

Press Release

NBP Board Approved Six Months Financial Statements

Karachi: August 16, 2012: The Board of Directors of National Bank of Pakistan (NBP) in their meeting held on August 16, 2012 at the Head Office, Karachi approved the Financial Statements of the Bank for the six months period ended June 30, 2012.

After tax profit increased to Rs 8.2 billion i.e. marginally higher from last year by 1.4%. Earnings per share stands at Rs. 4.43 compared to Rs. 4.37 of the corresponding period last year. Pre-tax return on equity stands at 21.5% with pre-tax return on assets being 2.0%.

NBP's net interest income remained under pressure and declined by Rs.1.6 billion compared to the corresponding period last year due to a combination of factors including reduction in discount rate and increase in minimum profit rate on deposits to 6% p.a. effective from May 2012. However, this impact was to a certain extent offset through recoveries and balance sheet growth. Non-interest markup income increased by Rs. 648 million or 6.7% compared to the corresponding period last year mainly because of higher dividend and capital gains on the investment portfolio.. Expenses increased by 15% in line with inflation related salary increases and other overhead costs. Provision charge against advances shows a reduction of Rs. 2,054 million or 44% mainly on account of lower fresh accretion and restructuring of certain corporate loans. Provision against investments during the quarter increased due to lower capital gain opportunities in the second quarter and certain reclassifications which did not have any incremental impact on profitability. NPL's remained at March 2012 level.

Deposits at Rs. 945 billion are Rs. 18 billion higher compared to year end December 2011. Compared to June 2011, increase in deposit is Rs.114 billion. Advances increased by Rs. 53.0 billion compared to year end December 2011 mainly in corporate, commodity and agriculture sector. JCR VIS credit rating agency maintained AAA/A1+ standalone rating for NBP in June 2012. The Bank also received "Deal of the Year Award" from The Banker magazine during the year.

NBP will continue to focus on increasing low cost deposits, recoveries, improvement in the quality of assets, technology up-gradation and expense management.

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Corporate Communication & Brand Management