

Commercial Banks

HBL: 3QCY25 Management Call Takeaways

- Habib Bank Limited (HBL) held an investor briefing session to discuss the 3QCY25 financial results and provide key insights on the future outlook for the Bank.
- The Bank reported 3QCY25 earnings of PKR 16.9bn (EPS PKR 11.53), up by +17%/y/y compared to PKR 14.5bn (EPS PKR 9.85) in the similar period last year. On quarterly basis, profitability was up down by -5%q/q during 3QCY25. The Company announced dividend of PKR 5.0/share with the result.
- The management highlighted that the Bank's total deposits increased by +16%/y/y to PKR 5.1tn as of Sep 2025 whereas the CA deposits increased by 24% CYTD to reach at PKR 1.9tn. The bank also noted that HBL is the largest lender in the financial sector with PKR 2.0tn in advances. The ADR stood at ~39%.
- HBL is currently operating the 2nd largest number of domestic branches with 1,640 branches of which 458 are Islamic. The bank also has 25 foreign branches and has a customer base of over 40 million customers.

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Key highlights from management conference call

- The management highlighted that the Bank's total deposits increased by +16%/y/y to PKR 5.1tn as of Sep 2025 whereas the CA deposits increased by 24% CYTD to reach at PKR 1.9tn. the bank also noted that HBL is the largest lender in the financial sector with PKR 2.0tn in advances. The ADR stood at ~39%.
- The Bank also holds the 3rd largest investment portfolio of PKR 4.0tn, up by +59% CYTD. The management highlighted that the bank has a well-balanced fixed income portfolio. 80% of the

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bank's investment book is held in PIBs of which 58% are floaters, whereas T-Bills comprise ~9% of total portfolio. The duration of the investment portfolio is 1.02 years as of Sep 2025.

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- The management noted that it maintains a well-diversified loan portfolio. The proportion of NPLs have declined over the year and the infection ratio stood at 4.9% as of Sep 2025. The Bank also has a strong specific coverage ratio of over 90%. 33% of the bank's lending portfolio is comprised of loans to the corporate sector.
- The management also highlighted that the strategy of the bank has been focused on technological advances to drive efficiency and better customer engagement. The bank enjoys leadership positions in cards (6.7mn card base), transaction banking, and branchless banking.
- HBL has the second largest capital position with total capital of PKR 464bn. The bank's CAR stood at 18.32% as of Sep 2025 up by 62bps since Dec 2024.

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