

## **HBL's H1'25 profit before tax rises to Rs 75.3 billion, up 30% YoY, with an enhanced focus on client centricity**

**Pakistan, Karachi – 31 July 2025:** HBL today declared a record consolidated profit before tax of Rs 75.3 billion for the half year ended June 30, 2025, 30% higher than in the same period last year. The profit after tax increased 19% to Rs 34.4 billion despite a 4% higher tax rate further burdening banks. EPS for H1'25 improved from Rs 20.18 in H1'24 to Rs 23.44. Along with the results, the Bank declared an Interim Cash Dividend for the second quarter ended June 30, 2025, at Rs 4.50/- per share i.e., 45.00%. This is in addition to the interim Cash Dividend already paid at Rs 4.50/- per share i.e., 45.00%.

HBL's balance sheet grew 26% to Rs 7.6 trillion. Total deposits increased 19% over Dec'24 to Rs 5.2 trillion, making HBL the first bank to cross Rs 5 trillion mark in deposits. Domestic deposits increased by 22% to Rs 4.4 trillion, as the Bank's focus on current account mobilization led to a growth of Rs 440 billion in current accounts; this also helped to drive the CA mix to over 40% while maintaining the CASA ratio at 89%. HBL's loan book reached nearly Rs 2.0 trillion as domestic advances recovered during the quarter. The Bank's flagship Consumer business continued its steady but solid growth trajectory, reaching Rs 156 billion.

Despite continued monetary easing in the first half of 2025, HBL's net interest income increased 12% to Rs 138 billion. This was supported by an increase of Rs 425 billion in the average balance sheet, and lower deposit cost from the improved current account mix which enabled HBL to keep margins intact. Non-fund income increased by 12% to Rs 44 billion, driven by an exceptional Treasury performance and double-digit growth in the Bancassurance, Consumer Finance and Investment Banking businesses. HBL's total revenue thus increased to Rs 182 billion.

Proactive cost optimizing initiatives across the Bank contained the YoY expense growth at 8%, driving a reduction of more than 200 bps in the cost/income ratio to 55.2% in H1'25. A strong recovery performance resulted in a decrease in the Bank's non-performing loans over the quarter; along with the uptick in advances, this reduced the infection ratio to 5.0%. The specific coverage strengthened to 90%, with the total coverage well above 100%. The Tier 1 Capital Adequacy Ratio (CAR) of 14.16% and the Total CAR of 17.91% remained well above the required levels.

Commenting on the Bank's performance, Muhammad Nassir Salim, President & CEO – HBL, said, "The Bank has delivered healthy results in the first half of 2025, driven by strong organic growth and a steadfast commitment to excellence for our clients. As we accelerate our critical role in national development, we remain optimistic about the future. While the macroeconomic environment presents its challenges, we are encouraged by signs of greater stability. Looking ahead, 'Accelerating Topline Growth' will be our guiding mantra as we build on this momentum and create lasting value for all our stakeholders."

### **Delivering value for stakeholders**

HBL continued to demonstrate its leadership in Agri Financing, by helping farmers maintain their incomes and contribute to national food security. The Bank issued the largest payout of over PKR 10 million under the Area Yield Index Insurance (AYII) program to support farmers by providing financial protection against yield losses. This initiative benefits farmers in Balochistan and Sindh. Moreover, the Bank provide farmers with Agri-finance options, advanced agronomy practices, and efficient farm management techniques through 'Agahi Programs' at the Dera of HBL Zarai. Since 2018, over 30,000 farmers have benefited from the program.

HBL is taking a significant step towards enhancing financial inclusion and gender equity by supporting the Women Entrepreneurs (WE) Finance Code. The WE Finance Code is a multi-stakeholder effort to increase financing to women-owned, micro, small and medium enterprises. While much more still needs to be done in this aspect, since 2024, the Bank has supported over 450 women entrepreneurs with Rs 2.6 billion in financing. Additionally, HBL Group serves more than 5 million women — the largest footprint among commercial banks in Pakistan.

HBL Group remains firmly committed to supporting global sustainability efforts. The Bank participated in the London Climate Action Week (LCAW) held in London, UK to discuss investment vehicles designed to achieve gender equity and climate resilience. HBL has launched an investment initiative, a USD 75 million Climate Resilience Facility, in partnership with British International Investment (BII) in 2025. HBL MicroFinance Bank entered into a strategic partnership with the International Finance Corporation (IFC) under the Global Agriculture and Food Security Program (GAFSP), securing USD 80 million to promote climate-smart lending that boosts rural resilience, enhances agricultural productivity, and addresses climate risks across Pakistan.

In H1 2025, HBL Foundation contributed Rs. 273 million across various sectors, including healthcare, education, community development, and humanitarian assistance.

Embracing cutting-edge technology, the Bank ventured into Artificial Intelligence (AI) driven platforms to engage with the youth. FanTunes, a groundbreaking fan engagement initiative was launched for the first time in Pakistan allowing fans to create their own unique HBLPSL songs using AI. More than 25,000 videos were created by fans during the HBLPSL event.

In recognition of the Bank's leadership, performance, and innovative approach, HBL has been honored with 22 prestigious accolades in H1 2025, including 'Best Bank in Pakistan', 'Pakistan's Best Bank for Large Corporates', 'Pakistan's Best Investment Bank' by Euromoney Awards 2025, and 'Best Mobile App' by Pakistan Digital Awards 2025.