

Commercial Banks: Faysal Bank Limited

Result Review: EPS clocked in at PKR 14.80 in CY25



REP-300

Result Highlights

- FABL posted earnings of PKR 22.5bn (EPS: PKR 14.80) in CY25, down 6% YoY. On a quarterly basis earnings were recorded at PKR 6.5bn, up by 83% YoY and 17% QoQ. Alongside the results, the bank announced a cash dividend of PKR 2/share, taking cumulative payout for CY25 to PKR 6.5/share.
- Earnings contracted due to a decline in net profit earned (NII) and higher operating costs.
- Net profit earned stood at PKR 69.7bn, down 13% YoY, as profit earned fell 26% YoY compared to profit expensed which declined 33% YoY.
- On the non-funded side, income grew 65% YoY to PKR 32.3bn, driven by strong fee income (+23% YoY to PKR 15.8bn), higher gains realized on securities (+684% to PKR 8.2bn) and FX Income (+48% YoY to PKR 7.9bn).
- Provisioning reversal increased to PKR 4.9bn in CY25 compared to a reversal of PKR 2.5bn in CY24.
- Operating expenses rose 15% YoY to PKR 58.9bn, pushing the cost-to-income ratio to 57.76% as compared to 51.25% SPLY.
- Effective tax rate settled at 53.45% in CY25 (vs 53.83% in CY24).
- On the balance sheet front, deposits hit an all-time high of PKR 1.43trn. Advances grew by 38% YoY to reach PKR 872bn, while Investments declined 6% YoY and were recorded at PKR 636bn.

Valuation

- The stock is currently trading at a P/B multiple of 1.2x and a Dividend Yield of 8.2% for CY26e, based on LDCP.

Exhibit: Financial Highlights (Consolidated)

(PKR mn)	CY25a	CY24a	YoY	4QCY25a	4QCY24a	YoY	QoQ
Income Statement							
Profit earned	165,992	225,156	-26%	41,042	48,120	-15%	0%
Profit expensed	96,297	144,597	-33%	23,488	27,787	-15%	-1%
Net profit / return	69,695	80,559	-13%	17,554	20,333	-14%	-1%
NFI	32,373	19,622	65%	10,380	5,874	77%	6%
Total Income	102,068	100,182	2%	27,935	26,207	7%	2%
Total provisions	(4,879)	(2,463)	nm	(671)	(1,103)	nm	nm
OPEX	58,951	51,341	15%	14,685	15,269	-4%	-11%
PBT	48,269	51,751	-7%	13,870	12,196	14%	17%
Taxation	25,800	27,860	-7%	7,374	8,651	-15%	17%
Profit after tax*	22,469	23,892	-6%	6,496	3,545	83%	17%
EPS (PKR)	14.80	15.74		4.28	2.34		
DPS (PKR)	6.5	7.0		2.0	2.5		
Balance Sheet							
Net Advances	872,024	633,990	38%				20%
Deposits	1,426,836	1,044,016	37%				12%
Investments	636,088	678,255	-6%				-10%
Borrowings	121,637	280,443	-57%				-40%
Ratio Analysis							
BVPS (PKR)	77.59	72.43		77.59	72.43		
ADR	61.12%	60.73%					
IDR	44.58%	64.97%					
NIMs	4.92%	6.47%					
Cost to Income	57.76%	51.25%		52.57%	58.26%		
Effective Tax Rate	53.45%	53.83%		53.16%	70.93%		

Source (s): Company Financials, AHL Research, *profit attributable to equity shareholders of the bank, EPS @current number of shares

Arham Ahmed

D: +92 21 38280264

E: arham.ahmed@arifhabibltd.com

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