

HBL posts strong 2024 profit of Rs 120 billion while delivering value for its stakeholders

Pakistan, Karachi – 19 February 2025: HBL today declared a record profit before tax of Rs 120.3 billion for the year ended December 31, 2024, 6% higher than in 2023. The profit after tax was Rs 57.8 billion as the Government once again increased the tax rate on Banks to a massive 54%. EPS for 2024 was Rs 39.85, compared to Rs 39.32 in 2023. Along with the results, the Bank declared a final Cash Dividend of Rs 4.25 per share i.e. 42.5% for the year ended December 31, 2024. This is in addition to the interim Cash Dividend(s) already paid at Rs 12 per share i.e. 120%.

HBL's balance sheet grew by 9% to Rs 6.1 trillion, with total deposits closing at Rs 4.4 trillion, a growth of Rs 228 billion over December 2023. Domestic deposits grew by Rs 187 billion reaching Rs 3.6 trillion, with the CASA ratio showing a strong improvement to reach nearly 90%. HBL's total advances increased by over 30% to Rs 2.4 trillion with the domestic lending book crossing a landmark Rs 2.0 trillion. Our flagship consumer portfolio continued its growth trajectory, reaching Rs 143 billion, while the Group's agriculture financing increased to over Rs 100 billion.

Despite drastic monetary easing, which saw a drop of 900bps in the SBP's Policy Rate over the year, HBL's net interest income increased to Rs 246 billion. This was supported by a 17% volumetric expansion in the average domestic balance sheet and improved spreads in the international business. Non-fund income grew by an impressive 68% to Rs 96.5 billion, on the back of a very strong contribution from the Treasury business. The fee franchise yet again delivered excellent double-digit growth, increasing by 17% to Rs 49.5 billion; Cards contributed more than 50% of the increase along with solid contributions from Bancassurance and retail banking. HBL's total revenues thus increased by 14% to an industry-leading Rs 342 billion.

Conscious efforts to optimize costs has contained administrative expense growth to 13%, improving the cost/income ratio to 56.3% in 2024. Despite an uptick in non-performing loans, the infection ratio is at an all-time low of 4.3%. HBL's sustained profitability has led to a strong improvement in the Capital Adequacy Ratio which increased from 16.0% in Dec'23 to a solid 17.7%, well above required levels.

Commenting on the Bank's results, Muhammad Nassir Salim, President & CEO – HBL, said, "HBL continues to deliver value for its stakeholders while navigating an increasingly complex external environment. The strong 2024 financial results ratify the Bank's strategic direction. The Bank is proud to serve its valued clients and play its due role in the economic development of Pakistan."

Delivering value for stakeholders

The Bank is committed to providing holistic support to the vital agriculture sector to enhance national food security. Earlier this year, HBL launched HBL Zarai Services Limited, a wholly-owned subsidiary aimed at revolutionizing the agricultural value chain.

HBL Zarai focuses on boosting local farming productivity and fostering inclusive growth by providing farmers with agronomy services, crop inputs, access to modern mechanization and more. These services are offered through Zarai Deras, specialized distribution and service centers in Burewalla, Sahiwal, Pakpattan and Sadoke. By improving access to essential resources, HBL Zarai enhances farmer productivity, contributing to the economic development of Pakistan's agricultural sector.

HBL is the largest lender and mobilizer of government agriculture financing subsidies including solar tube wells, tractors, and livestock. With a total portfolio of over Rs 100 billion, the HBL Group holds the largest market share in both commercial and microfinance agriculture lending in Pakistan.

HBL is fully committed to growing the "S" of SME business in a significant and sustainable way. The Bank's focus is on cash flow-based lending where it enjoys the highest portfolio in the industry. SME businesses are crucial drivers of the economy and require enhanced access to formal finance. HBL has undertaken a number of initiatives to help transform the SME landscape, fostering growth and creating opportunities for small businesses. As testament to our efforts HBL has been recognized as 'The Best SME Bank' by the 'Pakistan Banking Awards'.

HBL remains a thought leader, and has actively supported SBP and the World Bank, in the development of the National Green Taxonomy. This has allowed the Bank to further identify green financing opportunities for climate change mitigation and adaptation.

In recognition of the Bank's leadership, performance and innovative approach, Euromoney Awards for Excellence 2024 awarded HBL the accolades of 'Pakistan's Best Bank', 'Pakistan's Best Bank for Corporates', and 'Pakistan's Best Bank for ESG'. The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) awarded HBL the accolade of the 'Best Conventional Bank of the Year Excellence Award'. Moreover, HBL was honoured with the 'Best Board of the Year' award by the Pakistan Institute of Corporate Governance (PICG).