

The Bank of Punjab

Result Review: 3QCY24 EPS arrives at PKR 1.07

9MCY24: EPS up by 34% YoY due to higher NFI and provisioning reversal

BOP reported its 3QCY24 earnings at PKR 3.5bn (EPS: PKR 1.07), up by 42% on YoY | 35% QoQ. For 9MCY24, total earnings amounted to PKR 7.6bn, marking a 34% YoY uptick. The surge in earnings on YoY basis is on the back of jump in non-funded income and provisioning reversal.

Result Highlights

- Interest earned by the bank settled at PKR 91.8bn during 3QCY24, declining by 5% YoY | +5% QoQ while interest expense down up by 9% YoY | 2% QoQ reaching PKR 78.4bn. With this, Net Interest Income of the bank clocked in at PKR 13.3bn in 3QCY24, depicting a jump of 25% YoY (9MCY24: PKR 29.3bn, +4.0% YoY).
- The bank's Non-Funded Income (NFI) surged by 94% YoY during 3QCY24, bringing the total for 9MCY24 to PKR 15.8bn, an 80% YoY increase. The increase is primarily fueled by a gain on sale of securities, which went up by 15x YoY. Moreover, fee income also surged by 18% YoY to settle at PKR 7.6bn. Additionally, other income saw a 17% YoY surge to PKR 2,346mn in 9MCY24.
- A provisioning reversal was recorded in the outgoing quarter, settling at PKR 128mn, this took the provisioning reversal for the 9MCY24 to PKR 3,566mn compared to a provisioning charge of PKR 296mn during 9MCY23.
- The bank's OPEX increased by 37% YoY | 4% QoQ in 3QCY24 clocking in at PKR 12.2bn. With this, Cost/Income stood at 63.7% in 3QCY24 against 64.9% SPLY.
- Effective tax rate during 3QCY24 stood at 49.2% compared to 49.8% SPLY.

Exhibit: Financial Highlights (Consolidated)

(PKR mn)	9MCY24a	9MCY23a	YoY	3QCY24a	3QCY23a	YoY	QoQ
Interest Earned	263,602	223,984	18%	91,824	97,151	-5%	5%
Interest Expensed	234,285	195,850	20%	78,483	86,449	-9%	-2%
NII	29,317	28,134	4%	13,341	10,702	25%	80%
NFI	15,823	8,787	80%	5,858	3,026	94%	-7%
Total Income	45,140	36,922	22%	19,199	13,728	40%	40%
Total provisions	(3,566)	296	nm	(128)	(187)	nm	-92%
OPEX	34,559	27,745	25%	12,234	8,912	37%	4%
PBT	14,147	8,881	59%	7,092	5,003	42%	100%
Taxation	6,194	2,913	113%	3,491	2,490	40%	289%
Profit after tax*	7,759	5,808	34%	3,513	2,468	42%	35%
EPS (PKR)	2.37	1.78		1.07	0.75		

Source (s): Company Financials, AHL Research, *profit attributable to equity shareholders of the bank

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In order to avoid any conflict of interest, we hereby disclosed that;

Arif Habib Limited (AHL) has a shareholding in BOP.