

Flash Note

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Commercial Banks

Habib Bank Limited (HBL)

Earnings: Habib Bank Limited (HBL) announced its financial result for the fourth quarter of the year 2024. As per the financial result, the Bank reported consolidated earnings attributable to equity holder of PKR 14.4bn (PKR 9.83/share) during 4QCY24 compared to PKR 14.8bn (PKR 10.12/share) last year, down by -3%/y/y while remaining flat on sequential basis. This brings total profitability for CY24 to PKR 58.5bn (PKR 39.85/share), up by +1%/y/y, compared to PKR 57.7bn (PKR 39.32) last year.

Dividend/Payout: The Bank announced a cash dividend of PKR 4.25/share along with the result taking the cumulative dividend for CY24 to PKR 16.25/share.

Operating Performance: During the 4QCY24 period under review, the Bank reported net-interest income of PKR 60.3bn (down by 5%/y/y) and non-interest income of PKR 35.8bn (up by +76%/y/y). As a result, the bank's total revenue stood at PKR 96.1bn (up by +15%/y/y). Increase in Bank's total non-interest income was mainly led by higher fee income, capital gain on securities and other income. Moreover, HBL recorded operating expenses of PKR 54.1bn (up by +13%/y/y), with the bank's cost/income ratio clocking in at 56% (4QCY23: 56%). The bank booked a provision charge of PKR 7.6bn during 4QCY24 compared to a provision charge of PKR 5.8bn in the same period last year. This took the total provision charge for CY24 to PKR 26.6bn. The tax charge for this quarter was recorded at PKR 19.9bn (effective tax rate of 58% compared to 51% in 4QCY23) bringing total effective tax rate for CY24 to 52% compared to 49% in the last year.

Exhibit: Financial Highlights Habib Bank Limited (HBL)					
Latest result published for 4Q/24					
Period (PKRbn)	4Q'/24	4Q'/23	3Q'/24	CY'24	CY'23
Net Interest Income	60.3	63.2	63.7	245.6	242.1
Fee Income	12.9	11.8	12.4	49.5	42.3
Treasury Income	7.4	8.4	7.2	27.2	10.7
Non-Interest Income	35.8	20.3	21.2	96.5	57.5
Total Revenue	96.1	83.5	84.9	342.1	299.6
Op. Exp.	(54.1)	(47.7)	(47.9)	(195.2)	(172.8)
Provision charge	(7.6)	(5.8)	(8.9)	(26.6)	(13.3)
Profit Before Tax	34.5	30.0	28.0	120.3	113.6
Tax	(19.9)	(15.2)	(13.8)	(62.5)	(55.8)
Profit After tax	14.4	14.8	14.5	58.5	57.7
EPS	9.83	10.12	9.85	39.85	39.32
DPS	4.25	4.00	4.00	16.25	9.75

Source: Company accounts, IGI Research. No. of shares: 1,466.9mn

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

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