



National Bank of Pakistan  
نیشنل بینک آف پاکستان



# Annual Corporate Briefing February 29, 2024

**Nature of Business** The bank is engaged in providing commercial banking and related services in Pakistan and overseas.

**Vision** To be the Nation’s leading bank enabling sustainable growth and inclusive development.

**Mission** We will achieve our vision by subscribing to the qualities captured by the word IMAGINE.

No.	Group Companies	(%)	Nature of Business	Incorporation
1	NBP Fund Management Ltd.	54%	Assets Management	2006
2	Taurus Securities Ltd.	58.3%	Equity Brokerage	1994
3	National Bank Modaraba Management Co.	100%	Modaraba Management	2003
4	NBP Exchange Company Ltd.	100%	Foreign Currency Exchange	2002
5	CJSC Subsidiary in Kazakhstan.	100%	Commercial Banking	2001

No	Shareholder Name	Shares ('Mn)	%age
1	Government of Pakistan Holding and SBP	1,609	75.6%
2	General Public	145	6.8%
3	Foreign Companies	115	5.4%
4	Insurance Companies	85	4.0%
5	Banks, DFIs, FIs, etc.	23	1.1%
6	Other	151	7.1%
<b>Total</b>		<b>2,128</b>	<b>100%</b>

## Credit Rating

PACRA

**A1+** Short Term  
**AAA** Long Term

VIS

**A-1+** Short Term  
**AAA** Long Term

## VISION

To be the Nation's leading bank enabling sustainable growth and inclusive development

## MISSION

We will achieve our vision by subscribing to the qualities captured by the word **IMAGINE**.



With a total asset base of PKR 6.7 Trillion, and accounting for ~14% of total industry assets, NBP is the largest bank in Pakistan in terms of Total Assets. NBP has been designated as a Domestic Systemically Important Bank in the country.



## Financial Position

PKR 6.7 Trillion  
Total Assets

PKR 4.4 Trillion  
Investment

PKR 1.6 Trillion  
Advances (Gross)

PKR 3.7 Trillion  
Deposits



## Profitability

PKR 209.4 Bn  
Revenue

PKR 115.7 Bn  
Pre-Provision Profit

PKR 101.3 Bn  
Profit Before Tax

PKR 51.8 Bn  
Profit After Tax



## Coverage

9 Million+  
Active Customers

1,508  
Local Branches

18  
Foreign Branches,  
JVs & Rep Offices

14,962  
Full-Time Employees

750+  
Correspondent  
Arrangements



## Financial Soundness

25.47%  
Capital Adequacy  
Ratio

176%  
Liquidity Coverage

259%  
Net Stable Funding

3.12%  
Leverage



## Asset Quality

AAA/A1+  
Credit Rating

13.53%  
Infection Ratio

92.2%  
NPL Coverage Ratio

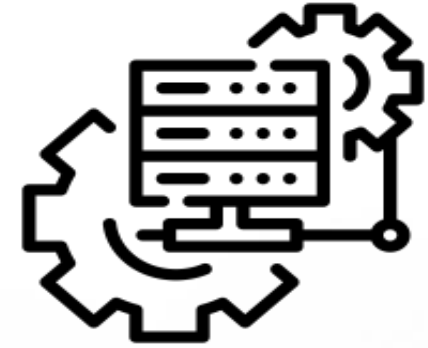
78.78%  
CASA Deposits Ratio



**75 Years Legacy of Serving the Nation**



**Largest Capitalized Bank in Pakistan With Net Assets of PKR 383 Bn**



**A Systemically Important Bank of Pakistan**



**2<sup>nd</sup> Largest Corporate Sector Advances Portfolio PKR 745 Bn**



**Largest Agricultural Advances Portfolio PKR 90 Bn**

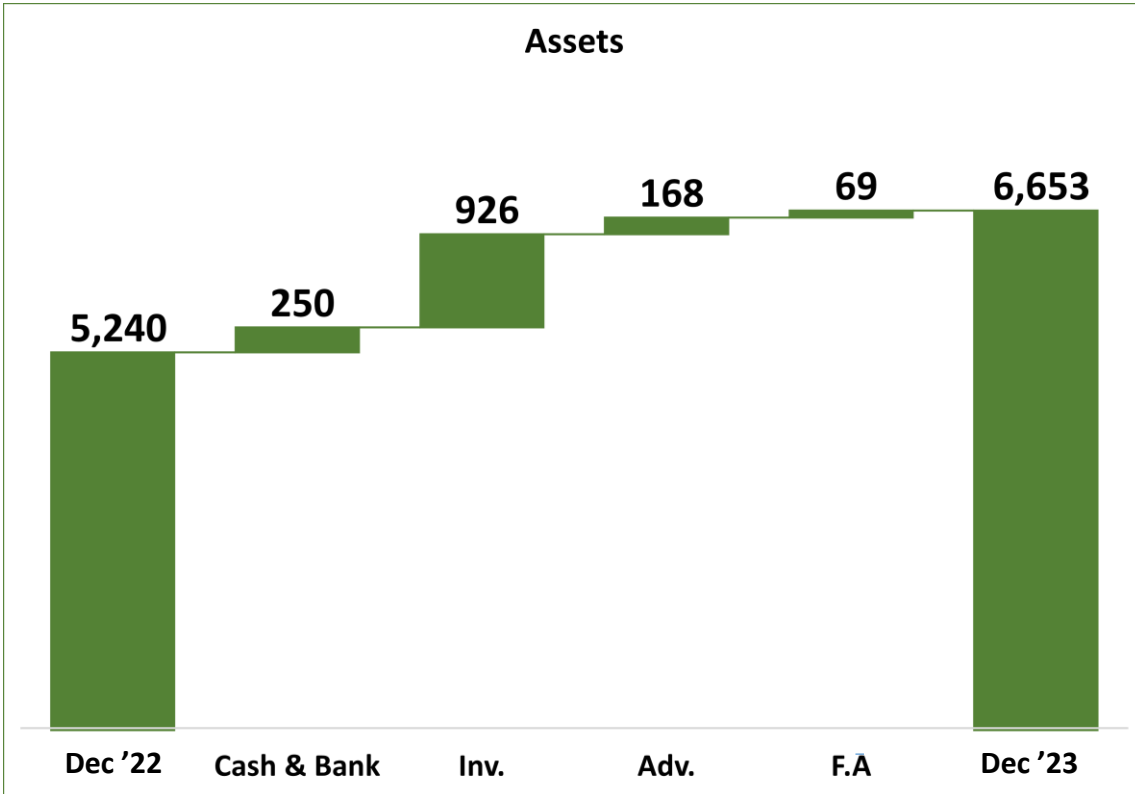


**SME Advances Portfolio PKR 124 Bn**



**Largest Personal Loans Portfolio PKR 125 Bn**

# Balance Sheet – YoY Overview



ASSETS	2023	2022	Growth	
Cash and balances	337.3	248.0	89.3	36.0%
Lendings to financial institutions	192.4	31.3	161.2	515.3%
Investments	4,403.4	3,477.4	926.0	26.6%
Advances	1,398.1	1,230.5	167.6	13.6%
Fixed assets	57.0	57.1	(0.1)	-0.2%
Others	264.5	196.0	68.5	34.9%
<b>Total Assets</b>	<b>6,652.7</b>	<b>5,240.3</b>	<b>1,412.4</b>	<b>27.0%</b>
<b>LIABILITIES</b>				
Bills payable	68.0	55.3	12.7	23.0%
Borrowings	2,177.7	1,940.5	237.3	12.2%
Deposits and other accounts	3,674.4	2,666.2	1,008.2	37.8%
Others	349.8	277.5	72.3	26.1%
<b>Total Liabilities</b>	<b>6,269.9</b>	<b>4,939.4</b>	<b>1,330.5</b>	<b>26.9%</b>
<b>Net Assets</b>	<b>382.8</b>	<b>300.8</b>	<b>81.9</b>	<b>27.2%</b>

## Total Assets

PKR 6,653 bn  
27% up from 2022

## Net Advances

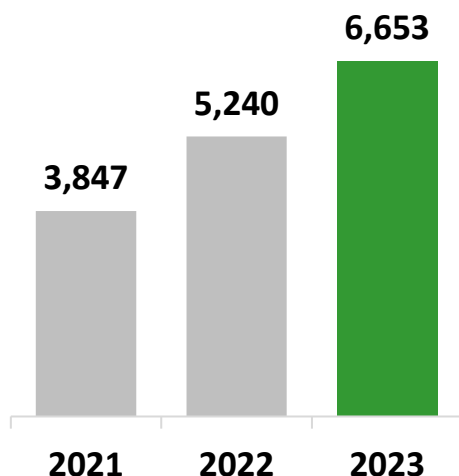
PKR 1,398 bn  
14% up from 2022

## Deposits

PKR 3,674 bn  
38% up from 2022

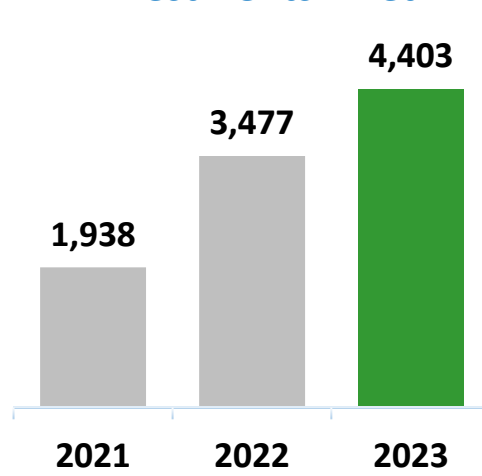
Share capital	21.3	21.3	-	
Reserves	79.1	64.1	14.9	23.3%
Surplus on revaluation of assets	63.7	42.9	20.7	48.3%
Unappropriated profit	218.8	172.5	46.2	26.8%
<b>Total</b>	<b>382.8</b>	<b>300.8</b>	<b>81.9</b>	<b>27.2%</b>

## Total Assets



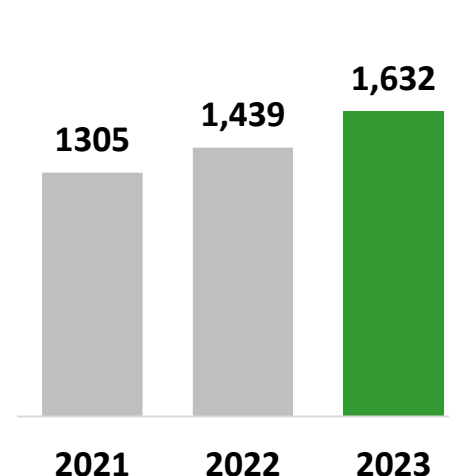
- ✓ **27%** growth from PKR 5,240 Bn at the end 2022 to PKR 6,653 Bn at the end 2023.
- ✓ These represent approximately **15.0%** of the total industry assets.
- ✓ In recent years, the Bank has achieved a balanced growth in assets-mix efficiently managing its assets-liability maturity profile.

## Investments - Net



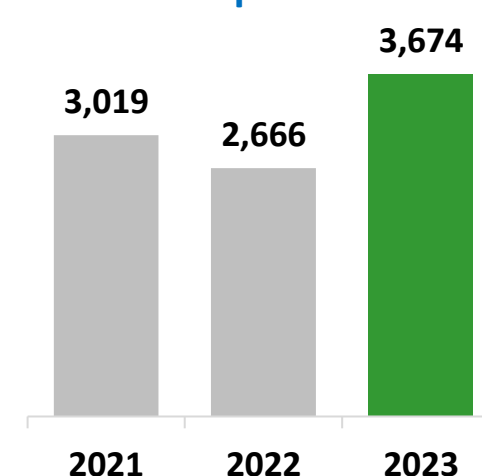
- ✓ Investments continued to make the major share of the Total Asset base of the Bank.
- ✓ **26.6%** growth from PKR 3,477 Bn at the end of 2022 to PKR 4,403 Bn at the end of 2023.
- ✓ Above **92.5%** of the Investment book is highly liquid.

## Advances - Gr.



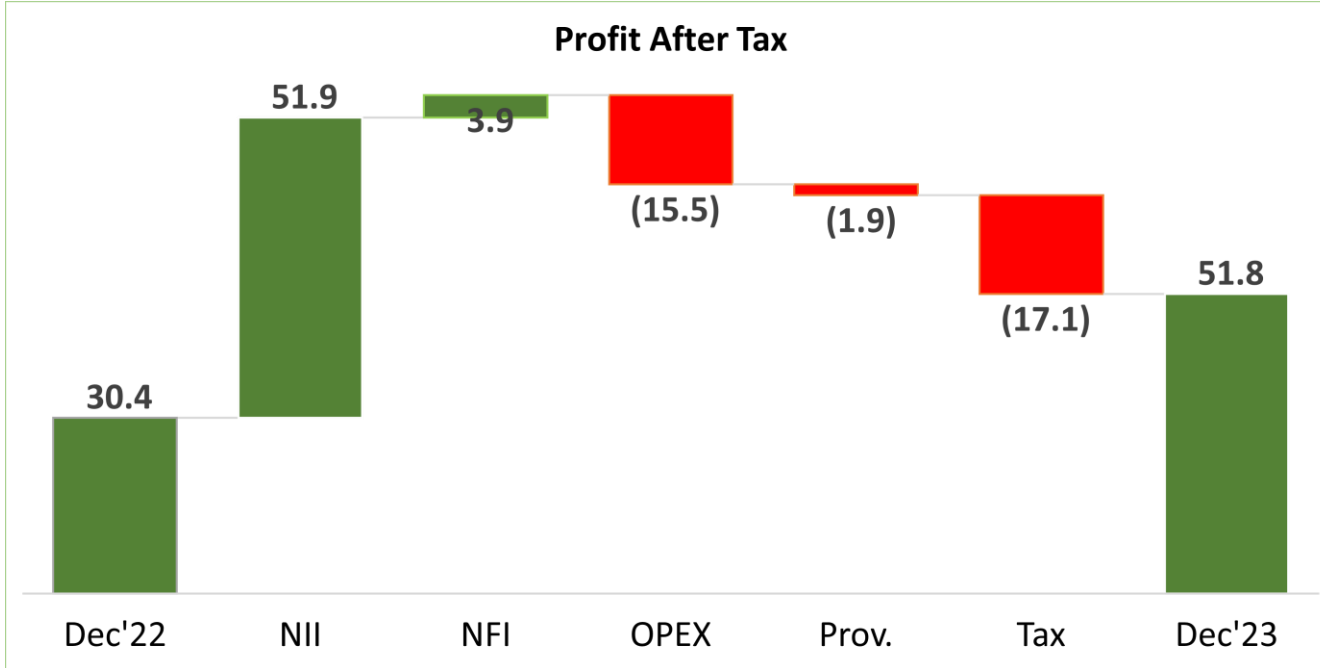
- ✓ Pursuing a prudent loan growth strategy.
- ✓ Given the limited private sector loan demand, overall loan book has recorded 24.0% growth since end of 2020.
- ✓ The Bank achieved significant growth in loan products for individuals/small business.

## Deposits



- ✓ **38%** YoY growth in Deposits from PKR 2,666 Bn to PKR 3,674 Bn.
- ✓ Customer deposits contribute **86%** of the total deposits
- ✓ CASA deposits constitute **79%** of total deposits.

# Profit and Loss – YoY Overview



**TOTAL INCOME**  
PKR 209.4bn  
36.4% up YOY

**PROFIT BEFORE TAX**  
PKR 101.3bn  
61.4% up YOY

**PROFIT AFTER TAX**  
PKR 51.8bn  
70.5% up YOY

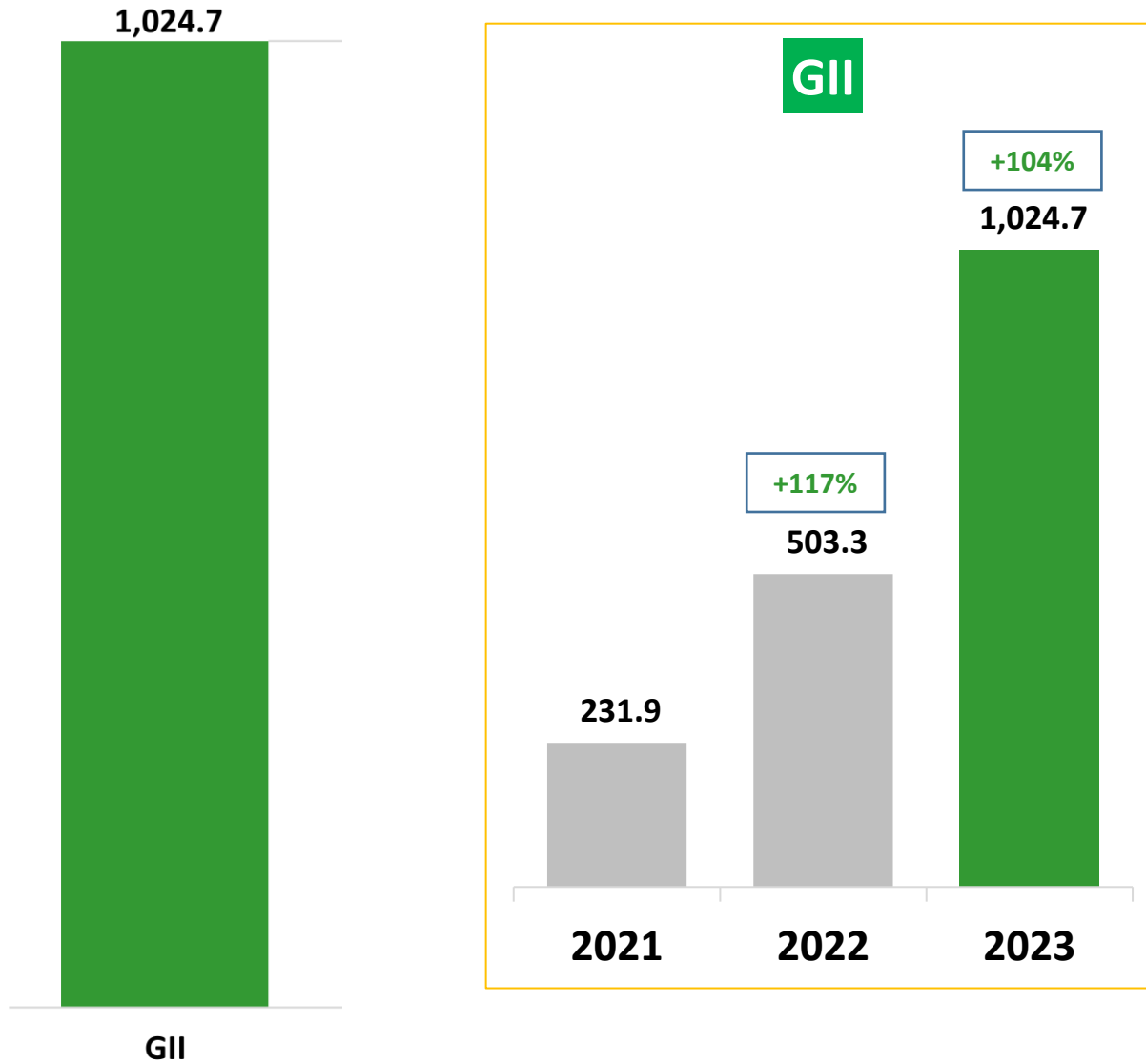
PKR'Bn

Financial Performance	2023	2022	Variance Amount	%
Mark-up / return / interest earned	1,024.7	503.3	521.3	103.6%
Mark-up / return / interest expensed	855.9	386.5	469.4	121.5%
<b>Net mark-up / Interest income</b>	<b>168.7</b>	<b>116.8</b>	<b>51.9</b>	<b>44.4%</b>
Non interest income	40.6	36.7	3.9	10.7%
<b>Total Income</b>	<b>209.4</b>	<b>153.5</b>	<b>55.8</b>	<b>36.4%</b>
Operating expense	93.6	78.2	15.5	19.8%
<b>Profit before provisions</b>	<b>115.7</b>	<b>75.3</b>	<b>40.4</b>	<b>53.6%</b>
Provisions and write offs - net	14.5	12.6	1.9	14.8%
<b>Pre-tax profit</b>	<b>101.3</b>	<b>62.7</b>	<b>38.5</b>	<b>61.4%</b>
Taxation	49.4	32.3	17.1	52.9%
<b>After-tax profit</b>	<b>51.8</b>	<b>30.4</b>	<b>21.4</b>	<b>70.5%</b>

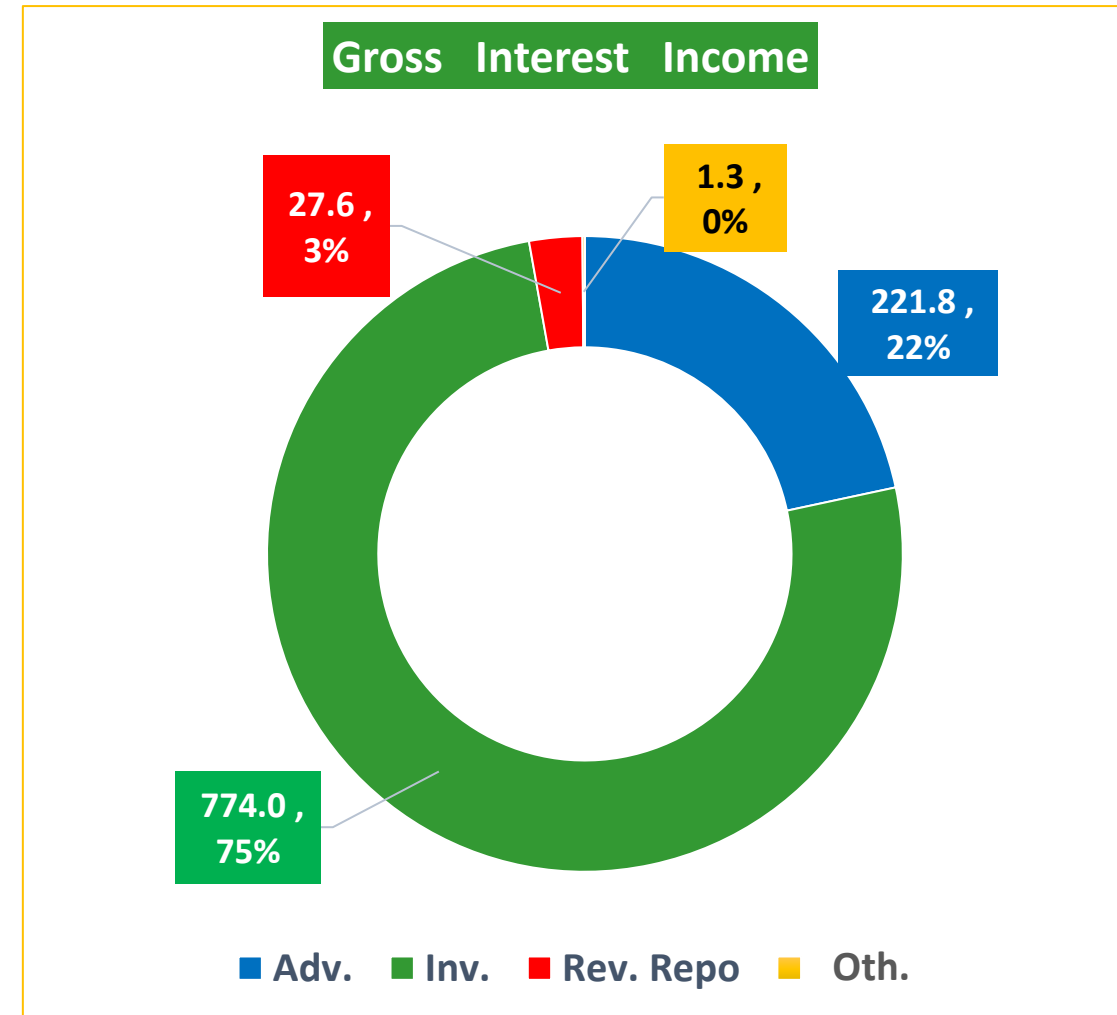
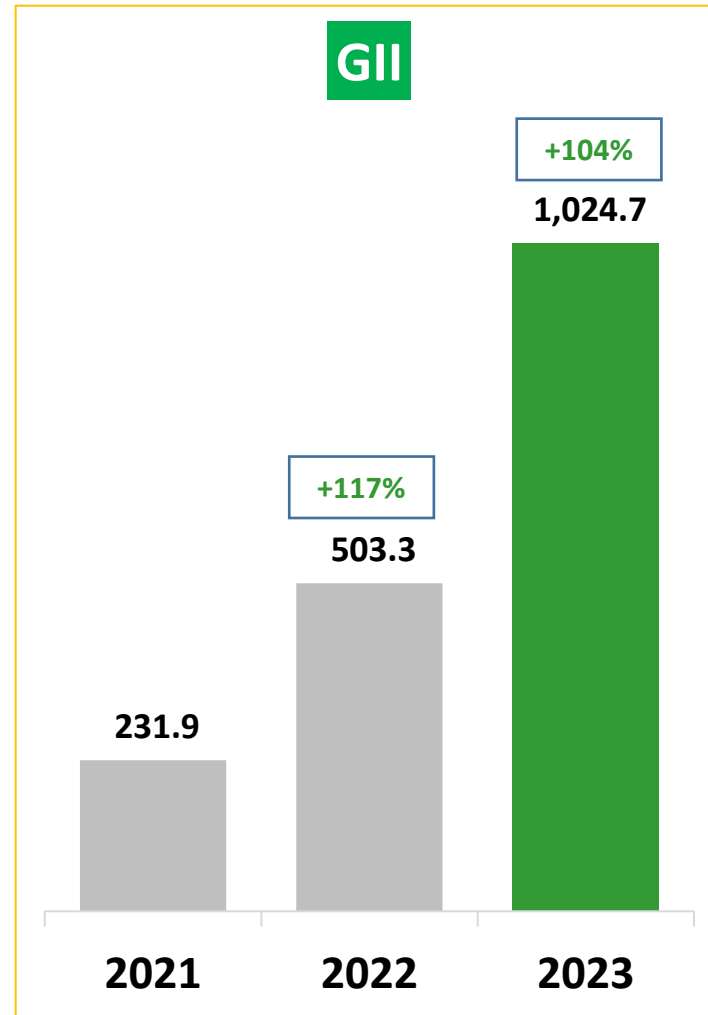
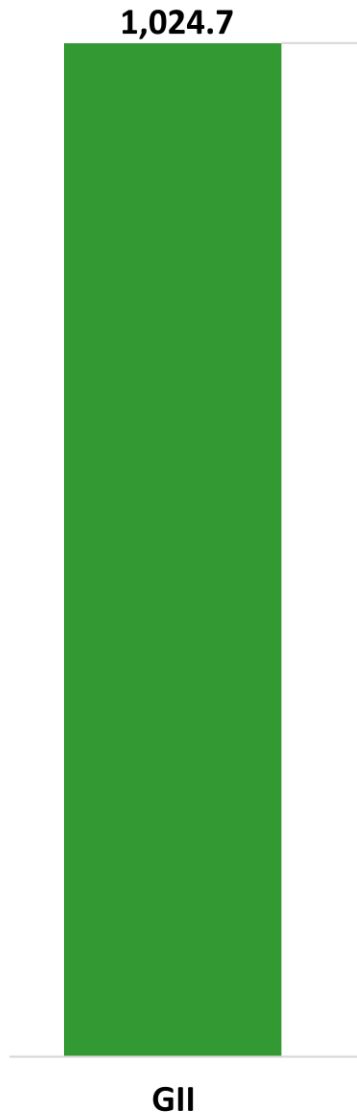
**Highest Value Generating Bank in the Country**



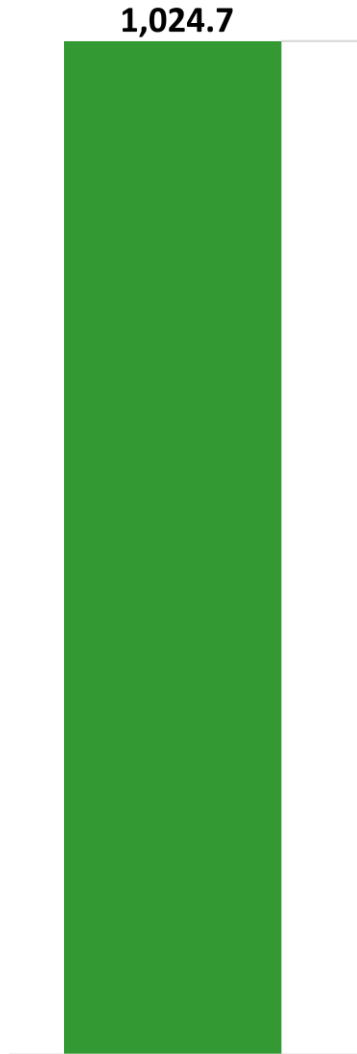
# Gross Interest Income – Composition YoY



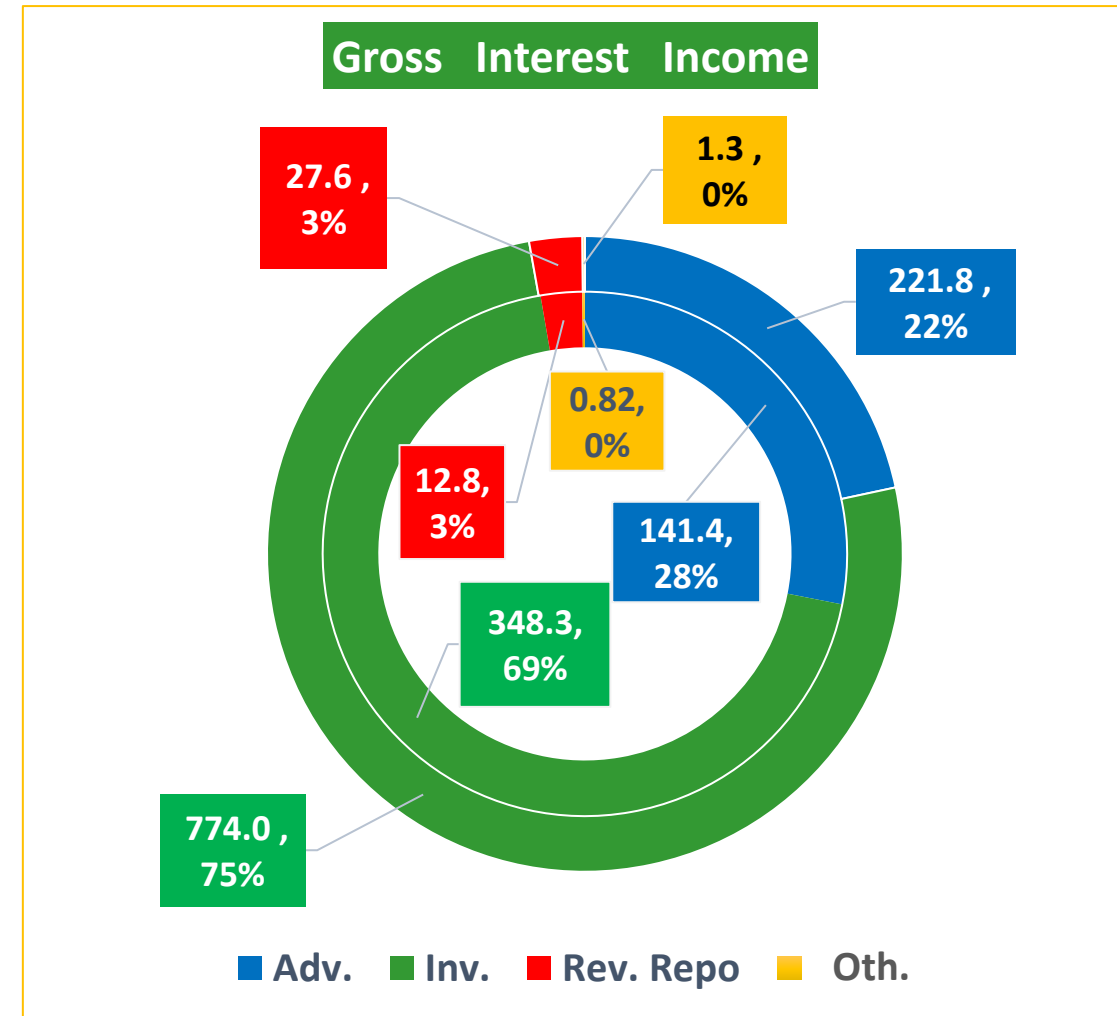
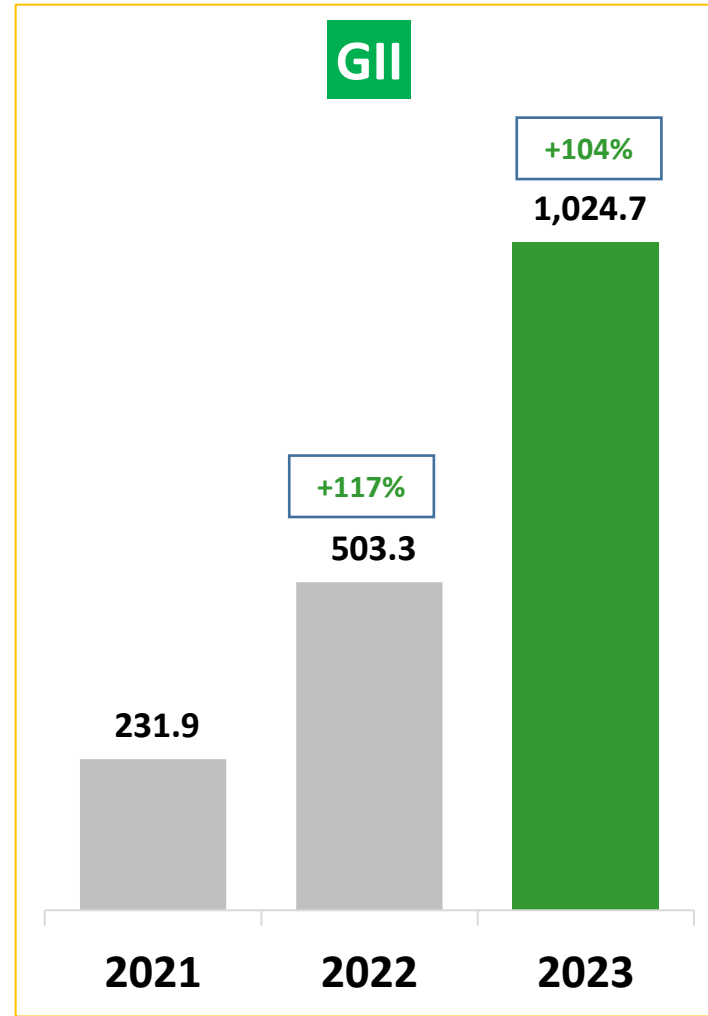
# Gross Interest Income – Composition YoY



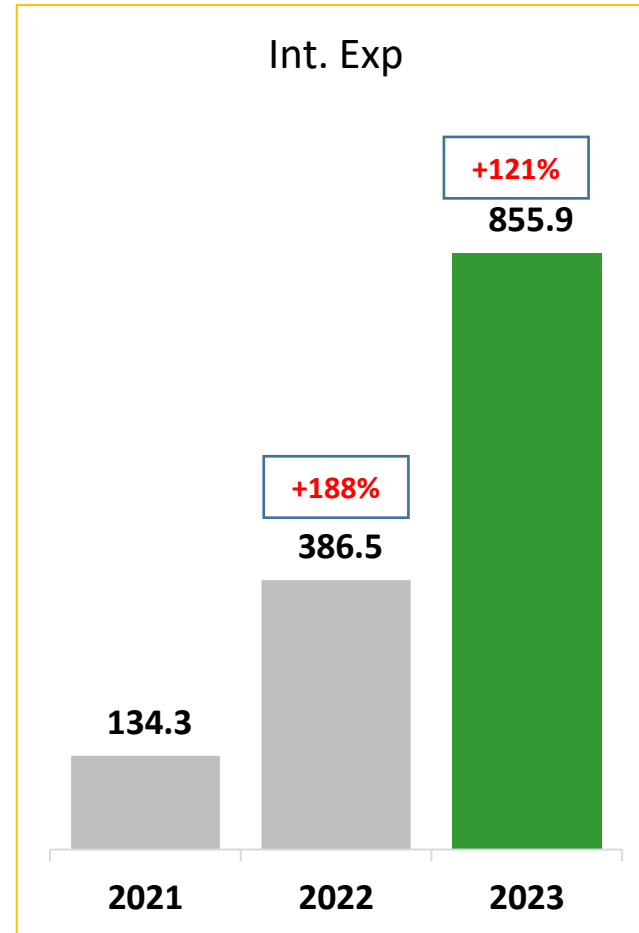
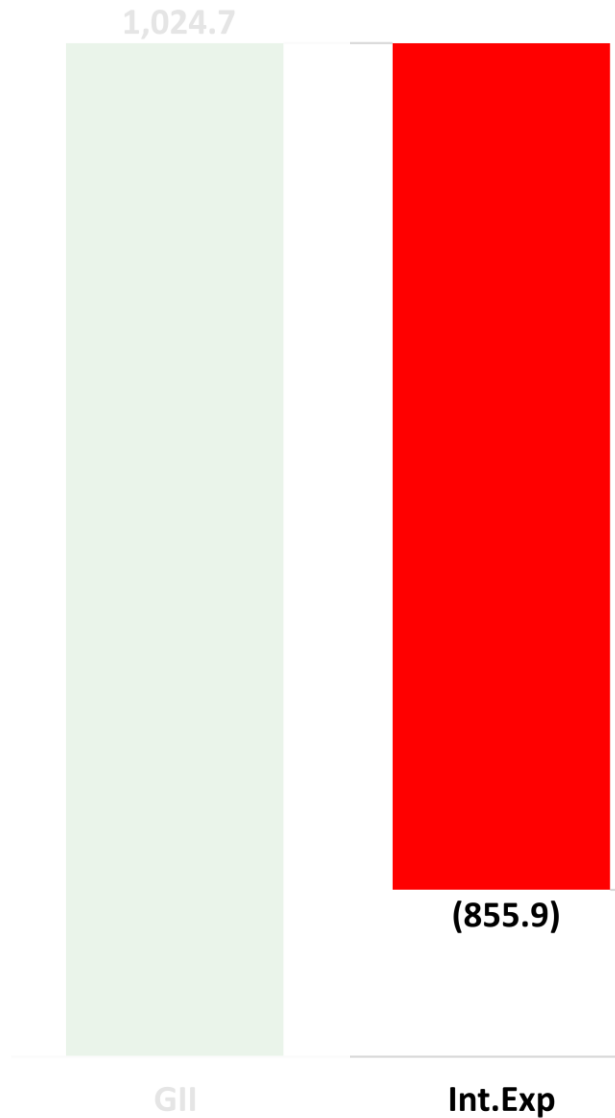
# Gross Interest Income – Composition YoY



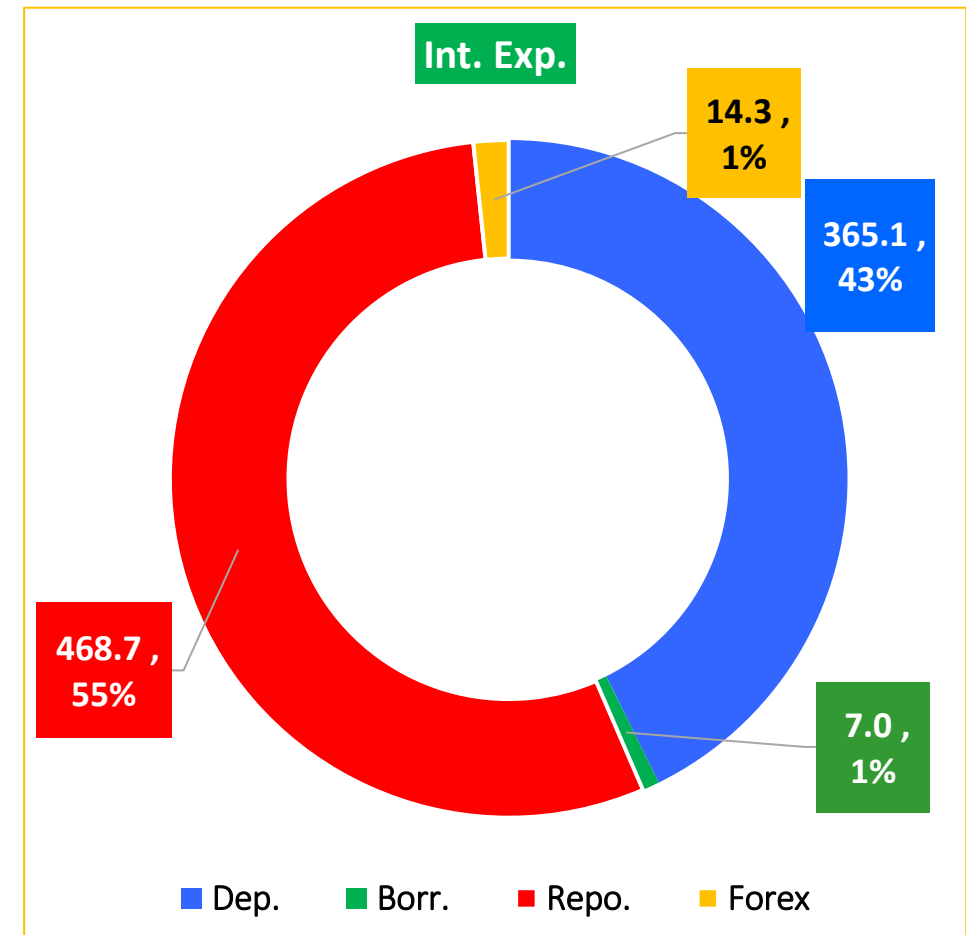
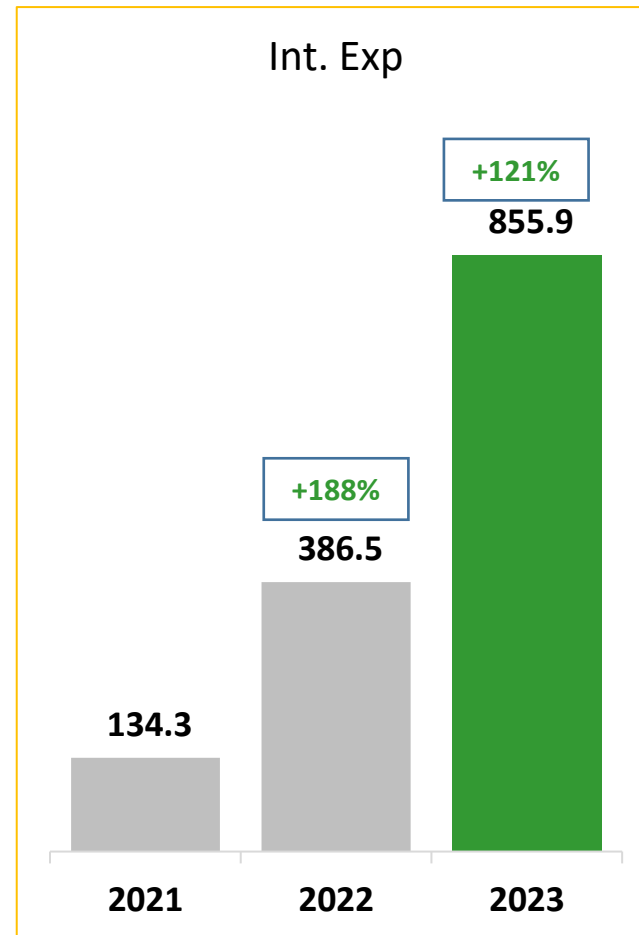
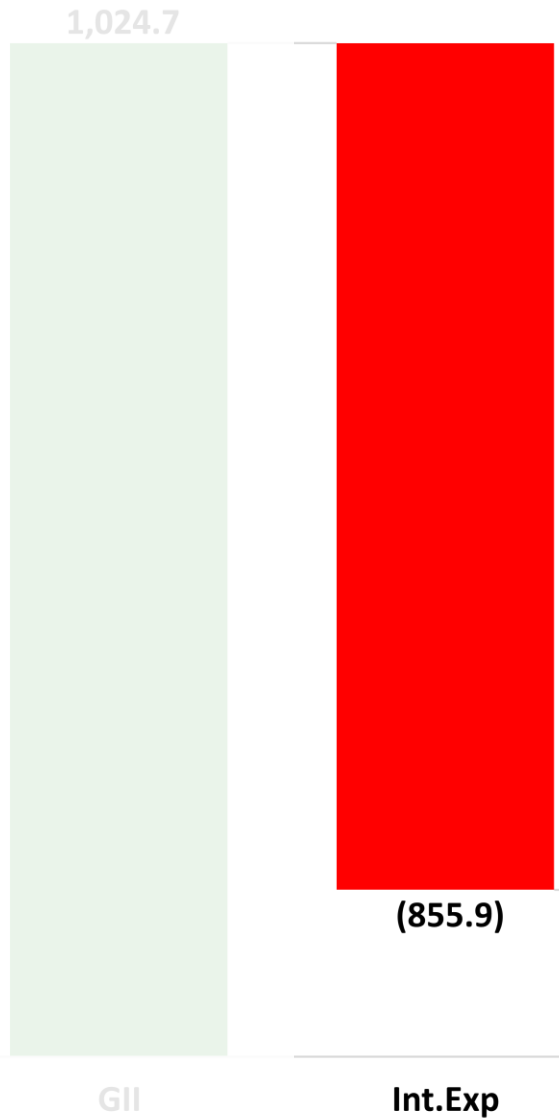
GII



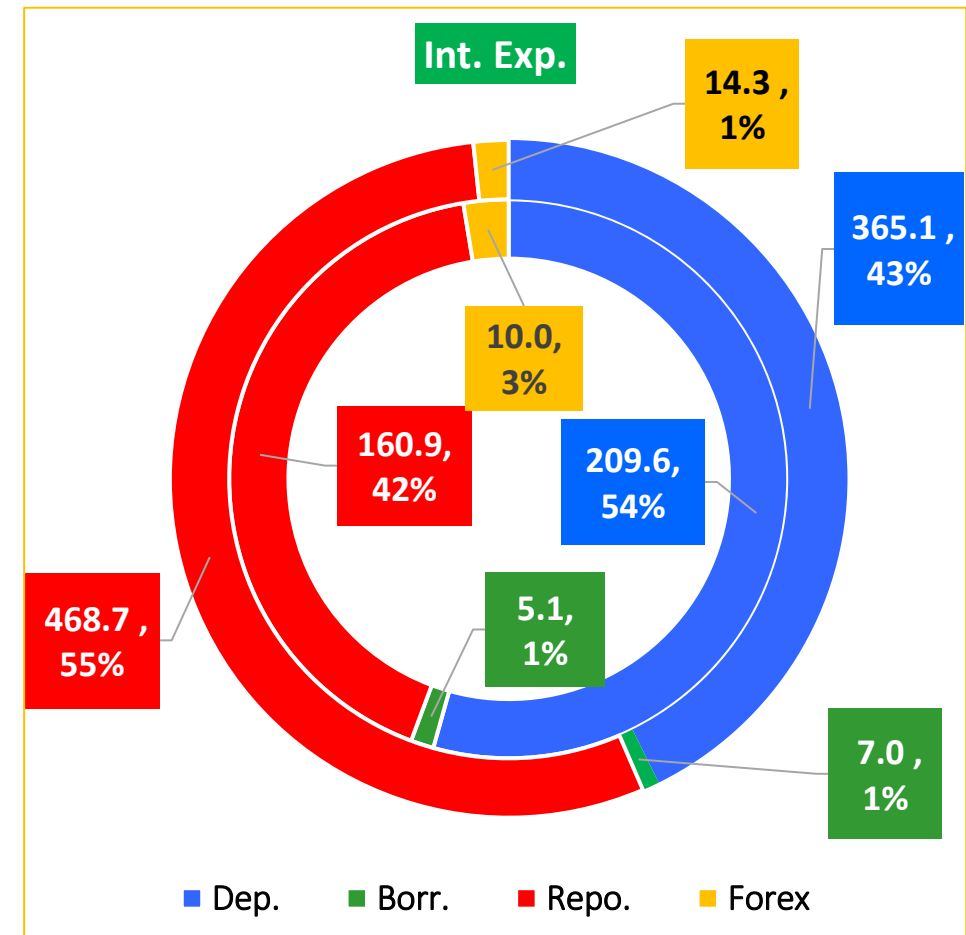
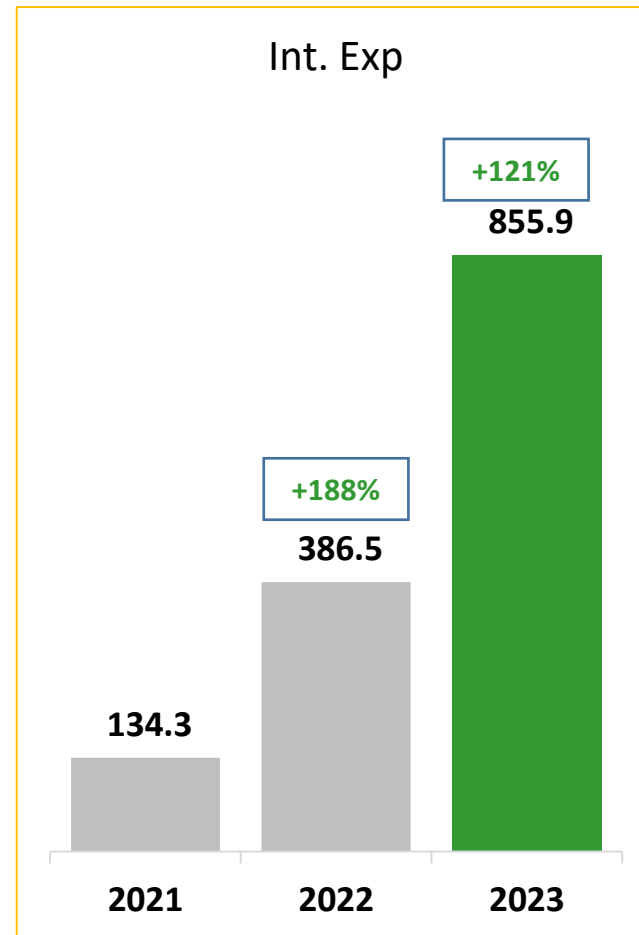
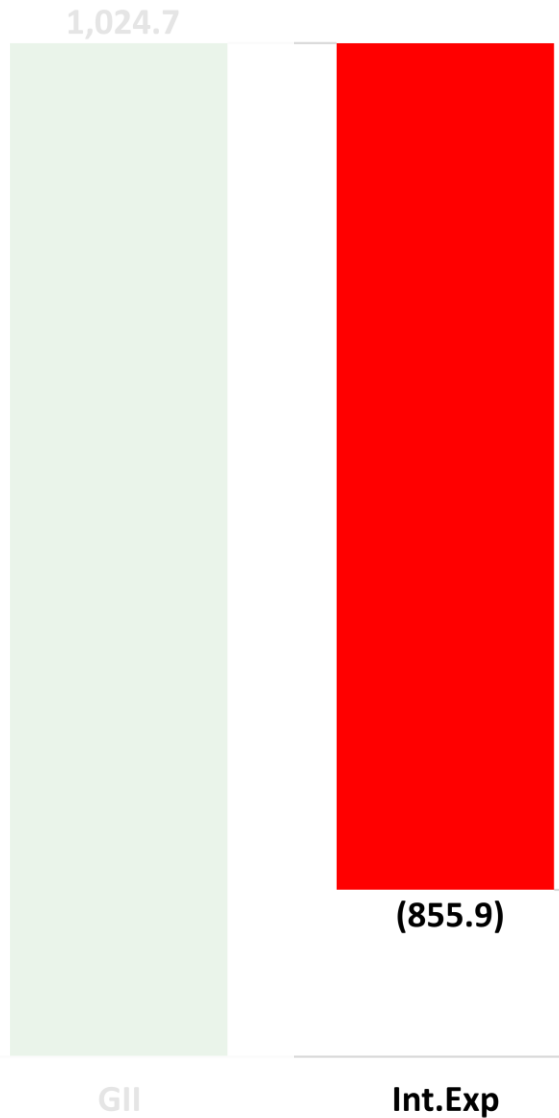
# Interest Expense – YoY Composition



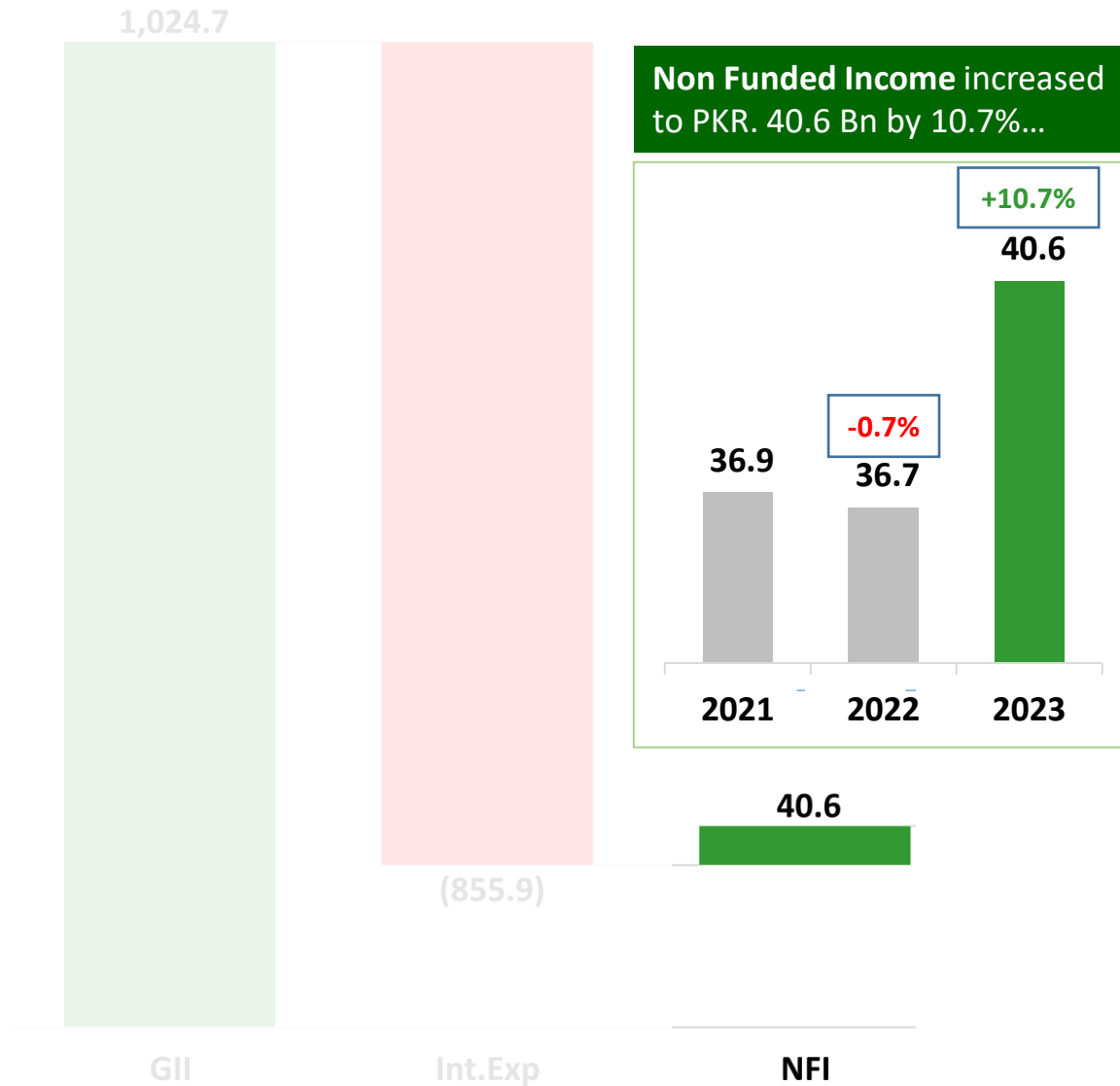
# Interest Expense – YoY Composition



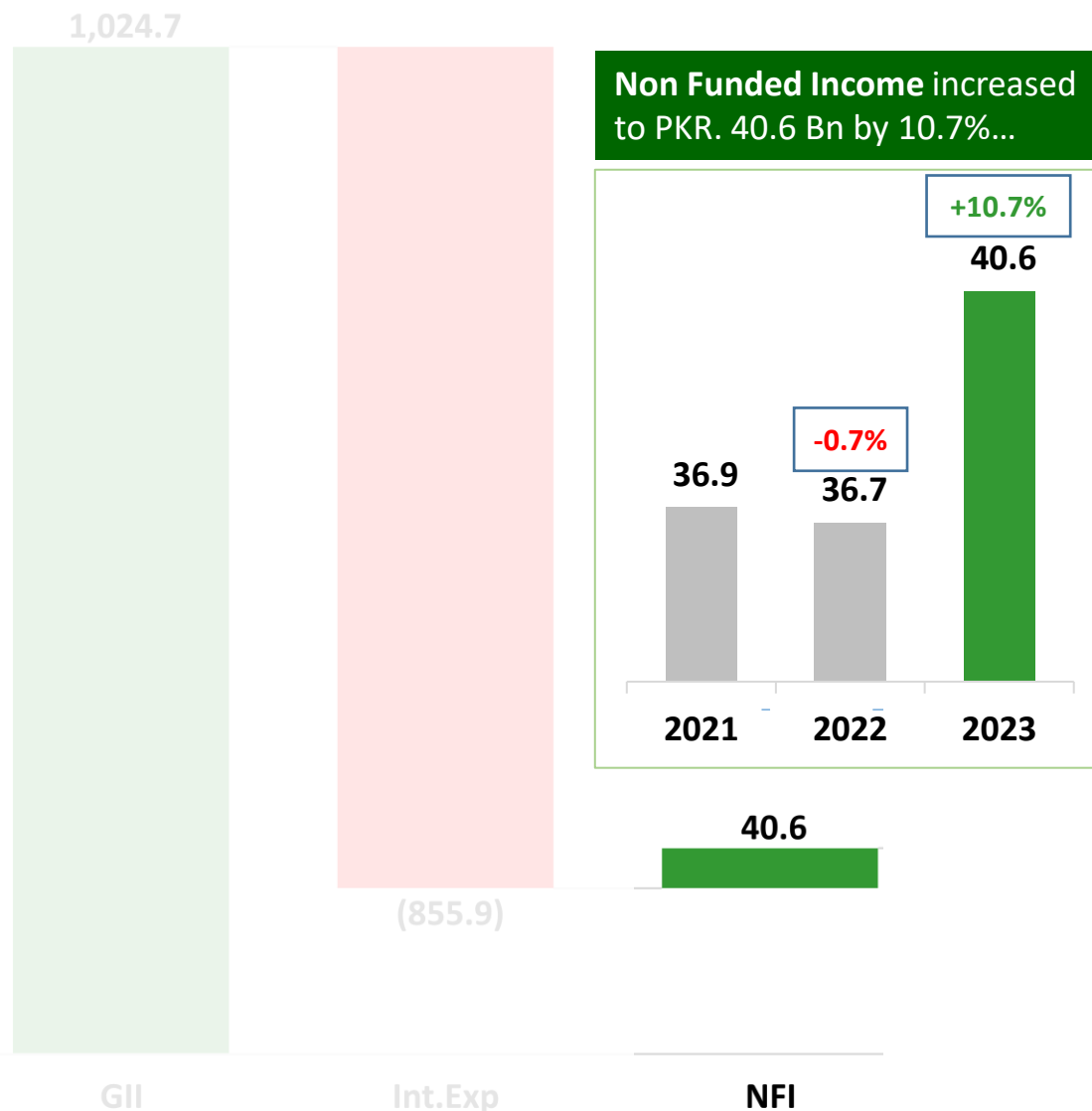
# Interest Expense – YoY Composition



# Non-Fund Income – YoY Growth



# Non-Fund Income – YoY Growth

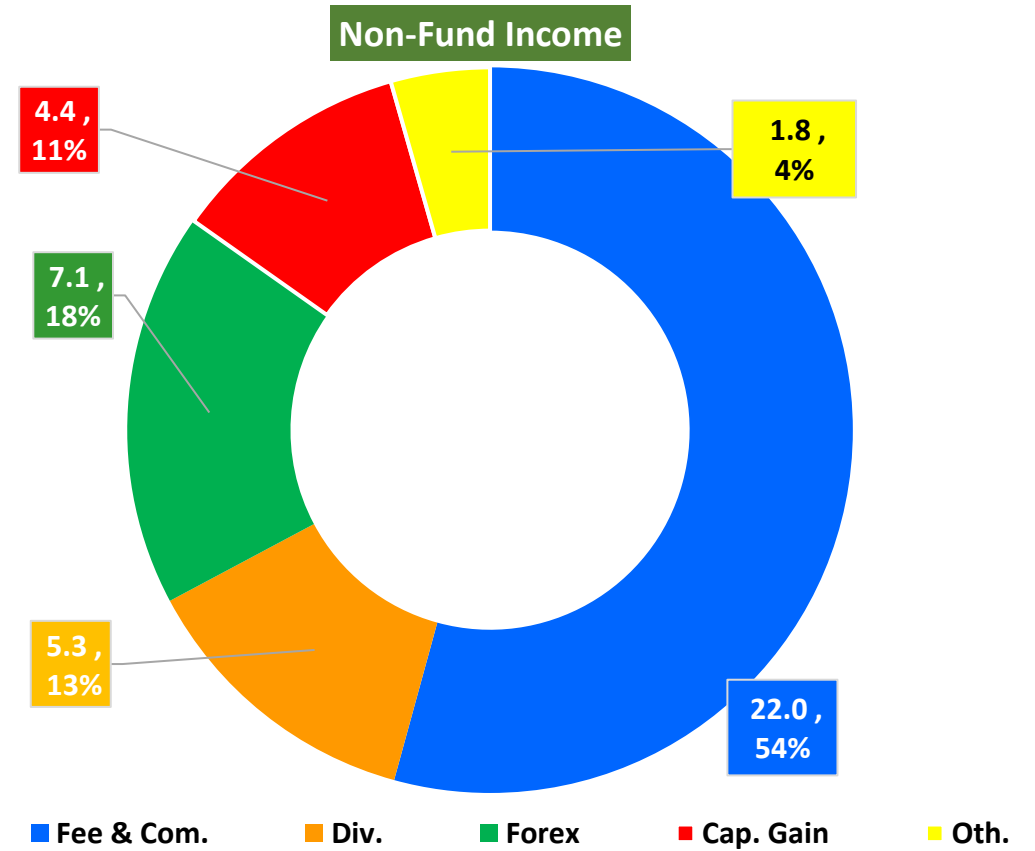
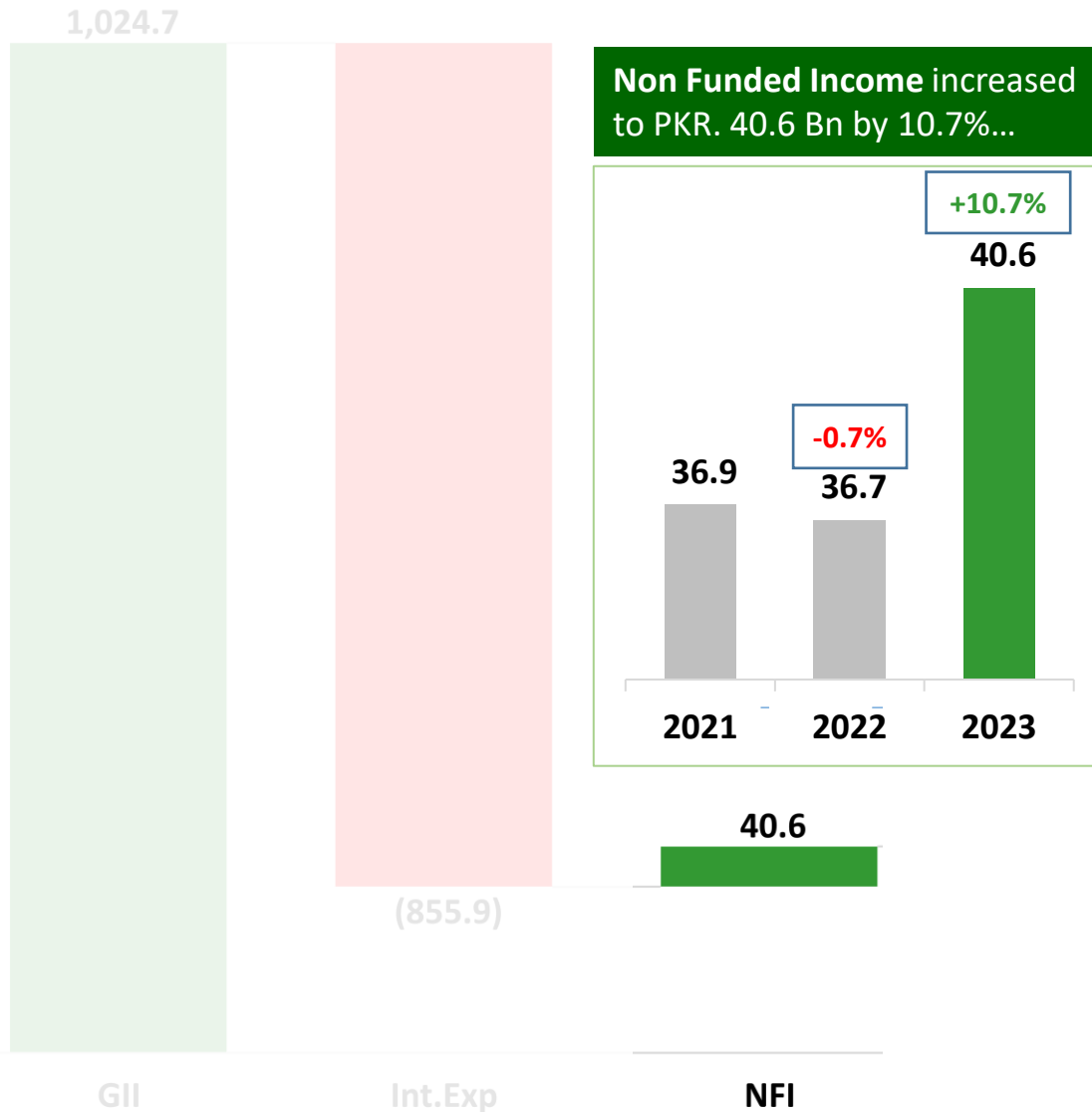


**GII : PKR 1,024.6 Bn**  
**NFI : PKR 40.6 Bn**  
**Total : PKR 1,065.3 Bn.**

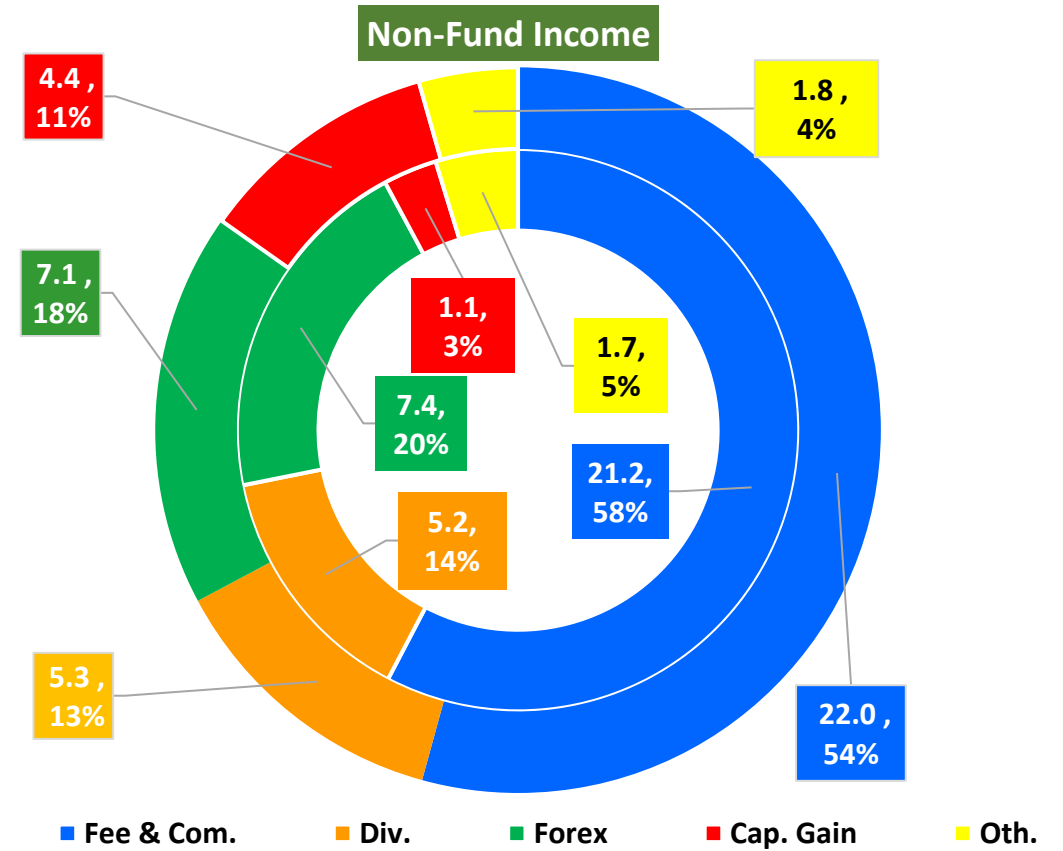
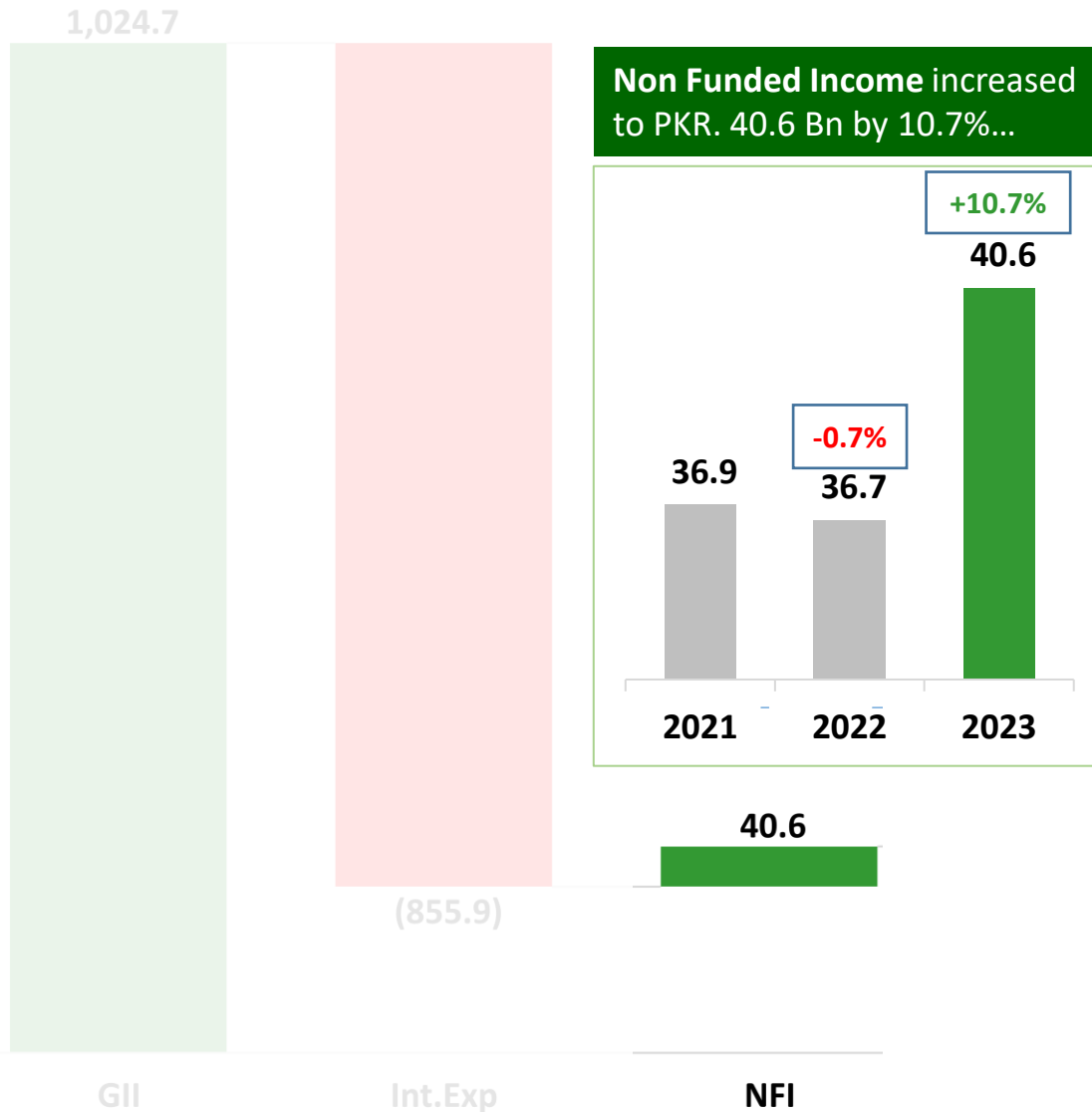
**Not just the highest, but also the only Bank generating total Value of above PKR 1 Trillion in the Country**



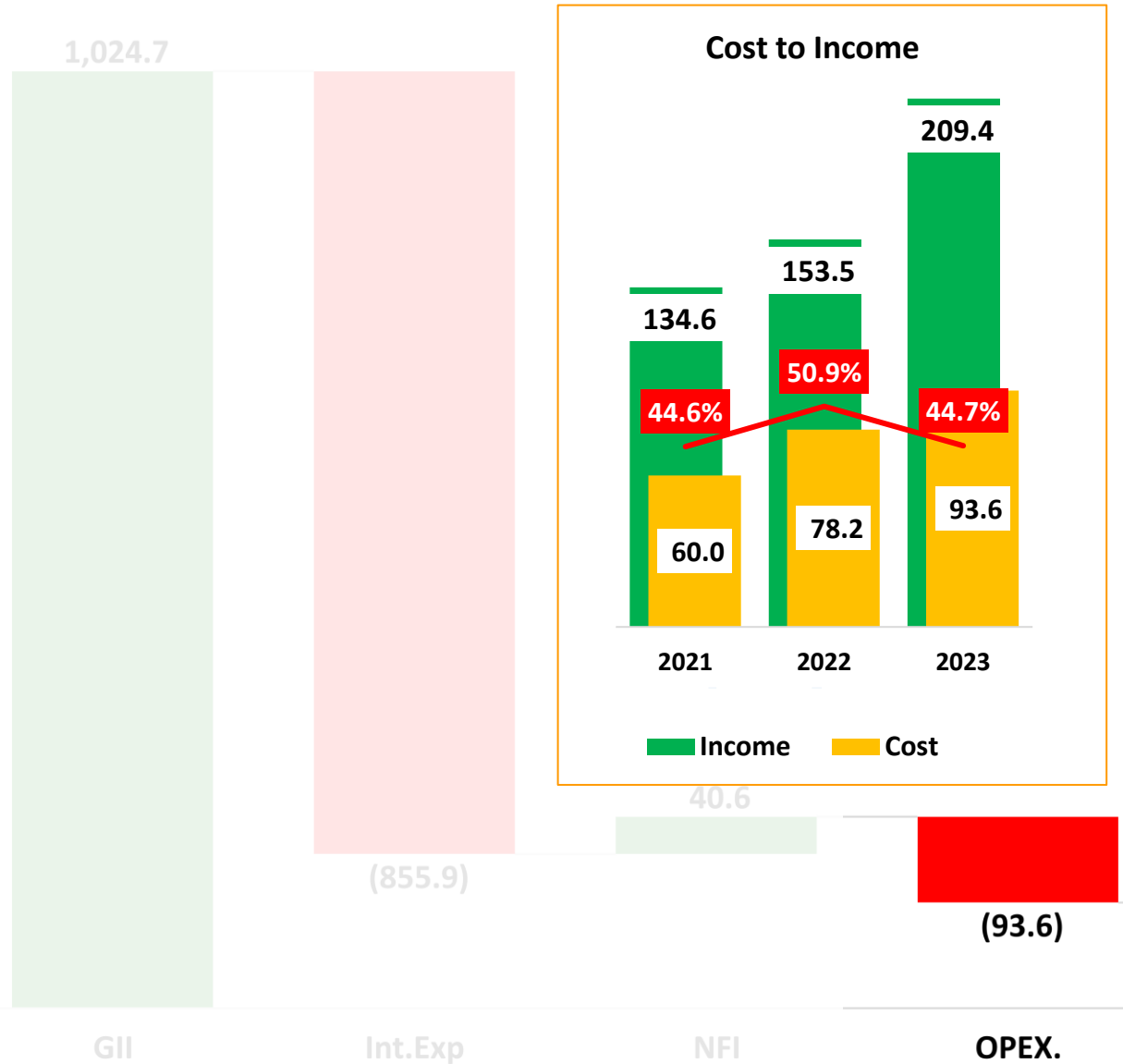
# Non-Fund Income – YoY Composition



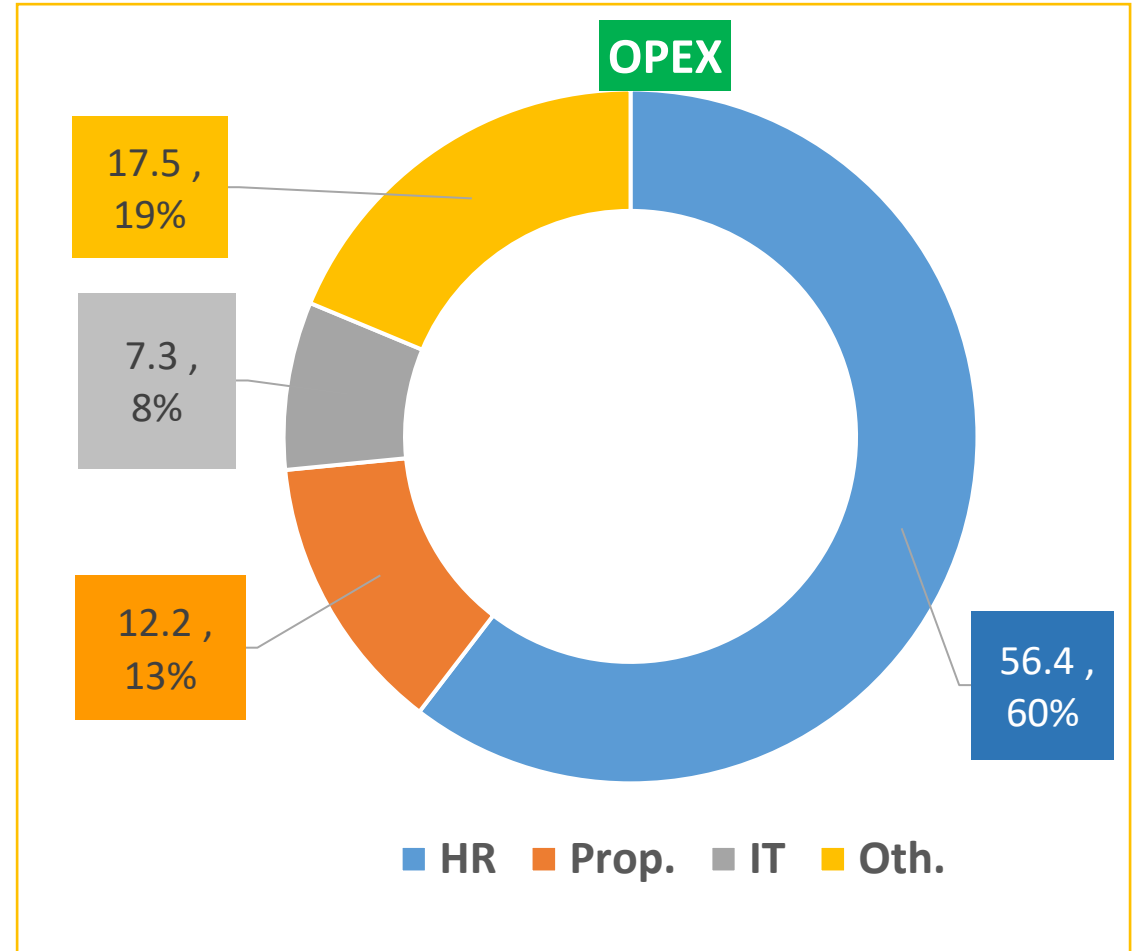
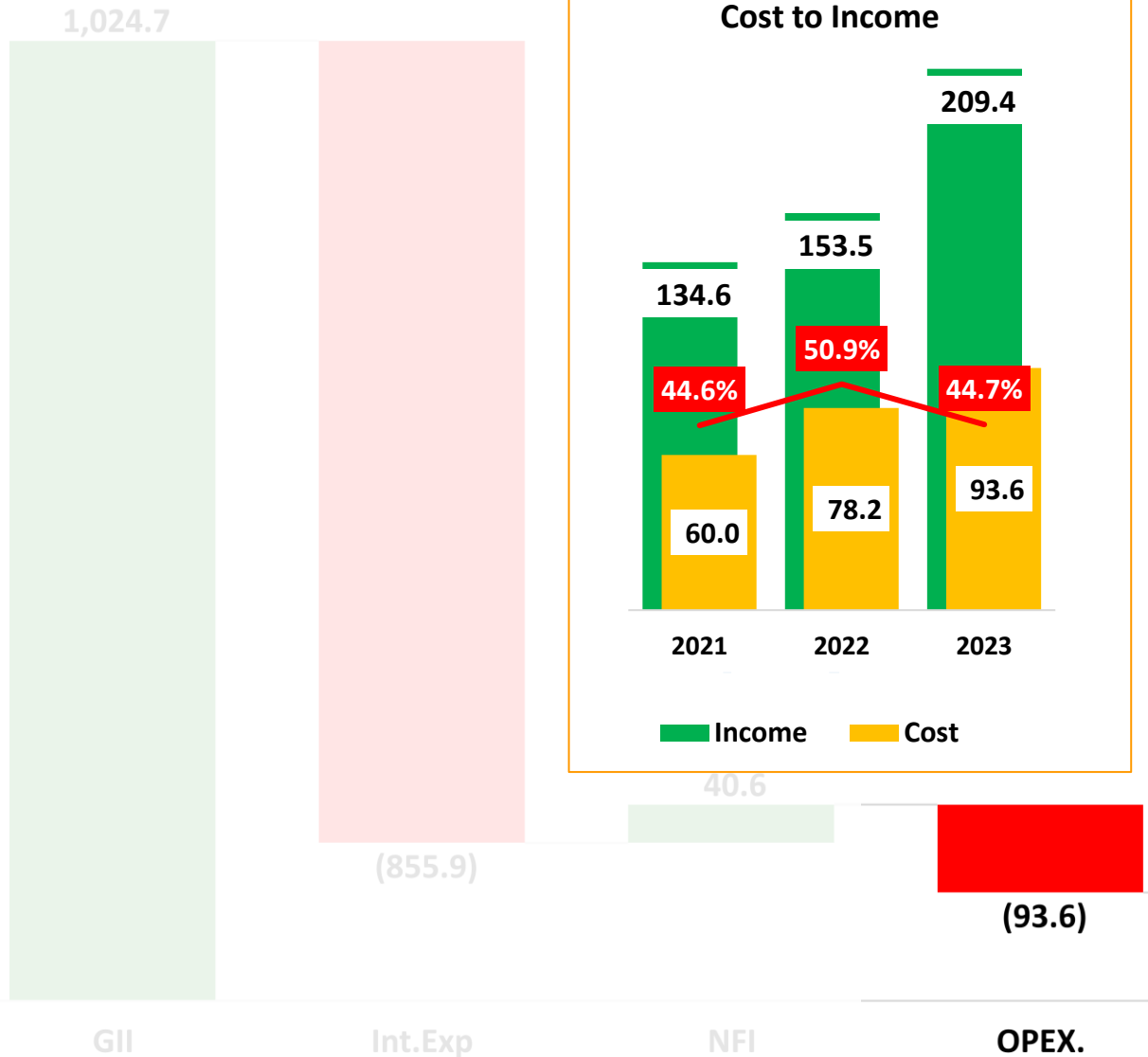
# Non-Fund Income – YoY Composition



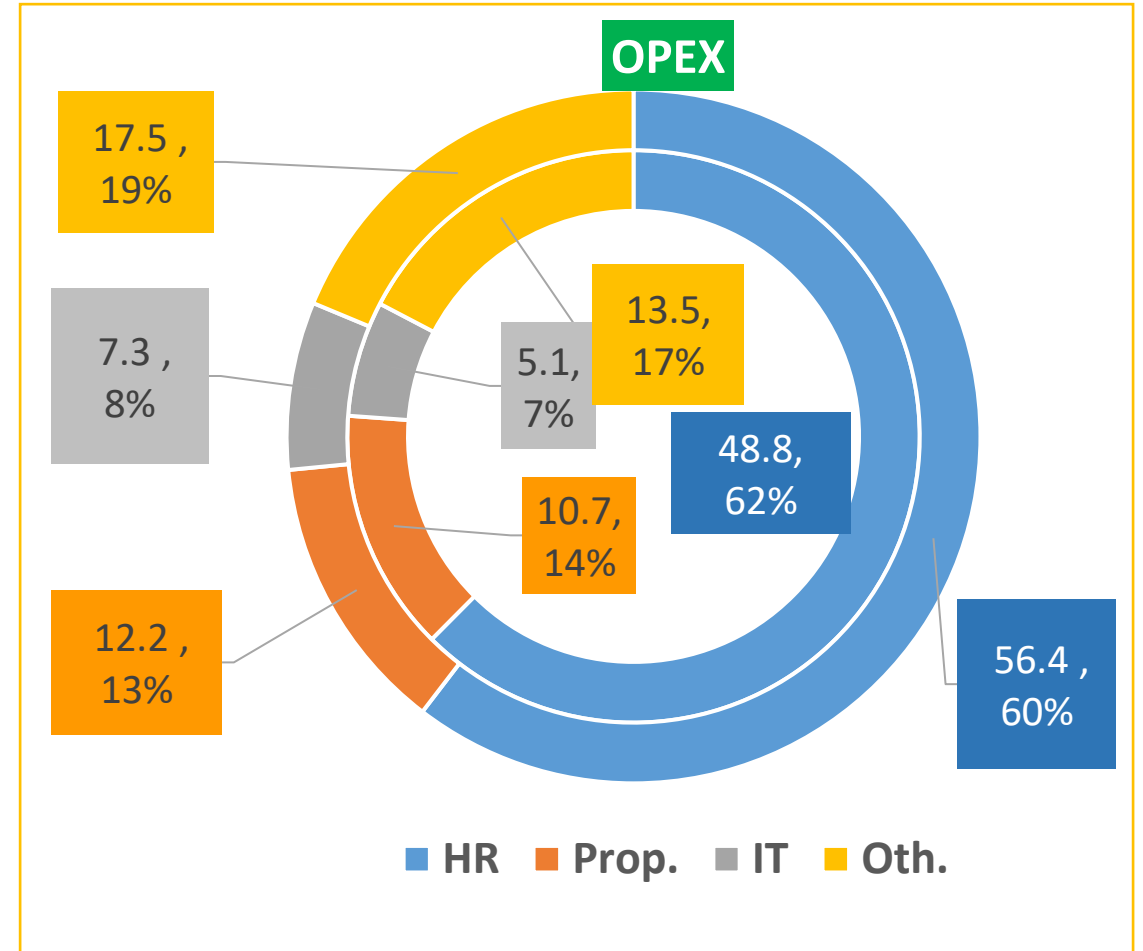
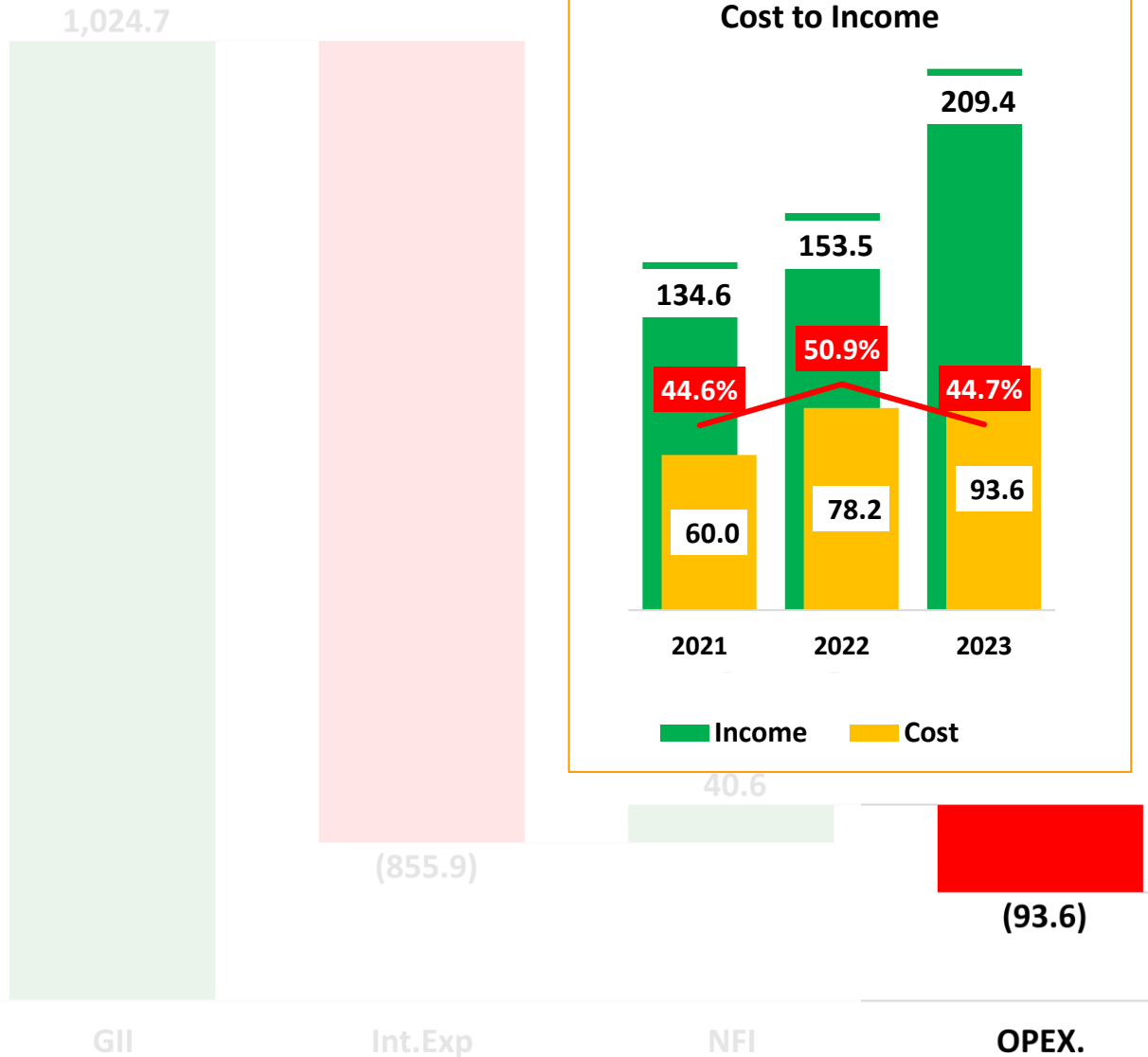
# OPEX – YoY Increase

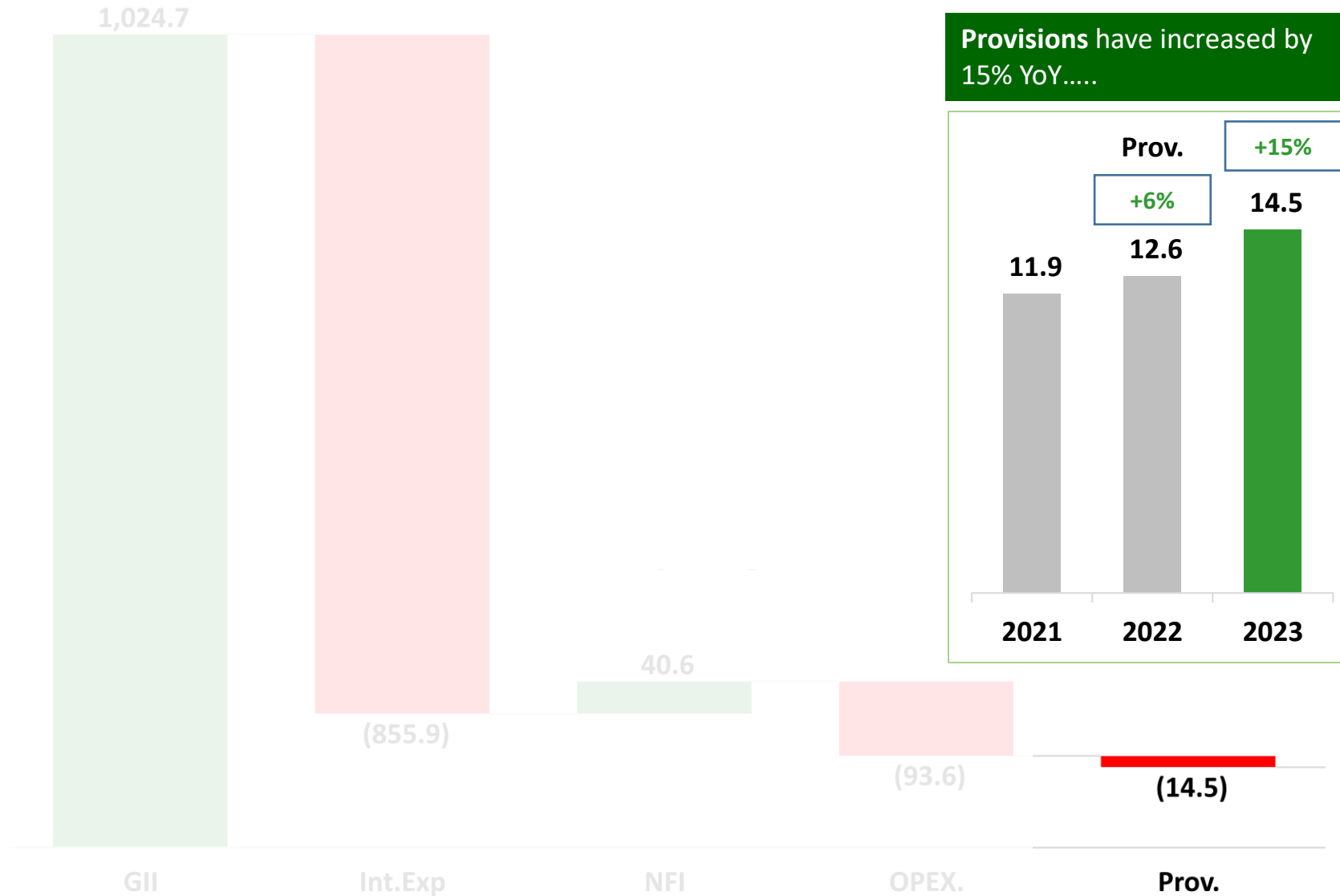


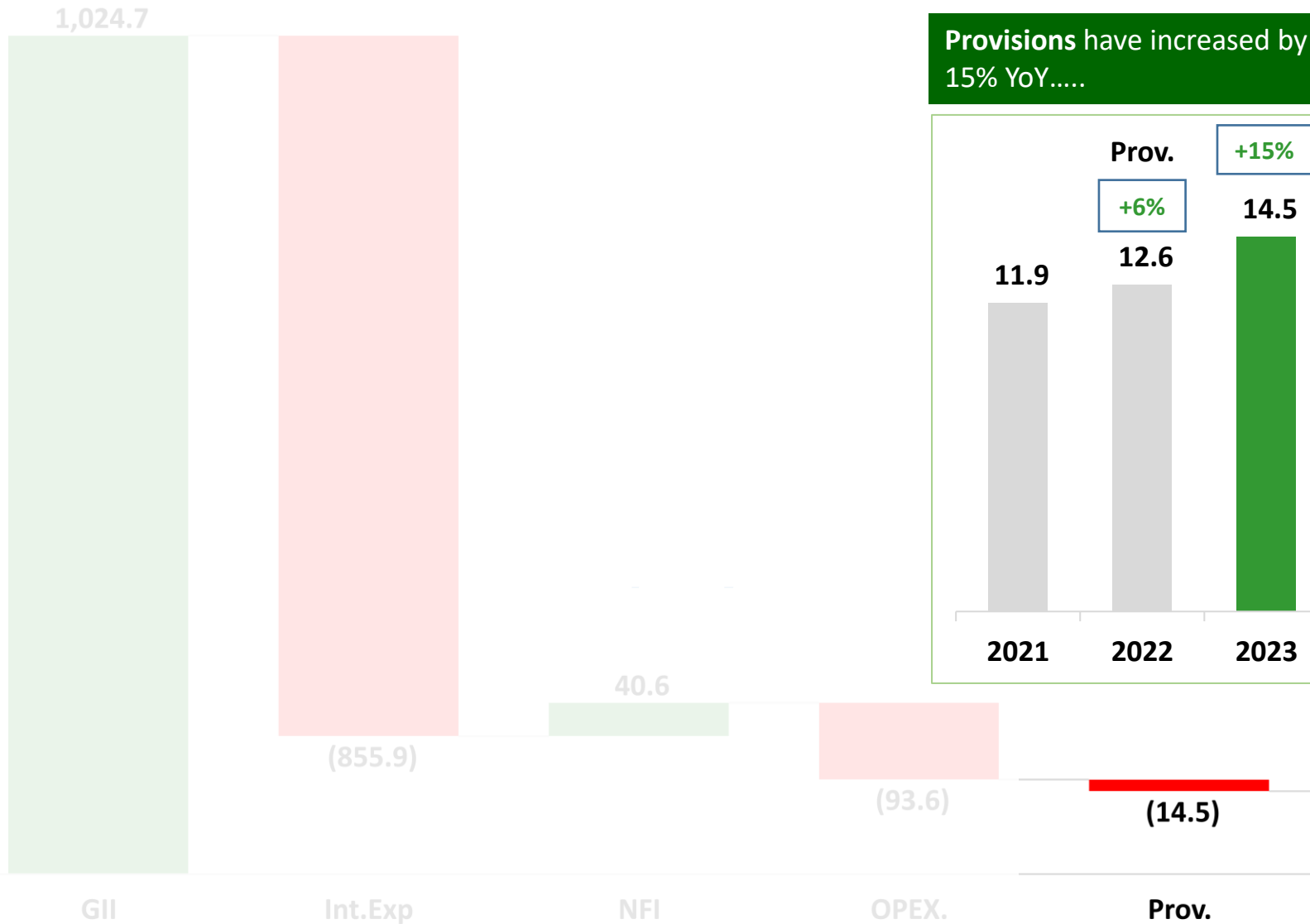
# OPEX – YoY Composition



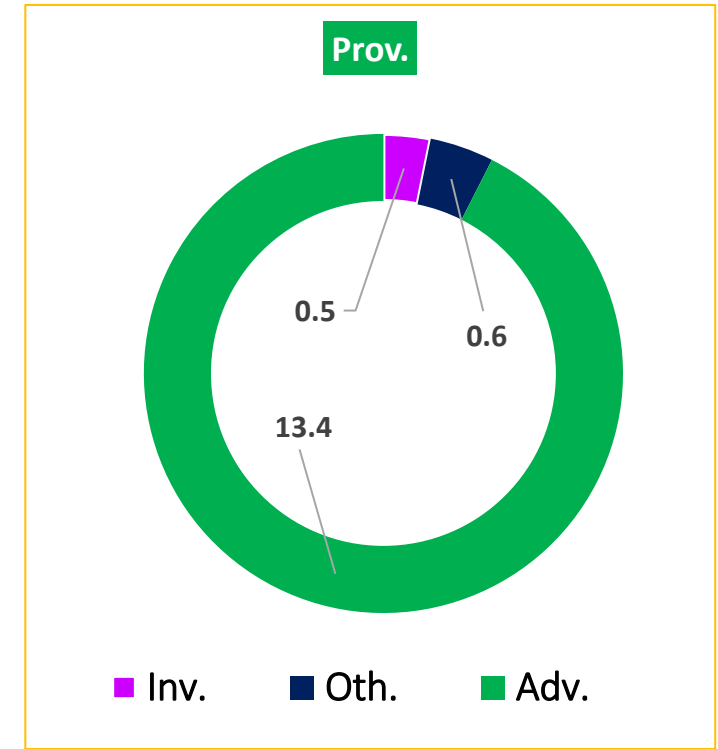
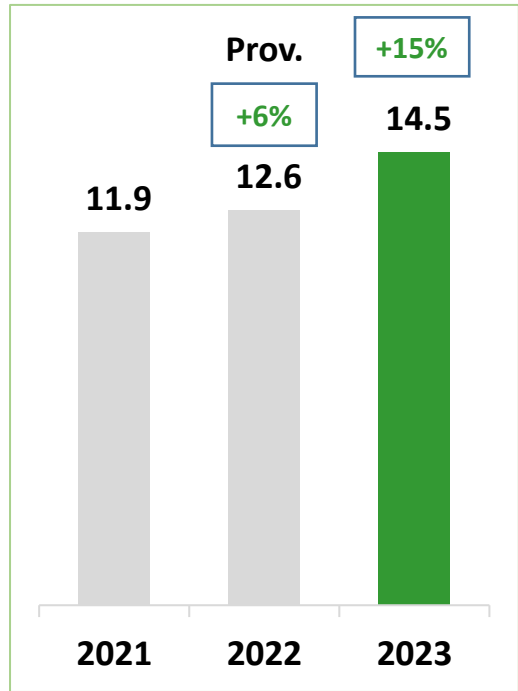
# OPEX – YoY Composition

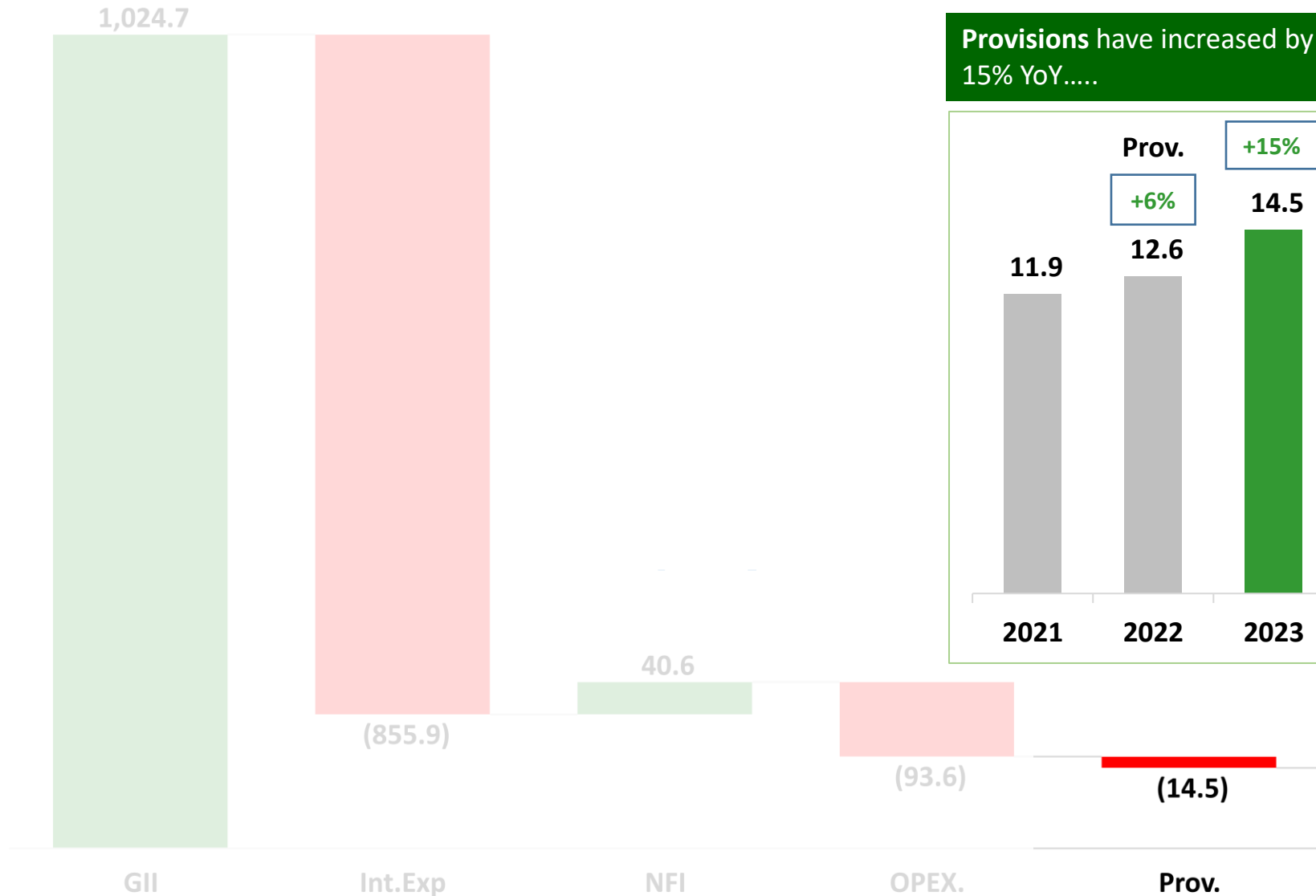




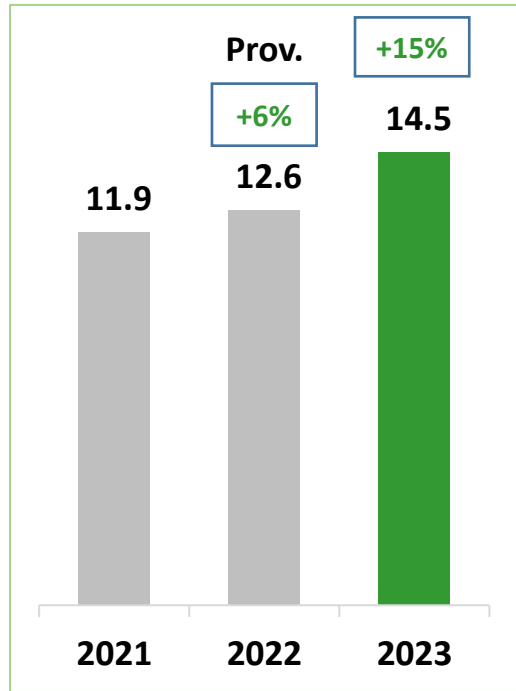


Provisions have increased by 15% YoY.....



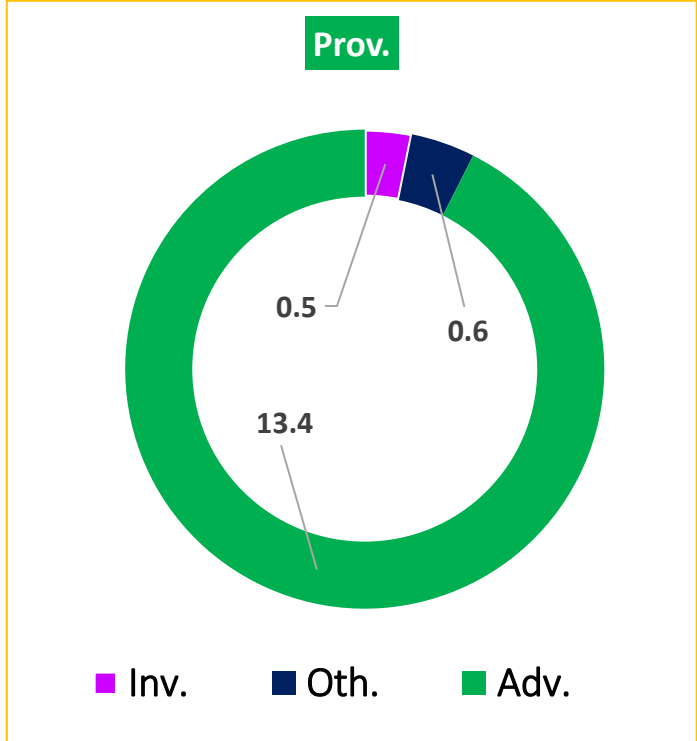


**Provisions have increased by 15% YoY.....**



## Provisioning

- Aggressive Provisioning of PKR 14.5 Bn to strengthen Balance Sheet keeping in view the stressed credit environment.
- Specific Coverage high at 92%. Total coverage high at 103%.

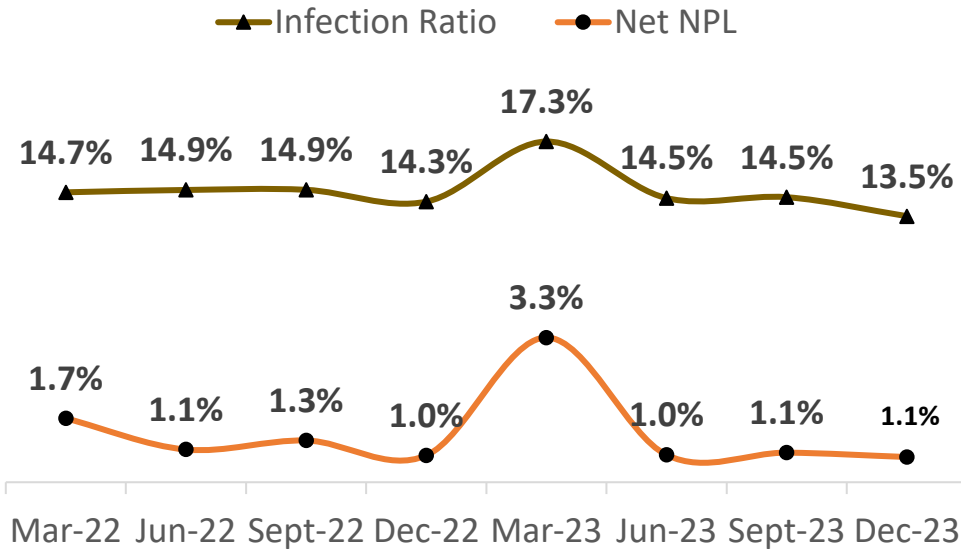




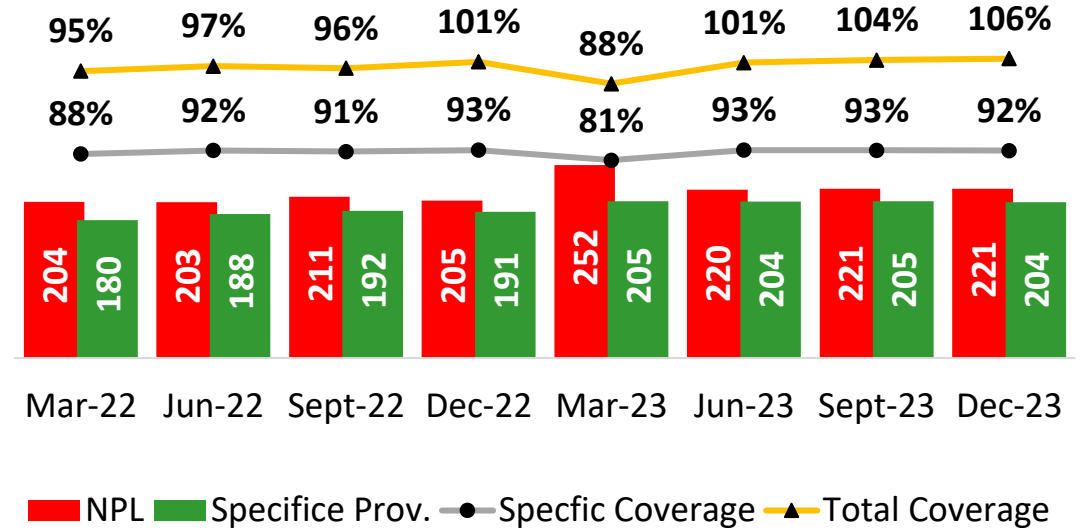
# Strong Provisioning & Coverage



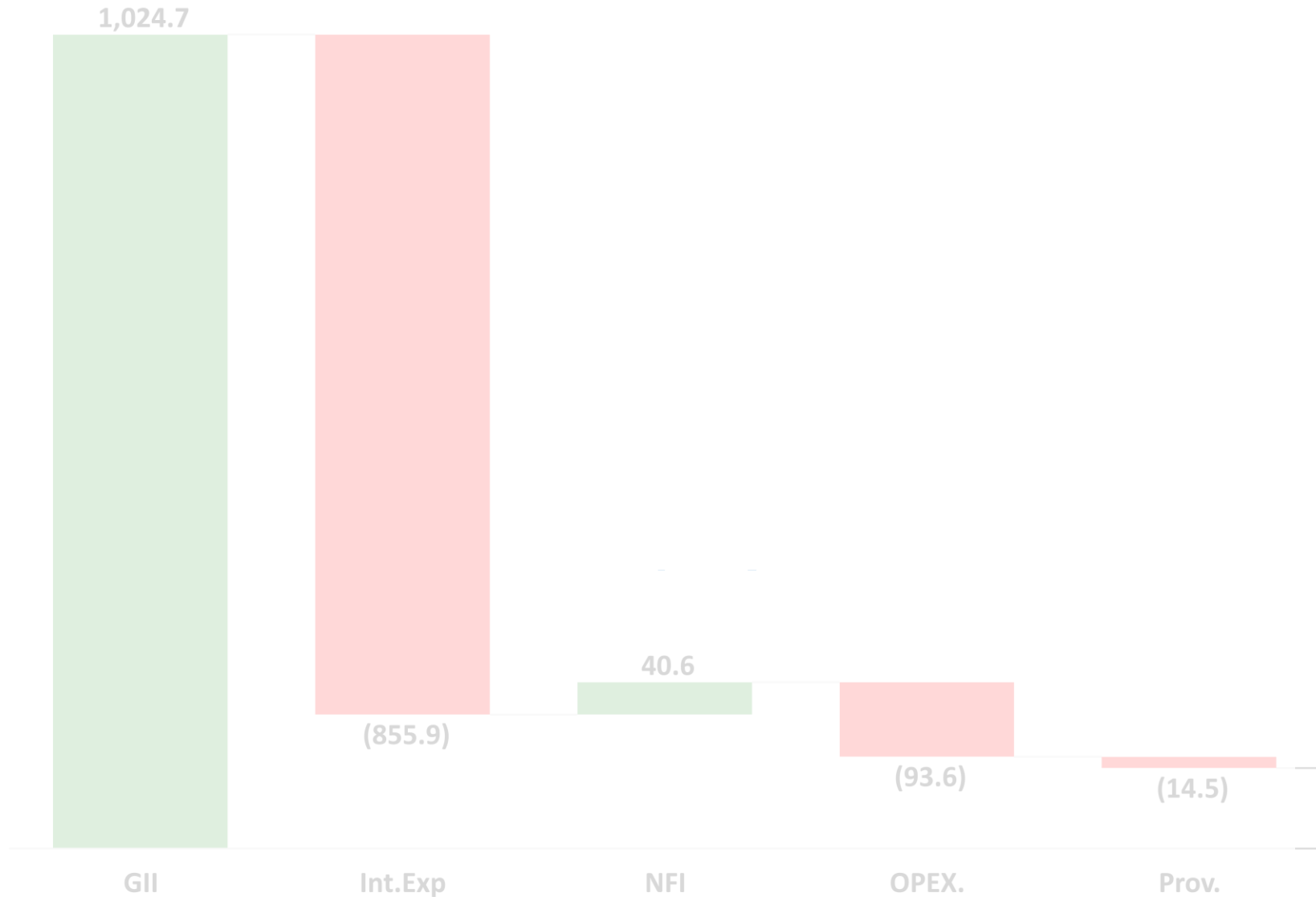
## NET NPL & Infection Ratio



## Specific coverage at 92% and total coverage > 100%

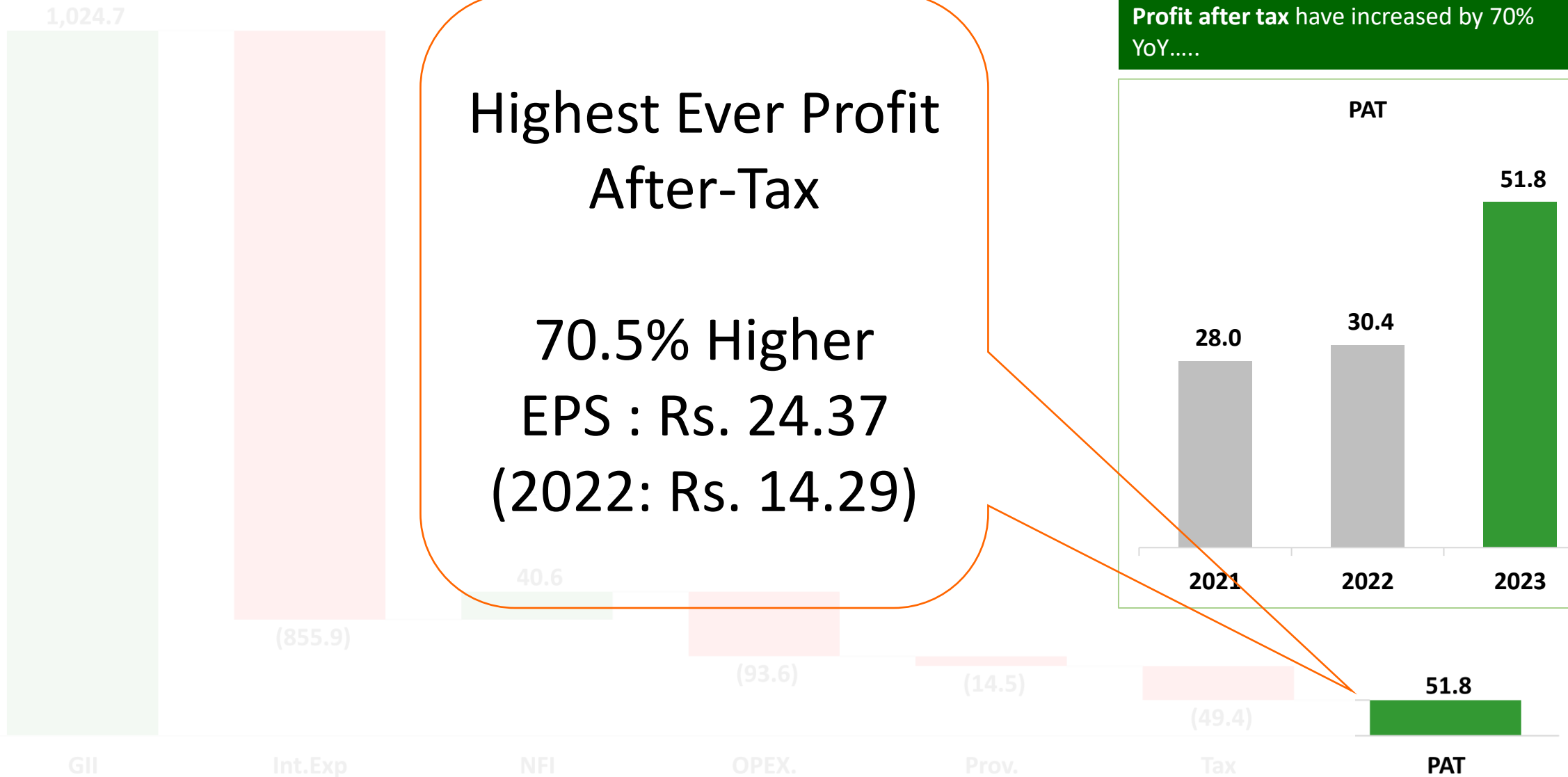


- ✓ No increase in domestic NPL
- ✓ Some increase in overseas NPs mainly due to exchange impact.
- ✓ Loan infection ratio stood at 13.5% at end 2023. With PKR 204 Bn held in specific provisions, NPL coverage stood at 92%. Accordingly, Net NPL ratio stood at 1.0%.

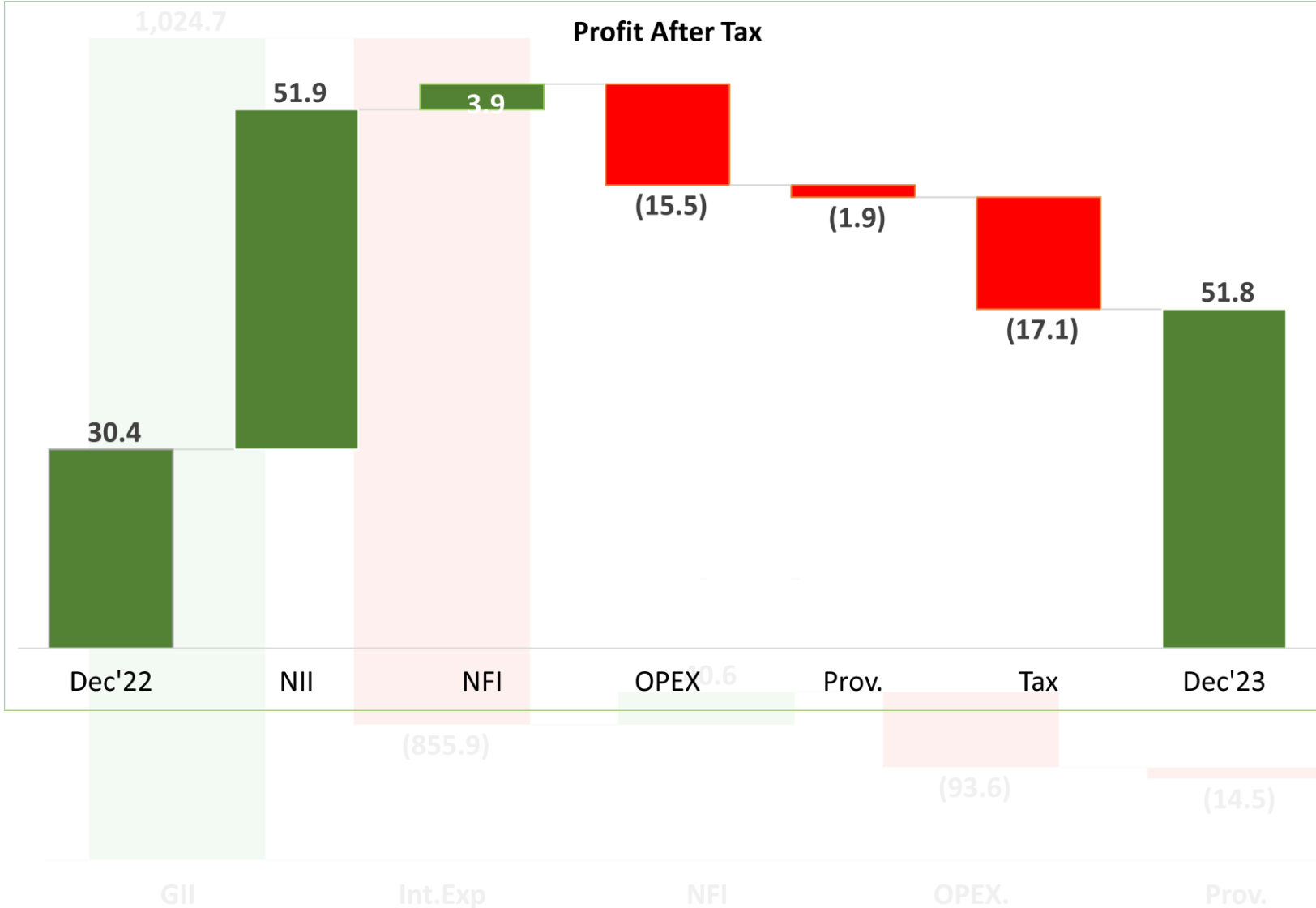


Despite significant provisions, PBT stood at PKR 101.25 Bn – The Highest Ever in the History of the Bank.

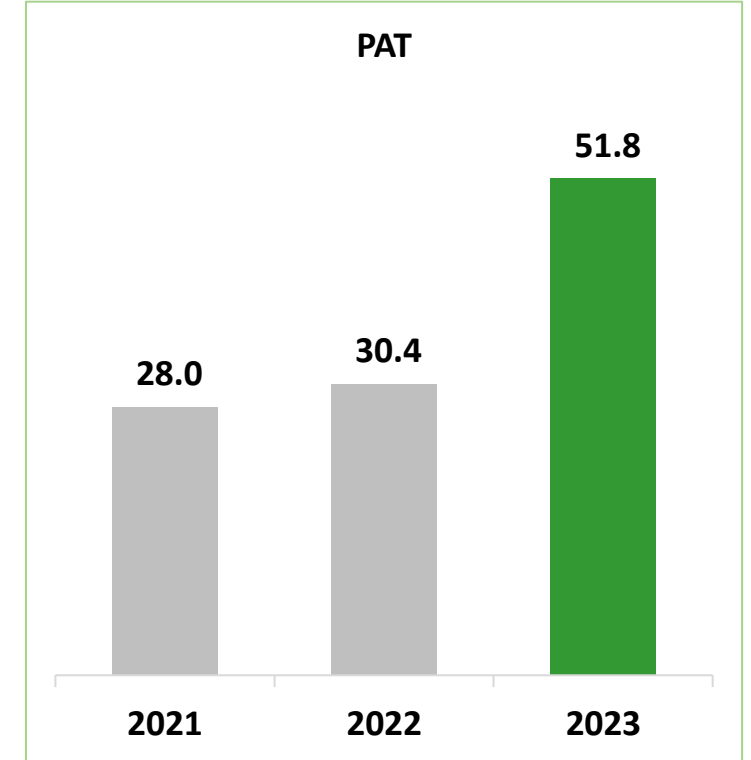
**PBT PKR  
101.25 Bn**



# Profit After Tax



**Profit after tax have increased by 70% YoY.....**

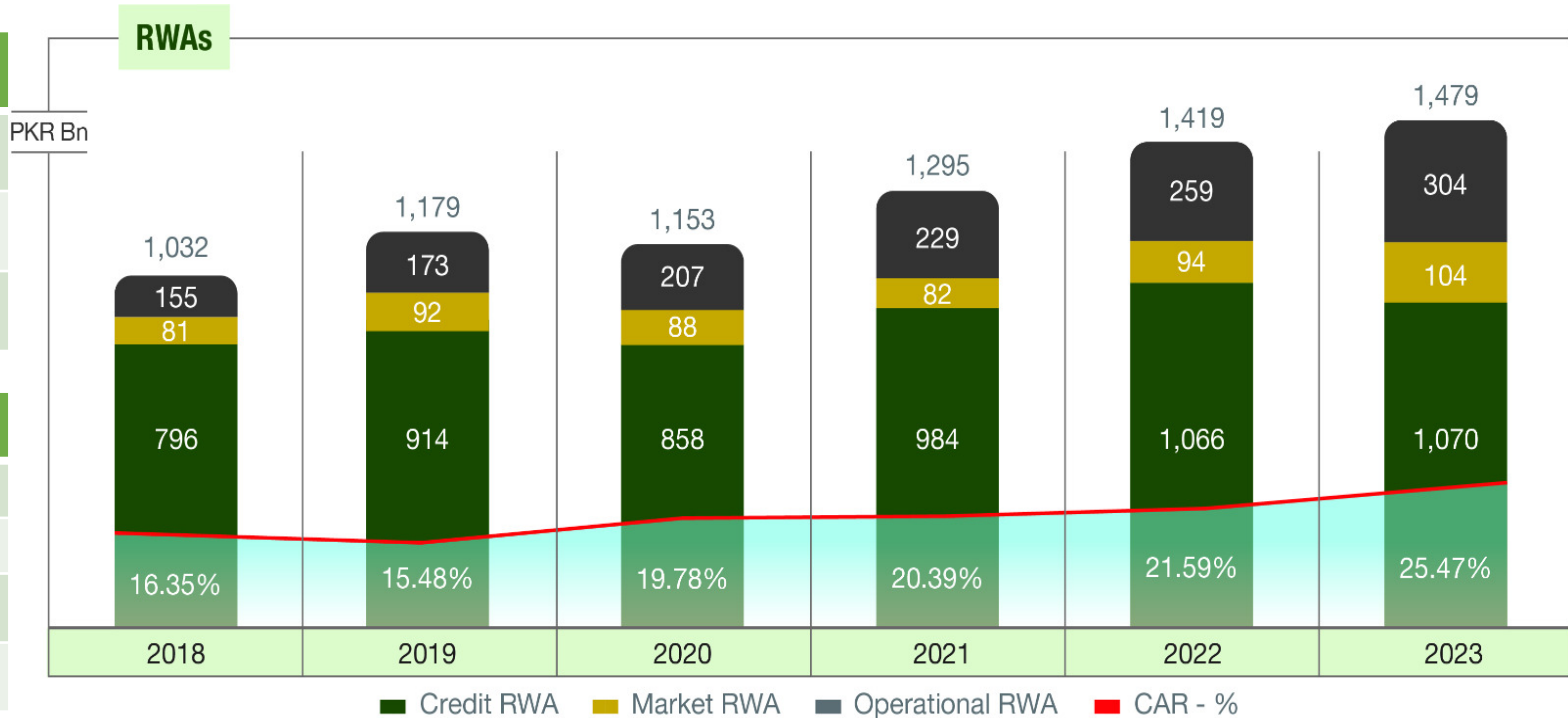


# Equity & Capital Strength



Capital	Actual	Reqd.	Buffer (bps)
CET 1	19.16%	10.0%	916 bps
CAR	25.47%	14.00%	1147 bps
Leverage	3.12%	3.00%	12 bps

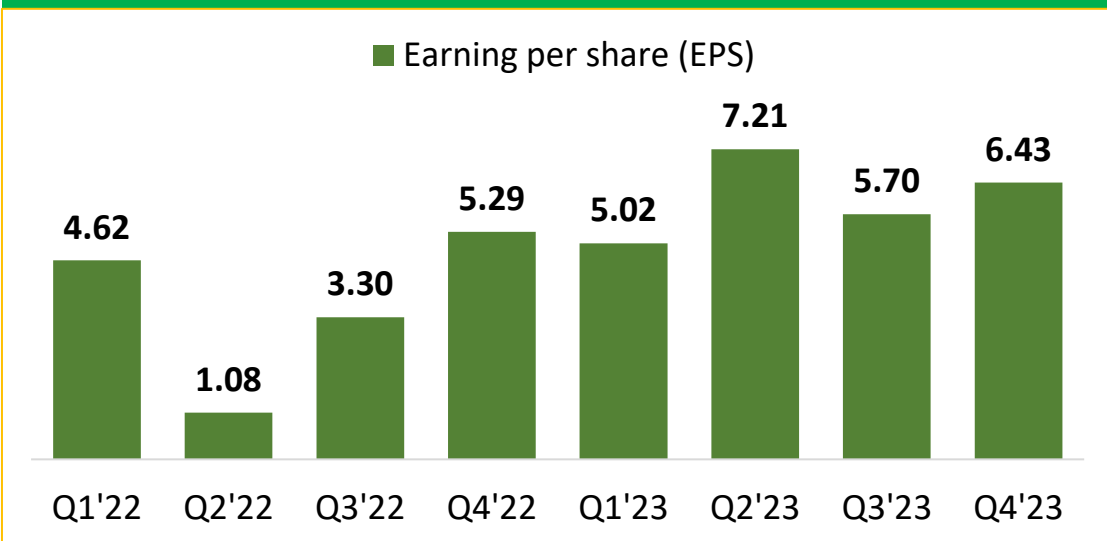
RWA Type	Dec'23	Dec'22	Change	
Credit	1,070	1,066	4.3	0.4%
Market	104	94	10.4	11.1%
Operational	304	259	45.8	17.7%
<b>Total RWAs</b>	<b>1,479</b>	<b>1,419</b>	<b>60.4</b>	<b>4.3%</b>



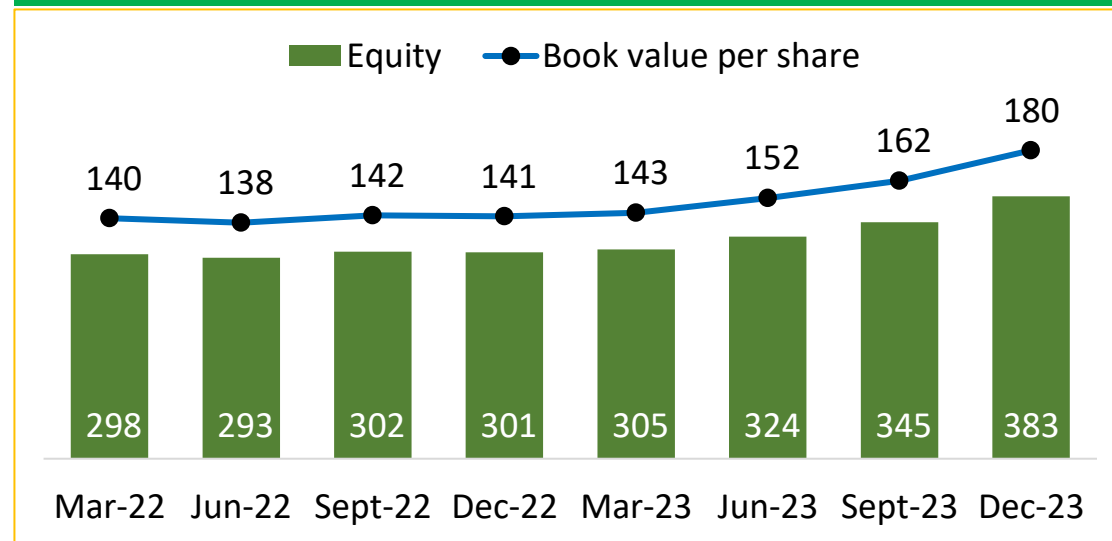
The Board deliberated at length whether or not cash dividend should be recommended. However, the likely impact of the pension case and other contingencies, still remains a cause of concern for the Board.

Accordingly, the Board considered it prudent to retain the profits for the time being and once the position becomes clearer, the Bank may consider declaration of dividend at a later stage.

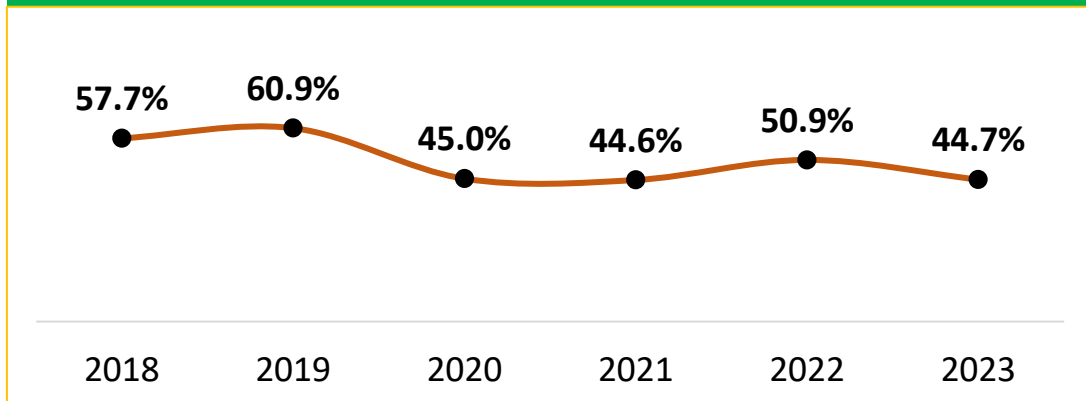
## EPS– Strong profitability boosts returns



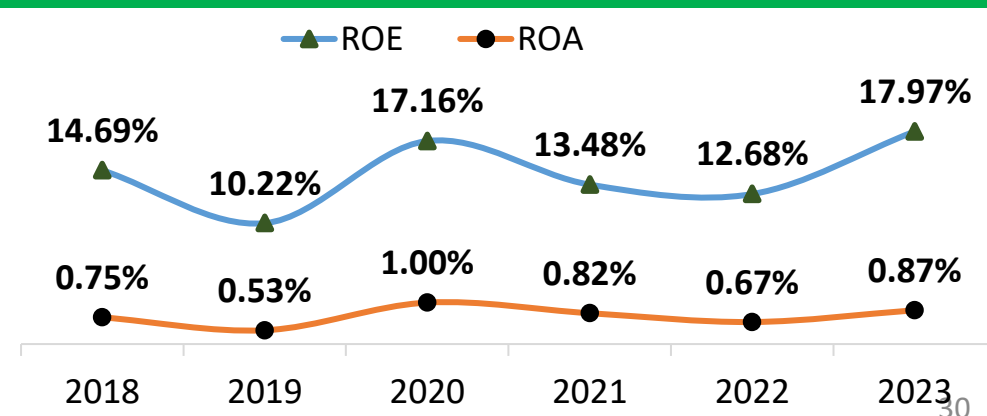
## Strong profitability supports book value



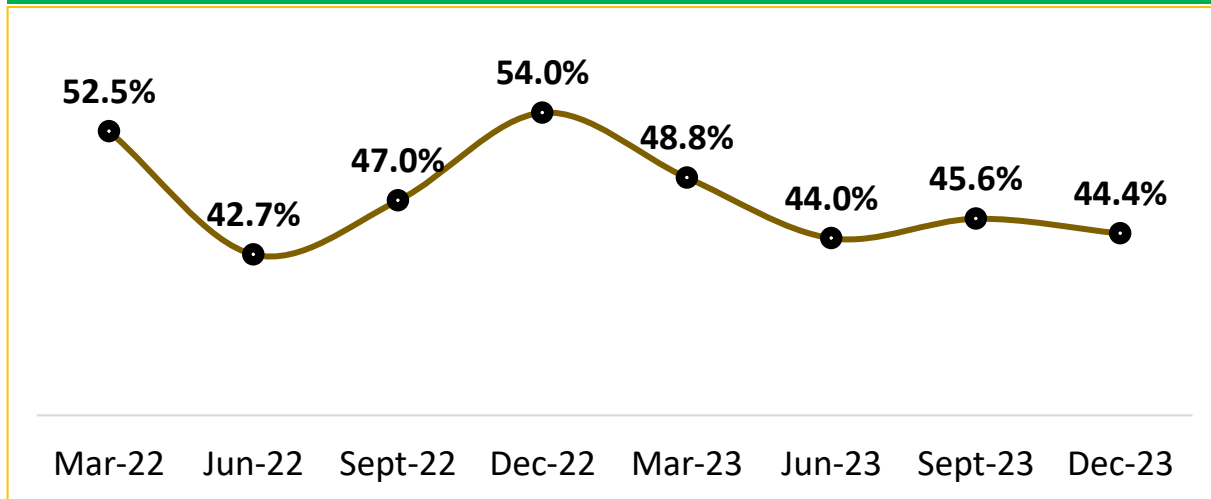
## Cost to income ratio – impacted by inflation



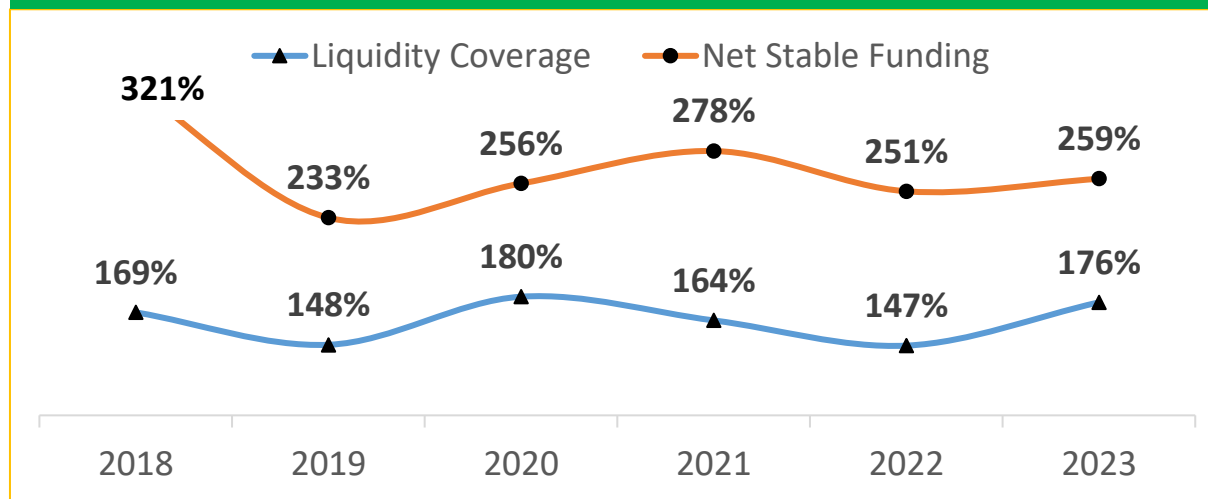
## ROA & ROE – Strong profitability boosts returns



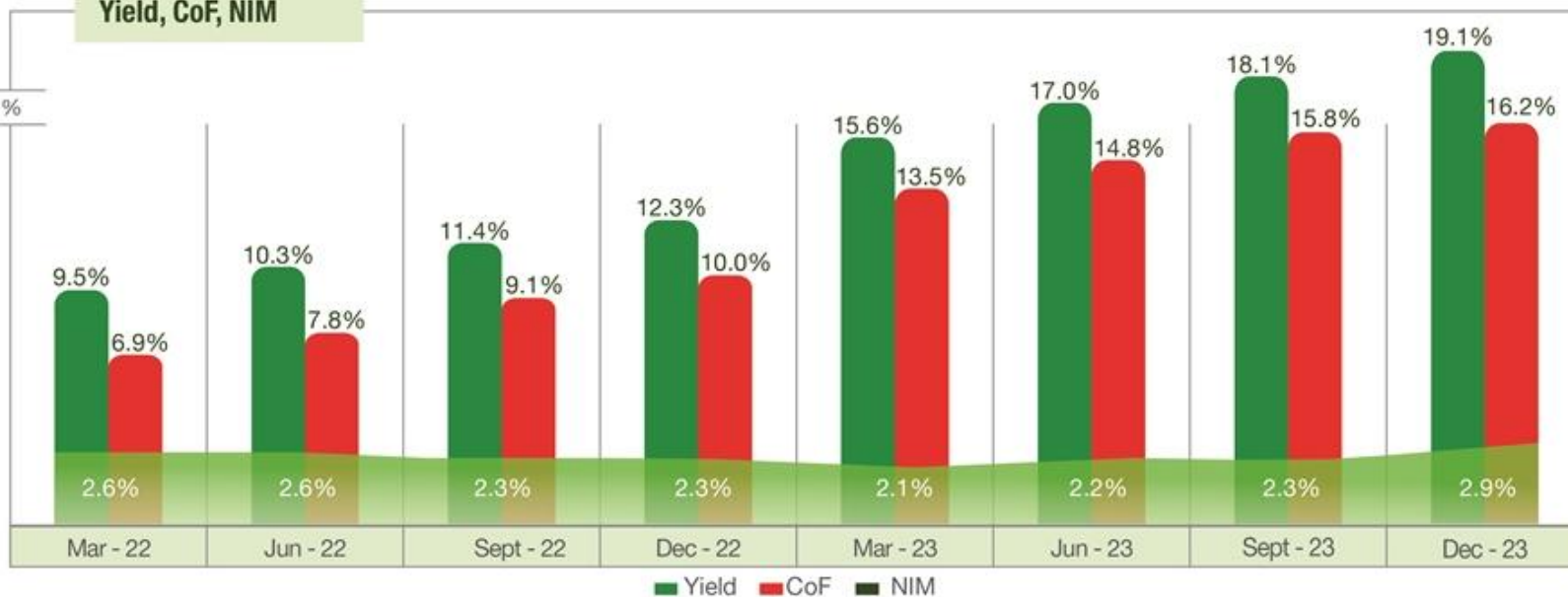
## Slowdown in credit demand softens ADR to 44.4%



## LCR stood at 176%, and the NSFR at 259%, well above the requirement



## Yield, CoF, NIM



# Awards & Recognitions

1. Corporate & Investment Bank of The Year 2021 – Asian Banking & Finance
2. Corporate Client Initiative of the Year 2021 – Asian Banking & Finance
3. Debt Deal of the Year 2021 – Asian Banking & Finance
4. Best Project Infrastructure Deal of the Year 2021 – Asian Banking & Finance
5. Best Quasi-Sovereign Sukuk 2021 - The Asset Triple A Islamic Finance
6. Best Corporate Sukuk 2021 - The Asset Triple A Islamic Finance
7. Best Trade Finance Bank in Pakistan 2021 – The Asian Banker
8. Power Deal of the Year 2021 – The Assets Triple A Infrastructure Awards
9. Project Finance House of the Year 2021 – The Assets Triple A Infrastructure Awards
10. Best Corporate & Investment Bank in Pakistan 2021 – The Asia money
11. Best Investment Bank in Pakistan 2021 – Global Finance Magazine
12. Best Bank 2021 – Global Finance Magazine
13. Best Corporate Finance House 2021-CFA Society Pakistan
14. Transaction of the Year 2021-CFA Society Pakistan
15. Asia Pacific's Best Investment Bank 2021-Corporate Treasurer
16. Best Bank for Agriculture- Institute of Bankers Pakistan



**SOUTH ASIAN FEDERATION OF ACCOUNTANTS**

**Best Presented Annual Report Awards,  
Integrated Reporting Award &  
SAARC Anniversary Award for  
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The Institute of  
Chartered Accountants  
of Pakistan

**CA**  
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**GLOBAL  
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# Thank You