

HISTORIC HIGH

NBP POSTS RS.22.8BN PROFIT, UP 18PC YOY

KARACHI: A meeting of the Board of Directors (BoD) of National Bank of Pakistan (Bank) was held on Wednesday, February 22 at the Bank's head office here. The BoD approved the financial statements of the Bank for the year ended December 31, 2016.

The Board recommended a cash dividend of Rs.7.5 per share for the year which translates into payment ratio of 78 percent (after statutory reserve allocation).

For the year 2016, the Bank reported highest-ever performance numbers in its history, maintaining its leading position amongst the peers. Outstanding growth during the year was achieved both in financial performance and financial position of the Bank. After-tax profit for the year 2016 amounted to Rs.22.8 billion i.e. 18 percent up against Rs.19.2 billion of 2015. This translates into earning per share of Rs.10.69 compared to Rs.9.03 of 2015.

Despite a generally difficult year with downward trends for the banking industry on account of reduction in discount rate and lower exchange arbitrage opportunities, the Bank recorded a growth of Rs.3.9 billion i.e. 12 percent in pre-tax profits which amounted to Rs.37.1 billion in 2016. Pre-tax and after-non return on equity were 31.5 percent and 19.3 percent (2015: 293 percent and 17 percent), respectively.

The bank made significant progress in improving its loan book quality as non performing loans recorded a net reduction of Rs.7.9 billion during the year. During the year healthy balance sheet growth has also been recorded reaching to Rs.1,975 billion, making. This depicts a 16 percent YoY growth against Rs.1,706 billion at the end of year 2015. During the year, gross advances of the bank increased by 13 percent to Rs.782 billion compared to Rs.692 billion as of December 2015. Similarly, the bank achieved a 16 percent growth in its deposits as the same reached Rs.1,657 billion.

With "AAA" credit rating, the Bank is a driving force in retail banking given its large distribution network. Bank's ATM and Islamic branch net work closed at the highest level in the Bank's history, with 118 Islamic branches and over 1,300 ATMs.

