

## Banks

Exhibit: BAHL Qtrly eps trend

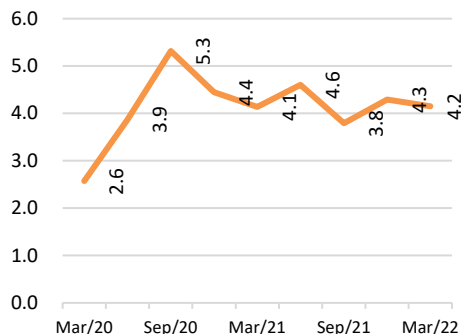
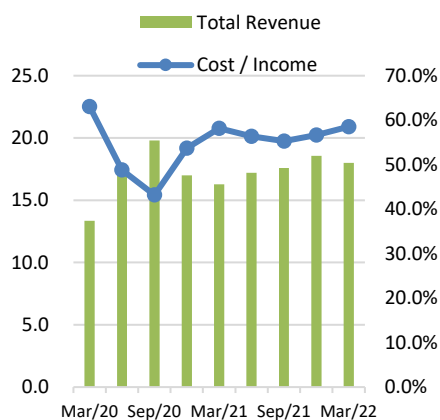


Exhibit: BAHL Total revenue to cost / income ratio



## Earnings Preview

### BAHL: 1q'22 EPS Expected at PKR 4.2/share

- Bank Al-Habib Limited is scheduled to announce its 1q'22 financial results on 19th Apr-22. We expect bank to record profitability of PKR 4.7bn or PKR 4.2/share, slightly lower than previous quarter profitability of PKR 4.8bn and meagerly positive by 0.5%y on yearly basis.
- Cost/income ratio is expected to increase to 59% compared to previous quarter 57%, however, we expect minimal provisioning charge during the quarter, which should support bank's bottom line.

### BAHL earnings expected to arrive at PKR 4.2/share

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For earnings estimates we have incorporated rise in net interest margins on back of consecutive policy rate hike since Nov-21, causing a parallel shift of yield curve. Since start of Jan-22 and by the end of Mar-22, on average shorter tenure paper have witnessed an 110bps increase, while longer tenure have saw a 50bps rise. Although this rise in yield, will certainly up bank's interest earned, but the overall increase will be limited given much rise in yield curve came at a very beginning of Mar-22, which limits full impact of asset repricing. However, the rate increase will be quickly absorbed and will be reflected on bank's funding cost, particularly on saving deposits and to an extent term deposits. Fee income is expected to show healthy, and so are expectation of gains on FX income, which will compensate reduce dividend income and capital gain. Cost/income ratio is expected to increase to 59% compared to previous quarter 57%, however, we expect minimal provisioning charge during the quarter, which should support bank's bottom line.

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Exhibit: Financial Highlights Bank Al-Habib Ltd. (BAHL)							
Latest result published for year 2021							
Period (PKRbn)	1q'22e	2021	4q'21	3q'21	2q'21	1q'21	2020
Net Interest Income	13.9	55.6	14.2	14.0	14.3	13.1	57.6
Fee Income	2.6	9.3	2.6	2.3	2.0	2.3	6.6
Non-Interest Income	4.1	14.0	4.4	3.6	2.9	3.2	10.3
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses	(10.5)	(39.4)	(10.5)	(9.7)	(9.7)	(9.5)	(34.8)
Profit After tax	4.6	18.7	4.8	4.2	5.1	4.6	17.8
EPS	4.2	16.8	4.3	3.8	4.6	4.1	16.0
DPS	0.0	7.0	7.0	0.0	0.0	0.0	4.5

Source: Company accounts, IGI Research, PSX

No. of shares: 1111.43mn

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