

Flash Note

Wednesday, October 30, 2024

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Commercial Banks

National Bank of Pakistan (NBP)

Earnings: National Bank of Pakistan (NBP) announced its financial result for the third quarter of the year 2024. As per the financial result, the Bank reported unconsolidated earnings of PKR 8.8bn (PKR 4.12/share) during 3QCY24 compared to PKR 11.6bn (PKR 5.70/share) last year, down by 24% y/y, taking the total earnings for 9MCY24 to PKR 9.0bn (PKR 4.24/share) as compared to PKR 38.2bn (PKR 17.93/share) in the same period last year.

Dividend/Payout: The Company did announce any dividend with the result.

Operating Performance: During the 3QCY24 period under review, the Bank reported net-interest income of PKR 33bn (down by -30%/y/y) and non-interest income of PKR 16.9bn (up by ~3xy/y) on the back of a significant increase in capital gains on securities. As a result, the bank's total revenue stood at PKR 50bn (down by -5%/y/y). Moreover, NBP recorded operating expenses of PKR 29bn (up by +35%/y/y), with the bank's cost/income ratio clocking in at 57% (3QCY23: 40%). The bank booked a provision charge of PKR 1.5bn during 3QCY24 compared to a provision charge of PKR 8.8bn in the same period last year. The tax charge for this quarter was recorded at PKR 11bn (effective tax rate of 56% as compared to 47% in 3QCY23) bringing total effective tax rate for 9MCY24 to 56% compared to 46% in the same period last year.

Exhibit: Financial Highlights National Bank Of Pakistan (NBP)					
Latest result published for 3Q'/24					
Period (PKRbn)	3Q'/24	3Q'/23	2Q'/24	9M'24	9M'23
Net Interest Income	33	47	43	105	121
Fee Income	5.2	4.4	6	17	15
Treasury Income	11.6	0.7	5	24	8
Non-Interest Income	16.9	5.7	11	42	25
Total Revenue	50	53	54	147	145
Op. Exp.	29	21	27	(78)	(65)
Provision charge	(1.5)	(8.8)	1	0.3	(9.2)
Extraordinary Items	0.0	0.0	(49)	(49.0)	0.0
Profit Before Tax	20	23	(21)	20	71
Tax	11	11	(10)	(11)	(32)
Profit After tax	8.8	12.1	(10.6)	9.0	38.2
EPS	4.13	5.70	(4.96)	4.24	17.93
DPS	0.00	0.00	0.00	0.00	0.00

Source: Company accounts, IGI Research. No. of shares: 2127.5mn

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