

Sector**COMMERCIAL BANKS****Chase Research**

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Symbol: **FABL**

Current Price: **PKR 48.01**

Market Cap (PKR Bn): **72.86**

Total Shares (Bn): **1.52**

Free Float (Mn): **379.42**

52 Week High: **PKR 58.10**

52 Week Low: **PKR 36.25**

**Faysal Bank Limited (FABL)**

Faysal Bank Limited (FABL) reported a net profit of PKR 23.03 billion (EPS: PKR 15.17) in CY24, reflecting a 15% YoY increase from PKR 20.05 billion (EPS: PKR 13.21) in CY23.

The bank expanded its branch network to 855 by adding 133 branches during the year, which contributed to a higher cost-to-income ratio (CIR) of 51%. FABL plans to add 150 more branches over the next two years, targeting a total of 900 branches by the end of CY25, and expects CIR to remain stable or decline as newly opened branches begin contributing to revenue and operational costs normalize.

In CY24, FABL established a wholly-owned subsidiary, Faysal Islamic Currency Exchange, and introduced new products including a business debit card and a FCY debit card.

Deposits rose by 3% YoY to PKR 1.04 trillion, with current deposits growing by 16%. Management attributed the moderated deposit growth to a strategic focus on improving the ADR, which rose to 64.6% from 59% in the SPLY. CASA improved to 85.5% from 75% YoY, with the CA mix increasing to 39.1% from 32%. ROE stood at 23.2%, down from 25%, while CAR was reported at 16.5%. Book value per share was PKR 71.4, translating to a price-to-book P/B ratio of 0.68.

Investments grew by 15% YoY to PKR 677 billion, while total financing stood at PKR 633.91 billion with NPLs of PKR 24.34 billion. Net financing grew by 9.2% YoY, and the investment yield stood at 14%. Infection ratio declined to 3.61% from 3.8% in the previous year. In the SME and consumer segments, the CBSME portfolio exceeded PKR 110 billion with a 43% increase, and the Noor Card recorded 45% growth in spends to PKR 116 billion, with over 66,000 new customers acquired.

The bank executed transactions exceeding PKR 50 billion across infrastructure, power, and telecom sectors, while trade volumes grew by 42%. Remittance market share improved from 4.5% to 5.9%, with remittance volumes in USD terms increasing by 71%.

In Islamic banking, gross financing stood at PKR 675 billion with an ADR of 64.4%. Specific and total coverage ratios were 89% and 101%, respectively, and the infection ratio remained low at 3.6%, below the industry average of 6.3%. As of

December 31, 2024, the deposit mix was comprised of 39% current, 46% savings, and 14% term deposits.

Going forward, the bank aims to grow low-cost deposits by 6–7%, while focusing on the rollout of shariah-compliant products, prudent underwriting to maintain low NPLs, and aggressive branch expansion. Management also expects a policy rate cut, plans to solarize branches to reduce costs, and anticipates stable profitability with no material impact from MDR. The bank targets maintaining CAR at 18% and ADR at 60% in CY25. Management expects an expected recovery in deposit growth, supported by the removal of the mandatory ADR requirement.

PKR 'Mn	CY23	CY24	YoY
Interest Earned	189,448	225,052	19%
Interest Expensed	118,395	144,669	22%
NII	71,053	80,383	13%
Fee & Commission Income	8,518	10,474	23%
Dividend Income	334	413	24%
Forex Income	4,758	5,331	12%
(Loss)/Gain from derivatives	86	(146)	-271%
Gain/(Loss) on Securities	(1,913)	1,070	-156%
Net loss on derecognition of financial assets measured at Amortized cost	-	(165)	-
Other Income	320	385	20%
Total Non-Markup Income	12,102	17,362	43%
Total Income	83,155	97,745	18%
Operating Expenses	39,814	48,676	22%
Workers Welfare Fund	887	1,029	16%
Other Charges	119	97	-18%
Total Interest Expense	40,820	49,802	22%
Profit before credit loss allowance	42,335	47,943	13%
Credit loss allowance and write offs - net	914	(2,464)	-370%
PBT	41,422	50,408	22%
Taxation	21,376	27,379	28%
PAT	20,046	23,028	15%
EPS	13.21	15.17	-

**Important Disclosures****Disclaimer:**

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