BANKING | Q3 2026 EARNINGS I DSE

Bank earnings, Q3 2026: a sector pulling apart

We analyse the July–September and January–September results of 26 DSE-listed banks: who is growing, who is slipping, which banks are losing money, what the numbers say about profitability, cash generation and book value, how the shares are valued at the 29 October 2026 close, and the main risks and upside for investors.

1 Results at a glance

15 of 26
banks grew nine-month EPS year on year

6
banks earned less than in the first nine months of 2025

5
banks are loss-making; four of those losses widened or began this year

Tk10.15
highest nine-month EPS (Pubali Bank, up 74%)

Third-quarter results confirm what the half-year numbers suggested: Bangladesh's banking sector is splitting into two groups. A core of well-capitalised private banks is growing earnings strongly, while a group of weaker, mostly troubled banks is posting losses that in several cases are getting bigger.

Among the 21 banks that were profitable in both years, the median change in nine-month EPS was **+20%**. Five banks are in the red, led by AB Bank (Tk−31.46 a share), Islami Bank Bangladesh (Tk−20.41), IFIC (Tk−13.04) and state-owned Rupali Bank (Tk−10.58).

On prices at the 29 October 2026 close, the 21 profitable banks trade at a median of **4.7 times** annualised nine-month earnings, and most of the banks we could check trade below book value.

2 Every bank, side by side

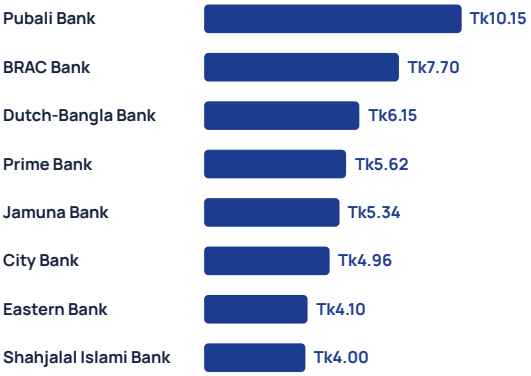
Bank	Q3 '26	Q3 '25	Q3 change	9M '26	9M '25	9M change	Price 29 Oct	P/E*
NINE-MONTH EPS UP · 15								
Pubali Bank	5.76	2.13	+170.4%	10.15	5.83	+74.1%	42.9	3.2x
BRAC Bank	2.63	2.20	+19.5%	7.70	5.29	+45.6%	67.5	6.6x
Dutch-Bangla Bank	1.80	1.48	+21.6%	6.15	2.52	+144.0%	46.6	5.7x
Prime Bank	2.07	1.80	+15.0%	5.62	5.16	+8.9%	29.4	3.9x
Jamuna Bank	1.31	1.13	+15.9%	5.34	4.44	+20.3%	23.5	3.3x
City Bank	1.95	2.41	−19.1%	4.96	4.13	+20.1%	29.8	4.5x
Eastern Bank	1.43	1.42	+0.7%	4.10	3.56	+15.2%	23.7	4.3x
Shahjalal Islami Bank	1.23	1.02	+20.6%	4.00	3.50	+14.3%	17.3	3.2x
Uttara Bank	1.32	1.31	+0.8%	3.55	2.76	+28.6%	21.3	4.5x
Bank Asia	1.47	0.27	+444.4%	3.24	2.37	+36.7%	17.0	3.9x
NCC Bank[1]	0.93	0.11	+745.5%	3.01	1.97	+52.8%	15.4	3.8x
Southeast Bank	0.38	0.43	−11.6%	1.91	1.37	+39.4%	11.9	4.7x
Midland Bank[1]	0.63	0.40	+57.5%	1.05	0.58	+81.0%	17.2	12.3x
NRBC Bank	−0.03	0.01	Into loss	0.58	0.10	+480.0%	8.9	11.5x
SBAC Bank	0.03	0.01	+200.0%	0.20	0.15	+33.3%	6.6	24.8x
NINE-MONTH EPS DOWN · 6								
Trust Bank	1.03	1.25	−17.6%	2.17	2.55	−14.9%	13.3	4.6x
Mutual Trust Bank	0.59	0.67	−11.9%	1.76	1.92	−8.3%	12.7	5.4x

Dhaka Bank	0.17	0.24	-29.2%	1.12	1.33	-15.8%	11.0	7.4x
ONE Bank	0.11	0.23	-52.2%	0.88	1.07	-17.8%	7.0	6.0x
Mercantile Bank	0.21	0.05	+320.0%	0.43	1.87	-77.0%	6.4	11.2x
United Commercial Bank	0.04	0.21	-81.0%	0.26	0.32	-18.8%	9.1	26.2x
LOSS-MAKING · 5								
ICB Islamic Bank	-0.35	-0.27	Loss wider	-1.07	-0.69	Loss wider	2.5	n/m
Rupali Bank	-3.78	-1.78	Loss wider	-10.58	-1.68	Loss wider	15.6	n/m
IFIC Bank[1]	-4.36	-3.53	Loss wider	-13.04	-9.40	Loss wider	5.0	n/m
Islami Bank Bangladesh	-12.24	0.20	Into loss	-20.41	0.62	Into loss	22.7	n/m
AB Bank	-9.83	-14.98	Loss narrower	-31.46	-34.61	Loss narrower	4.4	n/m

*EPS in Tk. Q3 = July–September; 9M = January–September; change vs the same period of 2025. Price = DSE closing price on 29 October 2026 (Tk). * P/E = price ÷ annualised nine-month EPS (9M EPS × 4/3), our calculation; n/m = not meaningful (loss-making). [1] May be standalone rather than consolidated EPS. Several 2025 comparatives were restated by the banks.*

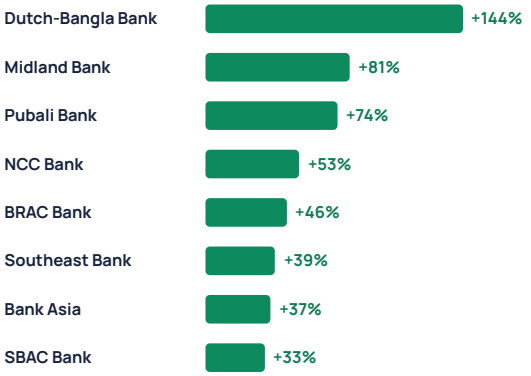
3 The leaders

Highest nine-month EPS



Tk per share, January–September 2026.

Fastest nine-month EPS growth



Year-on-year change. NRBC (+480%) excluded because its 2025 base was only Tk0.10.

- ✓ **Pubali Bank** earned Tk10.15 a share in nine months, up 74%, and Tk5.76 in Q3 alone, more than half of its nine-month total. It also generated Tk73.82 of operating cash flow per share.
- ✓ **BRAC Bank** earned Tk7.70 (+46%), with book value per share up from Tk44.84 at end-2025 to Tk56.40.
- ✓ **Dutch-Bangla Bank** more than doubled nine-month EPS to Tk6.15 from a restated Tk2.52, and has the highest book value per share in this group at Tk62.95.
- ✓ **Jamuna, Prime, City, Eastern, Shahjalal Islami and Uttara** all grew nine-month EPS by between 9% and 29%.

4 Quarterly momentum: where Q3 tells a different story

Growing for the year, slowing in Q3

- **City Bank:** nine-month EPS up 20%, but Q3 EPS down 19% (Tk1.95 vs Tk2.41).
- **Southeast Bank:** nine-month EPS up 39%, Q3 down 12%.
- **NRBC Bank:** nine-month EPS up, but a small Q3 loss (Tk-0.03).
- **Eastern Bank:** Q3 essentially flat (+0.7%) after a stronger first half.

Strong Q3 acceleration

- ✓ **Bank Asia:** Q3 EPS Tk1.47 vs Tk0.27, up 444% (off a low base).
- ✓ **NCC Bank:** Q3 EPS Tk0.93 vs Tk0.11.
- ✓ **Pubali Bank:** Q3 EPS up 170%.
- ✓ **Mercantile Bank:** Q3 EPS up to Tk0.21 from Tk0.05, although its nine-month EPS is still down 77%.

5 Profitability and book value

Bank	9M EPS (Tk)	NAV / share (Tk)	Op. cash flow / share (Tk)	Annualised return on NAV*	P/B (29 Oct)
Jamuna Bank	5.34	29.94	75.89	23.8%	0.78x
Pubali Bank	10.15	57.56	73.82	23.5%	0.75x
Prime Bank	5.62	41.09	19.66	18.2%	0.72x

BRAC Bank	7.70	56.40	53.74	18.2%	1.20x
Uttara Bank	3.55	28.99	17.02	16.3%	0.73x
Bank Asia	3.24	28.46	66.13	15.2%	0.60x
Dutch-Bangla Bank	6.15	62.95	33.33	13.0%	0.74x
Trust Bank	2.17	28.96	30.88	10.0%	0.46x
Mutual Trust Bank	1.76	25.27	39.69	9.3%	0.50x
ONE Bank	0.88	23.10	3.06	5.1%	0.30x
NRBC Bank	0.58	17.47	11.46	4.4%	0.51x
United Commercial Bank	0.26	26.60	-20.58	1.3%	0.34x
Rupali Bank	-10.58	8.49	-3.77	Loss-making	1.84x

** Our indicative estimate: nine-month EPS annualised (×4/3) divided by NAV per share at 30 September 2026. Not a reported ratio. P/B = 29 October 2026 closing price ÷ NAV per share. NAV and operating cash flow figures are shown for the 13 banks whose disclosures included them.*

- ✓ **Jamuna and Pubali lead on returns**, each earning an estimated 23–24% a year on book value, followed by BRAC and Prime at about 18%.
- ✓ **Strong cash generation** at Jamuna (Tk75.89), Pubali (Tk73.82) and Bank Asia (Tk66.13) operating cash flow per share.
- ● **UCB's operating cash flow turned negative** (Tk−20.58 a share) alongside a 19% fall in nine-month EPS.
- ● **Rupali Bank's book value more than halved**, from Tk18.15 at end-2025 to Tk8.49, as losses ate into equity.

6 Valuation: dated P/E and P/B

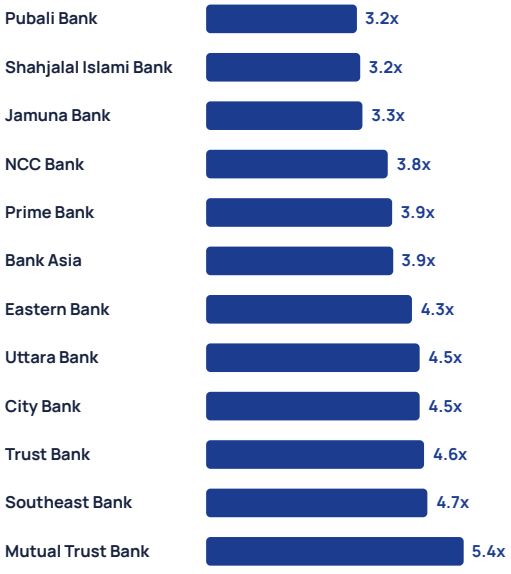
4.7x
median P/E of the 21 profitable banks (29 Oct 2026 close)

11
banks trade below 5x annualised earnings

11 of 13
banks with NAV data trade below book value

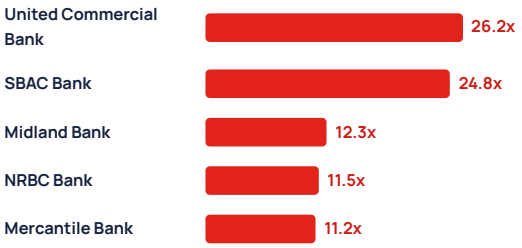
1.84x
Rupali Bank's P/B, despite a nine-month loss

Lowest P/E (profitable banks)



Price on 29 October 2026 ÷ annualised nine-month EPS.

Highest P/E



High multiples here reflect very thin earnings rather than strong growth expectations.

- ✓ **The best earners are among the cheapest.** Pubali (3.2x), Shahjalal Islami (3.2x) and Jamuna (3.3x) trade on the lowest multiples despite strong growth and returns on NAV.
- ✓ **BRAC Bank carries a quality premium**: 6.6x earnings and 1.2x book, the only bank with NAV data that trades above book apart from Rupali. The market is paying more for its consistency and franchise.
- ✓ **Deep discounts to book** at ONE (0.30x), UCB (0.34x), Trust (0.46x), Mutual Trust (0.50x) and NRBC (0.51x) show how sceptical investors are about the asset quality behind those book values.
- ● **Low multiples are not automatically bargains.** They partly reflect doubts about earnings quality, the risk of larger year-end provisions and a sector-wide discount after recent bank failures.
- ● **Rupali Bank trades at 1.84x book** even after losing Tk10.58 a share in nine months; its price is not supported by either earnings or book value.
- ● **SBAC (24.8x) and UCB (26.2x)** look expensive on earnings because their profits are very small, not because of growth.

Annualising nine-month EPS assumes Q4 earnings match the average of the first three quarters. Full-year results may differ, particularly after year-end audits and provisioning.

7 The loss-makers

- **Islami Bank Bangladesh** swung from a Tk0.62 nine-month profit to a Tk20.41 loss, with Tk12.24 lost in Q3 alone, the biggest deterioration in the sector.
- **AB Bank** has the deepest loss at Tk31.46 a share, though narrower than last year's Tk34.61.
- **IFIC Bank's** loss widened to Tk13.04 from Tk9.40.
- **Rupali Bank** (state-owned): loss of Tk10.58 against Tk1.68, with Q3 alone at Tk3.78.
- **ICB Islamic Bank:** loss widened to Tk1.07 from Tk0.69.

What is driving the losses

Losses at these banks are generally linked to asset quality: high levels of defaulted loans and the provisions banks must set aside against them, which hit profit directly. Tighter loan-classification rules and closer regulatory scrutiny have pushed more of these problems onto the income statement. The gap between healthy and troubled banks means sector averages are less useful than ever for investors.

Company-specific causes vary; see each bank's financial statements and notes for detail.

8 Risks and upside

Upside

- ✓ **Cheap on earnings and book:** Most profitable banks trade below 5x annualised earnings and below book value, leaving room for a re-rating if earnings prove durable.
- ✓ **Earnings momentum at the leaders:** Pubali, BRAC, Dutch-Bangla, Jamuna and Prime are growing nine-month EPS, and Q3 accelerated sharply at Pubali, Bank Asia and NCC.
- ✓ **Dividend capacity:** Higher nine-month profits give the stronger banks scope for larger year-end dividends, subject to Bangladesh Bank rules on capital and provisioning.
- ✓ **Rate cycle:** If inflation eases and policy rates come down, deposit costs could fall and banks' government-securities holdings could gain in value.
- ✓ **Flight to quality:** A tougher regulator and the resolution of the weakest banks could steer deposits and good borrowers towards well-run banks.
- ✓ **More time on LDC graduation:** The extension to 2029 gives exporters, and the banks that finance them, more time to adjust (see our LDC research note).

Risk factors

- **Asset quality:** Defaulted loans remain high across the sector. More classification or provisioning could cut earnings at short notice.
- **Year-end adjustments:** Q4 often brings audit adjustments and extra provisions, so annualised nine-month EPS and the P/Es built on it may prove optimistic.
- **Dividend restrictions:** Banks with capital or provisioning shortfalls can be barred or limited from paying dividends, which could also bring category downgrades.
- **Shareholder losses in bank resolution:** The five troubled Islamic banks suspended from trading pending their merger show how exposed equity holders are when a bank fails.
- **Capital needs and dilution:** Loss-making banks whose book value is shrinking (Rupali's NAV more than halved) may need fresh capital, diluting existing shareholders.
- **Rates, liquidity and growth:** High-for-longer rates raise funding costs and slow credit demand; a weaker economy would hurt loan repayment.
- **Data quality:** Figures are unaudited interim results, some comparatives were restated, and a few banks may report standalone rather than consolidated EPS.

How to read the balance

The upside is concentrated in a handful of banks that combine growing earnings, healthy returns on book value and positive operating cash flow, yet still trade at low multiples. The risks are concentrated in the loss-makers and in banks with thin profits, where low share prices reflect real uncertainty about asset quality and capital. For most investors, the gap between those two groups matters more than the direction of the sector as a whole.

9 Key takeaways

1. **A split sector**
   15 banks grew nine-month EPS, six shrank and five are loss-making. Averages hide very different outcomes.
2. **Pubali and BRAC set the pace**
   Pubali (Tk10.15, +74%) and BRAC (Tk7.70, +46%) lead on earnings, growth and book value.
3. **Dutch-Bangla's big rebound**
   Nine-month EPS up 144% to Tk6.15, with the highest NAV per share in the group.
4. **Returns on equity diverge sharply**
   Estimated annualised returns on NAV range from about 24% at Jamuna and Pubali to around 1% at UCB.
5. **Q3 cooled for some growers**
   City and Southeast posted lower Q3 EPS despite higher nine-month earnings.
6. **Islami Bank is the biggest swing**
   From a small profit to a Tk20.41 loss a share in nine months.
7. **Losses erode capital**
   Rupali's NAV per share fell 53% in nine months, a warning sign for loss-making banks.
8. **Cheap on paper**
   The 21 profitable banks trade at a median 4.7x annualised earnings, and 11 of the 13 with NAV data trade below book.
9. **Quality earns a premium**
   BRAC trades at 6.6x earnings and 1.2x book, while Pubali, Shahjalal and Jamuna sit near 3x.
10. **Cash flow matters**
    Strong operating cash flow at Jamuna, Pubali and Bank Asia contrasts with negative cash flow at UCB and Rupali.

10 What to watch next

Full-year results

Q4 earnings and dividend declarations in early 2027

Provisioning

Any change to loan-classification or provisioning rules

Asset-quality reviews

Bangladesh Bank actions on troubled banks

Merging Islamic banks

Five banks suspended pending their merger

Late reporters

Al-Arafah, Standard, National, Meghna, Modhumoti, NRB, Community; Premier pending verification

Capital adequacy

Whether loss-makers need fresh capital

Interest rates

Policy rate and deposit costs

Category changes

Banks at risk of moving to Z category if dividends are skipped

Methodology and sources

EPS, NAV and operating cash flow figures are from the banks' Q3 2026 disclosures to the Dhaka Stock Exchange (15–30 October 2026), as reported by AmarStock, Arthosuchak, The Business Standard and other market news outlets. Share prices are DSE closing prices on 29 October 2026, taken from public market-data sites. Growth rates, medians, annualised returns on NAV, P/E and P/B are Mika Securities' calculations. Premier Bank is excluded until its figures can be verified. Banks yet to disclose at the time of writing: Al-Arafah Islami, Standard, National, Meghna, Modhumoti, NRB and Community Bank. EXIM, Social Islami, First Security Islami, Union and Global Islami banks are suspended from trading pending their merger.

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