

## COMPANY PROFILE

# National Bank of Pakistan

Karachi, Pakistan

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### Company Overview

National Bank of Pakistan (NBP) is the second-largest commercial bank in Pakistan, with market shares of 12.25% in terms of total deposits and 12.54% in terms of total loans, as of 30 September 2015. As of that date, it reported total consolidated assets of PKR1.5 trillion (USD14.8 billion).

Together with its joint venture and subsidiaries, NBP provides commercial banking services, including *modaraba* management, broking, leasing, foreign currency remittances, exchange transactions, asset management and investment advisory services. As of 31 December 2015, the bank operated through a network of 1,403 domestic branches, 21 overseas branches and 3 overseas representative offices.

NBP was established in November 1949 under the National Bank of Pakistan Ordinance 1949. Its shares are listed on the Pakistan Stock Exchange (formerly known as the Karachi Stock Exchange [Stock Code: NBP]). As of 31 December 2015, the Government of Pakistan and the State Bank of Pakistan (SBP) owned a combined stake of 75.6% of its total share capital.

Note: Currency converted using exchange rate of PKR–USD0.00953, as of 30 Sep 2015

Source: *Company Reports (financial statements Sep 2015 and Dec 2014, regulatory reports)*, Moody's research, [www.psx.com.pk](http://www.psx.com.pk), [www.oanda.com](http://www.oanda.com)

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## Financial Highlights (as Reported)

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on National Bank of Pakistan, please see <[National Bank of Pakistan page on moodys.com](#)>.

### EXHIBIT 1

#### Latest Full-Year Results

National Bank of Pakistan

(in PKR Billion)	31-Dec-14	31-Dec-13	31-Dec-12	% Change 14/13	% Change 13/12
PKR/USD, Period end	0.00981	0.00936	0.01026	–	–
Total Assets	1,550	1,372	1,316	12.93	4.25
Total Shareholders' Equity	183	161	145	13.65	10.89
Shareholders' Equity excluding Minority Interest	182	160	144	13.78	10.93
Total Regulatory Capital	142	131	125	8.10	5.27
Tier 1 Ratio (%)	12.25	11.02	12.36	123 bps	(134) bps
Net Income	16	5	16	202.64	(66.11)
Net Income Attributable to Equity Holders	16	5	16	204.55	(66.11)

Notes: 1) Based on consolidated financials

2) "Tier 1 Ratio" and "Total Regulatory Capital" for Dec 2014 and Dec 2013 are stated in accordance with the Basel III – transitional phase-in framework, while the corresponding figures for Dec 2012 are in accordance with the Basel II framework

Source: Moody's research, [www.oanda.com](#)

### EXHIBIT 2

#### Latest Nine-Month Results

National Bank of Pakistan

(in PKR Billion)	30-Sep-15	30-Sep-14	% Change 15/14
PKR/USD, Period end	0.00953	0.00962	–
Total Assets	1,541	1,419	9.11
Total Shareholders' Equity	170	170	0.19
Shareholders' Equity excluding Minority Interest	169	169	0.21
Total Regulatory Capital	137	140	N/A
Tier 1 Ratio (%)	12.04	13.28	N/A
Net Income	12	14	(9.77)
Net Income Attributable to Equity Holders	11	12	(7.03)

Notes: 1) Based on unaudited consolidated financials

Source: Company Reports (financial statements Sep 2015, regulatory reports), Moody's research, [www.oanda.com](#)

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](#) for the most updated credit rating action information and rating history.

## Business Activities

NBP provides commercial banking services, including *modaraba* management, broking, leasing, foreign currency remittances, exchange transactions, asset management and investment advisory facilities. Furthermore, the bank acts as an agent for the SBP and is responsible for administering treasury transactions on behalf of the Government of Pakistan. It also offers Islamic banking facilities and trustee services.

NBP organises its activities under the following eight business segments: Corporate Finance, Trading and Sales, Retail Banking, Commercial Banking, Payment and Settlement, Agency Services, Assets Management and Retail Brokerage. For the financial year ended 31 December 2014 (2014), the largest contributor to the bank's total income was the Commercial Banking segment (74.1%).

**Corporate Finance:** This segment provides underwriting, privatisation, merger and acquisition, securitisation, research, debt (government and high yield), equity, syndication and secondary private placement services, as well as initial public offering (IPO) facilities. In 2014, it accounted for 0.7% of the bank's total income.

**Trading and Sales:** This segment offers fixed-income, equity, foreign exchange, credit, commodity, funding, lending and repo, and broking services. As of 31 December 2014, it reported total consolidated assets of PKR9.8 billion (USD95.8 million) and accounted for 0.5% of the bank's total income in 2014.

**Retail Banking:** This segment provides retail and private loans and deposits, banking, trust and estate investment advisory, merchant/commercial and private label, and retail services. As of 31 December 2014, it reported total consolidated assets of PKR253.3 billion (USD2.5 billion), and accounted for 12.1% of the bank's total income in 2014.

**Commercial Banking:** This segment offers project, export and trade finance, as well as real estate, factoring, lending, guarantee, bill of exchange and deposit services. As of 31 December 2014, it reported total consolidated assets of PKR1.3 trillion (USD12.4 billion), and accounted for 74.1% of the bank's total income in 2014.

**Payment and Settlement:** This segment provides payment and collection, clearing and settlement, and fund-transfer services. It accounted for 2.9% of the bank's total income in 2014.

**Agency Services:** This segment offers escrow, securities lending, depository receipt, corporate action, issuer and paying agent services. As of 31 December 2014, it reported total consolidated assets of PKR19.6 billion (USD192.1 million), and accounted for 8.0% of the bank's total income in 2014.

**Assets Management:** This segment provides asset management and investment advisory services. As of 31 December 2014, it reported total consolidated assets of PKR2.4 billion (USD23.4 million), and accounted for 1.5% of the bank's total income in 2014.

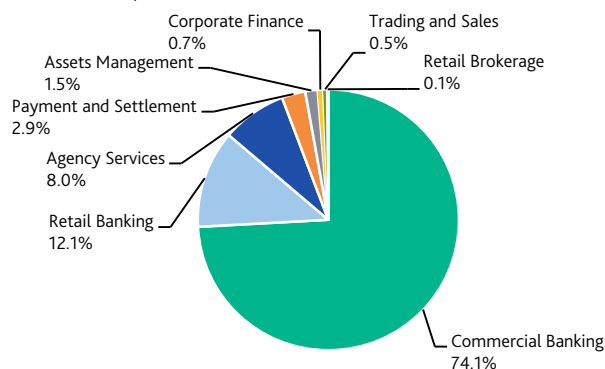
**Retail Brokerage:** This segment includes stock broking, investment advisory and fund placement services. As of 31 December 2014, it reported total consolidated assets of PKR469.9 million (USD4.6 million), and accounted for 0.1% of the bank's total income in 2014.

Note: Currency converted using exchange rate of PKR–USD0.00981, as of 31 Dec 2014  
Source: *Company Reports (financial statements Dec 2014, annual report Dec 2014)*, [www.oanda.com](http://www.oanda.com)

EXHIBIT 3

**Business Segment**

(% of Total Income, consolidated, for 2014)

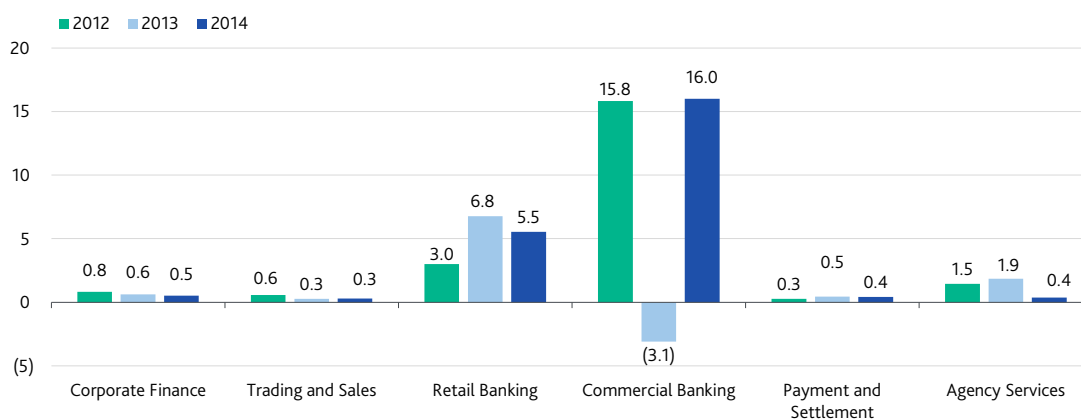


Source: Company Report (financial statements Dec 2014, Pg: 273)

EXHIBIT 4

**Net Income/(Loss) per Business Segment**

(consolidated, in PKR Billion)



Note: Excluding "Assets Management" and "Retail Brokerage" segments, due to their negligible contribution

Source: Company Reports (financial statements Dec 2014, Pg: 273 and Dec 2013, Pg: 221)

**Distribution Capacity and Market Share**

As of 31 December 2015, the bank operated through a network of 140 domestic branches (31 December 2014: 1,354), 21 overseas branches (2014: 23) and 3 overseas representative offices. In addition, it provides products and services through alternative distribution channels, including ATMs and online banking.

The geographical breakdown of the bank's profit before tax was as follows:

## EXHIBIT 5

**National Bank of Pakistan**

Region	Profit Before Tax (%)*	
	2014	2013
Pakistan	99.8	90.1
Middle East	0.2	9.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

\* Excluding Asia Pacific (including South Asia), the US and Europe due to their negative contributions

As of 30 September 2015, NBP was the second-largest commercial bank and the largest government-owned bank in Pakistan, with market shares of 12.54% in terms of total loans and 12.25% in terms of total deposits.

Source: Company Reports (financial statements Sep 2015 and Dec 2014, annual report Dec 2014), Moody's research

## Ownership and Structure

As of 31 December 2015, NBP had 2,127,513,026 ordinary shares in issue, listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange), which is regulated by the Securities and Exchange Commission of Pakistan (Stock Code: NBP). As of 31 December 2015, the Government of Pakistan and SBP owned 75.6% of its total share capital.

Source: Company Report (financial statements Dec 2014), Securities and Exchange Commission of Pakistan, [www.psx.com.pk](http://www.psx.com.pk)

## Ownership Structure

As of 31 December 2014, the shareholding structure of the bank was as follows:

## EXHIBIT 6

**National Bank of Pakistan**

Shareholder	No. of Shareholders	No. of Shares	% Share
<b>Government of Pakistan</b>			
Federal Government of Pakistan	1	6,238,919	0.29
Pakistan Atomic Energy Commission	1	679,424	0.03
Privatisation Commission of Pakistan Ministry of Privatisations and Investments	1	1,656,788	0.08
<b>State Bank of Pakistan</b>	<b>1</b>	<b>1,599,845,728</b>	<b>75.20</b>
<b>Associated Companies, Undertakings and Related Parties</b>			
Taurus Securities Limited	1	11,475	0.00
CDC-Trustee NAFA Stock Fund	1	484	0.00
CDC-Trustee NAFA Multi Asset Fund	1	164,071	0.01
CDC-Trustee NAFA Asset Allocation Fund	1	24,000	0.00
<b>Mutual Funds</b>	<b>31</b>	<b>41,884,741</b>	<b>1.97</b>

## EXHIBIT 6

## National Bank of Pakistan

Shareholder	No. of Shareholders	No. of Shares	% Share
<b>Directors, Chief Executive Officers and their Spouses and Minor Children</b>			
Syed Ahmad Iqbal Ashraf	1	25,000	0.00
Tariq Kirmani	1	44,168	0.00
<b>Executives</b>	<b>6</b>	<b>33,300</b>	<b>0.00</b>
<b>Public Sector Companies and Corporations</b>	<b>7</b>	<b>68,270,372</b>	<b>3.21</b>
<b>Banks, Development Financial Institutions, Non-banking Finance, Insurance, <i>Takaful</i> Companies and <i>Modarabas</i></b>	<b>30</b>	<b>35,253,715</b>	<b>1.66</b>
<b>General Public</b>			
Local	12,432	90,272,869	4.24
Foreign	55	686,147	0.03
<b>Foreign Companies</b>	<b>70</b>	<b>218,631,432</b>	<b>10.28</b>
<b>Local Companies</b>	<b>196</b>	<b>63,790,393</b>	<b>3.00</b>
<b>Totals</b>	<b>12,838</b>	<b>2,127,513,026</b>	<b>100.00</b>

Source: Company Report (financial statements Dec 2014)

## Subsidiaries and Associates

The bank had investments in the following subsidiaries and joint venture as of 30 September 2015:

## EXHIBIT 7

## National Bank of Pakistan

Company	% Held
<b>Subsidiaries</b>	
CJSC Subsidiary Bank of NBP in Kazakhstan	100.00
CJSC Subsidiary Bank of NBP in Tajikistan	100.00
NBP Leasing Limited	100.00
NBP Exchange Company Limited	100.00
NBP Modaraba Management Company Limited	100.00
Taurus Securities Limited	58.32
NBP Fullerton Asset Management Limited	54
First National Bank Modaraba	30
Cast-N-Link Products Limited	76.51
<b>Joint Venture</b>	
United National Bank Limited (UK)	45

Source: Company Reports (financial statements Sep 2015, consolidated financial statements Dec 2014)

## Company Management

Company Management	Current Title
Syed Ahmed Iqbal Ashraf	NBP: President and Director; Fellow of Association of Chartered Certified Accountants, UK
Aamir Sattar	NBP: Senior Executive Vice President and Chief Financial Officer, Financial Control Division

As of 15 Jan 2016

Board of Directors	Affiliation
Muneer Kamal	NBP: Chairman; Karachi Stock Exchange: Chairman, Chairman of Human Resources & Remuneration Committee and Nomination Committee and Member of Voluntary De-listing Committee; Government Holdings (Private) Limited: Director
Syed Ahmed Iqbal Ashraf	NBP: President and Director; Fellow of Association of Chartered Certified Accountants, UK: Fellow
Farrakh Qayyum	NBP: Director; Economic Advisory Committee, Ministry of Finance: Member; GEI Pakistan Pvt. Ltd.: Chief Executive Officer
Tariq Kirmani	NBP: Director; United Bank Fund Managers and Asia Care Health and Life Insurance Company: Chairman; Marie Adelaide Leprosy Centre (MALC), Pakistan Sports Trust, National Academy of Performing Arts, Professional Education Foundation and Green Star Social Marketing: Director
Iftikhar A. Allawala	NBP: Director
Muhammad Naeem	NBP: Director
Mir Balakh Sher Marri	NBP: Director; M/s Bolan Security (Pvt) Ltd., M/s Surveillance Security Solutions and M/s Index Pakistan (Pvt) Ltd.: Financial Advisor; M/s SFM Hasni Traders & Industries (Pvt) Ltd.: Technical Advisor
A. Akbar Sharifzada	NBP: Director

As of 15 Jan 2016

Source: Company data

## Company History

NBP was established in November 1949 under the National Bank of Pakistan Ordinance 1949, with issued capital of PKR15 million. The government owned 25% of its issued share capital and the general public the remainder. In 1974, NBP and all other banks in Pakistan were nationalised.

Between 1995 and 2001, the assets, liabilities and operations of the former National Development Finance Corporation and Mehran Bank Limited were amalgamated with NBP, following a decision by the Government of Pakistan.

The bank was wholly owned by the Government of Pakistan until 2001, when the state sold a 10% stake to the general public through an IPO. Subsequently, the bank was listed on the Karachi Stock Exchange. In 2002, the government sold a further 10% stake in NBP to the general public. As of 31 December 2015, the Government of Pakistan directly and indirectly retained a 75.6% stake in the bank.

Source: Company Report (financial statements Dec 2014), Moody's research

## Related Websites and Information Sources

For additional information, please see:

- » the company's website: [www.nbp.com.pk](http://www.nbp.com.pk)
- » NBP Investor Relations: [investor.relations@nbp.com.pk](mailto:investor.relations@nbp.com.pk)
- » the regulator's website: [www.sbp.org.pk](http://www.sbp.org.pk)

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## Moody's Related Research

### Credit Opinion:

- » [National Bank of Pakistan](#)

### Analysis:

- » [Pakistan, Government of, April 2015 \(180926\)](#)

### Banking System Outlook:

- » [Pakistan: Economic Recovery Drives Stable Outlook; Funding and Liquidity Strong, November 2015 \(1008984\)](#)

### Country Statistic

- » [Pakistan, Government of](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.



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