

Flash Note

Thursday, February 12, 2026



Commercial Banks

Bank AL Habib Limited (BAHL)

Earnings: Bank Al Habib Limited (BAHL) announced its financial result for the fourth quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 5.2bn (PKR 4.7/share) during 4QCY25 compared to PKR 6.7bn (PKR 6.0/share) last year, declining by -22%y/y/-14%q/q. The total earnings of the bank for CY25 clocked in at PKR 30.6bn (PKR: 27.6/share), down by -23%y/y, as compared to PKR 35.9bn (PKR: 35.9/share) in CY24.

Dividend/Payout: The Bank announced a cash dividend of PKR 4.5/share along with the result taking the cumulative dividends for CY25 to PKR 15.0/share.

Operating Performance: During the 4QCY25 period under review, the Bank reported net-interest income of PKR 31.3bn (down by -19%y/y) and non-interest income of PKR 6.3bn (up by +6%y/y). As a result, the bank's total revenue stood at PKR 37.6bn (down by -16%y/y). Moreover, BAHL recorded operating expenses of PKR 25.8bn (up by +22%y/y), with the bank's cost/income ratio clocking in at 69% (4QCY24: 47%). The bank booked a provision reversal of PKR 0.2bn during 4QCY25 compared to a provision charge of PKR 3.0bn in the same period last year. The tax charge for this quarter came at PKR 6.8bn (effective tax rate of 56% as compared to 67% in 4QCY24). The effective tax rate for the year was recorded at 60% vs. 46% last year.

Exhibit: Financial Highlights Bank Al-Habib Limited (BAHL)

Latest result published for 4Q'/25

Period (PKRbn)	4Q'/25	4Q'/24	3Q'/25	CY'25	CY'24
Net Interest Income	31.3	38.8	33.0	130.6	156.2
Fee Income	5.0	5.3	3.5	19.1	19.4
Treasury Income	1.1	0.4	3.1	8.3	4.9
Non-Interest Income	6.3	5.9	6.8	28.4	25.5
Total Revenue	37.6	44.8	39.8	159.1	181.7
Op. Exp.	(25.8)	(21.2)	(24.9)	(95.9)	(83.0)
Provision charge	0.2	(3.0)	(0.4)	2.4	(14.9)
Profit Before Tax	12.0	20.6	14.4	65.5	83.8
Tax	(6.8)	(13.9)	(8.4)	(34.9)	(44.0)
Profit After tax	5.2	6.7	6.1	30.6	39.9
EPS	4.7	6.0	5.5	27.6	35.9
DPS	4.5	6.5	3.5	15.0	17.0

Source: Company accounts, IGI Research. No. of shares: 1111.4mn

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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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