

Flash Note

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Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the first quarter of the year 2023. As per the financial result, the Bank reported earnings of PKR 13.2bn (PKR 9/share) during 1QCY23 compared to PKR 8.6bn (PKR 5.9/share) last year, an increase of +53%/y.

Dividend/Payout: The Company announced cash dividend of PKR 1.5/share along with the result this quarter compared to PKR 2.3/share last year same period.

Operating Performance: During the period under review, the Bank reported net-interest income of PKR 56bn (up by +54%/y/y) and non-interest income of PKR 9bn (down by 17%/y/y). As a result total revenue of the bank stood at PKR 64bn (up by +38%/y/y). Moreover, HBL recorded operating expenses of PKR 40bn (up by +29%/y/y). Considering improved revenue, the bank's cost/income ratio dropped down to 62% (last year: 66%). The bank booked provision charge of PKR 3bn during 1QCY23 compared to provision charge of PKR 1bn last year. Tax charge for this quarter came at PKR 8bn (effective tax rate of 38%) compared to 41% in 1QCY22.

Exhibit: Financial Highlights Habib Bank Limited (HBL)												
Latest result published for 1Q/23												
Period (PKRbn)	1Q/23	2022	4Q/22	3Q/22	2Q/22	1Q/22	2021	4Q/21	3Q/21	2Q/21	1Q/21	2020
Net Interest Income	56	166	50	42	38	36	131	34	32	32	32	130
Fee Income	9	32	9	8	8	7	25	7	6	6	6	19
Treasury Income	(5)	15	2	4	5	3	7	2	1	2	2	9
Non-Interest Income	9	47	11	12	13	10	36	11	8	9	8	31
Total Revenue	64	212	61	54	51	47	168	45	40	42	41	161
Op. Exp.	(40)	(127)	(34)	(32)	(29)	(31)	(98)	(26)	(24)	(23)	(24)	(95)
Provision charge	(3)	(8)	(5)	(1)	(2)	(1)	(8)	(3)	(1)	(2)	(2)	(12)
Profit Before Tax	22	77	21	21	20	15	62	15	15	17	15	53
Tax	(8)	(43)	(11)	(9)	(17)	(6)	(27)	(6)	(7)	(7)	(6)	(22)
Profit After tax	13.20	34.07	10.44	11.52	3.49	8.61	35.01	9.26	8.21	9.47	8.56	30.96
EPS	9.00	23.23	7.12	7.85	2.38	5.87	23.87	6.31	5.60	6.46	5.84	21.10
DPS	1.50	6.75	1.50	1.50	1.50	2.25	7.50	2.25	1.75	1.75	1.75	5.50
BVPS	202	194	194	192	187	191	193	193	192	186	178	181

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

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