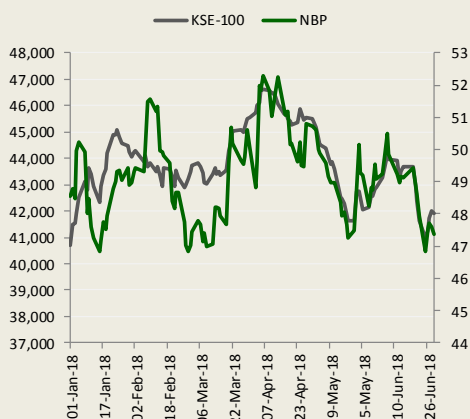


KEY DATA

PSX Ticker	NBP
Sector	Commercial Banks
Current Price PkR	51.33
Market Cap (PKR mn)	109,205
Market Cap (US\$ mn)	881
52 weeks High	60.14
52 weeks Low	43.01
Shares Outstanding (mn)	2,128
Free Float	24%

Source: PSX/Darson Research

RELATIVE PERFORMANCE



Consolidated EPS grew by +49%YoY in HCY18

National Bank Pakistan (NBP) has declared its half year result for CY18, wherein, the bank posted consolidated earning of PKR 5.95/share against an EPS of PKR 4.00 SPLY, surged by +49%YoY. This increase is mainly accredited to soar in net interest income by +15%YoY.

For HCY18 the net interest income of the bank posted an increase of +15%YoY to PKR 30,267mn and the factors which pushed up NBP's profitability were higher core income.

Non-interest income posted a growth of +1%YoY in HCY18 to PKR 16,205mn, which is mainly due to increase in fee income and FX income, while the non-interest income grew by +17%YoY. Lastly the company booked 21% EFT in 2QCY18.

PKR mn	HCY'18	HCY'17	YoY%	2Q-CY'18	YoY%
Interest earned	66,527	56,784	17%	35,074	20%
Interest expensed	36,260	30,469	19%	18,996	23%
Net interest income	30,267	26,315	15%	16,078	16%
Provisioning expense	2,460	1,432	72%	2,644	95%
Net income after provisions	27,807	24,883	12%	13,434	7%
Total non interest income	16,205	16,057	1%	9,737	17%
Total non interest expenses	44,012	40,940	8%	23,171	11%
PBT	26,496	27,102	-2%	13,490	-2%
Taxation	17,516	13,838	27%	9,681	36%
PAT	4,773	5,193	-8%	2,046	-24%
PAT	12,743	8,645	47%	7,635	72%
EPS	5.95	4.00	49%	3.57	72%

Source: Darson Research, Company Accounts



Notified Research Entity

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Rating System:

- | | |
|---|---------------------|
| If; | |
| • Expected return >15% | - Buy Call |
| • Expected Return is in between 0% to 15% | - Neutral/Hold Call |
| • Expected Return <0% | - Sell Call |

Valuation Methodology

To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: www.JamaPunji.pk

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