



The 73rd AGM of National Bank of Pakistan
Financial Statements-2021 approved by the Shareholders.

The 73rd Annual General Meeting of National Bank was held today at Karachi and was also open for participation through online electronic means. The meeting was attended by the Chairman Mr. Zubyr Soomro and the President Mr. Arif Usmani along with other Directors and senior management of the Bank as well as a large number of the shareholders.

The Shareholders appreciated the Bank's financial performance as total revenue for the year 2021 closed at PKR 134.6 Bn that included net interest income of PKR 97.6 Bn and non-fund income of PKR 36.9 Bn. Despite inflationary pressures, operating expenses dropped by 5% YoY to close at PKR 60.0 Bn. Also, loan loss and other provision charges reduced by 61% to close at PKR 11.9 Bn. Despite a civil penalty of PKR 9.8 Bn imposed on the Bank's US operations, profit before tax amounted to PKR 52.9 Bn which is the highest ever in the history of the Bank. Total provision charge for the year 2021 amounted to PKR 11.92 Bn, which is significantly lower by PKR 19.0 Bn or 62% vs PKR 30.9 Bn for 2020. Due to the civil penalty, profit after tax closed at PKR 28.0 Bn reflecting a YoY drop of 8%. With PKR 74.4 Bn in after-tax profits during the last three years, net assets of the Bank stand increased from PKR 206.9 Bn at the beginning of 2019 to PKR 286.2 Bn at end of 2021 translating into Book Value of PKR 135 per share against PKR 97.2 at the beginning of 2019, when the new management took charge.

On the balance sheet side, total assets of the Bank have reached PKR 3.85 Trillion compared to PKR 2.80 Trillion in early 2019. Only in 2021, YoY growth was high at 27.9% as the Bank achieved the PKR 3.0 Trillion milestone in deposits which increased by PKR 600 Bn, of which 80% or PKR 477.4 Bn were customer deposits. The Bank's liquidity coverage ratio stood at 164%, and the Net Stable Funding Ratio stood at 278%, well above the statutory minimums of 100%. Also the CET-1 ratio and Total CAR stood at 15.42% and 20.39%, respectively - the highest capitalisation level in the Bank's history. The Bank enjoys highest local credit ratings of AAA / A1+ categories for long term and short term respectively as reaffirmed by both PACRA and VIS Credit Rating Company.

The shareholders appreciated the Board's recommendation for dividend pay out of Re 1.0 per share subject to the approval of the Federal Government and the State Bank of Pakistan. The Bank has applied for requisite approvals that are currently under process, hence the dividend could not be declared in today's AGM. The matter will be placed before the shareholders in a General Meeting once the said approvals are received. The shareholders also raised concerns regarding the long outstanding matter related to pensionary benefits of its retired employees. The President assured the shareholders that the Bank is making every effort to amicably resolve the matter through any workable solution, including out of court settlements.

The President apprised the shareholders that the Bank has made visible progress on its strategy across its various businesses focussed on playing its systemically important role in the economy while maintaining a strong and resilient balance sheet to deliver performance for shareholders. Going forward, the Bank's strategic focus will remain Agri, SME, Commercial and low-cost housing segments to support the inclusive development agenda.

Audited Financial Statements and other agenda items were unanimously approved by the shareholders.

Financial Control Group

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