

Flash Note

Wednesday, 25 October 2017

Commercial Banks

FABL: Uptick in interest income and fee income push earnings up by +3%YoY to PKR 0.96bn

- Faysal Bank Limited (FABL) reported unconsolidated earnings for 3QCY17 of PKR 0.96bn (PKR 0.73/share) up by +3%YoY (down by 3%QoQ). This brings 9MCY17 total earnings to PKR 3.82bn (PKR 2.89/share), up by +2%YoY.
- During the quarter, the bank reported +18%YoY rise net interest income and +35%YoY rise in fee income. Resultantly, total revenue rose by +7%YoY despite YoY fall in capital gains amounting to PKR 318mn.
- Simultaneously, +54%YoY rise in provision reversal helped pre-tax profits to rise by +5%YoY despite +11%YoY uptick in operating expenses.
- However, +8%YoY rise in taxation kept post tax profitability growth to a meagre +3%YoY.

Exhibit:

FABL Result Highlights

PKRmn (Period end=Dec)	3QCY17	YoY	QoQ	9MCY17	9MCY16	YoY
Interest Earned	7,126	13%	-2%	21,307	19,560	9%
Interest Expensed	3,777	10%	0%	10,947	10,660	3%
Net Interest Income	3,349	18%	-4%	10,359	8,899	16%
Fee Income	733	35%	2%	2,116	1,885	12%
Capital Gain & Div. Income	(32)	n.m	n.m	1,082	2,606	-58%
Non-Interest Income	1,092	-16%	-12%	4,326	5,612	-23%
Total Revenue	4,441	7%	-6%	14,685	14,511	1%
Operating Expenses	3,172	11%	4%	9,080	8,423	8%
Pre-Provisioning Profits	1,270	-1%	-24%	5,605	6,088	-8%
NPL (Rev.) / Prov.	(240)	54%	n.m	(765)	282	n.m
Pre-Tax Profits	1,502	5%	-21%	6,344	5,799	9%
Taxation	543	8%	-41%	2,525	2,051	23%
Profit After Tax	959	3%	-3%	3,819	3,748	2%
EPS (PKR)	0.73			2.89	2.84	
DPS (PKR)	-			-	-	
BVPS (PKR) Est.	28.93					

KEY RATIOS

Cost-To-Income Ratio	71%	62%	58%
Effective Tax Rate	36%	40%	35%
Non-Il / Total Income	25%	29%	39%

SOURCE: IGI Research, Company accounts, PSX notifications

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