

Flash Note

Wednesday, October 16, 2024

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Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the third quarter of the year 2024. As per the financial result, the Bank reported consolidated earnings attributable to equity holder of PKR 14.5bn (PKR 9.85/share) during 3QCY24 compared to PKR 16.6bn (PKR 11.3/share) last year, down by -13%/y with a minor uptick of +1%q/q.

Dividend/Payout: The Company announced a cash dividend of PKR 4.0/share along with the result taking the cumulative dividend for 9MCY24 to PKR 12.0/share.

Operating Performance: During the 3QCY24 period under review, the Bank reported net-interest income of PKR 64bn (down by -2%/y) and non-interest income of PKR 21bn (up by +63%/y). As a result, the bank's total revenue stood at PKR 85bn (up by +9%/y). Bank's total non-interest income increased by +63%/y to PKR 21.2bn mainly led by higher dividend income, capital gain on securities and fee & commission income. Moreover, HBL recorded operating expenses of PKR 48bn (up by +8%/y), with the bank's cost/income ratio clocking in at 56% (3QCY23: 57%). The bank booked a provision charge of PKR 9bn during 3QCY24 compared to a provision charge of PKR 1bn in the same period last year. This took the total provision charge for 9MCY24 to PKR 19bn mainly attributable to the credit loss allowance against loans and advances which stands at PKR 17.4bn as at Sep-24. The tax charge for this quarter was recorded at PKR 14bn (effective tax rate of 49% compared to 48% in 3QCY23) bringing total effective tax rate for 9MCY24 to 50% compared to 49% in the same period last year.

Exhibit: Financial Highlights Habib Bank Limited (HBL)					
Latest result published for 3Q/24					
Period (PKRbn)	3Q/24	3Q/23	2Q/24	9M'24	9M'23
Net Interest Income	64	65	61	185	178
Fee Income	12	11	12	37	30
Treasury Income	7	2	5	20	2
Non-Interest Income	21	13	19	61	38
Total Revenue	85	78	80	246	216
Op. Exp.	(48)	(45)	(46)	(141)	(125)
Provision charge	(9)	(1)	(6)	(19.0)	(7.4)
Profit Before Tax	28	32	28	86	84
Tax	(14)	(15)	(14)	(43)	(41)
Profit After tax	14.5	16.6	14.4	44.0	42.8
EPS	9.85	11.34	9.80	30.03	29.20
DPS	4.00	2.25	4.00	12.00	5.75

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

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- Justified Price to Book
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- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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