



The profit before tax of banks included in this survey has increased by 22.3% to Rs. 95.3 billion in 2009 from Rs. 77.9 billion in 2008. The main contributors to the increase were NIB (Rs. 14.5 billion) which recorded a loss of Rs. 13 billion in previous year and a profit of Rs. 1.5 billion in current year, HBL (Rs. 4.4 billion) and ABL (Rs. 4.5 billion). In terms of percentage improvement, Meezan profit before tax has increased by 383% followed by Askari by 220%. The main contributors to increase in profitability comprise of:

|  | <b>Rupees in billions</b> |
|--|---------------------------|
| Increase in spread                       | 32.7                      |
| Increase in non mark-up/ interest income | 8.7                       |
| (Increase) in provisions                 | (9.0)                     |
| (Increase) in operating expenses         | (15.4)                    |

Certain banks have used the benefit of Forced Sale Value of commercial, residential and industrial properties (land and building only) held as collateral as allowed by State Bank of Pakistan Circulars. Contributing to approximately Rs. 16 billion increase in profit before tax. The major beneficiaries and impact on provisions/profit before tax is as follows:

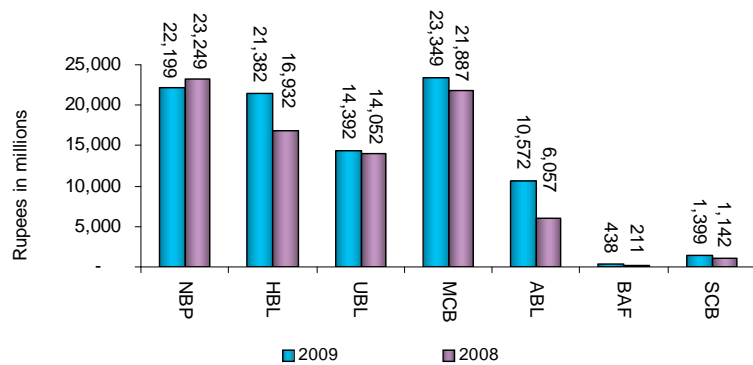
|        | <b>Rupees in billions</b> |
|--------|---------------------------|
| NBP    | 4.154*                    |
| HBL    | 0.851                     |
| BAF    | 1.782*                    |
| SCB    | 0.431                     |
| Askari | 2.814                     |
| HMB    | 1.303                     |
| NIB    | 1.916                     |
| Faysal | 0.637                     |
| Soneri | 0.866                     |
| MYB    | 0.561                     |
| BOK    | 0.605                     |

\*Impact after tax is disclosed in the audited financial statements which has been grossed-up for tax impact @ 35%.

## Large Size Banks

ABL and HBL posted highest profit growth of Rs. 4.5 billion and Rs. 4.4 billion, i.e. 74.5% and 26.3%, respectively, from 2008. ABL's spread and non mark-up/interest income has increased by Rs. 5.4 billion and Rs. 1.2 billion and provisions and operating expenses increased by Rs. 1.3 billion and Rs. 0.8 billion, respectively. HBL's spread has increased by Rs. 5.8 billion and non mark-up/interest income and provisions decreased by Rs. 0.1 billion each, while operating expenses increased by Rs. 1.4 billion.

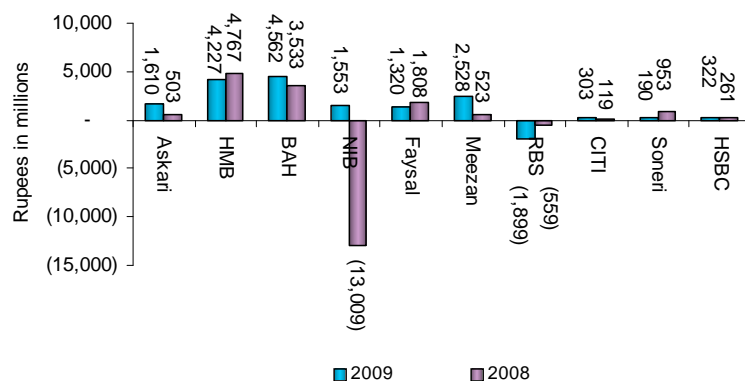
*Operating income less operating cost (i.e. profit before tax).*



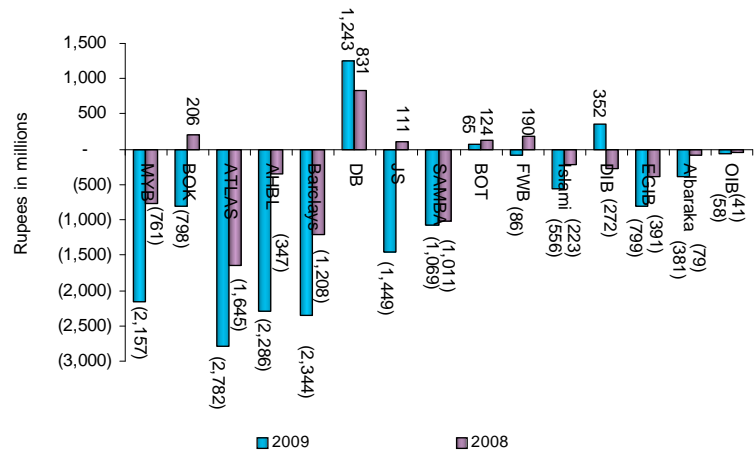
## Medium Size Banks

The major changes include NIB where charge for bad debts reduced by Rs. 8 billion to Rs. 1.2 billion. Its operating expenses decreased by Rs. 3.1 billion, mainly due to no impairment loss in respect of goodwill as against Rs. 1 billion in 2008. RBS loss before tax increased to Rs. 1.9 billion compared to Rs. 0.6 billion loss before tax for the year ended 31 December 2008, mainly due to decrease in spread and non mark-up/interest income.

*Operating income less operating cost (i.e. profit before tax).*

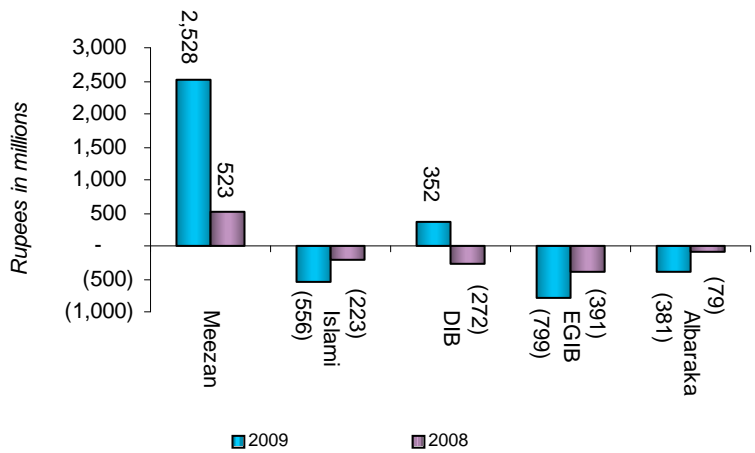


### Small Size Banks



Operating income less operating cost (i.e. profit before tax).

### Islamic Banks



Operating income less operating cost (i.e. profit before tax).