

# Flash Note

Monday, 23 April 2018

## Commercial Banks

### HMB: EPS clocks in at 1.50, up by +22%YoY

- Habib Metropolitan Bank Limited (HMB) reported unconsolidated earnings of PKR 1.50/share or PKR 1.6bn for the 1QCY18, compared to PKR 1.23/share or PKR 1.3bn last year showing a growth of +22%YoY (down 30%QoQ).
- On a yearly basis, bank's total revenue increased by +12%YoY, led by +9%YoY growth in interest income and +21%YoY growth in non-interest income. Within non-interest income, fee income rose by +9%YoY, but the main impetus was provided by one-off PKR 361mn other income compared to PKR 70mn in same period last year.
- Moreover, bank's opex grew by 9%YoY (cost-income ratio declined to 51%) taking pre-provisioning profits up by +16%.
- For the quarter, the bank booked a provisioning charge of PKR 245mn against PKR 248mn in same period last year.

Exhibit:

#### HMB Result Highlights

PKRmn (Period end=Dec)	1QCY18	1QCY17	YoY	4QCY17	QoQ
Interest Earned	9,848	7,893	25%	9,142	8%
Interest Expensed	6,147	4,496	37%	5,558	11%
<b>Net Interest Income</b>	<b>3,701</b>	<b>3,397</b>	<b>9%</b>	<b>3,584</b>	<b>3%</b>
Fee Income	924	844	9%	863	7%
Capital Gain & Div. Income	24	204	-88%	158	-85%
<b>Non-Interest Income</b>	<b>1,579</b>	<b>1,304</b>	<b>21%</b>	<b>1,480</b>	<b>7%</b>
Total Revenue	5,281	4,701	12%	5,065	4%
Operating Expenses	2,680	2,460	9%	2,332	15%
Pre-Provisioning Profits	2,601	2,241	16%	2,732	-5%
Provision (Rev.) / Charge	245	248	-1%	(654)	n.m
Pre-Tax Profits	2,356	1,993	18%	3,386	-30%
Taxation	782	704	11%	1,133	-31%
<b>Profit After Tax</b>	<b>1,574</b>	<b>1,288</b>	<b>22%</b>	<b>2,253</b>	<b>-30%</b>
EPS (PKR)	1.50	1.23		2.15	
DPS (PKR)	-	-		3.00	
BVPS (PKR) Est.	37.15	36.10		38.65	
<b>KEY RATIOS</b>					
Cost-To-Income Ratio	51%	52%		46%	
Effective Tax Rate	33%	35%		33%	
Non-II / Total Income	30%	28%		29%	

SOURCE: IGI Research, Company accounts, PSX

No. of shares (mn): 1047.8

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