Flash Note

Wednesday, October 28, 2026

Commercial Banks

National Bank of Pakistan (NBP)

Earnings: National Bank of Pakistan (NBP) announced its financial result for the third quarter of the year 2026. As per the financial result, the Bank reported unconsolidated earnings of PKR 16.5bn (PKR 7.75/share) during 3QCY26 compared to PKR 23.2bn (PKR 10.89/share) last year, down by -29%y/y, while up by +5%q/q. The earnings for 9MCY26 clocked in at PKR 48.9bn (PKR 22.98/share), down by -27%y/y, as compared to PKR 66.6bn (PKR 31.32/share).

Dividend/Payout: The bank did not announce any dividend along with the result.

Operating Performance: During the 3QCY26 period under review, the Bank reported net-interest income of PKR 56.0bn (down by -8%y/y) while non-interest income clocked in at PKR 10.0bn down by -33%y/y. As a result, the bank's total revenue stood at PKR 66.0bn (down by -13%y/y). Moreover, NBP recorded operating expenses of PKR 31.3bn (up by +5%y/y), with the bank's cost/income ratio inclining to 47% (3QCY25: 40%). The bank booked a provision reversal of PKR 0.8bn during 3QCY26 compared to a provision reversal of PKR 3.9bn in the same period last year. The tax charge for this quarter was recorded at PKR 19.0bn (effective tax rate of 53% same as 3QCY25). The total tax charge for 9MCY26 clocked in at PKR 53.9bn with an effective tax rate of 52% compared to 53% in the same period last year.

Recommendation: We have 'BUY' stance on NBP with our Dec-26 Target Price of PKR 290/share offering 87% upside from last close. The bank is trading at CY27 P/B of 0.7x and CY27 DY of 23%.

Exhibit: Financial Highlights National Bank Of Pakistan (NBP)

Latest result published for 3Q'/26

Period (PKRbn)	3Q'/26	3Q'/25	2Q'/26	9M'26	9M'25
Net Interest Income	56.0	60.7	48.1	156.1	191.3
Fee Income	4.3	5.0	6.8	17.9	19.7
Treasury Income	5.7	9.8	11.4	19.6	21.6
Non-Interest Income	10.0	14.8	18.1	37.5	41.4
Total Revenue	**66.0**	**75.5**	**66.2**	**193.6**	**232.6**
Op. Exp.	31.3	29.8	35.5	193.6	232.6
Provision charge	0.8	3.9	1.8	0.0	0.0
Profit Before Tax	35.4	49.5	32.5	387.2	465.3
Tax	19.0	26.4	16.8	53.9	76.1
Profit After tax	**16.5**	**23.2**	**15.7**	**48.9**	**66.6**
EPS	**7.75**	**10.89**	**7.37**	**22.98**	**31.32**
DPS	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Source: Company accounts, IGI Research. No. of shares: 2127.5mn

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- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

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