

Flash Note

Wednesday, February 18, 2026



Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the fourth quarter of the year 2025. As per the financial result, the Bank reported consolidated earnings attributable to equity holder of PKR 15.4bn (PKR 10.5/share) during 4QCY25 compared to PKR 14.4bn (PKR 9.8/share) last year, up by +7%/y/y while down by -9%q/q, bringing total earnings for the CY25 at PKR 66.7bn (PKR 45.5/share) up by +14%/y/y, compared to PKR 58.5bn (PKR 39.9/share) in the last year.

Dividend/Payout: The Bank announced a cash dividend of PKR 6.0/share along with the result taking the cumulative dividend for the CY25 to PKR 20.0/share.

Operating Performance: During the 4QCY25 period under review, the Bank reported net-interest income of PKR 68.2bn (up by +14%/y/y) and non-interest income of only PKR 18.1bn (dropping by -50%/y/y). As a result, the bank's total revenue stood at PKR 86.2bn (down by -10%/y/y). Moreover, HBL recorded operating expenses of PKR 49.0bn (down by -8%/y/y), with the bank's cost/income ratio clocking in at 57% (4QCY24: 56%). The bank booked a provision charge of PKR 1.3bn during 4QCY25 compared to a provision charge of PKR 7.6bn in the same period last year. The tax charge for this quarter was recorded at PKR 20.6bn (effective tax rate of 57% compared to 58% in 4QCY24). The total effective tax rate for CY25 clocked in at 55% vs. 52% in the last year.

Exhibit: Financial Highlights Habib Bank Limited (HBL)					
Latest result published for 4Q'/25					
Period (PKRbn)	4Q'/25	4Q'/24	3Q'/25	CY'25	CY'24
Net Interest Income	68.2	59.6	69.7	275.5	245.6
Fee Income	12.6	12.9	11.9	46.9	49.5
Treasury Income	6.4	7.4	9.5	28.8	27.2
Non-Interest Income	18.1	35.8	23.3	85.6	96.5
Total Revenue	86.2	95.4	92.9	361.1	342.1
Op. Exp.	(49.0)	(53.4)	(53.0)	(203.9)	(195.2)
Provision charge	(1.3)	(7.6)	(3.2)	(9.1)	(26.6)
Profit Before Tax	35.9	34.5	36.8	148.1	120.3
Tax	(20.6)	(19.9)	(19.9)	(81.3)	(62.5)
Profit After tax	15.4	14.4	16.9	66.7	58.5
EPS	10.5	9.8	11.5	45.5	39.9
DPS	6.0	4.3	5.0	20.0	16.3

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

Analyst

Sakina Makati

sakina.makati@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

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- Discounted Cash Flow (DCF)
- 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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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@igi.com.pk

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600

UAN: (+92-21) 111-444-001

Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall

Tel: (+92-42) 38303560-69

Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area

Tel: (+92-51) 2604861-2, 2604864, 2273439

Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad

Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road

Tel: (+92-68) 5871652-3

Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road

Tel: (92-61) 4512003, 4571183

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Research Analyst(s)

Research Identity Number: BRP009

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