Flash Note

Thursday, October 23, 2025

IGI Securities

Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the third quarter of the year 2025. As per the financial result, the Bank reported consolidated earnings attributable to equity holder of PKR 16.9bn (PKR 11.53/share) during 3QCY25 compared to PKR 9.9bn (PKR 9.85/share) last year, up by +17%y/y while down by -5%q/q, bringing total earnings for the 9MCY25 at PKR 51.4bn (PKR 34.97/share) up by +17%y/y.

Dividend/Payout: The Bank announced a cash dividend of PKR 5.0/share along with the result. Taking the cumulative dividend for the 9MCY25 to PKR 14.0/share.

Operating Performance: During the 3QCY25 period under review, the Bank reported net-interest income of PKR 69.7bn (up by +8%y/y) and non-interest income of PKR 23.3bn (up by +10%y/y). As a result, the bank's total revenue stood at PKR 92.9bn (up by +9%y/y). Moreover, HBL recorded operating expenses of PKR 53.0bn (up by +9%y/y), with the bank's cost/income ratio clocking in at 57% (3QCY24: 57%). The bank booked a provision charge of PKR 3.2bn during 3QCY25 compared to a provision charge of PKR 8.9bn in the same period last year. The tax charge for this quarter was recorded at PKR 19.9bn (effective tax rate of 54% compared to 49% in 3QCY24).

Exhibit: Financial Highlights Habib Bank Limited (HBL)

Latest result published for 3Q'/25

Period (PKRbn)	3Q'/25	3Q'/24	2Q'/25	9MCY'25	9MCY'24
Net Interest Income	69.7	64.4	68.9	207.3	187.2
Fee Income	11.9	12.4	10.7	34.3	36.6
Treasury Income	9.5	7.2	9.8	27.7	19.8
Non-Interest Income	23.3	21.2	22.7	67.5	60.7
Total Revenue	**92.9**	**85.6**	**91.6**	**274.9**	**247.9**
Op. Exp.	(53.0)	(48.7)	(51.0)	(154.9)	(142.9)
Provision charge	(3.2)	(8.9)	(1.9)	(7.81)	(19.0)
Profit Before Tax	36.8	28.0	38.7	112.2	85.9
Tax	(19.9)	(13.8)	(20.9)	(60.8)	(42.6)
Profit After tax	**16.9**	**14.5**	**17.8**	**51.4**	**43.3**
EPS	**11.5**	**9.9**	**12.1**	**35.0**	**30.0**
DPS	**5.0**	**4.0**	**4.5**	**14.0**	**12.0**

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

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Hold if target price on aforementioned security (ies) is in between -10% and 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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Basic Definitions and Terminologies used: Target Price: A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

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