

# Faysal Bank Limited

## Unprecedented profitability fueled by surge in revenue

### Highest-ever profitability recorded in CY23

FABL announced earnings (PAT) today for 4QCY23 at PKR 7.9bn (EPS: PKR 5.23), depicting an increase of 119% YoY | 71% QoQ (4QCY22 EPS: PKR 2.39). This jump in overall earnings was mainly on the back of growth in total income. Along with the result, FABL announced a final dividend of PKR 2/share (CY23: PKR 4/share).

### Result Highlights

- Net Profit Earned by the bank clocked-in at PKR 21.9bn during 4QCY23, increasing 68% YoY and 19% QoQ. With this, the total NPE for CY23 went up to PKR 71.1bn, marking a 78% YoY jump. Profit earned saw a jump of 81% during CY23 while profit expensed was up by 83%.
- NFI depicted an increase of 127% YoY | 129% QoQ during 4QCY23, taking CY23's total to PKR 13.1bn (+37% YoY). This jump in NFI during CY23 was primarily due to higher fee and commission income which posted a jump of 30% YoY, clocking in at PKR 9.4bn. Moreover, FX income too was significantly up 67% in CY23, reaching PKR 4.8bn. However, FABL posted a loss on securities of PKR 1.8bn as compared to a loss of PKR 1.5bn recorded in SPLY.
- FABL booked provisioning reversals of PKR 2.8n during 4QCY23 (4QCY22 reversals: PKR 204mn) depicting a significant jump of 13x on a YoY basis. This takes total provisioning to PKR 1.2bn during CY23 (CY22 reversals: PKR 940mn).
- The bank's OPEX increased 55% YoY in 4QCY23 clocking-in at PKR 13bn (4QCY22: PKR 8.3bn). With this, Cost/Income stood at 47.2% in 4QCY23 against 54% same period last year.
- Effective tax rate was set at 54% during 4QCY23 compared to 51% SPLY. With this, the effective tax for CY23 stood at 52% (CY22: 50%).

### Exhibit: Financial Highlights (Consolidated)

(PKR mn)	CY23a	CY22a	YoY	4QCY23a	4QCY22a	YoY	QoQ
Profit Earned	189,462	104,528	81%	56,104	33,946	65%	9%
Profit Expensed	118,392	64,537	83%	34,184	20,887	64%	4%
Net profit Earned	71,071	39,991	78%	21,920	13,060	68%	19%
NFI	13,056	9,532	37%	5,555	2,446	127%	129%
Total Income	84,127	49,524	70%	27,475	15,505	77%	32%
OPEX	41,254	27,864	48%	12,980	8,377	55%	29%
Provisions	1,187	(940)	nm	(2,750)	(204)	1246%	nm
PBT	41,846	22,689	84%	17,326	7,401	134%	87%
Taxation	21,600	11,251	92%	9,388	3,783	148%	103%
PAT	20,246	11,438	77%	7,938	3,618	119%	71%
EPS (PKR)	13.34	7.54		5.23	2.39		
DPS (PKR)	4.00	7.00		2.00	1.00		

Source (s): Company Financials, AHL Research

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