



BAHL: 2QCY25 Result Review — Earnings fall on back of lower NII

Bank Al-Habib Limited (BAHL) announced its 2QCY25 financial results earlier today, wherein the bank posted NPAT of PkR9.1bn (EPS: PkR8.2) for the quarter, down 18% YoY/11%QoQ. The result is below our expectations, primarily due to lower than anticipated NII along with higher than forecasted operating expenses. In addition to the result, bank announced an interim cash payout of PkR3.5/sh, taking half year cash payout to PkR7.0/sh.

- NII was recorded at PkR32.8bn in 2QCY25, down by 13%YoY/2%QoQ, due to decline in yields.
- Mark-up earned was recorded at PkR85.1bn, down by 31%YoY/8%QoQ, while mark-up expensed was recorded at PkR52.3bn (down 39%YoY/12%QoQ). Notably, the bank's estimated NIMs declined to 4.3% in 2QCY25, compared to 4.6% in the previous quarter.
- Non-Interest Income clocked in at PkR7.6bn in 2QCY25, up 16%YoY mainly due to a 47%YoY increase in FX income along with a 58%YoY increase in dividend income. On sequential basis, non-interest income was down 2%QoQ due to 32%QoQ decrease in FX income and 5%QoQ decrease in fee income.
- Operating expenses were recorded at PkR23.4bn, up 5%YoY/7%QoQ. This resulted in a cost-to-income ratio of 57.9% compared to 50.4%/52.9% in 2QCY24 and 1QCY25, respectively.
- Credit-Allowance/Provisioning reversal amounted to PkR1.5bn, compared to an expense of PkR517mn in 1QCY25 and reversal of PkR1.2bn in 2QCY24.
- Effective tax rate for the quarter stood at 50.7% (vs. 48.0%/50.4% in 2QCY24/1QCY25).
- The scrip is currently under review.

BAHL: Income Statement (unconsolidated)

PkRmn	2QCY25	2QCY24	YoY	1QCY25	QoQ	1HCY25	1HCY24	YoY
Mark up earned	85,089	123,942	-31%	92,887	-8%	177,976	243,747	-27%
Mark up expensed	52,311	86,401	-39%	59,331	-12%	111,642	169,112	-34%
Net Interest Income	32,778	37,542	-13%	33,556	-2%	66,335	74,635	-11%
Non Interest Income	7,604	6,577	16%	7,738	-2%	15,342	14,169	8%
Credit Loss Allowance	-1,492	517	-389%	-1,157	29%	-2,649	7,392	-136%
Non - Mark up expenses	23,387	22,228	5%	21,854	7%	45,241	40,809	11%
Profit Before Tax	18,487	21,375	-14%	20,597	-10%	39,084	40,604	-4%
Profit After Tax	9,111	11,106	-18%	10,213	-11%	19,324	21,138	-9%
EPS	8.2	10.0	-	9.2	-	17.4	19.0	-
DPS	3.5	3.5	0%	3.5	0%	7.0	7.0	0%

Source: PSX & AKD Research

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