

NBP PROFITS UP 173Pc

KARACHI: The National Bank of Pakistan (NBP) profit after tax went up by 173 percent to Rs.15 billion in 2014 against Rs.5.5 billion in 2013, while the profit-before-tax registered a growth of 211 percent to Rs.22 billion, a bank statement said on Thursday.

This translates into 86 percent dividend payout of the bank's distributable profit for the year 2014 (after statutory reserve allocation) and is the highest in the banking industry. This profit after – tax represents a return on average assets (RoA) of 1.1 percent as compared to the RoA of 0.4 percent in 2013.

This high payout shows the bank's strong capital position with continuous focus on increasing stakeholder value by capitalizing on opportunities to drive strong performance for the organization and even higher payouts to the shareholders in the years ahead. The bank also announced a final cash dividend of Rs.5.5/share for the year ended December 31, 2014, which will be presented for approval in the forthcoming annual general meeting of the bank, it said.

Earnings per share were Rs.7.06 in 2014 as against Rs.2.59 last year, an increase of 173 percent. Cost to income ratio has improved to 0.52 from 0.57 in 2013. Net interest income increased from Rs.38.2 billion in 2013 to Rs.44.2 billion in 2014, reflecting an

increase of 16 percent due to the balance sheet re-profiling and growth.

Non– interest income increased 23 percent from Rs.25.6 billion in 2013 to Rs.31.5 billion in 2014. The increase in non-interest income was primarily due to higher capital gains and growth in other income streams.

Total deposits increased by 12 percent from Rs.1,101 billion on December 31, 2013 to Rs.1,234 billion on December 31, 2014.

The current and savings account (CASA) ratio was 72 percent in December 2014 as compared to 69 percent on December 31, 2013, which helped reduce the cost of funds and improve profitability of the bank. Net NPL ratio (after provisions) improved to 3.62 percent from 4.21 percent on December 31, 2013.

Provision were lower by 39 percent in 2014 due to the realization of some good recoveries from nonperforming loans. In the year 2014, the bank focused on further strengthening businesses, network, technological capabilities and other operating and financial parameters.