

# Flash Note

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## Commercial Banks

### Faysal Bank Limited (FABL)

**Earnings:** Faysal Bank Limited (FABL) announced its financial result for the second quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 4.3bn (PKR 2.8/share) during 2QCY23 compared to PKR 2.3bn (PKR 1.5/share) last year, an increase of +34%q/q and a jump of +92%/y/y. This brings total profitability for 1HCY23 to PKR 7.5bn (PKR 4.96/share), up by +1.7xy/y.

**Dividend/Payout:** The Company announced a cash dividend of PKR 1.0/share along with the result compared to PKR 0.5/share last year same period.

**Operating Performance:** During the 2QCY23 period under review, the Bank reported net-interest income of PKR 18bn (up by +95%/y/y) and non-interest income of PKR 2bn (down by 5%/y/y). As a result, the bank's total revenue stood at PKR 20bn (up by +75%/y/y). Moreover, FABL recorded operating expenses of PKR 10bn (up by +57%/y/y), which has reduced the Bank's cost/income to 51% (last year: 57%). FABL booked a provision of PKR 1.0bn during 2QCY23 compared to a provision reversal of PKR 0.3bn in the same period last year. The tax charge for this quarter came at PKR 4.5bn (effective tax rate of 51% compared to 57% in 2QCY22).

Exhibit: Financial Highlights Faysal Bank Limited (FABL) - unconsolidated								
Latest result published for 2Q'/23								
Period (PKRbn)	2Q'/23	1Q'/23	2022	4Q'/22	3Q'/22	2Q'/22	1Q'/22	2021
Net Interest Income	18	13	40	13	11	9	7	26
Fee Income	2	2	7	2	1	2	1	5
Treasury Income	0	1	2	0	1	0	1	3
Non-Interest Income	2	3	9	2	2	2	2	9
<b>Total Revenue</b>	<b>20</b>	<b>16</b>	<b>49</b>	<b>15</b>	<b>13</b>	<b>11</b>	<b>9</b>	<b>34</b>
Op. Exp.	(10)	(8)	(27)	(8)	(7)	(6)	(6)	(21)
Provision charge	(1.0)	(1.4)	1	0	0	0.3	0.1	(0)
Profit Before Tax	9	6	22	7	6	5	3	13
Tax	(5)	(3)	(11)	(4)	(3)	(3)	(1)	(5)
<b>Profit After tax</b>	<b>4.31</b>	<b>3.21</b>	<b>11.23</b>	<b>3.57</b>	<b>3.28</b>	<b>2.25</b>	<b>2.13</b>	<b>8.12</b>
EPS	2.84	2.12	7.40	2.35	2.16	1.48	1.41	5.35
DPS	1.00	0.00	7.00	1.00	5.50	0.50	0.00	1.50

Source: Company accounts, IGI Research. No. of shares: 1,517.7mn

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