

Foundation Alert

BAFL announced buy-back

Event

- Bank Alfalah Limited Board of Directors announced a buy-back of 200 million shares on spot market prices.

Impact

- Bank Alfalah Limited (BAFL PA) board of directors in their meeting held today decided to buy-back/purchase up to 200 million ordinary shares of the bank.
- The buy-back/purchase constitutes up to approximately 11.25% of the current issued and paid up share capital.
- The shares shall be purchased from time to time at the spot prices acceptable to the Bank prevailing during the purchase period.
- The purchase period will be from December 14'2022 to June 2'2023 or till such date that the purchase is complete, whichever is earlier.
- The buy-back will be made from the distributable profits of the Bank.
- However, this transaction is contingent upon obtaining the requisite approvals from the members of the Bank and State Bank of Pakistan.

Outlook

- We believe, the buy-back would discover the true intrinsic value of the Bank that is trading at a deep discounted P/B of ~0.5x despite deposit CAGR of 20% in last four years.

Analyst

Foundation Research
+92 21 3561 2290-94

research@fs.com.pk
Ext: 312

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Recommendations definitions

If	
Expected return >+10%	Outperform.
Expected return from -10% to +10%	Neutral.
Expected return <-10%	Underperform.