Pakistan Banks | 3QCY26

CHASE SECURITIES
Pakistan (Private) Limited

16th October 2026
Umer Serang

UBL | Quarterly Earnings Review

P&L Summary

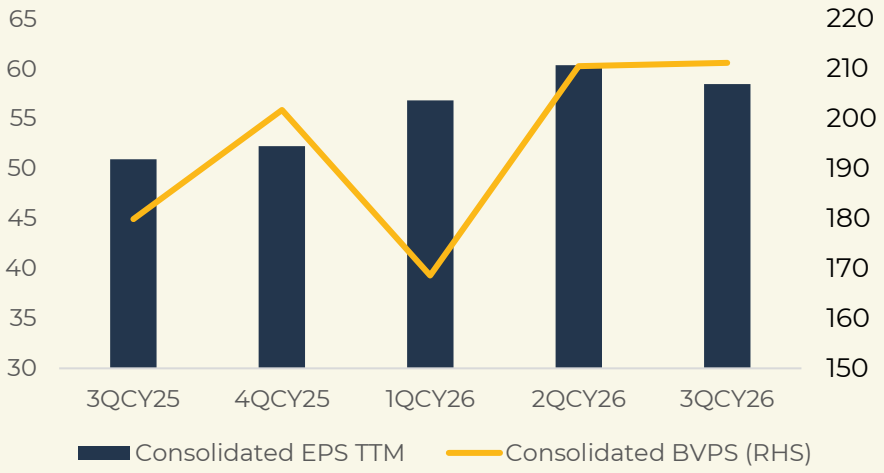
PKR Mn	3QCY26	2QCY26	QoQ	3QCY25	YoY
Net Interest Income	93,310	90,291	3%	91,984	1%
Non-Interest Income	24,315	32,266	-25%	14,409	69%
Total Income	**117,625**	**122,557**	**-4%**	**106,393**	**11%**
Operating Expenses	52,766	46,873	13%	31,034	70%
Pre-Provision Profit	**63,472**	**74,180**	**-14%**	**73,845**	**-14%**
Provisions	253	3,753	-93%	822	-69%
Profit Before Tax	63,724	77,933	-18%	74,667	-15%
Taxation	33,074	40,446	-18%	39,305	-16%
Profit After Tax	**30,651**	**37,487**	**-18%**	**35,362**	**-13%**
EPS (PKR)	12.24	14.97	-18%	14.12	-13%
DPS (PKR)	8.00	8.00	0%	8.00	0%

Analyst Note:

UBL reported consolidated EPS of PKR 12.24, underperforming our estimate of PKR 13.83. This was driven by the following factors:

- Net interest income rose 3% QoQ and 1% YoY. This was below our expectations due to trimming of the investment book.
- Operating expenses rose 13% QoQ and were up 70% YoY.
- Gain on sale of securities was down 54% QoQ.

The bank's balance sheet as of 30th September also indicated aggressive trimming in its investment book by about PKR 2.4 Trn QoQ which as a result, has allowed UBL to reduce its borrowing by PKR 2.6 Trn QoQ. Alongside this, the bank reported strong deposit growth of 6% QoQ and 36% YoY.



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Rating Definition	
Buy	Total stock return > 15%
Neutral	Total stock return between 0% -15%
Sell	Total Stock return < 0%

* Total stock return = capital gains + dividend yield

Valuation Methodology:

- Period end target prices, Chase Securities Pakistan Private Limited uses different valuation methodologies including but not limited to:
- Discounted cash flow (DCF, DDM)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return o arrive at our based methodologies (EVA, Residual Income etc.)