

NBP PROFIT INCREASE BY 25%

Meeting of the Board of Directors (BoD) of National Bank of Pakistan (bank) was held on August 26, 2016 at Bank's Head Office in Karachi in which the BoD approved the financial statements of the bank for the half year ended June 30, 2016.

Bank's after-tax profit increased by 25.3% to Rs.9.5 billion compared to Rs.7.5 billion for the corresponding period of 2015. This translates into earnings per share of Rs.4.44 as against Rs.3.54 for the corresponding half year 2015. Keeping its momentum for growth, the bank, recorded a pre-tax profit of Rs.16.5 billion i.e. 9.2% higher against Rs.15.13 billion for the corresponding half year of 2015. Pre-tax and after-tax return on equity were 29.1% (1H 15:27.9%), and 16.6% (1H'15:13.9%) respectively; whereas the pre-tax and after tax return on assets remained 1.9% and 1.1% respectively.

Despite a continued reduction in the discount rate during the period, bank's net interest income increased by 11.4% to Rs.27.6 billion against Rs.24.8 billion in 1H'15. This was achieved through maintaining an efficient assets mix of high-yield loans and investments. Fee/commission amounted Rs.7.04 billion i.e 23.2% higher than Rs.5.7 billion for the corresponding half year 2015.

Significant balance sheet growth was also recorded during the period as the balance sheet footing touched Rs.1,905 billion as of June 30, 2016 i.e. 11.6% higher than Rs.1,706 billion as of December 2015. Gross advances in ceased by 7.2% to Rs.742 billion against Rs.692 billion as of December 2015. Deposits increased by around 10% to R.1,399 billion as against Rs.1,274 billion as of June 1015 with 77.6% being domestic CASA deposits. During the period under review, deposit of the Islamic Banking branches increased by 60% from Rs.12.7 billion as of December 2015 to R.20.3 billion at the end of 1H e 16.

Bank's network now consists of 1,403 domestic branches. This includes Islamic banking branches network of 112 branches up from 79 in December 2015. Bank has now installed 1,188 ATMS and installation of another 125 ATMs is expected to be complete in 2016. The bank is offering Bancassurance, and is soon launching its Debit Card and other alternate delivery channels like mobile banking, internet banking and fund transfers through ATMs.