

# The Financial Daily

Simultaneously published from Karachi and Lahore

International

---

## *NBP says it earns Rs16.9bn in CY12*

*Cash dividend of Rs7/share, 15 pc bonus*

ISLAMABAD: National Bank of Pakistan Monday declared the final cash dividend of Rs7 per share or 70 per cent and the bonus of 15 per cent for the year ended on December 31, 2012 which translates into payout ratio of 97.2 per cent. The bank has posted the profit of Rs16.89 billion in 2012, registered a nominal decline against Rs17.72 billion in 2011. However, the mark-up and non-mark up income has witnessed the rise in 2011 over 2010. Mark-up income stood at 101.12 billion during the period of current year when compared it with Rs 95.95 billion in 2011 while the non-mark up income recorded at Rs 61.35 billion in 2012 against Rs 57.76 billion in 2011. In 2012, the bank has posted Rs 9.13 the earning per share (EPS) against Rs 9.58 in 2011. The State Bank of Pakistan (SBP) reduced its policy rate by 250 bps in 2012 making reduction of 450 bps in the last 15 months and increased the minimum profit rate on deposit from 5 per cent to 6 per cent, said a statement released by the Bank. Due to these factors the bank's interest margin like all other banks remained under pressure. This reduction was partially offset through volume growth and improving deposit mix and after tax profit stood at Rs16.2 billion, consequent to the adjustment in discount rate. Total assets of the bank increased to Rs 1.31 trillion at the year end, up by 14 per cent from year end 2011, an appreciable growth given the competition and growth in overall banking sector. The bank's total deposits increased by Rs 110 billion or 12 per cent. Despite the economic challenges the bank's non-performing loans (NPL) remained at the year 2011 level with NPL ratio improving to 12.2 per cent from 14.9 per cent last year. Provision coverage is at 82 per

Tuesday, February 26, 2013

# The Financial Daily

Simultaneously published from Karachi and Lahore

International

---

cent which improved from 76 per cent of year 2011, it stated. During 2012 several major information technology (IT) initiatives were undertaken including conversion of almost all the branches to the online network, expansion of ATM network, establishment of full fledged 24/7 call center. The benefits of the said IT initiatives coupled with ongoing IT improvement will be further explored in 2013 in the form of further market penetration and product development. Going forward the bank will emphasize on reducing administrative and manpower cost, increasing Current & Saving (CASA) deposit ratio, reduction in NPLs, increase in agriculture, SME and consumer advances, capturing more trade business, and further improvement of IT infrastructure etc. –APP