**ASIAN MARKETS** 

**TOKYO** 

**0.97%** 

MUMBAI

**V** 0.02%







# Banks post mixed profits

As of Friday

\$92.69

#### Loan provisioning weighs on earnings

SARWAR A CHOWDHURY

**STOCKS** 

**2.27%** 

DGEN

CSCX

**2.19%** 

Earnings of listed commercial banks showed a mixed trend in the first six months this year with half of the banks posting growth in net profit.

COMMODITIES

\$1,609.15

DHAKA MONDAY AUGUST 13, 2012, e-mail:business@thedailystar.net

Net profit of the remaining banks declined during January-June, compared to the same period last year, according to the banks' half-yearly disclosures made public recently.

The growth in the earnings was mainly from core banking business, which got a momentum after the go for provisioning," he added. liquidity crisis has been eased this year, especially in the EXIM Bank apart, Standard Bank, Shahjalal Islami second quarter, bankers said.

PROFIT RISES

BANKS

**EXIM** 

SIBL

MTBL

Jamuna

Mercantile

Al-Arafah Islami

First Security Islami

**PROFIT DECLINES** 

Islami

DBBL

Rupali

BRAC

Pubali

BANKS

Dhaka

Premier

National

**Bank Asia** 

IFIC

One

UCBL

NCC

City

Prime

Eastern

Southeast

**ICB** Islamic

Standard

Shahajalal Islami

Commission from LC (letter of credit) opening and

remittances, strong monetary recovery and integrated treasury management also helped 14 banks earn higher amount this year, they said.

However, they said many banks could not achieve the target of profit margin due to loan provisioning for nonperforming loans and a sluggish stockmarket.

Of the 30 listed banks on the stockmarket, 15 posted a decline in net profit.

Banks had a severe liquidity crisis a year ago, but now there is no such crisis, said Mohammed Haider Ali Miah, managing director of EXIM Bank.

The bank's net profit jumped by 82 percent during the period, the highest among all banks.

year, the bank's net profit was Tk 92.99 crore against Tk 51.09 crore in the same period last

In the first six months this

"The banks with more export-import related business made higher profits this year," he said.

"Besides, we focused on strong monetary recovery system, and an integrated treasury management helped us make the highest profit," he said.

Helal Ahmed Chowdhury, managing director of Pubali Bank, said the banks that had to keep aside lesser amount of money for loan provisioning posted more

"The banks with higher non-performing loans made lesser profit," he said.

He also said there was a time when the banks made hefty profits from the stockmarket, but now the situation is different.

"The sluggish stockmarket also forced many banks to

Bank, SIBL, MTBL, Jamuna Bank, Islami Bank, Mercantile Bank, Al-Arafah Islami Bank, DBBL, Rupali

IN CRORE TAKA

NET PROFIT

(Jan-Jun'11)

51.09

42.40

63.25

41.14

30.33

57.30

351.04

61.02

99.77

113.04

67.54

79.03

30.80

119.36

(91.32)

IN CRORE TAKA

**NET PROFIT** 

(Jan-Jun'11)

89.28

65.44

27.03

322.22

85.05

87.44

98.58

81.21

104.05

95.47

160.03

113.17

127.74

85.31

**NET PROFIT** 

(Jan-Jun'12)

92.99

64.80

86.38

55.26

40.35

72.02

421.65

69.94

112.63

123.45

71.93

83.21

31.96

123.81

(8.41)

**NET PROFIT** 

(Jan-Jun'12)

28.09

25.66

11.59

139.37

58.28

62.91

73.06

60.73

79.43

73.06

123.32

88.27

101.82

70.78

Bank, BRAC Bank, First Security Islami Bank and Pubali Bank registered an increase in net profit between 3.72 percent and 52.83 percent.

The banks that saw a decline in their net profit are Dhaka Bank, IFIC Bank, Premier Bank, National Bank, One Bank, UCBL, Bank Asia, NCC Bank, City Bank, AB Bank, Prime Bank, Eastern Bank, Southeast Bank, Trust Bank and Uttara Bank.

The banks' income mainly comes from two areas -- core banking and capital market investment.

"As the present scenario of the capital market is not good, almost all the banks incurred losses from stock investment," said Fazlur Rahman, managing director of AB Bank.

Many of them also had to go for loan provisioning due to stockmarket investment, he said.

Although the core banking business was good, it was not enough to offset the losses.

ICB Islami Bank's accumulated loss came down to Tk 8.41 crore in the first half this year, which was Tk 91.32 crore in the same period last year.

sarwar@thedailystar.net

## Banks open on Thursday

STAR BUSINESS REPORT

CURRENCIES

81.05

**BUY TK** 

Friday closings

SHANGHAI

**V**0.24%

SINGAPORE

Flat

Banks will remain open on Thursday in Dhaka and other areas where garments factories are concentrated, Bangladesh Bank said in a notice yesterday.

STANDARD CHARTERED BANK

**€EUR €GBP ¥JPY** 

99.63 124.52 0.98

Banks are also allowed to open all or specific branches on Saturday, ahead of the Eid festival.

The branches of all commercial banks in Dhaka, Savar, Ashulia, Gazipur, Narayanganj, Khulna and Chittagong will remain open from 9:30am to 12:30pm on Thursday, to help garments industries pay wages and allowances to its employees, the central bank said.

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### **Agreement Signing Ceremony** for Loan of USD 16 Million

Offshore Lender: United Bank Ltd., Dubai Coordinator: Eastern Bank Ltd.



Bangladeshi Borrower Banks:













This announcement appears as a matter of record only

## Income tax fair to widen reach, begin on Sept 17

STAR BUSINESS REPORT

The annual income tax fair beginning next month will be expanded to 11 large and old district towns for the first time.

In the previous two years, the fair took place only in seven divisional cities.

The tax administrator takes the move to bring more people under the tax net to boost direct tax collection. The six-day fair begins on September 17.

"Taxpayers will be able to pay tax online in the coming income tax fair," said Nasiruddin Ahemd, chairman of the National Board of Revenue (NBR), yester-

Ahemd spoke at a meeting with the editors of the print and electronic media at Officers' Club.

The districts where the tax fair will take place for the first time are: Mymensingh, Gazipur, Comilla, Bogra, Faridpur, Jessore, Kustia, Patuakhali, Pabna, Noakhali and Dinajpur.

Less than 1 percent of the population of Bangladesh pays income tax now. Around 35 lakh out of the 15 crore population hold

tax identification number (TIN) and a third of the TIN holders submit tax returns. NBR officials said more people have taxable

incomes but they do not comply with laws.

At the fair, the tax authority will issue TIN instantly,

assist people in filling in tax return forms and assess taxes by using the "tax calculator" software available at the NBR website. The NBR organises the event, encouraged by the

response among the new taxpayers in the last two fairs where both tax collection and return submission was buoyant. Last year, 62,272 TIN holders submitted returns at

the show, up from 52,440 in the previous year. Revenue collection also soared to Tk 414 crore in the fair last year from Tk 113 crore in the previous year,

**READ MORE ON B3** 

according to the NBR.





LEADER BY EXAMPLE

Berger is truly a leader by example and this has been marked as they have won accolades yet again from Bangladesh Brand Forum as the "Best Paint Brand 2011" and "Certificate of Honour" for being recognized as the highest 'Value Added Tax (VAT)' payer both in Dhaka and Chittagong districts.

Being a social responsible company, Berger is also closely associated with many social activities.



