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LAHORE: Large banks with significant assets and huge deposit base could not match the performance of small banks that showed growth by improving efficiencies through technology and better deposit management, an analysis based on the annual reports for 2012 of five major banks revealed. The market share of the top five banks in total commercial bank deposits stood at 59 percent at the end of 2012. Habib Bank Limited (HBL) was the market leader with a deposit share of 17.1 percent, amounting to Rs1,141.16 billion. National Bank of Pakistan (NBP) with the deposits of Rs1,037.78 billion enjoys the market share of 15.5 percent. United Bank Limited (UBL) with the market share of 10.5 percent has a deposit base of Rs699.93 billion and MCB Bank Limited has deposits worth Rs545.06 billion, which is 8.2 percent of the total bank deposits in the country, it said. Allied Bank Limited (ABL) deposits stand at Rs514.70 billion and its market share is 7.7 percent. HBL has the highest gross asset base of Rs1,517.84 billion followed by the National Bank, Rs1,309.34 billion; UBL, 894.40 billion; MCB Bank, Rs756.90 billion; and ABL, Rs631.91 billion. However, after accounting for liabilities, the net assets of HBL come down to Rs122.609 billion, while the NBP tops with the net asset base of Rs151.27 billion. The UBL's net assets are that of Rs901.16 billion, MCB Bank Rs101.75 billion and ABL has net assets of Rs50.91 billion, according to the analysis. The MCB Bank maintained the best current and saving account (CASA) ratio that enabled it to bear least interest payment on deposits. The high interest bearing fixed deposits accounted for 14.80 percent (Rs80.65 billion), while low interest bearing saving accounts equivalent to 50 percent (Rs275.01 billion) of its total deposits; and interest-free current account deposits are equivalent to 34.75 percent (Rs189.393) of its deposits. The CASA, therefore, stood at 85.20 percent. In comparison, the CASA of HBL stands at 68.09 percent, having 31.91 percent (Rs489.620) of its total deposits in fixed account, UBL's stand at 72.34 percent, ABL 69.25 percent and NBP 77.34 percent. MCB Bank reduced its high interest bearing fixed deposits by 12 percent in 2012, HBL increased these deposits by 48 percent, UBL increased by 12 percent, ABL by 44 percent, while the NBP decreased its fixed deposits by nine percent. The investments made by commercial banks play an important role in determining the profitability of commercial banks. Prudent investment yields better profits. Net investments of HBL in 2012 were Rs777.18 billion, followed by MCB Rs402.07 billion, NBP 343.53 billion, UBL Rs349.35 billion and ABL Rs267.40 billion. As compared to the total assets, the investments by MCB and ABL were much higher than the investments by three other larger banks. MCB Bank reduced its nonperforming loans by Rs1.1 billion. NBP, which still leads in NPLs, reduced it by 88.74 percent in 2012, slightly lower than Rs88.16 billion in 2011. The NPLs of HBL declined from Rs51.31 billion in 2011 to Rs50.66 billion in 2012. UBL's nonperforming loans stood at Rs57.34 billion, up from Rs51.11 billion at the end of 2011, registering an increase of Rs6.6.23 billion, according to the analysis. There was an increase of Rs215 million in the NPLs of ABL that increased to Rs20.668 billion from Rs20.452 billion at the end of 2011. The nonperforming loans of the MCB Bank stood at Rs26.62 billion at the end of 2011, which reduced to Rs25.562 billion by the end of December 2012. Five major banks paid Rs43.48 billion income tax in 2012, netting Rs88.35 billion profits. HBL earned Rs21.56 billion, MCB Bank earned Rs20.94 billion, UBL earned Rs18.01 billion, National Bank earned only Rs16.16 billion and ABL earned the net profit of Rs11.68 billion.

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