

Flash Note

Wednesday, August 27, 2025



Commercial Banks

Bank AL Habib Limited (BAHL)

Earnings: Bank Al Habib Limited (BAHL) announced its financial result for the second quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 9.11bn (PKR 8.20/share) during 2QCY25 compared to PKR 11.11bn (PKR 9.99/share) in the same period last year, a decline of 18%/y/y/11%q/q. This brings total profitability for 1HCY25 to PKR 19.32bn (EPS PKR 17.39), down by 9%/y/y, compared to PKR 21.14bn (EPS PKR 19.02) in the similar period last year.

Dividend/Payout: The Bank announced a cash dividend of PKR 3.5/share along with the result bringing total cash payout for 1HCY25 to PKR 7/share.

Operating Performance: During the 2QCY25 period under review, the Bank reported net-interest income of PKR 32.8bn (down by -13%/y/y) and non-interest income of PKR 7.6bn (up by +16%/y/y). As a result, the bank's total revenue stood at PKR 40.4bn (down by -8%/y/y). Moreover, BAHL recorded operating expenses of PKR 23.4bn (up by +5%/y/y), with the bank's cost/income ratio clocking in at 58% (1QCY25: 53%) against 50% in the same period last year. The bank booked a provision reversal of PKR 1.5bn during 2QCY25 compared to a provision charge of PKR 0.5bn in the same period last year. The tax charge for the quarter stood at PKR 9.4bn (effective tax rate of 51% as compared to 48% in 2QCY24) bringing effective tax rate to 51% for 1HCY25 compared to 48% during 1HCY24.

Exhibit: Financial Highlights Bank Al-Habib Limited (BAHL)					
Latest result published for 2Q'/25					
Period (PKRbn)	2Q'/25	2Q'/24	1Q'/25	1HCY'25	1HCY'24
Net Interest Income	32.8	37.5	33.6	66.3	74.6
Fee Income	5.2	5.2	5.5	10.7	9.5
Treasury Income	2.1	1.2	1.9	4.1	4.2
Non-Interest Income	7.6	6.6	7.7	15.3	14.2
Total Revenue	40.4	44.1	41.3	81.7	88.8
Op. Exp.	(23.4)	(22.2)	(21.9)	(45.2)	(40.8)
Provision charge	1.5	(0.5)	1.2	2.6	(7.4)
Profit Before Tax	18.5	21.4	20.6	39.1	40.6
Tax	(9.4)	(10.3)	(10.4)	(19.8)	(19.5)
Profit After tax	9.1	11.1	10.2	19.3	21.1
EPS	8.20	9.99	9.19	17.39	19.02
DPS	3.5	3.5	3.5	7.0	7.0

Source: Company accounts, IGI Research. No. of shares: 1,111.4mn

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Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

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- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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