

Commercial Banks

HBL: 1QCY26 Management Call Takeaways

- Habib Bank Limited (HBL) held an investor briefing session to discuss the 1QCY26 financial results and provide key insights on the future outlook for the Bank.
- To recall, the Bank reported 1QCY26 earnings of PKR 16.0bn (EPS PKR 11.0), compared to earnings of PKR 16.6bn (EPS PKR 11.3) in the similar period last year. On quarterly basis, the bank's reported earnings inclined by +5q/q.
- The management highlighted that the bank's deposit grew by 21%y/y to 5.4tn, with a strong focus on current account mobilization with CA deposits standing at PKR 2Trn.
- While sharing the bank's strategy going forward, the management informed that the bank will focus on leveraging its large customer base to contribute to the digital economy, current account mobilization, expand branch network, maintain its strong market share and invest in core banking technology to offer better products and services to its customers.

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Key highlights from management conference call

- The management highlighted that the bank's deposit grew by 21%y/y to 5.4tn, with a strong focus on current account mobilization with CA deposits standing at PKR 2trn. The Bank's international deposits also remained stable PKR 2.3bn. For next year, the bank is aiming to maintain to its market share while also focusing on the quality and mix of deposits.
- The Bank has the third largest investment portfolio in the industry with an investment portfolio of PKR 4.8trn. The management informed that 51% of the PIBs in the portfolio are floaters whereas

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24% are fixed PIBs. T-Bills account for 17% of the total portfolio. However, the total portfolio duration is 0.96 years.

- HBL is also the largest lender in the industry with net advances of PKR 2tn. Of the total advances, 31% belong to the corporate customers. Moreover, the infection ratio of the bank remained stable at 4.9%.
- The management highlighted that the bank is currently operating a network of 1,952 branches of which 609 are Islamic and 25 international branches. The bank has a customer base of over 40mn customers. The bank also has plans to further expand its branch network by opening 300 new branches of which 75 branches have already been opened in CY25.
- On the digital front, mobile banking payments surpassed PKR 3.5tn, with the digital-to-OTC ratio reaching 93%. The Bank also sustained its leadership in cards, with a base exceeding 6.7mn. Overall digital throughput for 1QCY26 stood at PKR 9.4tn.
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