YoY growth, led by Remittances, Cards, and Trade.
 - Capital Gains to the tune of Rs. 13.9 Bn mostly on government securities due to position taken by Treasury.
- Increase in Admin expenses is in line with inflationary pressures, ongoing branch network expansion and IFRS 9 related adjustment (Rs. 2.7 Bn).
- Provisions dropped by 80% YoY due to recoveries & reversals.
- The bottom-line increased by 5% YoY.

Financial Results – 2024

Key Ratios



	2023	1Q 24	2Q 24	3Q 24	4Q 24	2024
Yield on Advances	15.8%	16.8%	16.2%	16.0%	15.6%	16.1%
Yield on Investments	18.8%	19.7%	19.5%	18.7%	15.3%	18.3%
Cost of Deposits	10.3%	12.2%	12.0%	11.3%	9.3%	11.2%
Cost of Funds	12.3%	14.2%	13.8%	13.1%	11.3%	13.0%
NIM	5.4%	4.5%	4.4%	4.6%	4.1%	4.4%
Spreads	5.3%	4.5%	4.6%	4.8%	4.2%	4.5%
ROA	1.4%	1.3%	1.4%	1.6%	0.5%	1.2%
ROE exc. Surplus	32.5%	31.6%	33.4%	38.0%	13.0%	28.6%
Admin Cost : income	41.8%	47.6%	46.0%	43.1%	60.6%	49.3%
Gross ADR	37.3%	36.9%	39.0%	42.3%	54.1%	54.1%
CASA	69.3%	68.6%	68.9%	72.4%	77.1%	77.1%
CA	37.9%	38.3%	41.4%	40.1%	38.2%	38.2%
Net Loans (YoY)	0.4%	1.5%	1.7%	28.6%	50.9%	50.9%
Deposits (YoY)	40.2%	31.5%	18.3%	17.3%	2.5%	2.5%
NPL ratio	4.8%	4.9%	4.9%	4.6%	3.7%	3.7%
Coverage	112.2%	124.5%	118.5%	114.3%	110.7%	110.7%
CAR	16.7%	17.0%	17.1%	19.0%	18.0%	18.0%
Dividend (% of PAR)	80%	20%	20%	20%	25%	85%

- NIMs have contracted YoY on account of downward interest rate movement. Higher borrowings and distorted advances pricing further compressed the margins.
- ROE also contracted to 28.6%, reflecting the impacts of reversal in interest rate cycle.
- Cost to income ratio was impacted due to shrinking spreads; however, it remains below 50%.
- ADR increased to reflect the Banks' strategy to achieve the 50% benchmark ADR Target.
- CASA ratio increased as the bank looks to improve the deposit mix.
- NPL ratio dropped to 3.7%, while coverage remained healthy at 110.7%.
- CAR at 17.96% which is well above the regulatory requirement.

Other Initiatives



Alfa App

Over 1M users
(30 day active)
Contributing **50%** of Digital volume

Digital Payment

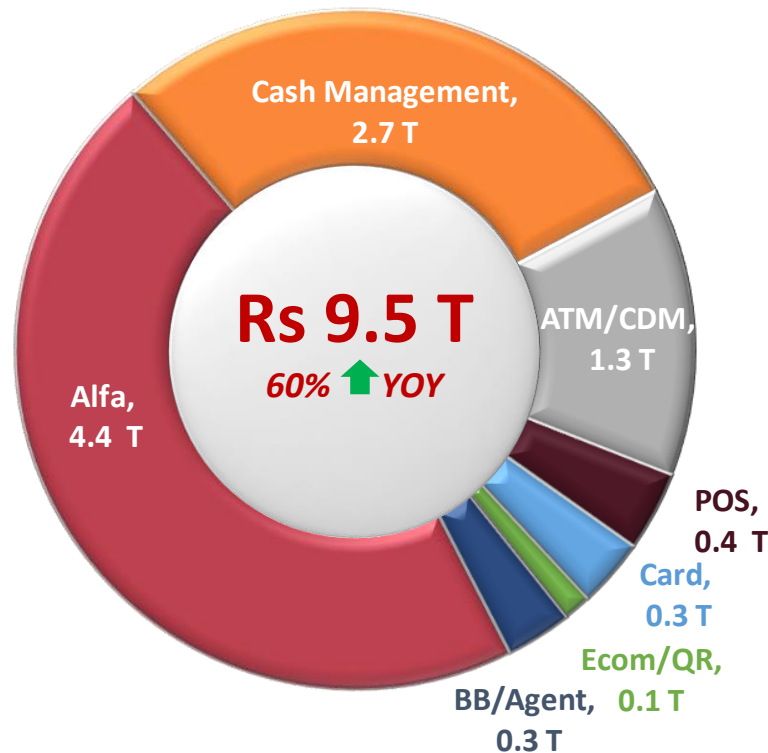
[includes Alfa Mall, QR, Online Acquiring, VDC & School fee]

PKR 70 Bn
↑ 60% from LY

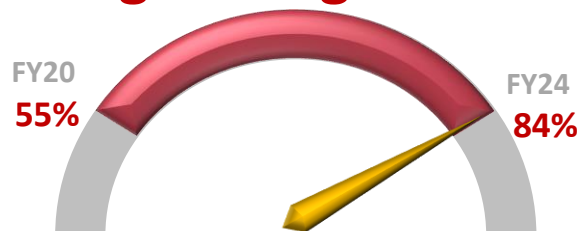
Digital Lending

Disbursement: **PKR 39 Bn**
↑ 100% from LY
[includes Consumer & SME disbursements via digital channels]

Digital Throughput *



Digital Migration

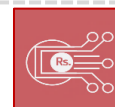


Conversion of branch OTC transactions to digital channels



Digital Lifestyle Branch

Digital Transaction Ratio of **95%**
Branch throughput of **PKR 3.9 Bn.**



Sales & Service Centers

PKR 4 Bn
Target Locations: Cash Rich market where digital adoption needs improvement

G2P & Corp Solutions

BISP : Pakistan's largest mandate ~**45%** of BISP portfolio (**4.4 Mn beneficiaries** of which 1.9 Mn beneficiaries are via a joint venture).

G2P & Corporate solutions throughput:
PKR 296 Bn ↑ **40%** from LY

* Includes PKR 6.0 Tn throughput covered under Digital Banking segment, and 3.5 Tn throughput covered under Retail, Islamic, and Corporate segments.

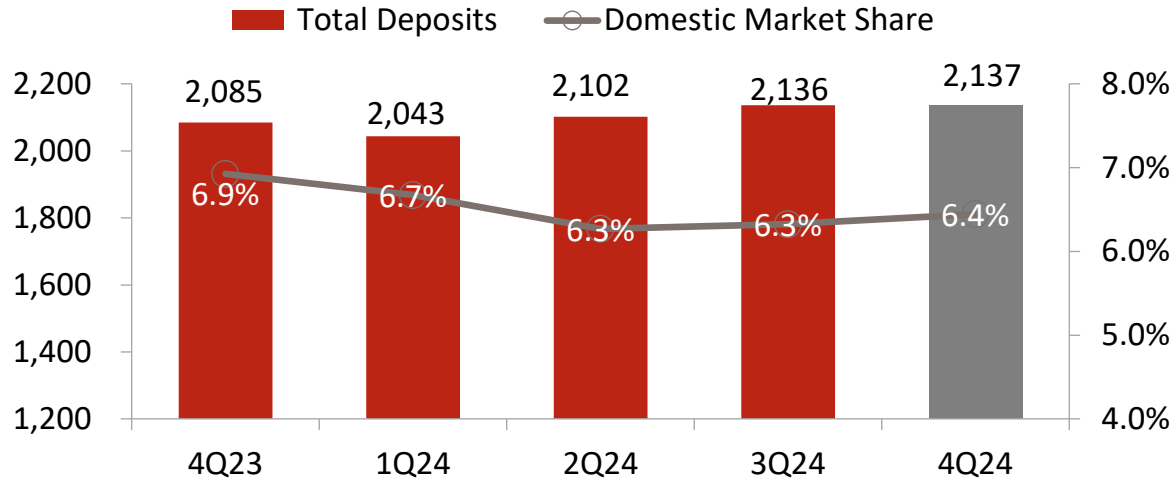
Trends Analysis

Trends Analysis

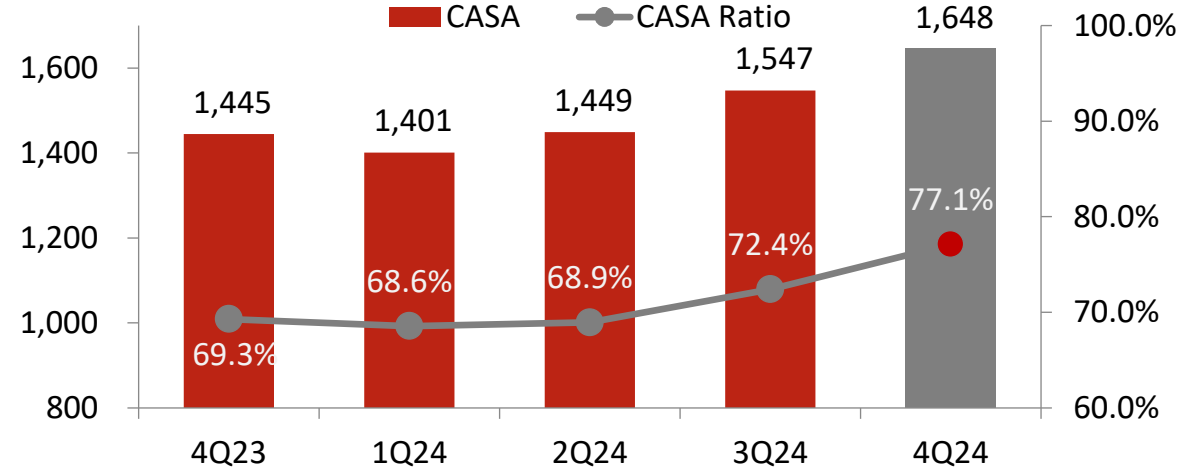
Financial Snapshot



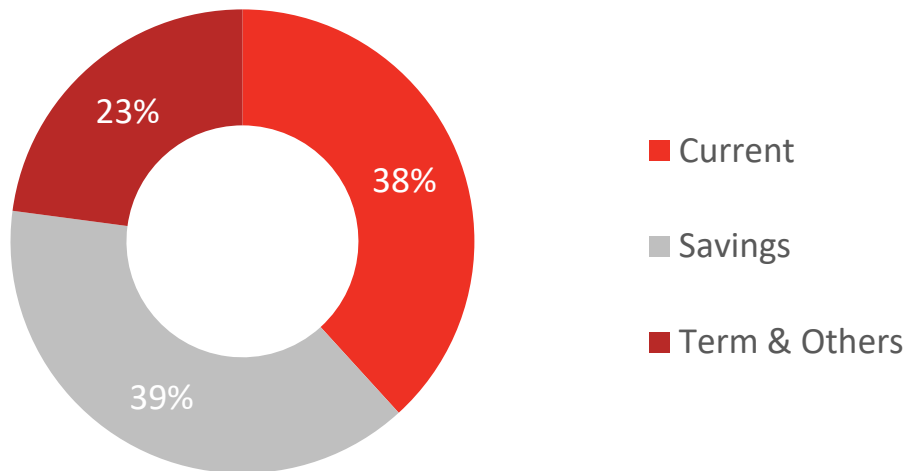
Deposits (PKR bn) – Domestic Market Share at 6.4%



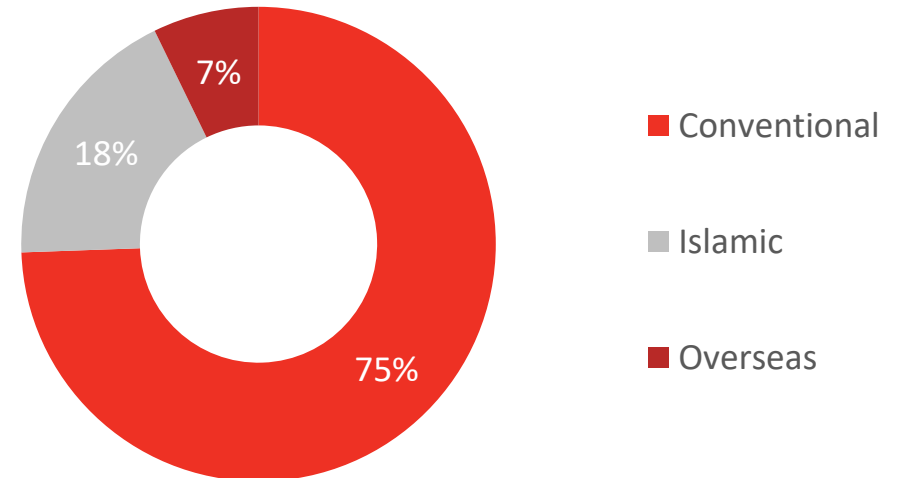
CASA Deposits (PKR bn) – CASA Ratio at 77.1%



Deposit Mix



Deposits Composition

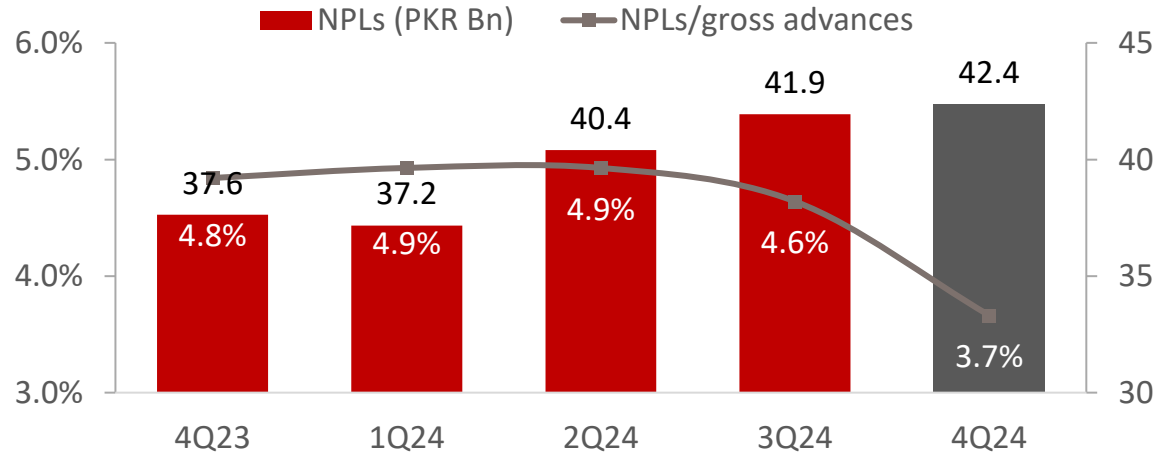


Trends Analysis

Quarterly Advances & Asset quality trends

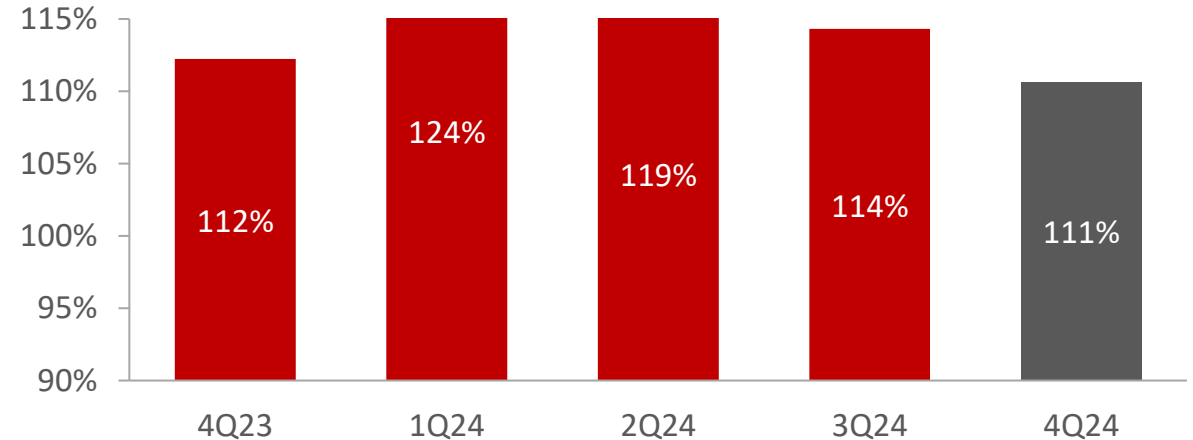


Infection Ratio at 3.7%

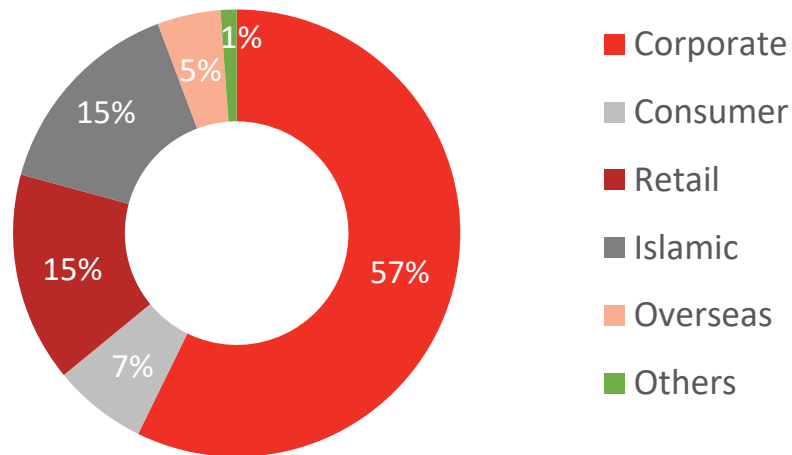


Note: NPL's were impacted by SBP's clarification over IFRS9; figures prior to Q2 were computed on different conventions.

Coverage comfortable at 111%

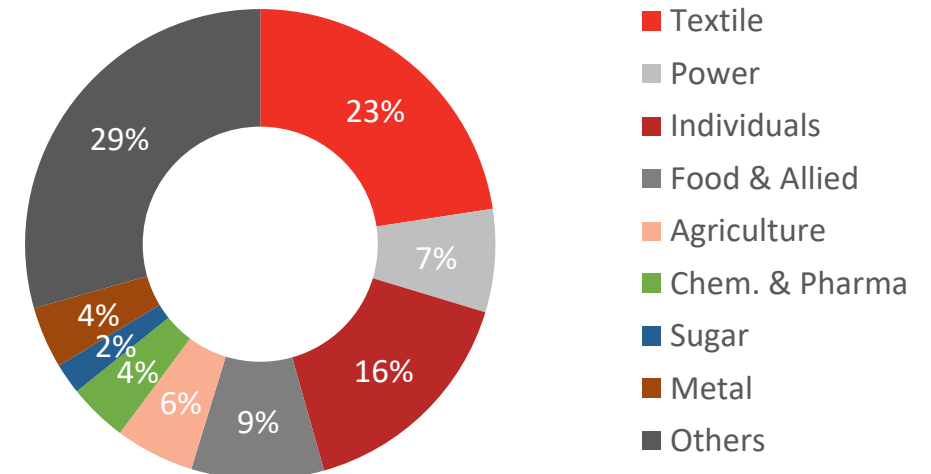


Performing Advances composition



Islamic book comprises of: 65% corporate, 16% consumer loans & 19% others

Advances concentration (Dec 2024)



Trends Analysis

Balance Sheet



Amounts in PKR mn	2019	2020	2021	2022	2023	2024	5yr CAGR
Cash & Bal. With Treasury Bank	100,732	99,348	105,606	140,613	202,692	227,824	17.7%
Balances With Other Banks	4,710	6,234	9,783	9,485	16,618	18,470	31.4%
Lending to FIs	71,435	77,306	35,982	115,354	119,554	100,998	7.2%
Advances (Net)	511,236	577,316	673,881	732,375	735,052	1,109,376	16.8%
Investments (Net)	299,098	547,090	809,214	1,114,407	2,067,263	1,991,232	46.1%
Fixed & Other Assets	78,100	77,580	99,856	140,963	204,738	262,306	27.4%
Total Assets	1,065,311	1,384,874	1,734,321	2,253,197	3,345,917	3,710,206	28.3%
Deposits	782,284	881,767	1,139,045	1,486,845	2,084,997	2,136,913	22.3%
Subordinated Loans	11,987	7,000	7,000	14,000	14,000	14,000	3.2%
Borrowings	102,842	314,960	383,809	491,180	909,543	1,141,886	61.8%
Bills Payable & Other Liabilities	80,170	90,129	104,465	161,157	199,454	239,295	24.4%
Total Liabilities	977,284	1,293,856	1,634,319	2,153,182	3,207,994	3,532,094	29.3%
Paid - up Capital	17,772	17,772	17,772	15,772	15,772	15,772	-2.4%
Reserves & Retained Profit	58,889	62,737	70,790	79,384	110,883	128,561	16.9%
Revaluation Surplus	11,367	10,509	11,441	4,859	11,268	33,779	24.3%
Total Equity	88,028	91,017	100,003	100,015	137,923	178,112	15.1%

Trends Analysis

Profit & Loss



Amounts in PKR mn	2019	2020	2021	2022	2023	2024	5yr CAGR
Interest Income	92,519	92,616	100,402	214,054	411,948	506,898	40.5%
Interest Expenses	47,623	47,911	54,134	136,812	285,877	380,172	51.5%
Net Int. Income	44,896	44,705	46,268	77,242	126,070	126,726	23.1%
Non Int. Income	10,357	12,795	16,254	21,883	28,758	44,506	33.9%
Total Income	55,253	57,499	62,522	99,126	154,828	171,232	25.4%
Admin expenses	29,066	31,443	36,316	49,562	65,197	84,369	23.8%
Other charges	777	589	524	935	1,994	1,918	19.8%
Non int. expense	29,843	32,032	36,840	50,497	67,191	86,288	23.7%
Profit before provisions	25,410	25,468	25,682	48,629	87,637	84,944	27.3%
Provisions	3,029	7,589	2,312	12,468	9,462	1,849	-9.4%
Profit before tax	22,382	17,878	23,370	36,160	78,175	83,095	30.0%
Taxation	9,686	7,403	9,154	17,954	41,719	44,777	35.8%
Profit after Tax	12,696	10,475	14,217	18,206	36,456	38,318	24.7%
EPS (PKR) *	8.05	6.64	9.01	11.54	23.12	24.30	
Dividend (% of Par value)	40%	40%	40%	50%	80%	85%	

* EPS is calculated using current number of the shares

Trends Analysis

Key Ratios



	2019	2020	2021	2022	2023	2024
Capital Adequacy Ratio (Tier - I)	13.3%	12.7%	11.1%	11.1%	13.1%	14.0%
Capital Adequacy Ratio Total	16.9%	16.5%	14.4%	13.8%	16.7%	18.0%
Net Interest Margins	5.3%	4.3%	3.4%	4.2%	5.4%	4.4%
Admin Cost to Income Ratio	52.6%	54.7%	58.1%	50.0%	41.8%	49.3%
Non - Interest Income as % of Total	18.7%	22.3%	26.3%	22.1%	18.2%	26.0%
Advance to Deposit Ratio (ADR) - Gross	67.7%	68.1%	61.4%	51.5%	37.3%	54.1%
YoY Deposit Growth	8.2%	12.7%	29.2%	30.5%	40.2%	2.5%
YoY Net Advances Growth	1.9%	12.9%	16.7%	8.7%	0.4%	50.9%
YoY Investments Growth	6.0%	82.9%	47.9%	37.7%	85.5%	-3.7%
Current Deposits Ratio	43.4%	44.7%	44.0%	44.5%	37.9%	38.2%
CASA Ratio	75.9%	77.9%	76.9%	71.7%	69.3%	77.1%
NPL Ratio	4.2%	4.3%	3.5%	4.0%	4.8%	3.7%
Coverage Ratio	83.6%	91.2%	101.9%	107.6%	112.2%	110.7%
ROA	1.3%	0.9%	1.0%	0.9%	1.3%	1.2%
ROE Excluding Reval. Surplus	17.6%	13.2%	17.1%	19.5%	32.5%	28.6%
ROE Including Reval. Surplus	15.4%	11.5%	15.3%	18.2%	31.7%	24.8%
Diluted BVPS (Incl. Reval.)	55.81	57.71	63.41	63.41	87.45	112.93

Highlights

Highlights of the Banks' efforts and recognition



AWARDS & RECOGNITION

The Bank earned **several prestigious awards** during the quarter, including notable recognition at the **Pakistan Banking Awards** (winning the **Best Digital Banking Award** and the **Best Bank for Customer Engagement**), the South Asian Federation of Accountants' Best Presented Corporate Report Awards, the ICAP and ICMA's Best Corporate Reporting Awards, the CFA Society's Annual Excellence Awards, the Global Islamic Finance Awards, the International Finance Corporation & Pakistan Business Council's Employer of Choice Awards and the PMAA's Dragons of Pakistan Awards.





Bloomberg Code	BAFL PA
Reuters Code	BAFL.KA
Shares Outstanding (mn)	1,577.17
Market Capitalization (PKR bn)**	121,536
Market Capitalization (USD mn)*	435
Average Daily Turnover (mn shares) - 12M	1.33
Average Daily Turnover (USD mn) - 12M	325.27
Current Stock Price** (PKR)	77.06
High / Low** (PKR) - 12M	86.97 / 51.75

*Using PKR / USD parity of PKR 279.67

**Stock Price as of February 28, 2025



For any queries:

Syed Akbar Ali, CFA, FRM

Head of Capital Markets & Investor Relations

Bank Alfalah Limited

Phone: +92 (21) 3820 2478

E-mail: syed.akbar@bankalfalah.com



This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Bank Alfalah Limited.

Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement

Thank You
