

# Flash Note

Thursday, 29 July 2021

## Commercial Banks

### Habib Bank Limited (HBL)

**Revenue gaining momentum, 2q eps clocks in at PKR 6.5 taking 1h21 eps growth to +19%/y;  
Cash dividend PKR 1.75/share (1q PKR 1.75/share)**

- On consolidated basis, Habib Bank Limited (HBL) posted earnings of PKR 9.5bn or PKR 6.5/share, taking 1h21 total profitability to PKR 18.0bn or PKR 12.3/share up by +19% y/y. On a quarterly basis profitability is up by +11%q/q.
- Bank announced an interim cash dividend of PKR 1.75/share along with interim cash dividend of PKR 1.75/share previous qtr. taking total payout so far to PKR 3.5/share.
- For the 2q period, bank's total revenue increased by a +3% y/y to PKR 41.8bn led by a +14% increase in non-interest income to PKR 9.4bn and a flattish growth in interest income to the tune of PKR 32.4bn. Fee income reported at PKR 5.9bn (down by +1%y/y) and treasury income rose to PKR 2.5bn (up by 23%y/y). Bank's operating expenses are down by 4%y/y to PKR 23.3bn, taking its C/I 56% (60% in previous qtr.). Bank's pre-provisioning profit increased to PKR 18.5bn compared to PKR 16.4bn in previous qtr. Provisioning charge during the period came lower at PKR 1.8bn compared to previous qtr of PKR 1.9 and PKR 4.8bn last year same qtr.

Exhibit: Habib Bank Limited (HBL) Financial highlights								
Period end (Dec) - PKRbn	2q/21	1q/21	2020	4q/20	3q/20	2q/20	1q/20	2019
Interest Income	32.4	32.5	130.1	31.3	35.7	35.1	28.0	101.3
Fee Income	5.9	5.9	18.8	5.4	4.5	4.2	4.7	20.4
Treasury Income	2.5	2.1	7.4	(0.8)	1.6	5.7	0.8	(0.6)
Non-Interest Income	9.4	8.2	29.5	5.5	7.4	10.9	5.8	24.2
<b>Total Revenue</b>	<b>41.8</b>	<b>40.7</b>	<b>159.6</b>	<b>36.8</b>	<b>43.1</b>	<b>45.9</b>	<b>33.8</b>	<b>125.5</b>
<b>Operating Expenses</b>	<b>(23.3)</b>	<b>(24.3)</b>	<b>(95.4)</b>	<b>(24.0)</b>	<b>(23.0)</b>	<b>(22.4)</b>	<b>(26.0)</b>	<b>(93.3)</b>
Cost-To-Income Ratio	56%	60%	60%	65%	53%	49%	77%	74%
<b>PPOP</b>	<b>18.5</b>	<b>16.4</b>	<b>64.2</b>	<b>12.8</b>	<b>20.1</b>	<b>23.5</b>	<b>7.8</b>	<b>32.2</b>
Provisioning Charge	(1.8)	(1.9)	(12.2)	(3.7)	(3.0)	(4.8)	(0.6)	(3.3)
<b>Profit After Tax</b>	<b>9.5</b>	<b>8.6</b>	<b>29.8</b>	<b>4.6</b>	<b>10.1</b>	<b>11.1</b>	<b>4.1</b>	<b>15.3</b>
PAT Growth YoY	-15%	108%	95%	-32%	106%	1378%	29%	27%
<b>EPS</b>	<b>6.46</b>	<b>5.84</b>	<b>20.34</b>	<b>3.11</b>	<b>6.87</b>	<b>7.55</b>	<b>2.80</b>	<b>10.45</b>
<b>DPS</b>	<b>1.75</b>	<b>1.75</b>	<b>4.25</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>1.25</b>	<b>5.00</b>

Source: PSX, IGI Research

No. of shares: 1466.9mn

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