

HBL's Q1'25 profit before tax at Rs 36.6 billion, up 22% YoY, while serving clients better

Pakistan, Karachi – 25 April 2025: HBL today declared a record profit before tax of Rs 36.6 billion for the quarter ended March 31, 2025, 22% higher than in the same period last year. The profit after tax of Rs 16.6 billion is 11% higher despite a 4% higher tax rate applied on the banking sector. EPS for Q1'25 improved from Rs 10.37 in Q1'24 to Rs 11.32. The Bank also declared an Interim Cash Dividend for the first quarter ended March 31, 2025, at Rs. 4.50/- per share i.e., 45.00%.

HBL's balance sheet stood at Rs 5.9 trillion, with total deposits closing at Rs 4.4 trillion. Domestic deposits increased to Rs 3.7 trillion, led by a growth of Rs 127 billion in current account, driving up the CA mix from 37.3% in Dec'24 to 40.0% in Mar'25. HBL's lending book closed at Rs 1.9 trillion as domestic advances came off their year-end peak. Nevertheless, our flagship Consumer business continued its growth trajectory, reaching Rs 148 billion.

Despite continuous monetary easing and a 1,000 bps reduction in the policy rate, HBL's net interest income increased 12% to Rs 68.8 billion. This was achieved by an increase of Rs 454 billion in the average domestic balance sheet and optimization of deposit cost. Non-fund income increased to Rs 21.6 billion, driven by strong contribution from the Treasury business. The fee franchise yet again posted double-digit growth in branch banking and Bancassurance, while the Cards business contributed more than 50% of the total fee. HBL's total revenue thus increased to Rs 90.4 billion.

Cost optimizing initiatives across the Bank enabled HBL to contain expense growth at a subdued 7%, improving the cost/income ratio by 200 bps to 55.6% in Q1'25. The Tier 1 Capital Adequacy Ratio (CAR) improved from 14.27% in Dec'24 to 14.51% in Mar'25 on the back of strong profitability; Total CAR increased from 17.70% to 17.88% over the same period. The CAR ratios remain well above the required levels.

Commenting on the Bank's performance, Muhammad Nassir Salim, President & CEO – HBL, said, "The robust financial performance points to the soundness of our business strategy in a competitive market, while prioritizing client centricity. Our key focus areas, especially in agriculture, SMEs, digital services and sustainability continue to play a vital role in our success. We remain dedicated to improving lives, advancing financial inclusion and promoting sustainable development to ensure the enduring prosperity of Pakistan's future."

Delivering value for stakeholders

HBL has entered into a strategic collaboration with Google to launch Google Wallet for its cardholders. HBL cardholders can add their credit/debit cards to Google Wallet on both Android and Wear OS devices. This reinforces the Bank's dedication to innovative and secure digital payment solutions.

HBL is fully committed to growing the "S" of SME business in a significant and sustainable way. The SME business rolled out structure of SME-centric branches and trade business centers to strengthen outreach and deepen focus on the SME segment.

The Bank successfully completed the solarization of 25 high fuel-consuming branches, reinforcing its commitment to reducing carbon emissions. To date, over 360 branches and offsite ATMs have been transitioned to solar energy.

HBL remains a thought leader in the Pakistan market with its latest initiative, a collaboration with S&P Global, to launch the HBL S&P Global PMI® (Purchasing Managers' Index™) series for Pakistan. This index will provide valuable monthly data and timely insights into the overall economic health of Pakistan's manufacturing sector and enhance transparency leading to investor confidence.

This year, HBL is celebrating a decade of HBLPSL. As the biggest sporting event in the country, HBLPSL has played a transformative role in both cricket and nation building. As part of its continued efforts 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 Artificial Intelligence (AI).

In recognition of the Bank's leadership, performance, and innovative approach, HBL has been honored with prestigious accolades this quarter including 'Best Investment Bank for 2025' by Global Finance, 'Best Investment Bank (Domestic)' by the Finance Asia Awards 2025 and 'Best Sukuk House' by Euromoney Islamic Finance Awards 2024.