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PRESS RELEASE

INCREASE IN PROFIT BY 18%

Board of Director's of National Bank of Pakistan in their meeting held on March 4th, 2010 at the bank's Head Office Karachi, approved the Financial Statements of the Bank for the year ended December 31, 2009 and announced a historic payout of 25% Bonus shares and 75% (Rs.7.50 per share) cash dividend to the share holder's as final dividend for the year 2009.

Year 2009 had been a challenging year where the economy faced various negative factors like slow down in growth, high inflation rate, aftermath of international economic meltdown in shape of reduced trade volumes, energy shortages, deteriorating law & order situation due to continuing war against terrorism etc. In this back drop the bank posted profit after tax of Rs. 18.2 billion in 2009 as against an after tax profit of Rs. 15.5 billion in 2008, registering a YoY increase of 18%. The Earnings Per Share for 2009 stood at Rs. 16.92 per share as against Rs. 14.36 per share for the last year. The bank enjoys one of the highest Capital adequacy ratio of 16.8% in the industry. The bank's top line (operating revenue) increased by 7.5% from Rs. 53.5 billion in 2008 to Rs. 57.5 billion in 2009. In the year the bank redeemed substantial holding in NIT units and booked capital gain of Rs. 3.9 billion. The pre tax profit of the bank show reduction of 3% compared to last year which is mainly due to increase in administrative expenses and provision charges, however this is substantially less then 21% reduction in profitability that was recorded at the end of September 2009 (third quarter results).

Deposits of the bank increased by Rs. 102 billion or 16%. The increase in the deposits was due to deliberate efforts of the bank's management to strengthen its liquidity position. Though it increased cost of funds, however, broader term benefit on system stability and liquidity outweighs the cost. Advances for the bank grew by Rs. 62 billion or 15.1%, yet the bank maintained a comfortable advance to deposit ratio of 65%. Major increase was noted in corporate and commodity loans. The total assets increased by 126.4 billion or 16%.

The Bank has also started the implementation of 'Core banking application' which is a state of the art I.T. technology. The system is aimed at improving the overall operational efficiency, customer services and data quality of the bank and will facilitate the launching of new products & services in the future.

The Bank stands committed to its vision and mission and for the future will continue to focus on increasing net interest margin by procuring low cost deposits, expense management for better deployment of banks resources and recovery efforts for reduction in non-performing loans. Our commitment towards our employees, shareholders and regulators shall be the guiding principle of our future planning.

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