

Result Review: Record high 9-Month Profit in 9MCY25

REP-300

Result Highlights

- The Bank of Punjab (BOP) reported earnings of PKR 5.0bn (EPS: PKR 1.54) for 3QCY25, reflecting a robust 41% YoY and a 6% QoQ increase. This took the bank's 9MCY25 profitability to PKR 11.5bn, up 39% YoY. Alongside the results, the bank did not announce any dividend, consistent with its historical payout trend.
- On the balance sheet front, BOP's deposits were recorded at PKR 1.9trn as of Sep'25.
- Earnings momentum was primarily driven by a sharp improvement in net interest income (NII).
- In terms of core operations, the bank's NII stood at PKR 22.6bn in 3QCY25, marking a 61% YoY increase. This growth was primarily driven by improved spreads, as interest income declined by 28% YoY but was more than offset by a sharper 43% YoY reduction in interest expenses, resulting in a net positive impact on income.
- In 3QCY25, non-funded income declined by 4% YoY but increased by 12% QoQ, primarily due to a 73% YoY drop in capital gains on securities, which stood at PKR 734mn compared to PKR 2.7bn in the same period last year.
- However, fee income rose 17% YoY to PKR 3.6bn, while FX income turned positive at PKR 908mn, compared to a loss of PKR 101mn in the same period last year.
- On the provisioning front, the bank recorded a provision of PKR 1.7bn in 3QCY25, compared to a reversal of PKR 128mn in 3QCY24 and a reversal of PKR 533mn in the prior quarter.
- Operating expenses grew by 19% YoY, reaching PKR 15.4bn. Despite the increase, the cost-to-income ratio improved to 54.4% in 3QCY25, compared to 64.9% in the same period last year.
- The effective tax rate for the bank was set at 54.5% during 3QCY25 vs 48.9% in 3QCY24.

Exhibit: Financial Highlights (Consolidated)

(PKR mn)	9MCY25a	9MCY24a	YoY	3QCY25a	3QCY24a	YoY	QoQ
Income Statement							
Interest Earned	202,126	265,538	-24%	67,111	92,757	-28%	2%
Interest Expensed	143,647	234,803	-39%	44,450	78,655	-43%	-2%
NII	58,479	30,736	90%	22,661	14,101	61%	9%
NFI	15,168	15,823	-4%	5,635	5,858	-4%	12%
Total Income	73,647	46,559	58%	28,296	19,959	42%	10%
Total provisions	2,197	(3,566)	nm	1,732	(128)	nm	nm
OPEX	45,390	35,463	28%	15,390	12,941	19%	0%
PBT	26,061	14,661	78%	11,174	7,146	56%	3%
Taxation	14,459	6,194	133%	6,092	3,491	74%	-1%
PAT*	11,512	8,274	39%	5,032	3,566	41%	6%
EPS(PKR)	3.52	2.53		1.54	1.09		
DPS (PKR)	1.0	-		-	-		
Balance Sheet							
Net Advances	786,174	628,666	25%				8%
Deposits	1,884,917	1,573,046	20%				-3%
Investments	1,442,886	1,209,311	19%				1%
Borrowings	389,989	308,543	26%				62%
Ratio Analysis							
BVPS (PKR)	29.43	23.66					
ADR	41.71%	39.96%					
IDR	76.55%	76.88%					
NIMs	3.07%	2.14%					
Cost to Income	61.63%	76.17%		54.39%	64.84%		
Effective Tax Rate	55.48%	42.25%		54.52%	48.86%		
Source (s): Company Financials, AHL Research, *profit attributable to equity shareholders of the bank, EPS @current number of shares							

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