

**Shahid Iqbal**

**NBP EARNS RS.23BN KIPS DIVIDEND**

KARACHI: The National Bank of Pakistan (NBP) earned a profit after tax of Rs.23.03 billion in 2017, up 1.2 percent, from Rs.22.75bn last year. The bank, however, did not announce any dividend, fearing the financial impact of ongoing pension case.

“If the pension case goes against our appeal, we have saved enough to protect the bank from any bad impact on its working and balance sheet,” said NBP President Saeed Ahmed in reply to a question regarding the pension case in Supreme Court.

He said the bank earned the highest-ever profit after tax in its 69 years history which translates into the highest-ever earnings per share of Rs.10.82, compared to Rs.10.69 in 2016.

Bank’s pre-tax profit amounted on Rs.35.6bn, 4.1pc lower against Rs.32.14bn the prior year Pre-tax and after-tax return on average equity were 29pc and 18.7pc respectively.

“We are making our best efforts to change the culture of the bank which is still not satisfactory.” Said Mr. Saeed while discussing customer services.

He said NBP could not open a branch in China due to the large size of non-performing loans but this hurdle would be removed soon. He said the NPLs could come within a single digit, if some of them are written off.

He said he discussed with Iranian delegation the opening of bank branches but so far none has been opened, adding that the matter related to banking in Iran is being searched out by the State Bank.

Mr. Saeed said that if Pakistan is put under Federal Action Task Force which list, the banking would become costly in Pakistan while foreign banks would be reluctant to deal with Pakistani banks.

The United States has put forward a motion to place Pakistan on a global terrorist financing watch list with an anti-money laundering monitoring group.

A presentation before Mr Saeed’s briefing showed that the operating income of the bank for the year amounted to Rs.85.3bn. while net interest income amounted to Rs.54.5bn, a 3.7pc growth was observed in non-interest income which valued at Rs.31.1bn.

Healthy growth in the balance sheet size was also recorded as it reached Rs.2.370bn depicting a 20pc growth year-on-year. Bank’s gross loans and advances increased by Rs.75.5bn to reach Rs.857bn and a nominal growth of 1.16pc was observed. Investment also increased by Rs.72.4bn and reached Rs.1,296bn. Similarly, the bank’s deposits also increased to Rs.1,727bn growing by Rs.69.8bn.

