

Pakistan Banks

BAHL PA: 4QCY22 EPS clocked in at PKR1.4

Bank Al Habib Limited has announced its annual financial result today, wherein bank posted unconsolidated earnings of PKR16.5bn (EPS: PKR14.9) vs. PKR18.7bn (EPS: PKR16.8) reported in SPLY, down by 11% YoY. The decline in earning is primarily attributable to higher provision and tax charges. Along with the result company has announced cash dividend of PKR7/sh.

- Net Interest Income for CY22 clocked in at PKR77.3bn vs. PKR55.4bn in SPLY, up by 39% YoY. On QoQ basis, NII recorded an increase of 11% in 4QCY22, to clock in at PKR22.7bn.
- Non Markup Income recorded an increase of ~51% in CY22, mainly attributable to rising contribution from fee & commission income which was further catalyzed by FX income. However, On QoQ basis, non-markup income fell by 15%, owing to lower FX income.
- The bank has recorded provision charges of PKR12.8bn in CY22 vs. reversal of PKR48mn in SPLY. To note, company recorded provisioning of PKR10.4bn in 4QCY22.
- During CY22, operating expense increased by 34% YoY, possibly due to branch related expenses and inflationary pressures.
- Effective tax rate for 4QCY22 clocked in at ~60%, while ETR for CY22 recorded at ~50%

BAHL (PKR mn)	4QCY22	4QCY21	3QCY22	YoY	QoQ	CY22	CY21	YoY
Net Interest Income	22,736	14,187	20,406	60%	11%	77,319	55,479	39%
Non Markup Income	5,087	4,389	6,018	16%	-15%	21,196	14,027	51%
Operating Expenses	13,377	10,524	14,184	27%	-6%	52,761	39,280	34%
Provisions/(Reversals)	10,427	86	1,795	NM	481%	12,871	(48)	NM
Profit before tax	4,020	7,965	10,444	-50%	-62%	32,884	30,273	9%
Taxation	2,419	3,193	5,104	-24%	-53%	16,314	11,570	41%
Profit after tax	1,601	4,773	5,340	-66%	-70%	16,570	18,702	-11%
EPS	1.4	4.3	4.8	-66%	-70%	14.9	16.8	-11%
DPS	7.0	7.0	-	0%	NM	7.0	7.0	0%
Effective tax rate	60%	40%	49%			50%	38%	

Source: Company accounts, Insight Research



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- Discounted cash flow (DCF)
- Relative Valuation (P/E, P/Bv, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

Frequently Used Acronyms

TP	Target Price	DCF	Discounted Cash Flows	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DDM	Dividend Discount Model
SOTP	Sum of the Parts	P/E	Price to Earnings ratio	P/Bv	Price to Book ratio
P/S	Price to Sales	EVA	Economic Valued Added	BVPS	Book Value per Share
EPS	Earnings per Share	DPS	Dividend per Share	DY	Dividend Yield
ROE	Return on Equity	ROA	Return on Assets	CAGR	Compounded Annual Growth Rate

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