

# Flash Note

Monday, August 26, 2024

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Securities

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## Commercial Banks

### Habib Bank Limited (HBL)

**Earnings:** Habib Bank Limited (HBL) announced its financial result for the second quarter of the year 2024. As per the financial result, the Bank reported consolidated earnings attributable to equity holder of PKR 14.38bn (PKR 9.81/share) during 2QCY24 compared to PKR 12.99bn (PKR 8.86/share) last year, down by -6%q/q while up by +11%y/y.

**Dividend/Payout:** The Company announced a cash dividend of PKR 4.0/share along with the result taking the cumulative dividend for 1HCY24 to PKR 8.0/share.

**Operating Performance:** During the 2QCY24 period under review, the Bank reported net-interest income of PKR 61bn (up by +5%y/y) and non-interest income of PKR 19bn (up by +25%y/y). As a result, the bank's total revenue stood at PKR 80bn (up by +9%y/y). The Bank's fee and commission income recorded an increase of +20%y/y whereas the treasury income grew by +9%y/y. Moreover, HBL recorded operating expenses of PKR 46bn (up by +13%y/y), with the bank's cost/income ratio clocking in at 57% (2QCY23: 55%). The bank booked a provision charge of PKR 6.4bn during 2QCY24 compared to a provision charge of PKR 2.8bn in the same period last year. The tax charge for this quarter was recorded at PKR 14bn (effective tax rate of 49% compared to 56% in 2QCY23) bringing total effective tax rate for 1HCY24 to 50% compared to 49% in the same period last year.

Exhibit: Financial Highlights Habib Bank Limited (HBL)					
Latest result published for 2Q/24					
Period (PKRbn)	2Q'/24	2Q'/23	1Q'/24	1H'24	1H'23
Net Interest Income	61	58	61	122	114
Fee Income	12	10	12	24.2	20
Treasury Income	5	5	7	13	0
Non-Interest Income	19	16	20	40	24
<b>Total Revenue</b>	<b>80</b>	<b>74</b>	<b>81</b>	<b>161</b>	<b>138</b>
Op. Exp.	(46)	(41)	(47)	(93)	(81)
Provision charge	(6.4)	(2.8)	(3.6)	(10.1)	(6.0)
Profit Before Tax	28	30	30	58	52
Tax	(14)	(17)	(15)	(29)	(25)
<b>Profit After tax</b>	<b>14.4</b>	<b>13.0</b>	<b>15.2</b>	<b>29.6</b>	<b>26.2</b>
<b>EPS</b>	<b>9.80</b>	<b>8.86</b>	<b>10.37</b>	<b>20.18</b>	<b>17.86</b>
<b>DPS</b>	<b>4.00</b>	<b>2.00</b>	<b>4.00</b>	<b>8.00</b>	<b>3.50</b>

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

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