

Commercial Banks

NBP: CY25 Management Call Takeaways

- National Bank of Pakistan (NBP) held an investor briefing session to discuss the CY25 financial results and provide key insights on the future outlook for the Bank.
- To recall, the Bank reported CY25 earnings of PKR 85.9bn (EPS PKR 40.4), compared to earnings of PKR 26.9bn (EPS PKR 12.6) in the similar period last year. On quarterly basis, the bank reported earnings of PKR 19.3bn (EPS PKR 9.1) during 4QCY25 reflecting a decrease of -17%q/q.
- The bank's deposit grew by 14.6%/y/y to 4.4tn, with a strong focus on current account mobilization and maintaining a high-quality CASA ratio which stood at 81.3% at the end of CY25.
- The management highlighted that the gross advances declined by -3.5%/y/y to PKR 1.6tn in CY25, due to subdued demand mainly in corporate/public sector entities. However, the bank remains the largest provider of agricultural and single consumer loans with a loan book of PKR 133bn and PKR 87bn respectively.

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Key highlights from management conference call

- With regards to the disbursement of 4QCY25 dividend, the management clarified that the bank has not yet received approval from the federal cabinet as cabinet meetings have faced temporary delays due to the ongoing geopolitical situation. The management further stated that the bank is not permitted by law to issue interim or quarterly dividends and can only declare dividends on fully audited annual accounts.
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- The Bank's investments portfolio increased by 6.7%/y/y reaching PKR 4.9tn. The management informed that 70% of the PIBs in the portfolio are floaters with an average spread of 100bps above T-Bills and maturity of 2.7 years. However, the total portfolio duration is 0.75 years.
- NBP has a strong capital adequacy position with the CAR standing at 26.21% as at Dec-2025, well above the regulatory limit of 13%. The leverage ratio also stood at 4.37% above the SBP limit of 3%.
- The management highlighted that the gross advances declined by -3.5%/y/y to PKR 1.6tn in CY25, due to subdued demand mainly in corporate/public sector entities. However, the bank remains the largest provider of agricultural and single consumer loans with a loan book of PKR 133bn and PKR 87bn respectively.
- With regard to the bank's pension liabilities the management informed that the liabilities are fully accounted for, ensuring no financial hit will be caused from this issue.
- The bank has also made considerable progress in the Islamic Banking segment, with assets increasing by +95%/y/y to PKR 652bn. The management highlighted that the Bank is currently operating 312 full-fledged Islamic branches and 350 hybrid branches. The bank has a total network of 1503 branches, and plans to further expand this network on a strategic basis.

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