

# Flash Note

Wednesday, August 28, 2024

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Securities

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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 2024. As per the financial result, the Bank reported earnings of PKR 6.8bn (PKR 4.45/share) during 2QCY24 compared to PKR 4.3bn (PKR 2.84/share) last year, up by 4%q/q while up by +57%/y/y.

**Dividend/Payout:** The Company announced a cash dividend of PKR 2.0/share along with the result taking the cumulative dividend for 1HCY24 to PKR 3.0/share.

**Operating Performance:** During the 2QCY24 period under review, the Bank reported net-interest income of PKR 20bn (up by +10%/y/y) and non-interest income of PKR 4bn (up by +95%/y/y) on the back of +25%/y/y increase in fee and commission income and a significant +2xy/y increase in Foreign exchange income. As a result, the bank's total revenue stood at PKR 24bn (up by +20%/y/y). Moreover, FABL recorded operating expenses of PKR 11bn (up by +12%/y/y), with the bank's cost/income ratio clocking in at 47% (2QCY23: 51%). The bank booked a provision reversal of PKR 0.8bn during 2QCY24 compared to a provision charge of PKR 1.0bn in the same period last year. The tax charge for this quarter was recorded at PKR 7bn (effective tax rate of 49% compared to 51% in 2QCY23) bringing total effective tax rate for 1HCY24 to 49% compared to 50% in the same period last year.

Exhibit: Financial Highlights Faysal Bank Limited (FABL)					
Latest result published for 2Q'/24					
Period (PKRbn)	2Q'/24	2Q'/23	1Q'/24	1H'24	1H'23
Net Interest Income	20	18	19	38	31
Fee Income	3	2	3	5.1	4
Treasury Income	2	0	2	4	1
Non-Interest Income	4	2	5	9	5
<b>Total Revenue</b>	<b>24</b>	<b>20</b>	<b>23</b>	<b>47</b>	<b>35</b>
Op. Exp.	(11)	(10)	(11)	(22)	(18)
Provision charge	0.8	(1.0)	(0.0)	0.8	(2.3)
Profit Before Tax	13	9	12	26	15
Tax	(7)	(5)	(6)	(13)	(8)
<b>Profit After tax</b>	<b>6.8</b>	<b>4.3</b>	<b>6.5</b>	<b>13.3</b>	<b>7.5</b>
<b>EPS</b>	<b>4.45</b>	<b>2.84</b>	<b>4.29</b>	<b>8.74</b>	<b>4.96</b>
<b>DPS</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>3.00</b>	<b>1.00</b>

Source: Company accounts, IGI Research. No. of shares: 1517.7mn

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