



National Bank of Pakistan
نیشنل بینک آف پاکستان



Corporate Briefing Half-Year Ended June 30, 2024

Held on September 02, 2024

VISION

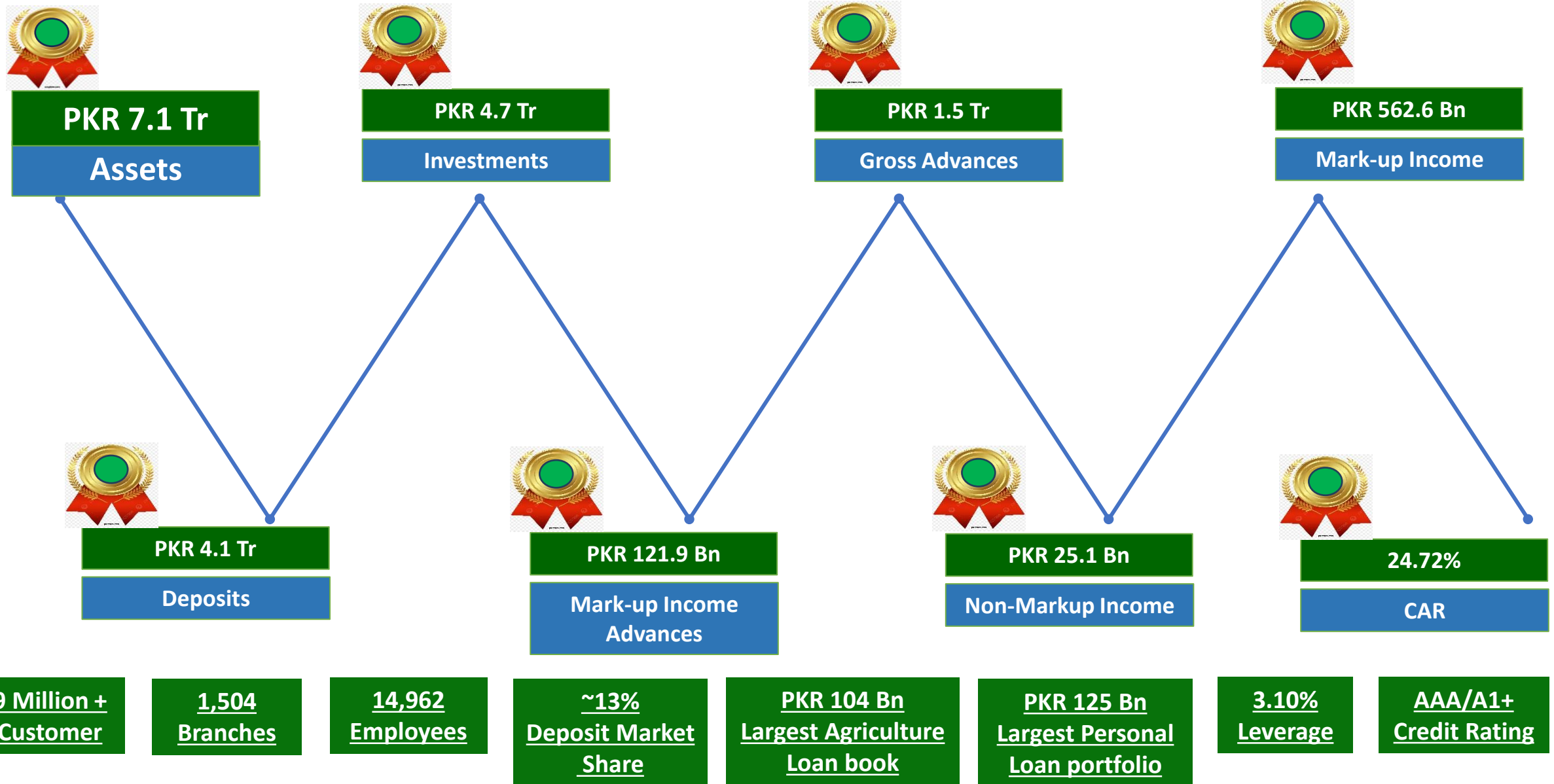
To be the Nation's leading bank enabling sustainable growth and inclusive development

MISSION

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



Key Highlights



Key Highlights



TOTAL ASSETS

PKR 7,093 Bn
6.6% up YTD

ADVANCES – Gr.

PKR 1,504 Bn
6.1% down YTD

DEPOSITS

PKR 4,104 Bn
11.7% up YTD

TOTAL INCOME

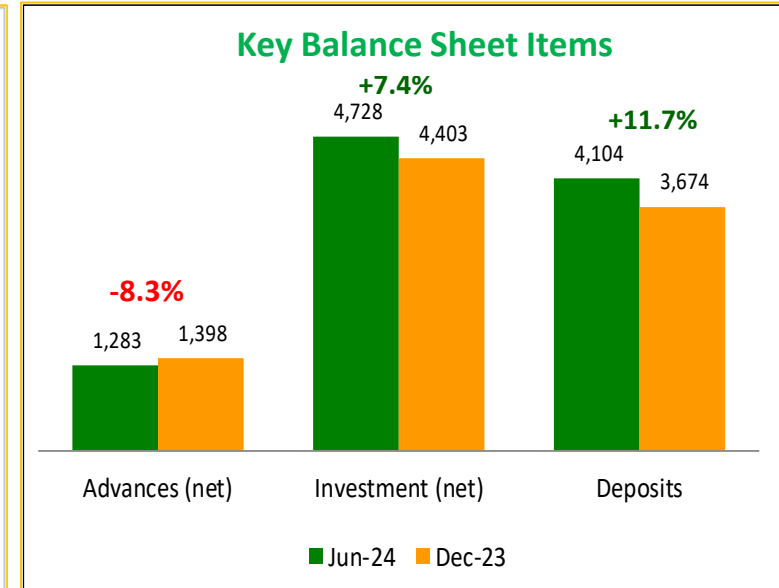
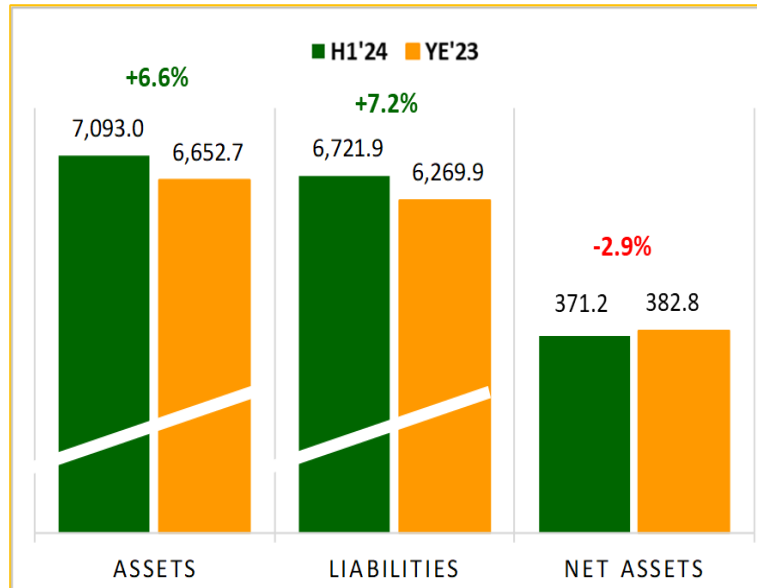
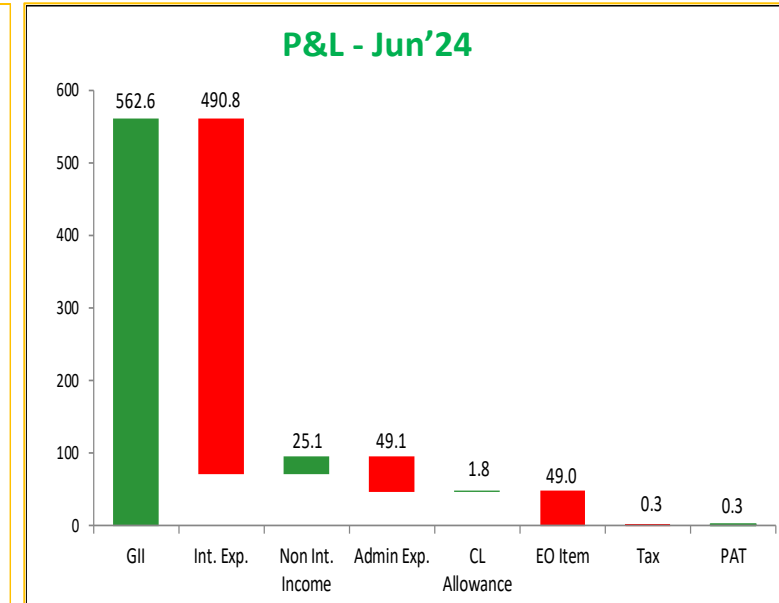
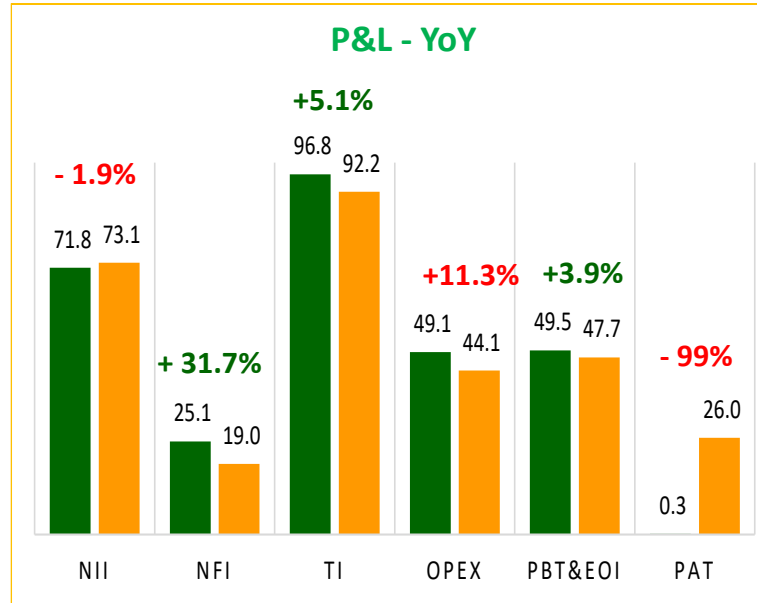
PKR 96.83 Bn
5.1% up YoY

PROFIT BEFORE EOI & TAX

PKR 49.53 Bn
3.9% up YoY

PAT

PKR 0.25 Bn
99% down YoY



- The Honourable Supreme Court of Pakistan (in Review Jurisdiction) has, by its order dated 27th March 2024, has dismissed civil review petitions filed by NBP (CRPs No 368 to 409 etc.).
- As a result of this the Supreme Court decision dated September 25 2017, in respect of the pension litigation, has now attained finality and in compliance of the judgement bank has made payments to majority of petitioners as well as non-petitioners.
- Accordingly, the Bank has incorporated financial impact in the half yearly financial statements for the period ended June 30, 2024.

Strong Value Generation

(PKR 'Mn)	H1'23	H1'24	Variance	Better/ (Worse)
Mark-up Income	432,332	562,606	130,274	30.1%
Mark-up expenses	359,187	490,834	131,647	-36.7%
Net Interest Income	73,146	71,772	(1,374)	-1.9%
Non-Mark-up Income	19,025	25,061	6,036	31.7%
Total Income	92,171	96,833	4,662	5.1%
Operating Expenses	43,899	49,069	5,170	-11.8%
Other Charges & WWF	197	17	(180)	91.4%
	44,096	49,087	4,991	11.3%
Net Income before Taxes & Prov.	48,076	47,746	(330)	-0.7%
Provisions				
Investments	1,254	(258)	(1,512)	120.6%
Loan & Advances	(947)	(1,819)	(872)	92.1%
Others	104	294	190	-182.4%
	411	(1,783)	(2,194)	534%
Profit Before Extraordinary Item	47,665	49,529	1,864	3.9%
Extraordinary Item	-	49,014	(49,014)	
Profit Before Taxation	47,664	515	(47,149)	-98.9%
Taxation	21,641	264	(21,377)	
Profit After Tax	26,022	251	(25,771)	-99.0%
EPS (Rs.)	12.23	0.12	(12.11)	-99.0%

Core performance transpire into higher profitability for H1'24

- Income growth of **5.1% YoY**, backed by:
 - ✓ Increase in interest bearing assets by **13.8% YoY**
 - ✓ Yield on investments improved by **234 bps YoY to 20.55%**
 - ✓ Yield on advances improved by **243 bps to 16.19%**.
- Non Mark-up income growth of **31.7% YoY**
 - ✓ Hefty capital gains of PKR **5.82 Bn, up 532% YoY**
- Operating cost up by **11.8% YoY** as per inflationary pressures
 - ✓ HR costs up 12.7% YoY to PKR 31.8 Bn. Continued IT spend
- Profit Before Extraordinary Item PKR 49.5 Bn, up 4% YoY**
- PAT of PKR 251 Mn (-99% YoY) due to pensions case impact**

Profitability Ratio's

- RoE drops to 0.12% due to pension impact (PKR 49.0 Bn). Excluding pension impact, normalized RoE stood at ~13% against preceding year RoE of 15.2%
- Cost to income ratio increased to 50.7% vs 47.8% for H1'23

Strong Balance Sheet – PKR 7 TRILLION



PKR Mn	YE'23	H1'24	Variance	% Change
Assets				
Advances - Gross	1,631,686	1,540,068	(91,618)	-6%
Loan Loss Provisions	233,609	257,458	23,850	10%
	1,398,077	1,282,610	(115,467)	-8%
Investments				
Market T-Bills	980,163	1,145,605	165,442	17%
PIB's	3,137,553	3,256,674	119,121	4%
Equity	108,955	121,814	12,859	12%
Others	176,692	204,176	27,484	16%
	4,403,364	4,728,270	324,906	7%
Liabilities				
Deposits				
Current	1,970,484	2,301,235	330,752	17%
Saving	924,287	985,397	61,110	7%
Term	760,189	757,166	(3,024)	0%
Others	19,400	59,742	40,342	208%
	3,674,359	4,103,539	429,180	12%
Borrowings				
REPO Borrowing	2,064,472	2,081,569	17,097	1%
Others	113,271	106,527	(6,744)	-6%
	2,177,743	2,188,096	10,353	0.5%

Advances Portfolio

- Gross advances decreased by 6% (PKR -91.6 Bn)
- As per IFRS-9 Loan Loss coverage **@ 96%** vs 90.51% at YE'23 (as per previous methodology)

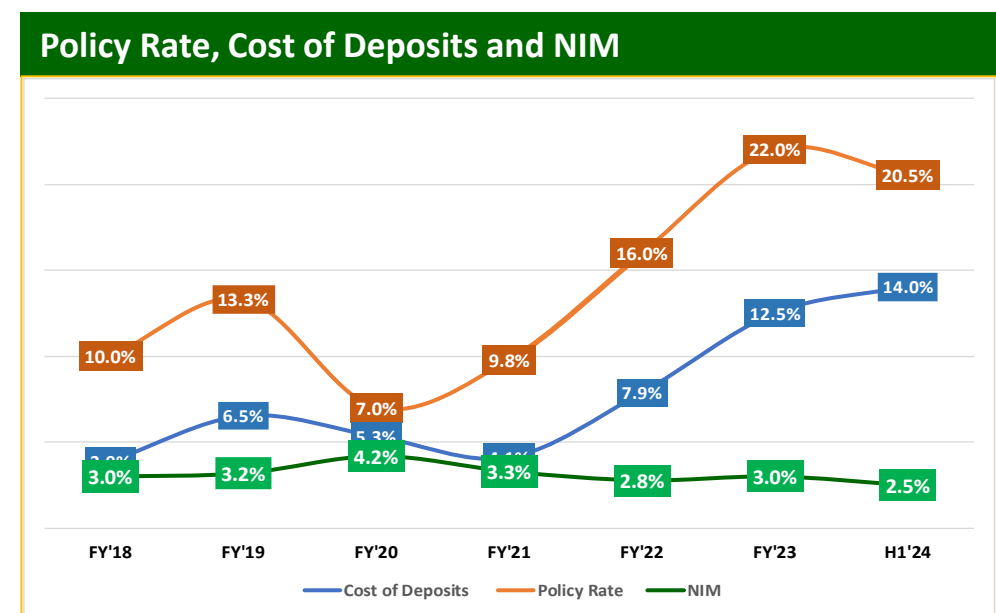
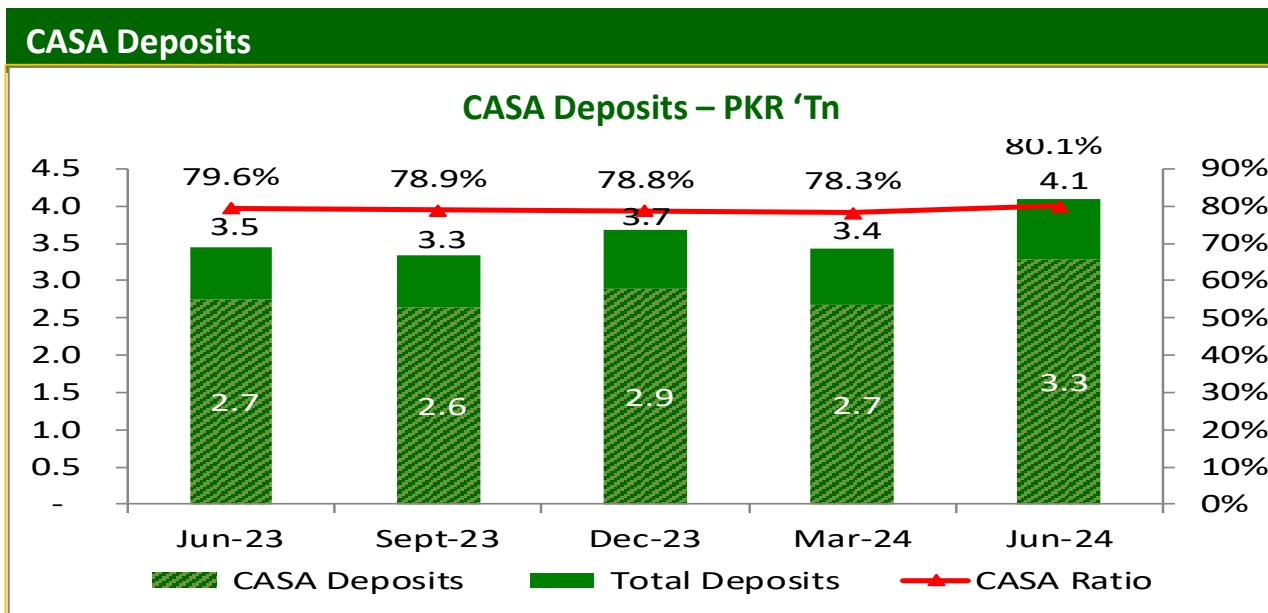
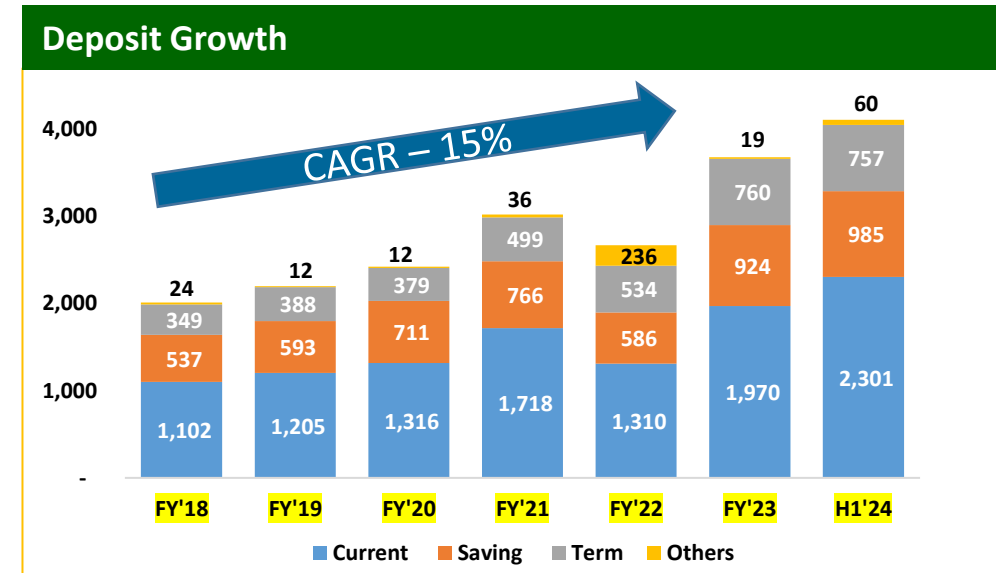
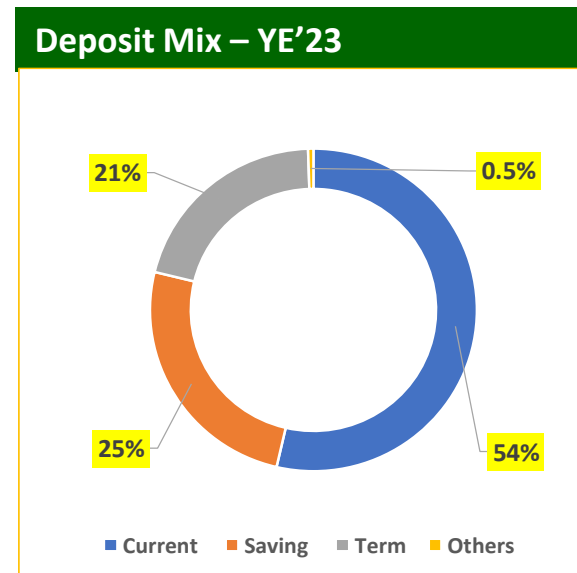
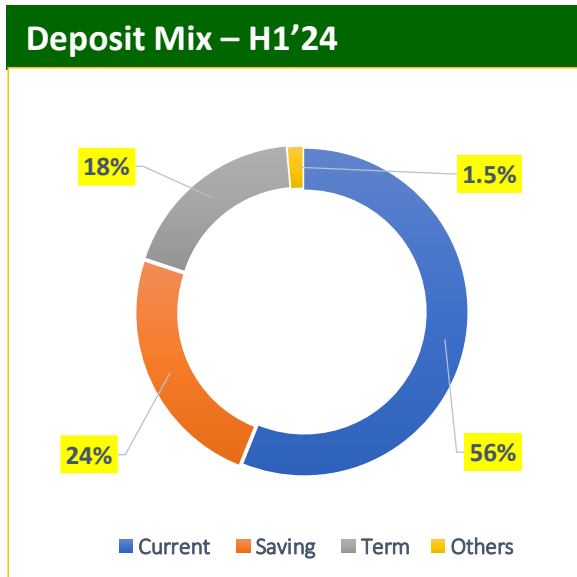
Investment Book

- Floating PIB's consist of 80% of total PIBs in H1' 24 vs 81% of YE'23
- T-Bill's portfolio comprises of 24% of total portfolio in H1' 24 vs 22% in YE'23.
- Yield on investments increased to 20.55% during H1'24 vs preceding yield of 18.20% of H1'23.

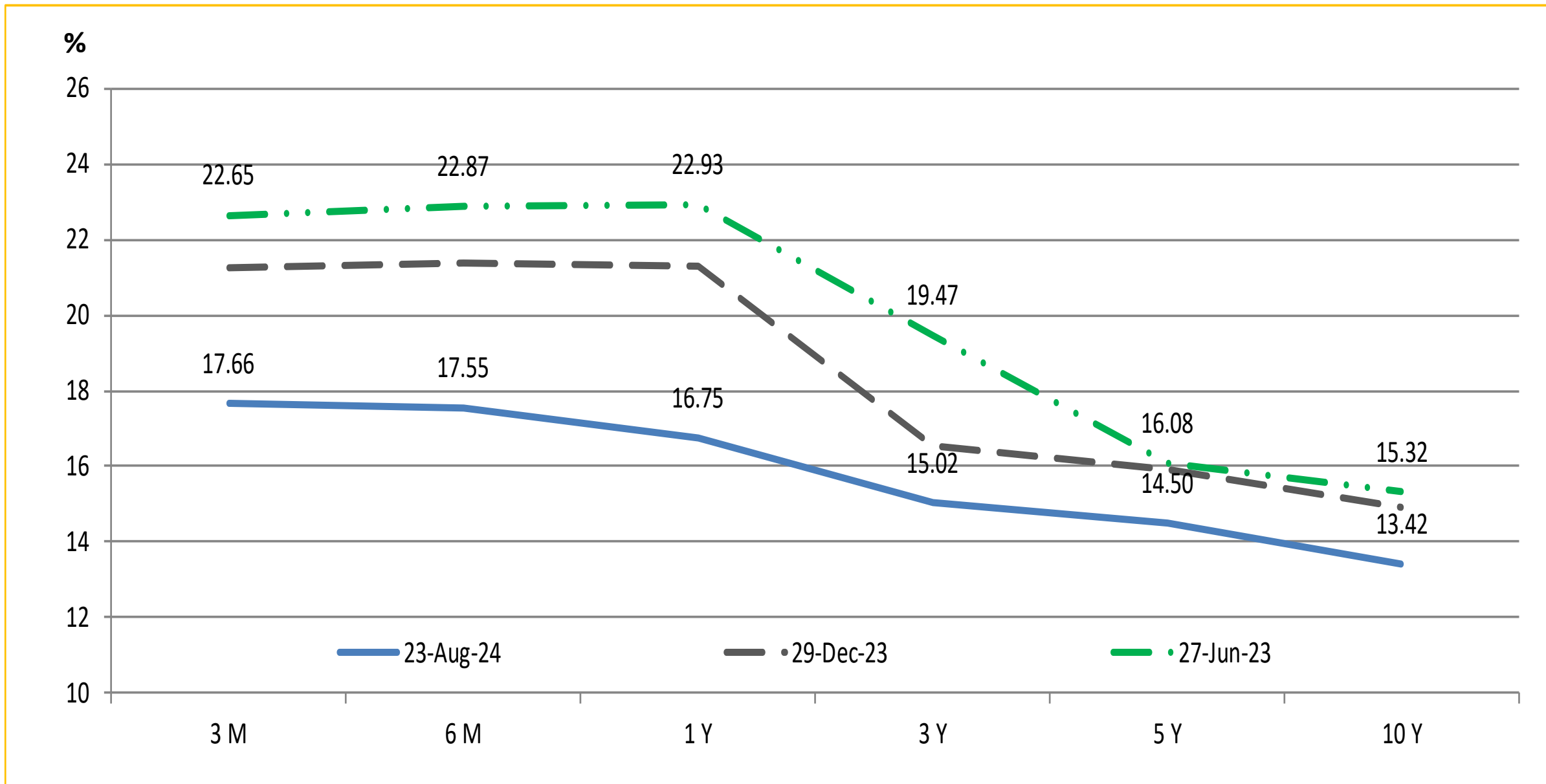
Strong Deposit Growth

- NBP added PKR 429 Bn deposits during H1'24, out of which 77% are current deposits.
- CASA deposits increased to 80% during H1'24 vs 79% at YE'23
- Cost of deposit 14.04% for H1'24 as compared to 11.19% for H1'23. Higher cost of deposits was attributed change in SBP policy rate

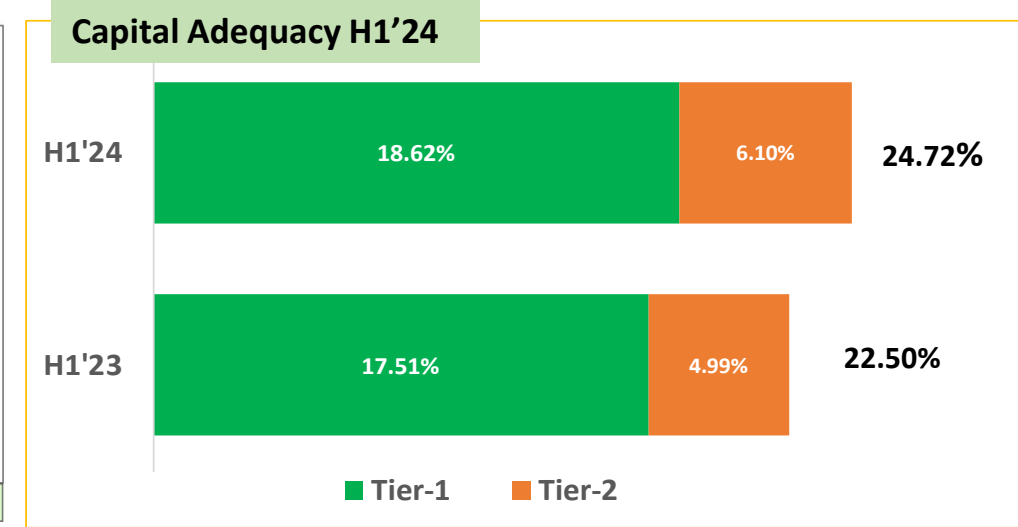
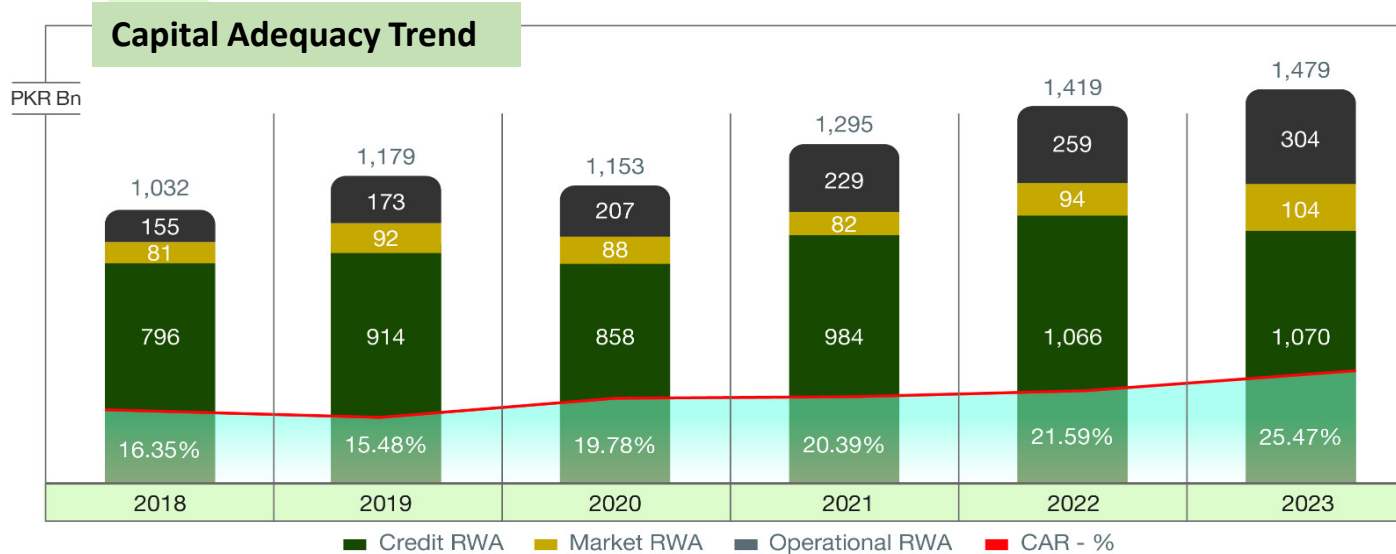
Growing Deposit Base – PKR 4.1 Tr



Yield Curve – Shifting Downward



Equity & Capital Strength



- Historically, the Bank has maintained strong capital base with CAR, well above regulatory requirement of 14%.
- H1'24 CAR stood high at 24.72% vs 22.50% at H1'23 (Regulatory requirement @ (11.5% + D-SIB 2.5%= 14%)*
- Leverage ratio stood at 3.10%, 16 bps up from 2.94% at H1'23

Capital	Actual	Reqd.	Buffer (bps)
CET 1	18.62%	10.00%	862 bps
Total CAR	24.72%	14.00%	1,072 bps
Leverage	3.10%	3.00%	10 bps

*Effective August 01, 2024, regulatory requirement stands reduced to 13%.

Investments by Product

	YE'23	H1'24	Var.	% Change
Market Tbills	980,163	1,145,605	165,442	16.88%
PIB's - Fixed	597,688	655,243	57,555	9.63%
PIB - Floating	2,532,134	2,601,431	69,297	2.74%
Foreign Bonds	79,713	64,924	(14,789)	-18.55%
Oth.	96,904	145,242	48,337	49.88%
Equity Inv.	110,614	111,284	671	0.61%
Subs & Asso.	6,148	4,541	(1,607)	-26.14%
Total	4,403,364	4,728,270	324,906	7.38%

Investments Composition

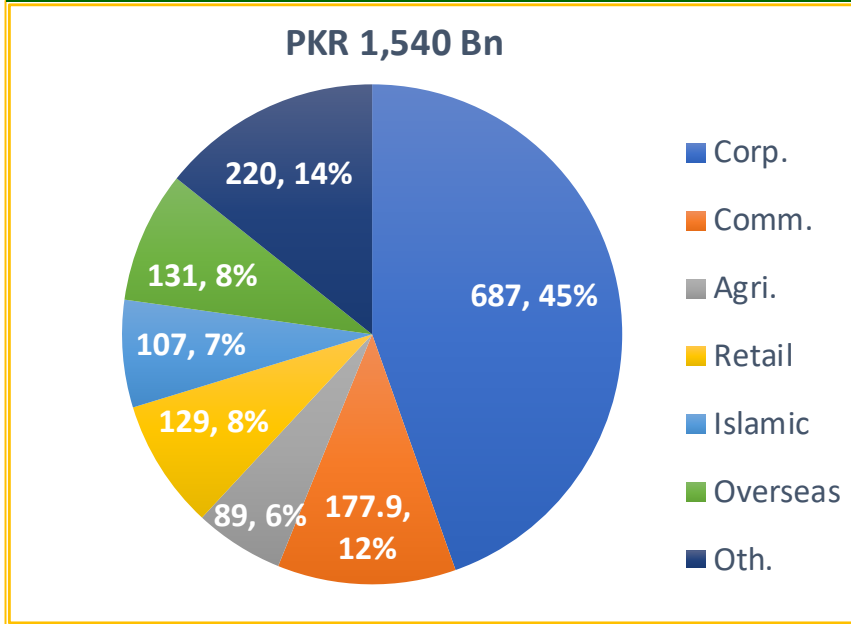
	YE'23	H1'24
T-bills	22%	24%
PIBs	71%	69%
Equities	3%	2%
Foreign Bonds	2%	1%
Oth.	2%	3%
Subs & Asso.	0%	0%
Total	100%	100%

- The Bank has a well-balanced fixed income portfolio.
- The Bank hold well-diversified equity investment portfolio:
 - ✓ Dividend income of PKR 3.0 Bn
 - ✓ Capital gains booked from equity investments amounting to PKR 2.1 Bn under FVPL, and PKR 2.5 Bn under FVOCI

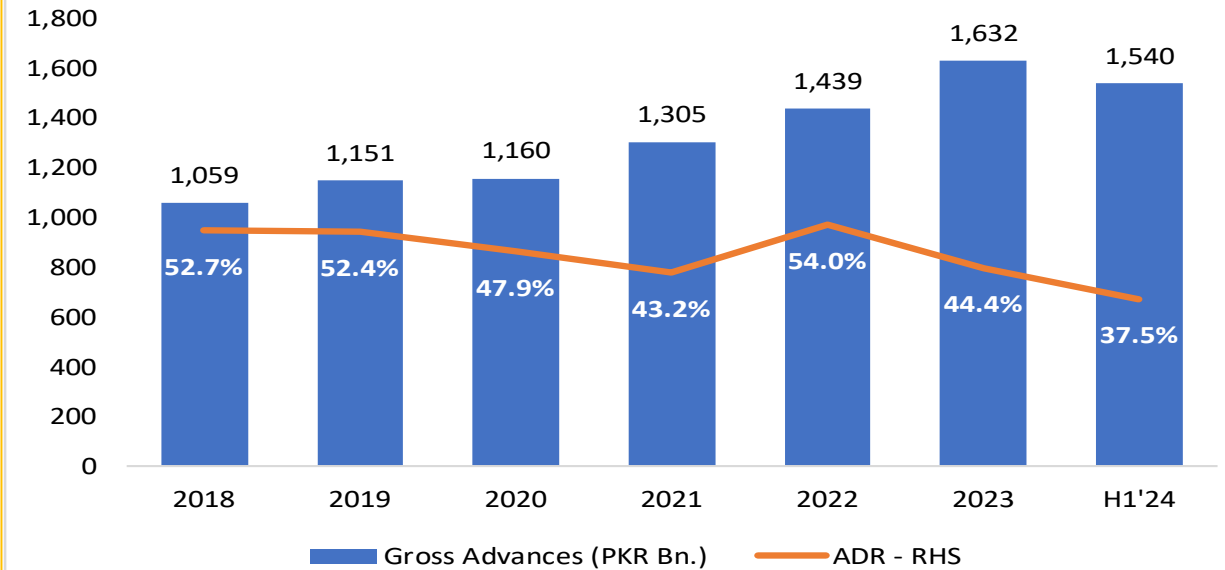
Loans & Advances : Steady Growth – Strong Provisioning



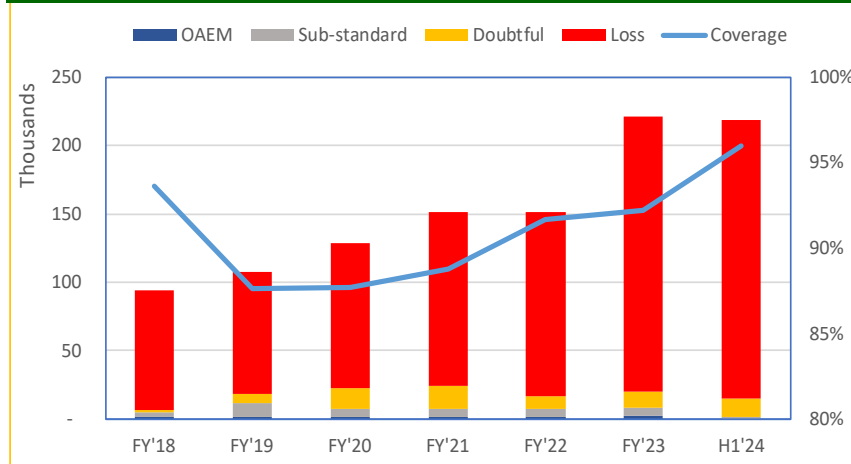
Advances by Segment



Gross Advances – YoY Growth Trend



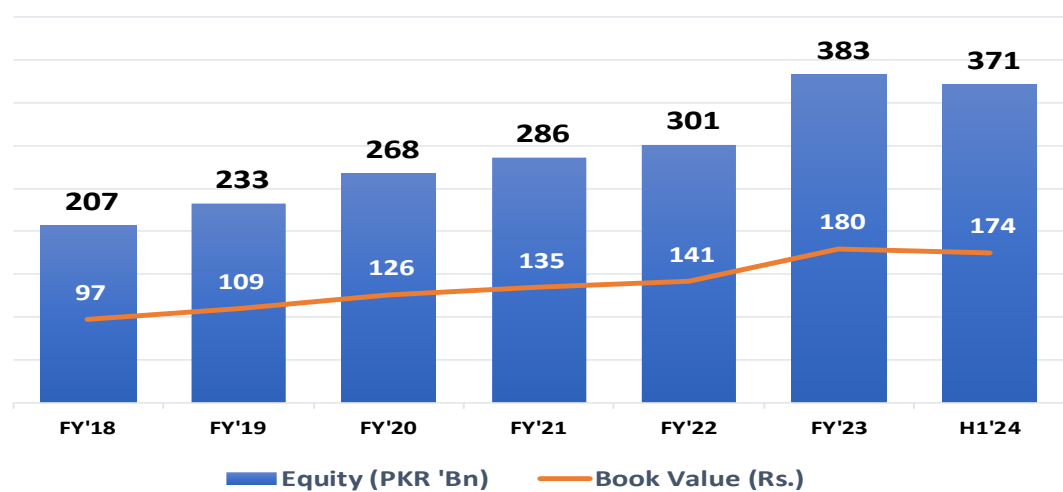
Loan Loss Coverage



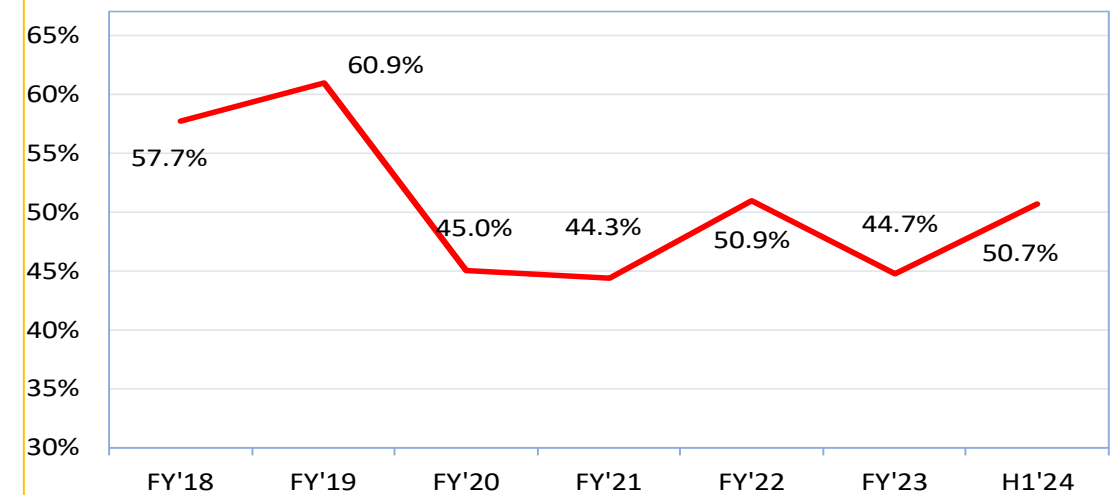
- Steady YoY growth in loan book, albeit some drop in H1'24 due to subdued demand mainly in corporate sector
- Largest provider of loans in agriculture
- Largest single consumer loan product (Advance Salary) with outstanding loans of PKR 86 Bn
- Strong provisioning of up to 96% against Stage-3 loans. Adequate provisioning against Stage-1 & Stage-2 loans.

Key Ratios

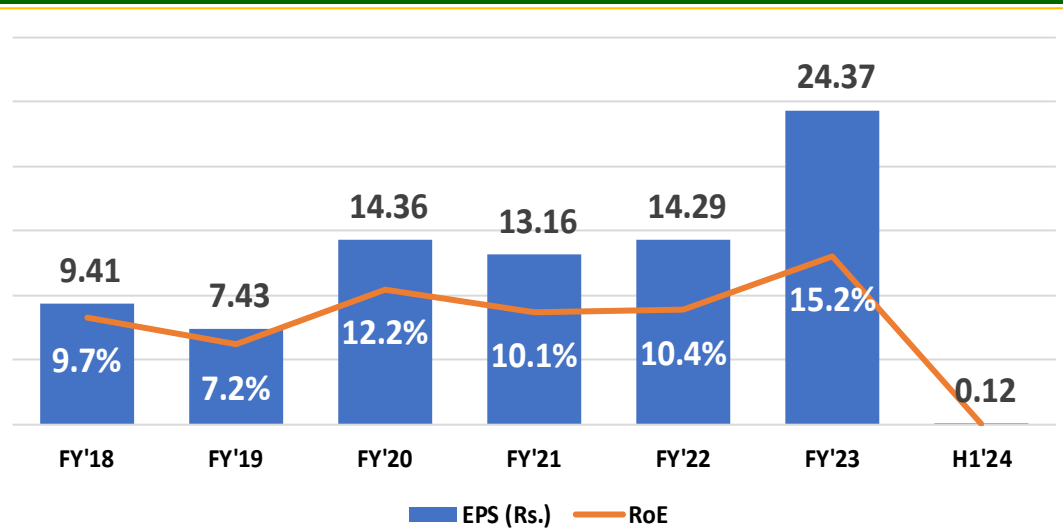
Equity & Book Value Per Share



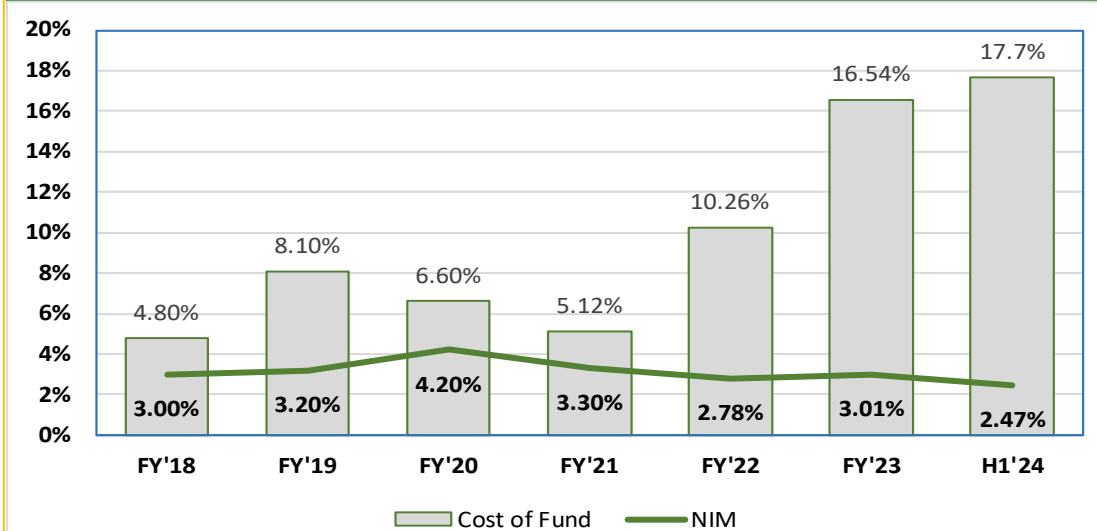
Cost to Income Ratio



Return on Equity



Net Interest Margin



Technology Investments

	H1'24	2023	2022	2021	2020
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IT CAPEX					
Computer & Peripheral	301	467	258	497	273
System & Software	41	680	296	304	95
Total	341	1,147	555	801	367
YoY Increase	143	592	(246)	434	(40)
YoY Variance	12%	107%	-31%	118%	-10%

IT OPEX					
Total Spend	3,774	7,302	5,095	3,085	2,569
YoY Increase	258	2,207	2,010	517	363
YoY Variance	7.3%	43.3%	65.1%	20.1%	16.5%

- Significant investments into its IT system during recent years to upgrade:
- ✓ Core Banking Application
 - ✓ Digital Offering
 - ✓ Cybersecurity
 - ✓ Equipment & Peripheral



364 M+

Transactions Through Digital Self-serve Channels with **88%** Average YoY Growth



PKR 5.4 T+

Throughput Through Digital Self-serve Channels with **284%** Average YoY Growth



PKR 1.9 T+

Throughput on Digital App with **240%** Average YoY Growth



Reducing Call Center Call Volume & Branch Footfall



Reducing Call Center Call Volume & Branch Footfall



73 M+

Digital App transactions with **149%** Average YoY Growth



PKR 39 B+

POS Throughput with **107%** Average YoY Growth



2.6 M+

Active Debit Cards



Reducing Call Center Call Volume & Branch Footfall

Key Highlights / Take Away:

- With over **364 million** transactions processed, a noteworthy year-on-year rise of **88%**, digital self-serve channels have enjoyed substantial growth
- With an increase of **284%** YoY, the throughput on these channels has surpassed **PKR. 5.4 trillion**
- Notable YoY increase of **240%** and a throughput exceeding **PKR. 1.9 trillion** on just the Digital App is an indicator of how well the usage has been adopted.
- Furthermore, the app has clocked more than **73 million** transactions, demonstrating a **149%** growth from the previous year.
- Our digital endeavors have been accompanied by an expansion of our active debit card portfolio to **2.6 million**
- 107%** YoY rise, the throughput on POS exceeding **PKR. 39 billion**



Top Debit Card Issuer

PayPak – H1-24



4th Highest

PayPak - ATM Withdrawal



46 M+

Debit Card Transactions
H1 2024



4th Highest

PayPak - POS Spend



PKR 675 B

Debit Card Transaction Value
POS, ATM – H1 2024



PKR 2 B+

Debit Card Revenue
H1 2024

OUTSTANDING ACHIEVEMENTS DEBIT CARDS PERFORMANCE H124 YOY COMPARISON



- NBP is a market leader in PayPak Debit Card issuance
- Debit card revenues increased by **91%** YoY.
- Working on launching other international schemes in 2025

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
Corporate Governance Disclosures**



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**The Federation of Pakistan
Chambers of Commerce & Industry**

THANK YOU

