

KSE- all Banking sector's profitability



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REP-300

Highest ever nine monthly profit recorded

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Pakistan Banking Sector

Highest ever nine monthly profit recorded

- Marking a milestone, the KSE all share banking sector recorded its highest-ever nine month profit after tax (PAT) at PKR 510bn, a 12.4% YoY increase.

- In 3QCY25, PAT hit PKR 169bn, a sharp 6% YoY climb, powered by balance sheet growth and diversified income streams.

- At the core, NII drove earnings, while non-markup income strengthened through higher fee income, FX gains, provisioning reversals, and capital gains.

Key highlights from 9MCY25

- Performance turnaround (BML).** BML turned profitable in 9MCY25, posting a profit of PKR 890mn compared to a loss of PKR 3.2bn last year. This turnaround was driven by improved NIMs and a PKR 1.9bn gain on securities.

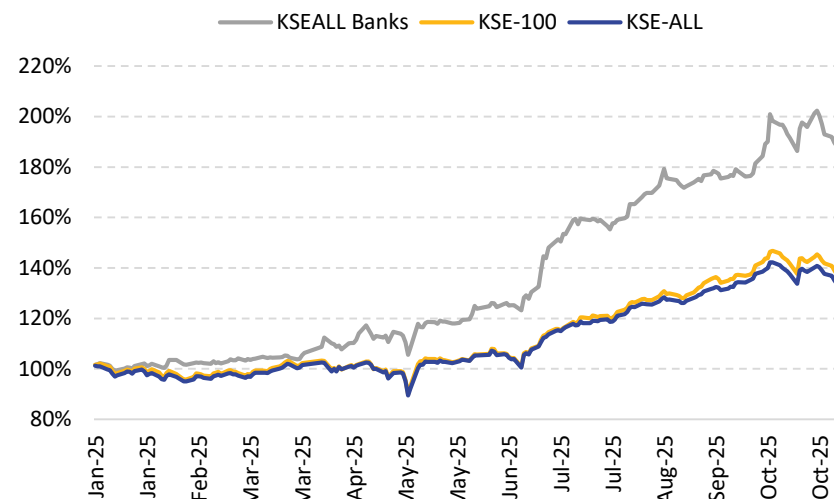
- Earnings revival reinforces turnaround narrative (NBP).** NBP's profitability surged nearly 18x YoY in 9MCY25, driven by the absence of last year's pension provisioning and strong growth in NII and non-funded income. NIMs rose to 4.04% in 3QCY25, the highest since 3QCY15.

- UBL/BOK post robust earnings growth.** UBL/BOK delivered strong earnings performance in 9MCY25, with PAT rising 104%/89% YoY, respectively. UBL's profit growth was fueled by a 154% surge in NII and a PKR 4.7bn provisioning reversal, while BOK benefited from an 18% increase in NII alongside a notable rise in gains on securities.

- BOP and AKBL also delivered stellar performances.** For BOP and AKBL, core operations remained strong, with NII reaching PKR 58.5/65.5bn, respectively, during 9MCY25, reflecting robust YoY growth of 90%, and 47%.

- The banking sector delivered an exceptional performance in 2025, posting returns of 86% CY25TD versus the KSE-100's 36% and KSE-all 33%, outperforming the benchmark by 50% and all share index by 53%. Within the sector, BOP led with an impressive 279% gain, followed by NBP (252%), AKBL (170%), BOK (167%), and BML (137%), all supported by robust earnings growth and strong capital distributions.

Exhibit: KSE Banks outshine broader market with strong gains



Source (s): PSX, AHL Research

Pakistan Banking Sector

Highest ever nine monthly profit recorded

Exhibit: Banking Sector Profit after tax

(PKR mn)	3QCY25	3QCY24	2QCY25	YoY	QoQ	9MCY25	9MCY24	YoY
	168,984	159,481	167,935	6.0%	0.6%	509,966	453,596	12.4%
BML	176	(1,738)	1,578	nm	-89%	891	(3,176)	nm
NBP	23,026	2,954	20,780	680%	11%	65,690	3,653	18x
UBL	35,355	18,319	28,616	93%	24%	100,078	49,113	104%
BOK	1,607	1,082	1,763	49%	-9%	4,973	2,632	89%
BOP	5,032	3,566	4,725	41%	6%	11,486	8,274	39%
AKBL	7,560	6,022	3,513	26%	115%	18,197	14,158	29%
HBL	16,906	14,450	17,782	17%	-5%	51,293	44,045	16%
MEBL	22,722	26,021	24,497	-13%	-7%	69,326	77,821	-11%
HMB	5,593	7,473	5,558	-25%	1%	17,229	18,586	-7%
MCB	15,107	18,094	14,583	-17%	4%	44,341	52,700	-16%
BAHL	6,878	12,743	9,061	-46%	-24%	26,659	34,404	-23%
FABL	5,548	6,785	4,597	-18%	21%	15,554	20,347	-24%
ABL	8,823	12,415	9,507	-29%	-7%	26,808	36,493	-27%
SNBL	807	1,501	1,350	-46%	-40%	3,304	4,717	-30%
SCBPL	5,987	11,079	8,577	-46%	-30%	22,550	32,556	-31%
SBL	287	104	19	177%	15x	472	767	-38%
BAFL	6,338	13,282	7,986	-52%	-21%	21,399	35,200	-39%
BIPL	664	3,136	1,795	-79%	-63%	5,073	10,173	-50%
JSBL	567	2,183	1,650	-74%	-66%	4,641	10,104	-54%

Source (s): Company Financials, AHL Research

Pakistan Banking Sector

Highest ever nine monthly profit recorded

Exhibit: Banking Sector Profit before tax

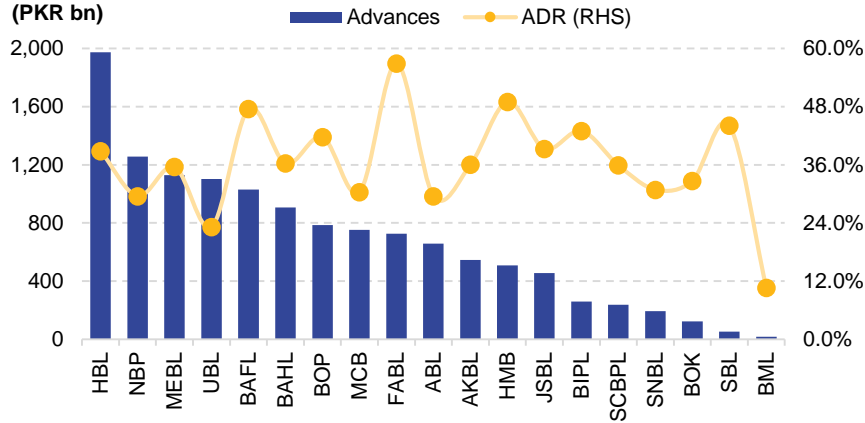
(PKR mn)	3QCY25	3QCY24	2QCY25	YoY	QoQ	9MCY25	9MCY24	YoY
	366,633	342,508	382,748	7.0%	-4.2%	1,122,877	932,368	20.4%
BML	334	(2,605)	2,177	nm	-85%	1,792	(5,031)	nm
NBP	49,929	14,569	46,184	243%	8%	143,200	16,191	784%
UBL	74,667	43,478	74,235	72%	1%	225,040	103,711	117%
BOK	3,410	2,600	3,792	31%	-10%	10,604	6,081	74%
BOP	11,174	7,146	11,150	56%	0%	26,348	14,646	80%
AKBL	15,716	11,595	12,606	36%	25%	43,596	27,904	56%
HBL	36,809	28,029	38,707	31%	-5%	112,156	85,877	31%
MEBL	48,380	58,291	55,042	-17%	-12%	152,706	165,694	-8%
HMB	12,445	15,108	12,666	-18%	-2%	38,374	37,953	1%
MCB	32,332	35,627	30,995	-9%	4%	94,880	103,969	-9%
BAHL	15,424	23,627	18,649	-35%	-17%	55,409	65,061	-15%
FABL	11,851	13,218	10,742	-10%	10%	31,771	39,281	-19%
ABL	18,420	24,046	20,091	-23%	-8%	56,222	71,263	-21%
SNBL	2,920	3,215	3,348	-9%	-13%	9,604	9,734	-1%
SCBPL	13,190	26,173	15,875	-50%	-17%	46,097	75,466	-39%
SBL	620	202	50	207%	12x	1,025	1,505	-32%
BAFL	13,793	26,075	18,531	-47%	-26%	47,941	68,454	-30%
BIPL	1,912	6,187	3,465	-69%	-45%	10,868	19,923	-45%
JSBL	3,308	5,928	4,445	-44%	-26%	15,242	24,685	-38%

Source (s): Company Financials, AHL Research

Pakistan Banking Sector

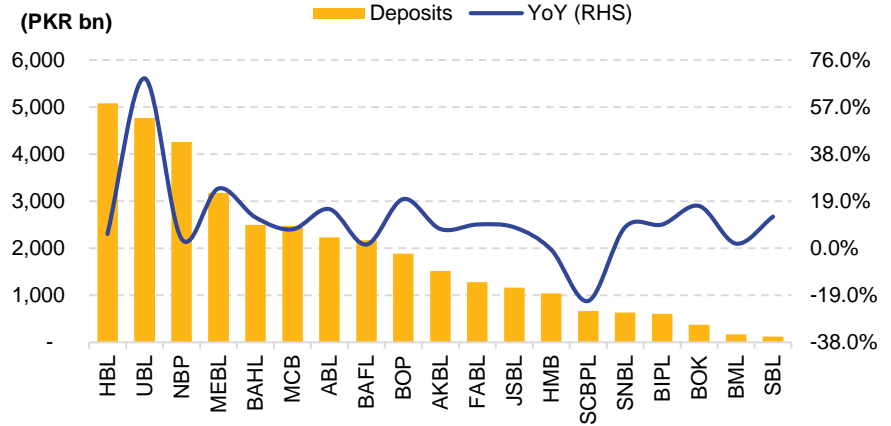
Key highlights

Exhibit: FABL leads sector in ADR



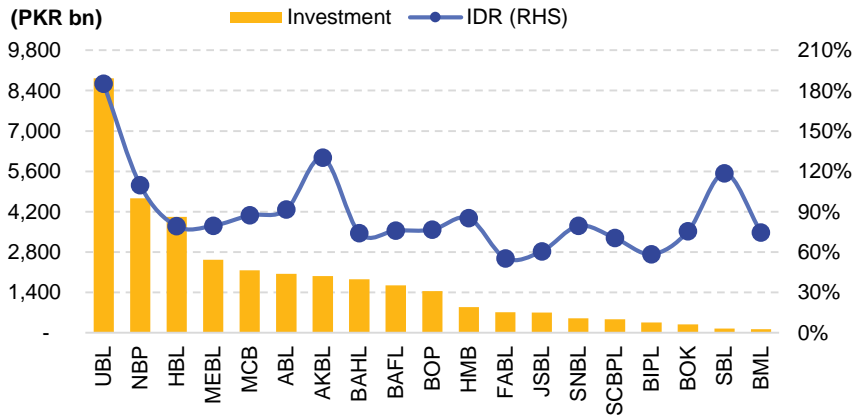
Source (s): Company financials, AHL Research

Exhibit: Deposit growth accelerates with enhanced liquidity mobilization



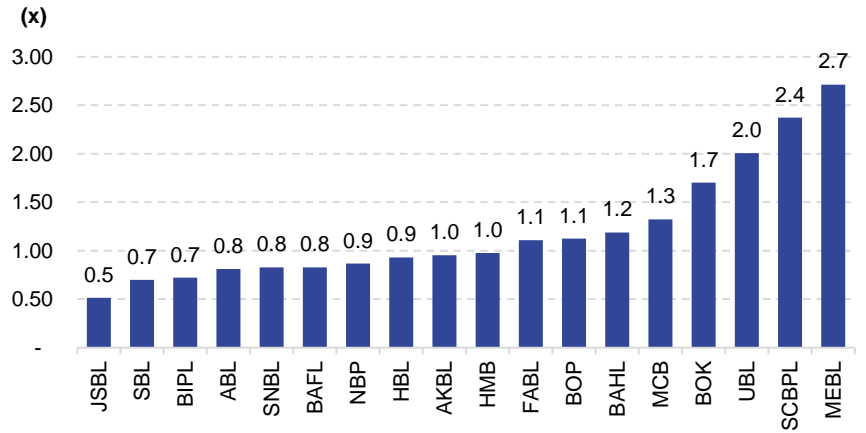
Source (s): Company financials, AHL Research

Exhibit: In terms of total investments, UBL remains the clear leader



Source (s): Company financials, AHL Research,

Exhibit: MEBL and SCBPL demand highest P/B as premium banks



Source (s): PSX, Company financials, AHL Research

Pakistan Banking Sector

9MCY25: AHL's banking universe key milestones



- MEBL delivered sector-best ROE of 36.3% by Sep'25, backed by strong asset quality (low infection and high coverage) and record deposits up 23% CY25TD to PKR 3.18trn.



- UBL posted its 2nd highest ever quarterly EPS in 3QCY25. Deposits reached an all-time high of over PKR 4.7trn by Sep'25. The bank also continues to lead the industry in terms of total investments.



- HBL announced a cash dividend of PKR 5.0/share, highest since 1QCY15. HBL remains the market leader in deposits (+16% YoY) to surpass the PKR 5trn mark, driven by a PKR 300bn increase in current accounts.



- NBP posted its strongest 9m ever in 9MCY25. Deposits were recorded PKR 4.2trn with profitability soaring to PKR 66.4bn, a staggering 16x YoY jump.



- MCB reported strong deposit growth to PKR 2.48trn (+16% CY25TD) and a sharp rise in investments to PKR 2.16trn (+66% CY25TD).



- BAFL posted highest-ever 9MCY25 payout of PKR 7.5/share.



- AKBL posted record quarterly PAT in 3QCY25 and announced an interim dividend of PKR 1.25/share, following PKR 2.00/share in the previous quarter. Investments also reached an all-time high of PKR 1.9trn by Sep'25.



- FABL's deposits reached an all-time high of PKR 1.27trn as of Sep'25, marking the strongest level in its history. It also leads the sector in ADR



- BOP delivered record 9MCY25 earnings of PKR 11.5bn, up 39% YoY. Investments also hit a historic high of PKR 1.4trn by Sep'25.

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BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
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AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

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