

NBP declares 70pc dividend, 15pc bonus

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KARACHI - Board of Directors' of National Bank of Pakistan in their meeting held on Monday approved the financial statements of the Bank for the year ended December 31, 2012. It was announced that a payout of 15pc Bonus shares and 70pc (Rs 7.0 per share) cash dividend to the shareholder's as final dividend for the year 2012 which translates into payout ratio of 97.2pc. The Central bank reduced its policy rate by 250 bps in 2012 making reduction of 450 bps in the last 15 months. The State Bank of Pakistan increased the minimum profit rate on deposit from 5pc to 6pc. 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. After tax profit stood at Rs 16.2 billion, consequent to the adjustment in discount rate. Total assets of the bank increased to Rs.1.31trillion at the year end, up by 14% 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 12pc. Despite the economic challenges the bank's non performing loans (NPL) remained at the year 2011 level with NPL ratio improving to 12.2pc from 14.9pc last year. Provision coverage is at 82pc which improved from 76pc of year 2011. During 2012 several major I.T. 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 I.T. initiatives coupled with ongoing I.T. 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 I.T. infrastructure etc. National Bank of Pakistan (NBP) occupies an important position among 'Big Five' commercial banks in the country. Apart from its enormous balance sheet size it also stands distinguished because of the unique products and services being offered. The bank now became the first ever financial institution of the country to cross one trillion rupees benchmark with more than 16,500 employees and 1,285 branch banking network across the country, and 23 foreign branches and representative offices in four countries left unique footprints in South Asia, Central Asia and Middle East. The release said NBP opened up branches in foreign countries and established subsidiaries as it claimed to be the 'Bank of Nation' and now graduated to be called 'local bank having global outreach. The bank has been offering various services on behalf of the State Bank of Pakistan (SBP), as the central bank does not have branch banking offices in many cities across the country, NBP is a public sector bank and listed all the stock exchanges and its shares were offered to the general public under a program of 'privatisation for people.' The driving spirit of this program was that general public must be benefited by public sector entities because the value of their investment has been multiplied while the shareholders have also been earning substantial return. The NBP completed sixty years of service as it was established through an ordinance on November 09, 1949 and started operations with an issued capital of Rs 15 million and 100 employees. The government collaborated with NBP started 'achieving food security program,' and offered extended credit Rs 300 billion annually to the farmers. The NBP enjoys not only disbursing the largest amount among the farmers but also surpassing the allocated target. During last financial year, NBP disbursed the amount among highest number of farmers who benefited. The practice became possible because of the NBP has acquired the modern online branch banking technology with a dedicated professionals who ensure the credit is delivered at the doorstep of the farmers rather they chasing the bank staff.