

Flash Note

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Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the third quarter of the year 2023. As per the financial result, the Bank reported consolidated earnings attributable to equity holder of PKR 16.64bn (PKR 11.34/share) during 3QCY23 compared to PKR 11.51bn (PKR 7.85/share) last year, up by +28%q/q and a jump of +44%y/y. This brings total profitability for 9MCY23 to PKR 42.83bn (PKR 29.2/share), up by +83% y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 2.25/share along with the result bringing total cash payout for 9MCY23 to PKR 5.75/share compared to PKR 5.25/share in a similar period last year.

Operating Performance: During the 3QCY23 period under review, the Bank reported net-interest income of PKR 65bn (up by +54%/y/y) and non-interest income of PKR 13bn (up by +9%/y/y). As a result, the bank's total revenue stood at PKR 78bn (up by +44%/y/y). Moreover, HBL recorded operating expenses of PKR 45bn (up by +38%/y/y), which improved the bank's cost/income ratio to 57% (last year: 60%). The bank booked a provision charge of PKR 1.4bn during 3QCY23 compared to a provision charge of PKR 0.8bn in the same period last year. The tax charge for this quarter came at PKR 15bn (effective tax rate of 48% compared to 45% in 3QCY22). This brings total effective tax rate for 9MCY23 to 49% compared to 58% in the same period last year.

Exhibit: Financial Highlights Habib Bank Limited (HBL)

Latest result published for 3Q'/23

Period (PKRbn)	9MCY23	3Q'/23	2Q'/23	1Q'/23	9MCY22	3Q'/22	2Q'/22	1Q'/22
Net Interest Income	179	65	58	56	116	42	38	36
Fee Income	30	11	10	9	23	8	8	7
Treasury Income	(2)	2	1	(5)	12	4	5	3
Non-Interest Income	37	13	16	9	36	12	13	10
Total Revenue	216	78	74	64	152	54	51	47
Op. Exp.	(125)	(45)	(41)	(40)	(92)	(32)	(29)	(31)
Provision charge	(7.4)	(1.4)	(2.8)	(3.2)	(3.6)	(0.8)	(1.6)	(1.2)
Profit Before Tax	84	32	30	22	56	21	20	15
Tax	(41)	(15)	(17)	(8)	(32)	(9)	(17)	(6)
Profit After tax	42.97	16.63	13.09	13.26	23.63	11.52	3.49	8.61
Profit After tax (Equity holder)	42.83	16.64	12.99	13.20	23.40	11.51	3.41	8.48
EPS	29.20	11.34	8.86	9.00	15.95	7.85	2.32	5.78
DPS	5.75	2.25	2.00	1.50	5.25	1.50	1.50	2.25

Source: Company accounts, IGI Research. No. of shares: 1466.9mn

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