

Bank Alfalah Limited

Analyst Briefing

1Q2025 – Performance Review & Outlook

24 April 2025



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

Profitability remains robust,
benefitting from CA volumetric
growth



Capital Adequacy Ratio

CAR stands at **17.64%**
as at 31 Mar 2025



Staff Strength

Staff strength of **16,500+**
as at 31 Mar 2025



PSX indicators

Share price:
Mar-25: Rs 73.13
(Mar-24: Rs 52.37)
Market Capitalization:
Mar-25: Rs 115 Bn
(Mar-24: Rs 83 Bn)

Bank Alfalah Limited

Driving consistent growth as a dominant player across all products



Advances



Rs 0.927 Tn

29% YOY

6.5% Market share

Deposit



Rs 2.019 Tn

1% YOY

6.1% Market share (Avg)

Current Deposit



Rs 853 Bn

9% YOY

6.6% Market share*

SME Lending



Rs 46 Bn

35% YOY

8.2% Market share*

Consumer Lending - Rs 117 Bn



Credit Card

Rs 32.9 Bn

Rs 8 Bn YoY



Auto Loan

Rs 47.1 Bn

Rs 10.2 Bn YoY



Personal Loan

Rs 11.8 Bn

Rs 1.9 Bn YoY



Home Loan

Rs 25.1 Bn

Rs 4.1 Bn YoY



Ranking on Size Ranking on Acquisitions

Personal Loan ranking without NBP which has higher Govt mandate

**Market Share as at Dec 24*

Primary Dealer



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

3rd year of being no.1

Remittance



\$ 1,482 Mn

22% YOY

14.6% Market Share

Trade Volume

Total

\$ 2,068 Mn

19% YoY



Import

\$ 1,634 Mn



Export

\$ 434 Mn

Market Share

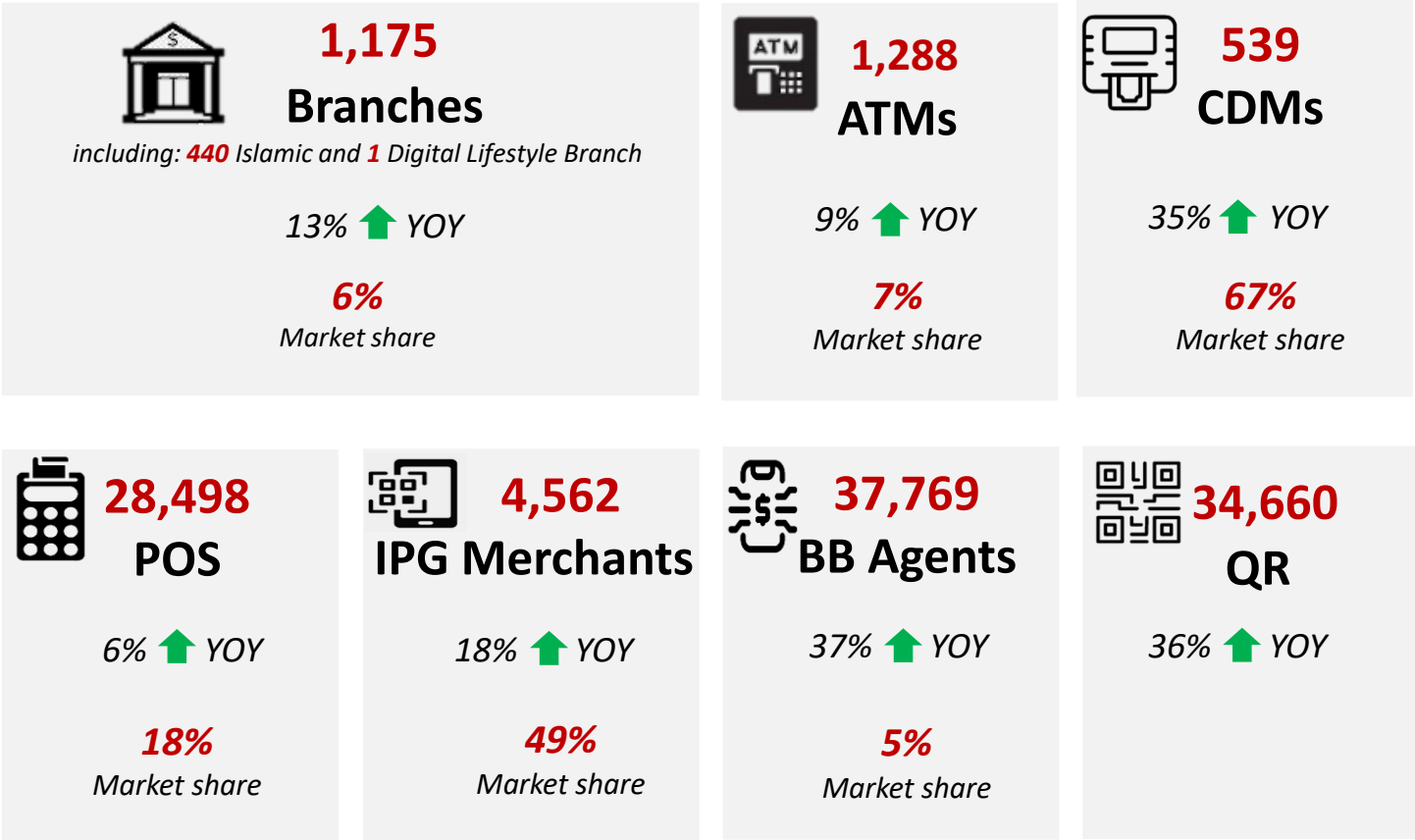
10.9%

5.7%

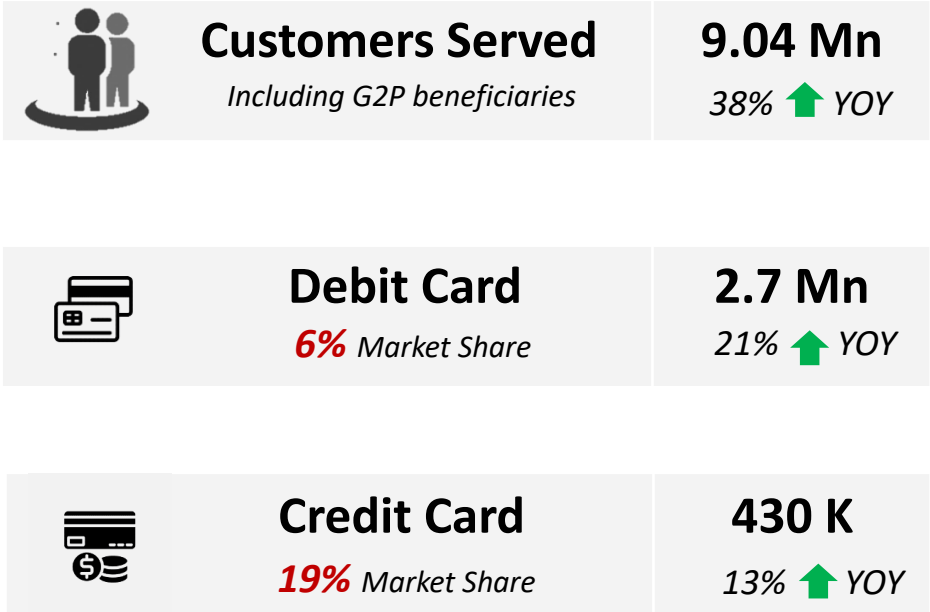


108K Touchpoints

25% YOY



Customer Penetration



Market share based on the latest SBP data for Dec'24

Financial Results – 1Q2025

Financial Results – 1Q 2025

Balance Sheet Snapshot*



| Amount PKR mn | Mar-24 | Dec-24 | Mar-25 | YoY | QoQ |
|-----------------------------|------------------|------------------|------------------|------------|------------|
| Cash | 186,677 | 227,824 | 219,762 | 18% | -4% |
| Bal with banks | 23,932 | 18,470 | 14,305 | -40% | -23% |
| Lending to FI | 19,718 | 100,998 | 100,040 | 407% | -1% |
| Advances (net) | 675,157 | 1,109,376 | 881,779 | 31% | -21% |
| Investments (net) | 1,813,008 | 1,991,232 | 1,983,385 | 9% | 0% |
| Fixed & Others | 248,617 | 262,306 | 277,873 | 12% | 6% |
| Total Assets | 2,967,108 | 3,710,206 | 3,477,144 | 17% | -6% |
| Deposits | 2,043,329 | 2,136,913 | 2,018,645 | -1% | -6% |
| Sub Loans/ADT1 | 14,000 | 14,000 | 14,000 | 0% | 0% |
| Borrowings | 563,192 | 1,141,886 | 1,043,668 | 85% | -9% |
| Other Liabilities | 205,557 | 239,295 | 221,827 | 8% | -7% |
| Total Liabilities | 2,826,078 | 3,532,094 | 3,298,139 | 17% | -7% |
| Paid up Capital | 15,772 | 15,772 | 15,772 | 0% | 0% |
| Reserves | 110,752 | 128,562 | 131,634 | 19% | 2% |
| Reval Surplus | 14,506 | 33,779 | 31,599 | 118% | -6% |
| Total Equity | 141,030 | 178,112 | 179,005 | 27% | 1% |
| Book Value per Share | 89.42 | 112.93 | 113.50 | 27% | 1% |

▪ Deposits remained flattish YoY as the Bank realigned its book to optimize cost of deposits and focus on current deposits.

▪ Net advances increased by 31% YoY, with focus on low-risk corporate advances as well as consumer loans.

▪ Investments increased by 9% YoY, where the composition of fixed-rate PIBs increased considering the interest rate outlook.

▪ Borrowings increased by 85% YoY to build positions in declining rate environment.

▪ Reserves increased by 19% YoY. This includes impact of profit earned over last twelve months and dividends paid during the same period.

▪ Revaluation Surplus increased by 118% YoY, reflecting favorable book position amid declining interest rates.

▪ Book value per share improved to Rs. 113.50/sh.

* Restated Mar 24 numbers for IFRS-9.

Financial Results – 1Q 2025

Profit & Loss Snapshot*



| Amount PKR mn | 1Q 2024 | 4Q 2024 | 1Q 2025 | YoY | QoQ |
|---------------------------|---------------|---------------|---------------|-------------|-------------|
| Interest Income | 129,944 | 115,490 | 95,094 | -27% | -18% |
| Interest Expenses | 98,660 | 85,780 | 61,881 | -37% | -28% |
| Net Int Income | 31,284 | 29,710 | 33,212 | 6% | 12% |
| Non Int Income | 8,013 | 11,235 | 9,082 | 13% | -19% |
| Total Income | 39,297 | 40,946 | 42,294 | 8% | 3% |
| Admin expenses | 19,177 | 23,862 | 26,974 | 41% | 13% |
| Other charges | 634 | 339 | 404 | -36% | 19% |
| Profit before prov | 19,486 | 16,744 | 14,916 | -23% | -11% |
| Provisions | (207) | 103 | (468) | 126% | n.m.*** |
| Profit before tax | 19,693 | 16,641 | 15,384 | -22% | -8% |
| Taxation | 9,790 | 11,951 | 8,344 | -15% | -30% |
| Profit after tax | 9,903 | 4,690 | 7,040 | -29% | 50% |
| EPS (Rupees)** | 6.28 | 2.97 | 4.46 | -29% | 50% |
| DPS (Rupees) | 2.00 | 2.50 | 2.50 | 25% | 0% |

* Restated 1Q24 and 4Q24 numbers for IFRS-9.

** EPS is calculated using current number of the shares

*** n.m. denotes not meaningful

- NII increased by 6% YoY as impact of lower interest rates was alleviated by building fixed-rate PIB book and growth in current accounts.
- Non-interest income grew by 13% YoY, where higher capital gains, Dividend Income, Income on Derivatives, and Other Income, more than offset decline in Fee and Commission Income. Fee Income came under pressure due to market dynamics of certain products.
- Increase in Admin expenses is a function of branch expansion (130+ branches vs SPLY), staff compensation, and higher spend on remittances related marketing.
- Provisions reversal was booked to the tune of PKR 468 mn, led by strong recoveries & reversals.
- The PAT decreased by 29% YoY due to decline in interest rates.

Financial Results – 1Q 2025

Key Ratios*



| | 4Q 23 | 1Q 24 | 2Q 24 | 3Q 24 | 4Q 24 | 1Q 25 |
|----------------------|--------|--------|--------|--------|--------|--------|
| Yield on Advances | 16.6% | 18.3% | 17.7% | 17.3% | 14.5% | 12.1% |
| Yield on Investments | 20.2% | 19.7% | 19.5% | 18.7% | 15.3% | 13.4% |
| Cost of Deposits | 11.8% | 12.2% | 12.0% | 11.3% | 9.3% | 6.2% |
| Cost of Funds | 13.8% | 14.4% | 14.2% | 13.1% | 11.1% | 8.3% |
| NIM | 5.3% | 4.6% | 4.6% | 4.7% | 3.9% | 4.5% |
| Spreads | 5.3% | 4.7% | 4.7% | 5.1% | 4.0% | 4.7% |
| ROA | 1.3% | 1.3% | 1.4% | 1.6% | 0.5% | 0.8% |
| ROE exc. Surplus | 29.8% | 31.5% | 33.3% | 37.8% | 13.0% | 19.6% |
| Admin Cost : income | 40.9% | 48.8% | 47.0% | 44.0% | 58.3% | 63.8% |
| Gross ADR | 37.3% | 35.3% | 37.4% | 40.8% | 54.1% | 45.9% |
| CASA | 69.3% | 68.6% | 68.9% | 72.4% | 77.1% | 76.6% |
| CA | 37.9% | 38.3% | 41.4% | 40.1% | 38.2% | 42.3% |
| Net Loans (YoY) | 0.4% | -3.3% | -2.6% | 23.6% | 50.9% | 30.6% |
| Deposits (YoY) | 40.2% | 31.5% | 18.3% | 17.3% | 2.5% | -1.2% |
| NPL ratio | 4.8% | 5.2% | 5.1% | 4.8% | 3.7% | 4.4% |
| Coverage | 112.2% | 124.6% | 118.5% | 114.3% | 110.7% | 113.0% |
| CAR | 16.7% | 17.0% | 17.1% | 19.0% | 17.9% | 17.6% |
| Dividend (% of PAR) | 50.0% | 20.0% | 20.0% | 20.0% | 25.0% | 25.0% |

- NIMs were supported by timely book build-up of fixed rates investments, and growth in current accounts.
- ROE dropped to more normalized levels of 19.6% vs 31.5% in SPLY, reflecting reversal in interest rates.
- Cost to income ratio surged to 63.8%, mainly due to branch expansions, incremental inflation, and remittances related marketing expense.
- ADR @ 45.9% as lending remains a priority.
- Healthy increase in CA as the Bank looks to improve the cost of deposits.
- NPL ratio dropped to 4.4%, while coverage remained healthy at 113%.
- CAR at 17.6% which is well above the regulatory requirement.

* IFRS 9 impact has been evened out during the year 2024.

Other Initiatives



Alfa App

Over 1.1M users
(30 day active)
Contributing **50%** of Digital volume



Digital Payment

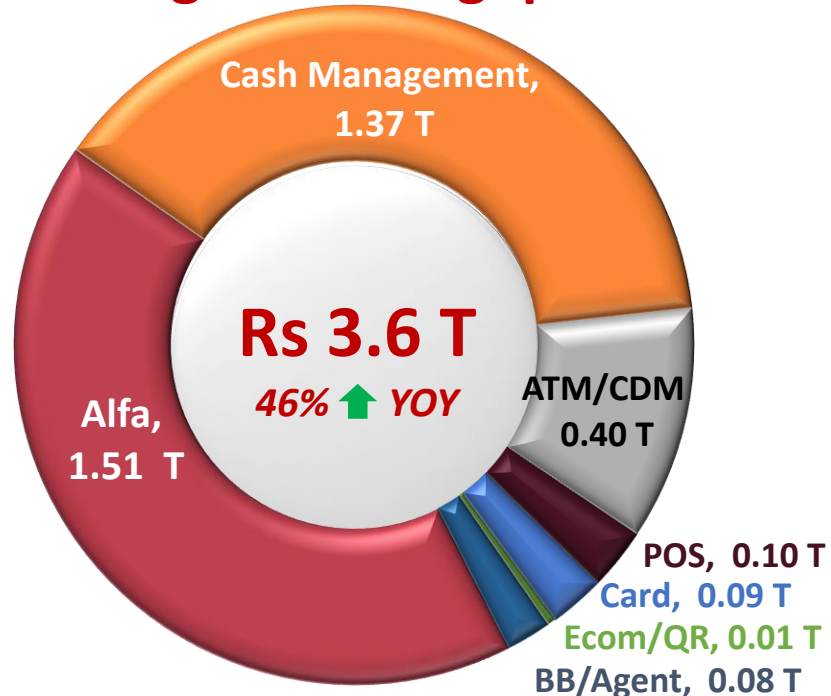
[includes Alfa Mall, QR, Online Acquiring, VDC & School fee]

PKR 21.4 Bn
47%  from LY

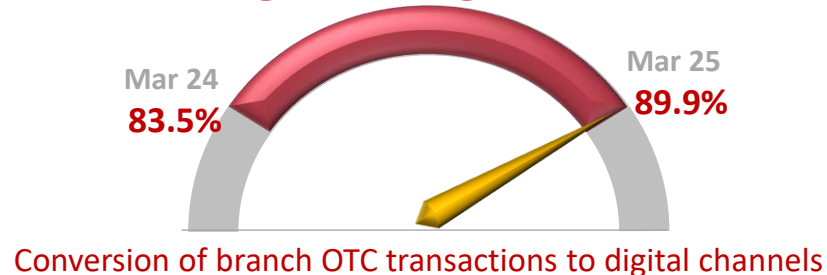
Digital Lending

Disbursement: **PKR 12.5 Bn**
117%  from LY
[includes Consumer & SME disbursements via digital channels]


Digital Throughput *



Digital Migration



Digital Lifestyle Branch

Digital Transaction Ratio of **96%**
Branch throughput of **PKR 1.96 Bn**  13% from LY




Sales & Service Centers

PKR 4 Bn
Target Locations: Cash-rich markets where digital adoption needs improvement.
Currently 5 centers are live.

G2P & Corp Solutions

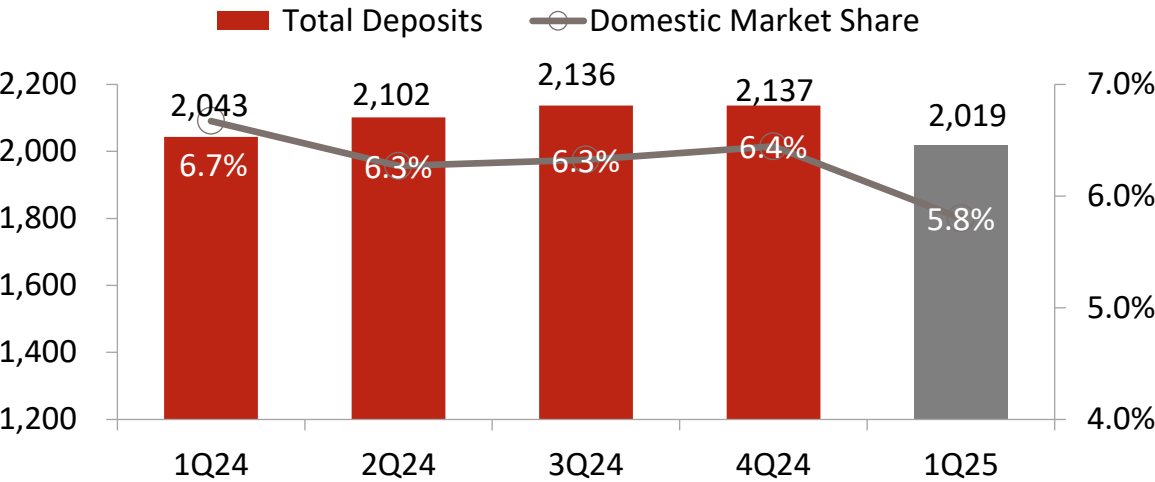
- Blue Collar Payroll,
- Agent Network (Alfa Pay) and
- G2P Payments (BISP, SPHF, EOBI Pension, SSPA, Punjab CM Nigehban etc.)

G2P & Corporate solutions throughput:
PKR 72 Bn  5% from LY

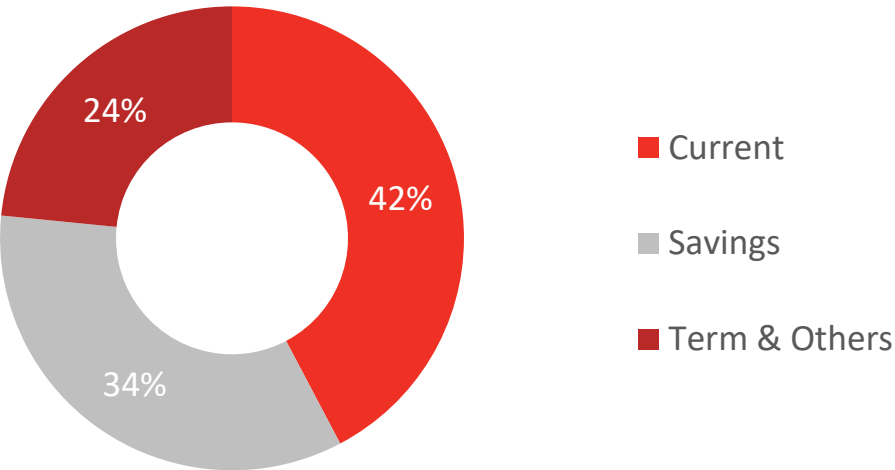
Trends Analysis



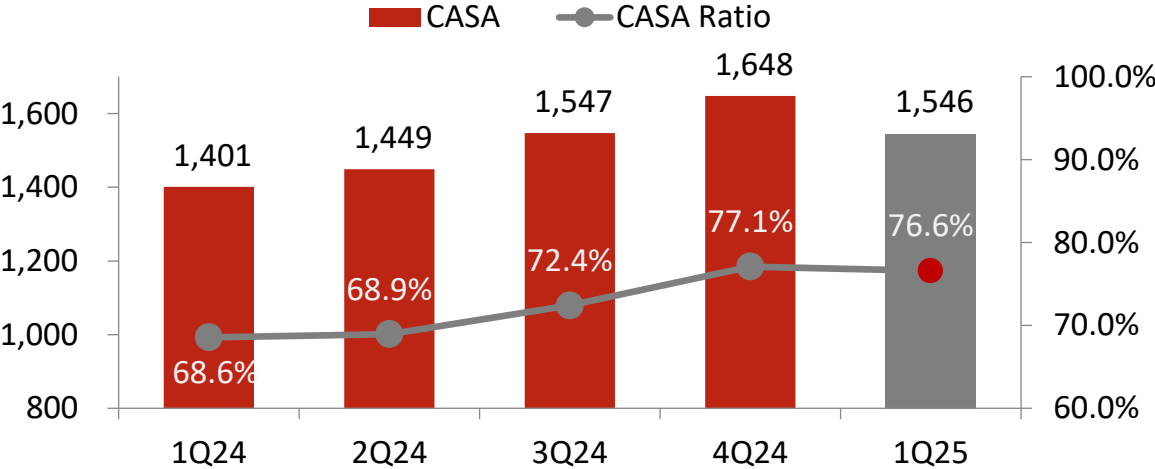
Deposits (PKR bn) – Domestic Market Share at 5.8%



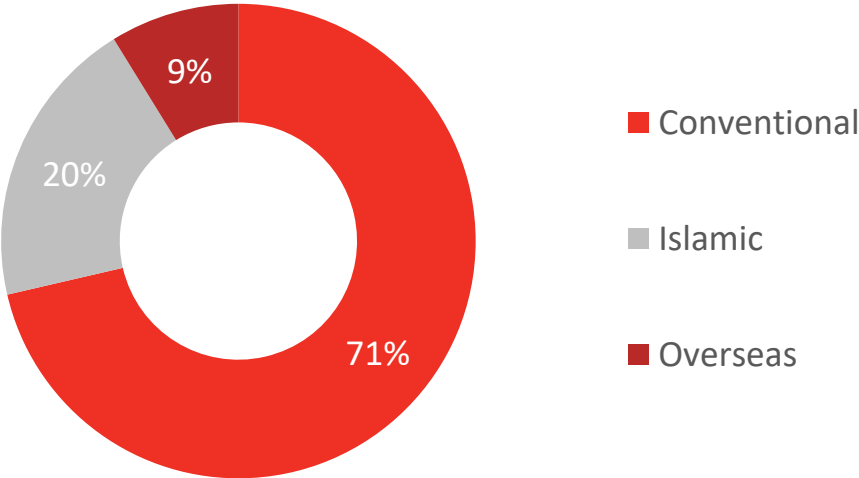
Deposit Mix



CASA Deposits (PKR bn) – CASA Ratio at 76.6%



Deposits Composition

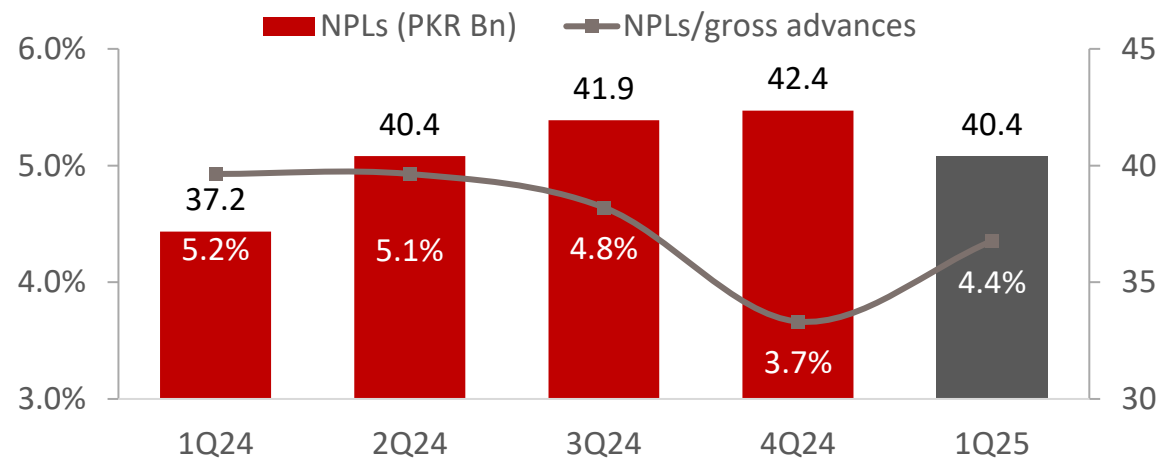


Trends Analysis

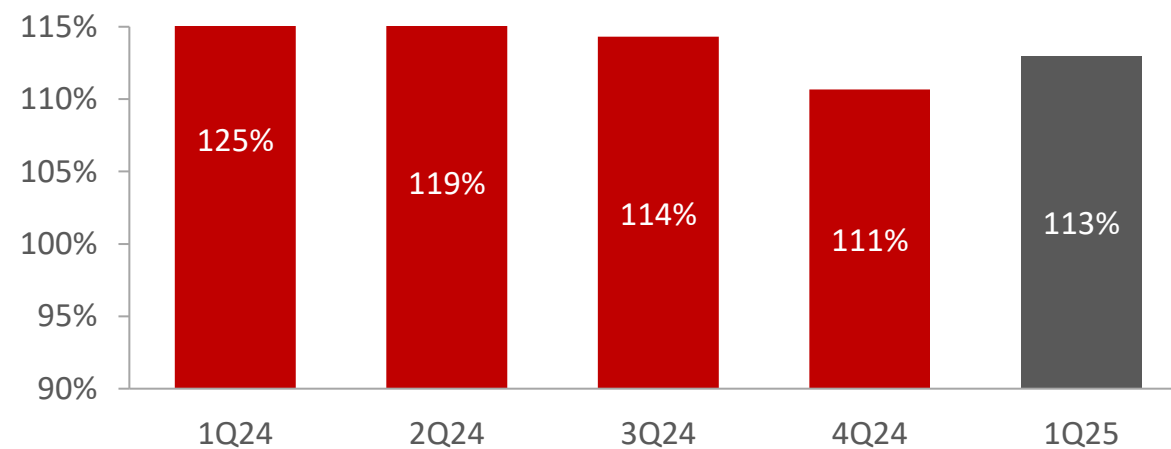
Quarterly Advances & Asset quality trends



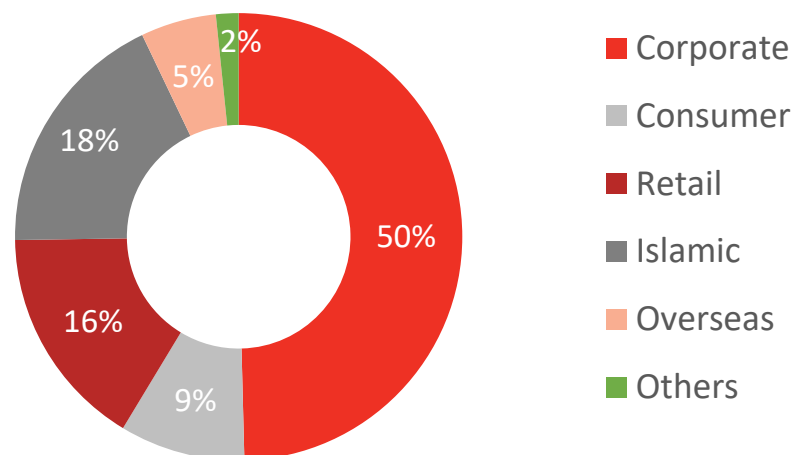
Infection Ratio at 4.4%



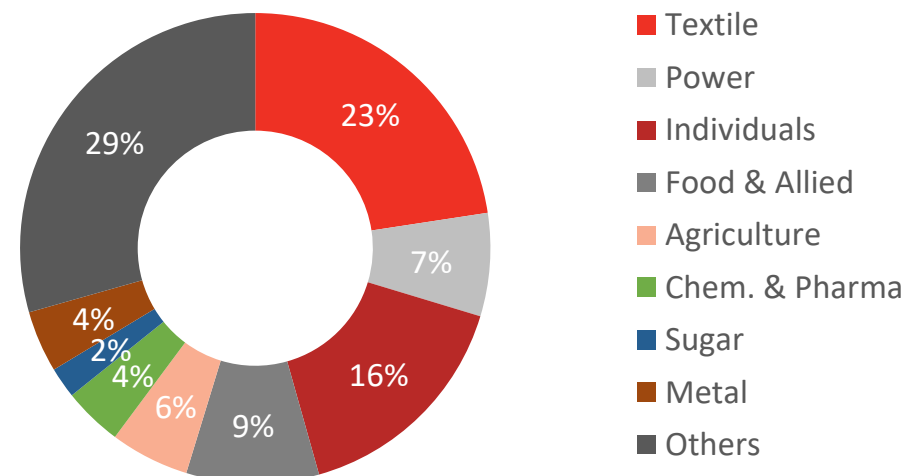
Coverage comfortable at 113%



Performing Advances composition



Advances concentration (Dec 2024)



Islamic book comprises of: 64% corporate, 21% consumer loans & 15% others

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% |
| BVPS (Incl. Reval.) | 55.81 | 57.71 | 63.41 | 63.41 | 87.45 | 112.93 |



| | |
|--|---------------|
| Bloomberg Code | BAFL PA |
| Reuters Code | BAFL.KA |
| Shares Outstanding (mn) | 1,577.17 |
| Market Capitalization (PKR mn)** | 120,890 |
| Market Capitalization (USD mn)* | 430.41 |
| Average Daily Turnover (mn shares) - 12M | 1.62 |
| Average Daily Turnover (USD mn) - 12M | 419.87 |
| Current Stock Price** (PKR) | 76.65 |
| High / Low** (PKR) - 12M | 86.97 / 55.72 |

*Using PKR / USD parity of PKR 280.87

**Stock Price as of April 21, 2025



For any queries:

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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
