

Flash Note

Friday, August 29, 2025



Commercial Banks

National Bank of Pakistan (NBP)

Earnings: National Bank of Pakistan (NBP) announced its financial result for the second quarter of the year 2025. As per the financial result, the Bank reported unconsolidated earnings of PKR 22.02bn (PKR 10.35/share) during 2QCY25 compared to loss of PKR 10.36bn (PKR 4.87/share) last year mainly due to absence of one-off pension liability booked in 2QCY24. Earnings are up by +3%q/q. This brings total profitability for 1HCY25 to PKR 43.47bn (PKR 20.43), up by +121xy/y, compared to PKR 0.36bn (PKR 0.17/share) in the similar period last year.

Dividend/Payout: The Company did not announced any cash dividend along with the result in line with its payout policy.

Operating Performance: During the 2QCY25 period under review, the Bank reported net-interest income of PKR 61.0bn (up by +35%y/y) while non-interest income clocked in at PKR 15.5bn increasing by 34%y/y mainly due to substantial gain on securities. As a result, the bank's total revenue stood at PKR 76.4bn (up by +35%y/y). Moreover, NBP recorded operating expenses of PKR 30.9bn (up by +5%y/y), with the bank's cost/income ratio improving to 40% (2QCY24: 52%). The bank booked a provision reversal of PKR 1.6bn during 2QCY25 compared to a provision reversal of PKR 1.1bn in the same period last year. The tax charge for this quarter was recorded at PKR 25.12bn (effective tax rate of 53% against 50% in 2QCY24) bringing total effective tax rate for 1HCY25 to 53%.

Exhibit: Financial Highlights National Bank Of Pakistan (NBP)					
Latest result published for 2Q'/25					
Period (PKRbn)	2Q'/25	2Q'/24	1Q'/25	1HCY'25	1HCY'24
Net Interest Income	61.0	45.2	69.6	130.6	74.2
Fee Income	7.3	6.5	7.4	14.7	12.1
Treasury Income	8.1	5.0	3.7	11.8	12.9
Non-Interest Income	15.5	11.5	11.1	26.6	25.0
Total Revenue	76.4	56.7	80.7	157.1	99.2
Op. Exp.	30.9	29.3	28.2	59.1	51.3
Pension Expense	-	(49.0)	-	-	(49.0)
Provision (charge)/ Reversal	1.6	1.1	(6.4)	(4.8)	1.8
Profit Before Tax	47.1	(20.5)	46.1	93.2	49.6
Tax	25.1	(10.2)	24.6	49.8	0.3
Profit After tax	22.0	(10.4)	21.4	43.5	0.4
EPS	10.35	(4.87)	10.08	20.43	0.17
DPS	0.0	0.0	0.0	0.0	0.0

Source: Company accounts, IGI Research. No. of shares: 2,127.5mn

Analyst

Sakina Makati

sakina.makati@igi.com.pk

Tel: +92 21 111 234 234 Ext: 810

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- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Syeda Mahrukh Hameed	Regional Head (North)	Tel: (+92-42) 38303564	mahrukh.hameed@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Faraz Naqvi	Branch Manager (Karachi)	Tel: (+92-21) 111 234 234 Ext: 826	faraz.naqvi@igi.com.pk
Shakeel Ahmad	Branch Manager (Faisalabad)	Tel: (+92-41) 2540843-45	shakeel.ahmad1@igi.com.pk
Asif Saleem	Equity Sales (RY Khan)	Tel: (+92-68) 5871652-56	asif.saleem@igi.com.pk
Mehtab Ali	Equity Sales (Multan)	Tel: (+92-61) 4512003	mahtab.ali@igi.com.pk

Research Team

Abdullah Farhan	Head of Research	Tel: (+92-21) 111-234-234 Ext: 912	abdullah.farhan@igi.com.pk
Sakina Makati	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 810	sakina.makati@igi.com.pk
Sania Bajwa	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	sania.bajwa@igi.com.pk
Sufyan Siddiqui	Database Officer	Tel: (+92-21) 111-234-234 Ext: 888	sufyan.siddiqui@igi.com.pk

IGI Finex Securities Limited

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Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad
Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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