

Flash Note

Wednesday, July 26, 2023



Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the second quarter of the year 2023. As per the financial result, the Bank reported PKR 13bn (PKR 8.9/share) earnings during 2QCY23 compared to PKR 3.5bn (PKR 2.4/share) last year, a decline of 2%q/q and a jump of +3.7x y/y. This brings total profitability for 1HCY23 to PKR 26.3bn (PKR 17.9/share), up by +2.2x y/y.

Dividend/Payout: The Company announced a cash dividend of PKR 2/share along with the result compared to PKR 1.5/share last year's same period. This brings the total dividend for the 1HCY23 to PKR 3.5/share compared to PKR 3/share in a similar period last year.

Operating Performance: During the 2QCY23 period under review, the Bank reported net-interest income of PKR 58bn (up by +54%/y/y) and non-interest income of PKR 16bn (up by +16%/y/y). As a result, the bank's total revenue stood at PKR 74bn (up by +45%/y/y). Moreover, HBL recorded operating expenses of PKR 41bn (up by +39%/y/y), which improved the bank's cost/income ratio to 55% (last year: 58%). The bank booked a provision charge of PKR 2.8bn during 2QCY23 compared to a provision charge of PKR 1.6bn in the same period last year. The tax charge for this quarter came at PKR 17bn (effective tax rate of 56% compared to 83% in 2QCY22).

Exhibit: Financial Highlights Habib Bank Limited (HBL)								
Latest result published for 2Q/23								
Period (PKRbn)	2Q'/23	1Q'/23	2022	4Q'/22	3Q'/22	2Q'/22	1Q'/22	2021
Net Interest Income	58	56	166	50	42	38	36	131
Fee Income	9	9	32	9	8	8	7	25
Treasury Income	1	(5)	15	2	4	5	3	7
Non-Interest Income	16	9	47	11	12	13	10	36
Total Revenue	74	64	212	61	54	51	47	168
Op. Exp.	(41)	(40)	(127)	(34)	(32)	(29)	(31)	(98)
Provision charge	(2.8)	(3.2)	(8)	(5)	(1)	(1.6)	(1.2)	(8)
Profit Before Tax	30	22	77	21	21	20	15	62
Tax	(17)	(8)	(43)	(11)	(9)	(17)	(6)	(27)
Profit After tax	12.99	13.20	34.07	10.44	11.52	3.49	8.61	35.49
EPS	8.86	9.00	23.23	7.12	7.85	2.38	5.87	24.20
DPS	2.00	1.50	6.75	1.50	1.50	1.50	2.25	7.50

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

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