

February 22, 2017

The General Manager,
Pakistan Stock Exchange Ltd.,
Stock Exchange Building,
Stock Exchange Road,
Karachi

Dear Sir,

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2016

We enclose herewith Press Release, regarding, NBP's Highest Profit in its history while announcing financial results for the year ended December 31, 2016. This is in continuation of our letter dated 22-02-2017 on the captioned subject.

Yours Sincerely,



(Salman Talat)
SVP/Wing Head

Secretary Board of Directors

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website:www.nbp.com.pk

NBP – Highest Profit in its History

PKR 22.8 billion, 18% up YoY

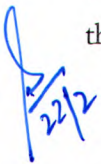
Meeting of the Board of Directors (BoD) of National Bank of Pakistan (Bank) was held on February 22, 2017 at the Bank's Head Office in Karachi. The BoD approved the financial statements of the Bank for the year ended December 31, 2016. The Board recommended cash dividend of Rs. 7.5 per share for the year which translates into payout ratio of 78 % (after statutory reserve allocation).

For year 2016, the Bank reported highest ever performance numbers in its history, maintaining its leading position amongst the peers. Outstanding growth during the year was achieved both in financial performance and financial position of the Bank. After-tax profit for the year 2016 amounted Rs. 22.8 billion i.e. 18% up against Rs. 19.2 billion of 2015. This translates into earnings per share of Rs. 10.69 compared to Rs. 9.03 of 2015.

Despite a generally difficult year with downward trends for the banking industry on account of reduction in discount rate and lower exchange arbitrage opportunities, the Bank recorded a growth of Rs. 3.9 billion i.e. 12% in pre-tax profit which amounted to Rs. 37.1 billion in 2016. Pre-tax and after-tax return on equity were 31.5% and 19.3% (2015: 29.3% and 17%) respectively.

The bank made significant progress in improving its loan book quality as non-performing loans recorded a net reduction of Rs. 7.9 billion during the year. During the year, healthy balance sheet growth has also been recorded reaching to Rs. 1,975 billion, making. This depicts a 16 % YoY growth against Rs. 1,706 billion at the end of year 2015. During the year, gross advances of the bank increased by 13% to Rs. 782 billion compared to Rs. 692 billion as of December 2015. Similarly, the bank achieved a 16% growth in its deposits as the same reached Rs. 1,657 billion.

With "AAA" credit rating, the Bank is a driving force in retail banking, given its large distribution network. Bank's ATM and Islamic branch network closed at the highest level in the Bank's history, with 118 Islamic branches and over 1,300 ATMs.


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