



July 01, 2011

**PRESS RELEASE**

**JCR-VIS REAFFIRMS RATINGS OF NATIONAL BANK OF PAKISTAN  
LIMITED AT AAA /A-1+**

Karachi, July 01, 2011: JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the entity ratings of National Bank of Pakistan (NBP) at 'AAA/A-1+' (Triple A / A-One Plus) with 'Stable' Outlook.

NBP dominates the commercial banking sector with market share of 14% in total banking sector deposits. The deposit base has exhibited healthy growth and the bank has maintained strong liquidity indicators. In addition to enjoying a large retail deposit base, the bank also holds a major portion of total public sector deposits. NBP also enjoys one of the highest levels of capitalization, among the larger banks.

In view of adverse macroeconomic conditions, an upward trend has been witnessed in infection levels. In addition to accretion of fresh non-performing loans in private sector lending, the bank has also recently classified some of its public sector advances. Even after adjusting for net NPLs, capitalization level is considered strong. Two asset recovery groups have been set up last year to actively pursue the recovery of non-performing assets or achieve settlement through realization of collateral.

Net profit for 2010 was maintained at the preceding year's level due to contraction in spreads. Improving bottom-line results through reduction in cost of deposits in line with other large banks has been prioritized for the on-going year and ahead. Moreover, NBP is also looking to leverage its international presence to capture higher volumes of trade business.

The pace of revamping the IT infrastructure has accelerated in recent months. Pilot launch of core banking application has been conducted as a move towards centralization of operations, while several other modules are undergoing user acceptance tests. Up-gradation of branch connectivity is underway and will steadily be implemented throughout the network.

Regards,  
Ali Ahmed Zaib  
Senior Manager,  
Corporate Communication Division  
Ph: No. 99220734  
Cell: 0322-2463145