PRESS RELEASE

NIB DECLARES CONSOLIDATED PROFIT BEFORE TAX OF RS 1.5 BILLION FOR HALF YEAR ENDED JUNE 30, 2009

For the first half of 2009, NIB Bank has earned a consolidated profit before tax of Rs 1.5 billion and a consolidated profit after tax of Rs 1.04 billion. On a standalone basis, profit before tax for the first half of 2009 was Rs 1 billion and profit after tax was Rs 580 million.

Markup earned by NIB Bank in the first six months of 2009 at Rs 9.4 billion was Rs 2.2 billion higher than for the first six months of 2008. This was a result of a growth in the loan book of the Bank as well higher loan yields. The Bank also achieved an appreciable reduction in its cost of funds for the current financial year which helped contain the increase in markup expense to Rs 1.9 billion. Fee income in the first half of 2009 also increased by 9% over the first half of 2008.

While recording a strong growth in its balance sheet, the Bank succeeded in reducing administrative expenses by 9% in the first half of 2009 compared to the first half of 2008. This was achieved despite high inflation and rising utilities costs, given the very strong focus placed by the Bank on improving operating efficiency. During the second quarter of 2009, the Bank commenced the rollout of its new Core Banking with 77 branches already converted and a plan to complete the migration to the new banking platform before the end of 2009.

NIB continues to grow its Consumer, SME and Small Business segments in line with its Mission to improve the quality of life for millions. In these segments, during the first six months of 2009, the Bank added nearly 60,000 new customers and disbursed new loans worth over Rs 5 billion. NIB also increased its presence in the Corporate Banking segment where it disbursed over Rs 6 billion to top tier customers during this period. Consequently, loans in the Bank's core segments grew by 16% during the first six months of this year. The Bank also maintained its successful track record in recovering large amounts from defaulting customers by pursuing an aggressive recovery policy.

NIB continues to maintain a capital adequacy well in excess of regulatory requirements. The independent rating agency, PACRA, maintained the Bank's credit rating of AA- even in these difficult times, while the State Bank of Pakistan designated NIB as a Primary Dealer in recognition of its proven active participation in the fixed income securities market.

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