

# Flash Note

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## Commercial Banks

### Bank AL Habib Limited (BAHL)

**Earnings:** Bank Al Habib Limited (BAHL) announced its financial result for the fourth quarter of the year 2023. As per the financial result, the Bank reported unconsolidated earnings of PKR 6.04bn (PKR 5.43/share) during 4QCY23 compared to PKR 1.60bn (PKR 1.44/share) last year, an increase of +3.8xy/y and down by 46%q/q. This brings total profitability for CY23 to PKR 35.3bn (PKR 31.78/share), up by +2.1xy/y.

**Dividend/Payout:** The Company announced a cash dividend of PKR 5.0/share along with the result bringing total cash payout for CY23 to PKR 14.0/share.

**Operating Performance:** During the 4QCY23 period under review, the Bank reported net-interest income of PKR 39bn (up by +70%/y) and non-interest income of PKR 6bn (up by 14%/y). As a result, the bank's total revenue stood at PKR 45bn (up by +60%/y). Moreover, BAHL recorded operating expenses of PKR 21bn (up by +57%/y), bringing bank's cost/income ratio at 48% (4QCY22: 48%). The bank booked a provision charge of PKR 5.3bn during 4QCY23 compared to a provision charge of PKR 10.4bn in the same period last year. The tax charge for this quarter came at PKR 12bn (effective tax rate of 67% compared to 60% in 4QCY22). This brings total effective tax rate for CY23 to 50% compared to 50% in the same period last year.

Exhibit: Financial Highlights Bank Al-Habib Limited (BAHL)										
Latest result published for 4Q'/23										
Period (PKRbn)	CY23	4Q'/23	3Q'/23	2Q'/23	1Q'/23	CY22	4Q'/22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	124	39	34	26	25	77	23	20	18	16
Fee Income	14	4	4	4	3	12	3	3	3	3
Treasury Income	8	2	2	2	3	9	2	3	3	1
Non-Interest Income	23	6	6	5	6	21	5	6	6	4
<b>Total Revenue</b>	<b>147</b>	<b>45</b>	<b>40</b>	<b>32</b>	<b>31</b>	<b>99</b>	<b>28</b>	<b>26</b>	<b>24</b>	<b>20</b>
Op. Exp.	(72)	(21)	(18)	(18)	(15)	(53)	(14)	(14)	(13)	(12)
Provision charge	(4.2)	(5.3)	(0.1)	0.2	1.0	(12.9)	(10.4)	(1.8)	(0.5)	(0.2)
Profit Before Tax	71	18	22	14	17	33	4	10	10	8
Tax	(36)	(12)	(11)	(7)	(6)	(16)	(2)	(5)	(6)	(3)
<b>Profit After tax</b>	<b>35.32</b>	<b>6.04</b>	<b>11.20</b>	<b>7.55</b>	<b>10.54</b>	<b>16.57</b>	<b>1.60</b>	<b>5.34</b>	<b>4.67</b>	<b>4.96</b>
EPS	31.78	5.43	10.07	6.79	9.48	14.91	1.44	4.80	4.20	4.46
DPS	14.00	5.00	4.50	4.50	0.00	7.00	7.00	0.00	0.00	0.00

Source: Company accounts, IGI Research. No. of shares: 1111.4mn

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