

# BRAC Bank launches mobile banking service

STAR BUSINESS REPORT

BRAC Bank introduced a complete mobile financial service yesterday with assistance from its subsidiary company bKash Ltd. Now mobile phones will be used as bank accounts and they will also serve as wallet for transaction of money.

BRAC Bank said customers will be able to receive electronic money into their bKash accounts through salary, loan, domestic remittance, and other disbursements and eventually will cash out the electronic money at any of the hundreds of cash out agents bKash assigns.

The bank said bKash will fundamentally change the way people now do transactions, as customers will not need to come to the bank; rather the bank will come to their places.

bKash is designed to provide financial services via mobile phones to both the unbanked and the banked people of Bangladesh. The overall bKash value proposition is simple: a safe, convenient place to store money; a safe, easy way to make payments and money transfers, said the bank in a statement.

bKash mobile wallet is a VISA technology platform, which is fully encrypted to ensure most secure transactions. It will be the customer account into which money can be deposited and out of which money can be



Left, Atiur Rahman, governor of Bangladesh Bank, sends money by mobile phone from a shop in an urban setting to Sir Fazle Hasan Abed, right, founder and chairperson of BRAC, in a rural setting, during a demonstration of mobile banking at Radisson Water Garden Hotel in Dhaka yesterday. BRAC Bank launched a mobile banking service, bKash.

withdrawn or used for various services.

Bangladesh Bank Governor Atiur Rahman inaugurated the service yesterday. The governor marked the service as a true partnership between banking and telecom industries.

He said broader socio-economic objectives of serving low-income people would be met by bKash. He believes that it would promote sustainable micro-savings to achieve broader financial inclusion by providing convenient, affordable and reliable services.

The governor invited all the banks to launch such services that are more secured and can ensure faster settlement. Mobile

banking is another success story of Bangladesh, he said.

Sir Fazle Hasan Abed, founder and chairperson of BRAC, said, "bKash provides a wonderful opportunity for millions of unbanked people who own cell phones to have bank accounts where they will be able to deposit, pay out and transfer funds as they wish safely and securely."

Bangladesh Telecommunication Regulatory Commission's newly appointed Vice Chairman Md Giasuddin Ahmed said the regulator would help the telecom operators by providing other frequencies for such services.

Mobile operator Robi Axiata has become a partner with BRAC Bank to provide the ser-

vice for its subscribers and extend the distribution of the service. Managing Director and Chief Executive Officer of Robi Michael Kuehner said, this is the first time a dedicated mobile financial service provider has partnered with a mobile operator. So it must be remembered that the customers expect truly transformative payment solutions and services, he added.

Chief Marketing Officer of Robi Bidyut Kumar Basu also spoke at the event.

Muhammad A (Rume) Ali, chairman of BRAC Bank and bKash, said the service will highly benefit the country as a large portion of the population earns a little amount of money and access to

finance can help in improving their economic situation.

Kamal Quadir, CEO of bKash, said, "We will evolve with the needs of individuals, businesses and communities."

Syed Mahbubur Rahman, managing director and CEO of BRAC Bank, said the bank targets at least 10 lakh people to be registered with the system within this year. For the time being the bank has tied up with mobile operator Robi but it will be involved with the other operators in phases, he said.

The menu-driven system will be user-friendly, he said, adding that customers can do banking even through the most basic handset.



REVIVE MEDICAL/LASER CARE  
Dr Maruf Ahmed, second from right, chairman of Revive Medical and Laser Care of Bangladesh, and Krishna Jarnardhan, director of medicine of Sanjeeva Medical Spa, India, exchange documents after signing an agreement in Dhaka yesterday. Under the deal, the country's first Ayurveda medical spa will be set up in Gulshan to offer a range of wellness services including anti-ageing therapies.

## Singapore Airlines appoints new GM in Bangladesh

STAR BUSINESS DESK

Singapore Airlines has announced the appointment of Lionel Siau as general manager for its Bangladesh operations, effective from July.

He replaced Malcolm Leong, who had served in Bangladesh since August 2009.

Siau, 37, is a graduate from Cambridge University and Imperial College, London. He has been with Singapore Airlines since October 1999 and has held various positions in IT, internal audit, company planning and cabin crew.



## Karmasangsthan Bank recovers 94pc of loans

STAR BUSINESS REPORT

Karmasangsthan Bank realised 94 percent of its loans against its target in the last fiscal year.

The disclosure came at an annual conference of the regional managers at the bank's head office in Dhaka yesterday.

In fiscal 2010-11, the bank realised Tk 222 crore loans against the Tk 236 crore target, bringing down its default loans to 7 percent, which was 9 percent in the previous year, the state-run bank said in a statement.

The bank made a profit of Tk 13.52 crore in the last fiscal year. In the current fiscal year, the bank disbursed Tk 470 crore loans and fixed a target of realising Tk 323 crore.

The bank distributed Tk 1,139 crore loans to 2.12 lakh small entrepreneurs through its 208 branches across the country.

M Moniruzzaman Khondaker, chairman of the bank, spoke at the event, which was chaired by



Jim McCabe, second from left, CEO of Standard Chartered Bank Bangladesh, hands an award to a participant who attended a workshop on Bangladesh Bank's new initiative 'Bangladesh Electronic Fund Transfer Network' in the city recently. More than 100 participants from different corporate houses took part in the event. Dasgupta Ashim Kumar, executive director of the central bank, was also present.

STANCHART

## Ananda rolls out oceangoing ship for German buyer



STAR BUSINESS REPORT

Ananda Shipyard and Slipways Ltd launched Enzian, an oceangoing multi-purpose vessel, at Meghnaghat in Narayanganj.

Ananda will hand over the Tk 94 crore ship with a capacity of 6,100 dead weight tonnage to Komrowski Maritim GmbH, a German company, by September, the company said in a statement yesterday. The 110.9-metre long and 16.5-metre wide ship is the largest ever locally built for export, according to the statement.

"We completed manufacturing earlier and floated the ship for a test run on the river," said MH Rahat, a spokesman for the company.

Bangladesh started exporting oceangoing ships in 2008, while Ananda was the first local company to export its first vessel to Europe to a Danish company.

Industry insiders said the global recession forced many developed countries to stop producing oceangoing small and medium ships that made the European buyers shift their orders to countries such as Bangladesh.

in ship breaking make Bangladesh a cost effective alternative for the buyers mainly from Europe. The current market of the global shipbuilding industry stands at nearly \$1 trillion.

At present, Ananda, Western Marine, Highspeed Shipbuilding, Dhaka Dockyard and Engineering Works, Khan Brothers Shipbuilding and Karnaphuli Shipyard are the leading shipbuilders that make oceangoing ships for international buyers.

These companies have received export orders of world-class seagoing vessels -- both small and medium -- worth \$478 million with a deadline to deliver those by 2013, according to Export Promotion Bureau data.

Ananda exported sea-going medium and small ships worth \$52 million in 2010-11, said Rahat.

He also said his company has received direct export orders of worth \$111.39 million mainly from Germany, Denmark and Mozambique.

"At present, we have export orders for 18 sea-going vessels that we have to deliver by 2012. We hope the orders will be increasing manifold soon once we increase our capacity," he said.

## Social business concept gets immense support in Japan

STAR BUSINESS REPORT

The social business concept has received immense support in Japan as its inventor Professor Muhammad Yunus discussed the economic theory with Japanese business and political leaders and youth population in Tokyo.

The 2006 Nobel Peace Prize winner met with Takahiro Yokomichi, speaker of the lower house of the Japanese parliament, and five other Diet members on Wednesday.

Yunus called on Dr Shozaburo Jimi, the financial services agency minister of Japan, at his office, as well as Dr Sadoshima, the director general of the international cooperation bureau of the Japanese foreign ministry.

The discussions focused on creation of social business funds and individual social business to tackle the aftermath of the great earthquake that ravaged the northeastern parts of Japan in March.

The Japanese leaders expressed particular appreciation for his visit at a time of Japan's need, when the country is coming to terms with the terrible destruction and loss of life wrought by the earthquake in Tohoku region, Yunus Centre said in a statement.

Yunus has been exploring the possibility of joint venture collaboration with Japanese businesses to create social business in Bangladesh.

Carlos Ghosn, chief executive of Nissan and Renault, also came to the hotel to meet Yunus on Tuesday. He discussed various options of social businesses.

Yunus also met many top CEOs in a meeting organised by the president of NEC Corporation.

Yuzo Kayama, a veteran and highly popular singer and actor in Japan, met the Founder of Grameen Bank at his hotel to extend support to his social business initiatives. During the meeting, Kayama

described himself as a big fan of Yunus' work.

On Thursday, Yunus was received by Taro Aso, former prime minister of Japan and chairman of the Japan-Bangladesh Parliamentary League. He organised a workshop with Yunus for the members of the parliamentary group in the Diet Hall on social business, especially about its potential for the earthquake affected areas.

Thirty two parliamentarians attended the event, which was followed by a question and answer session from the participating MPs.

Later, Yunus spoke at a meeting of more than 50 women business leaders and organisers of women organizations.

"All of them want to find ways to contribute to helping the families and victims of the earthquake," Yunus Centre said. "They want to work closely with Yunus Centre to design and implement their programmes."

Some of them said they would visit Bangladesh to get good understanding of social business. They invited Yunus to come back to Japan again to visit earthquake-hit area of Tohoku with them to launch their programmes.

He received a warm welcome when he gave speeches at a private girls school, at a seminar at prestigious Roppongi Hills Academy, at UN University and a public symposium at Hollywood University attended by 900 young people on Wednesday night.

Prof Yunus was also accorded a reception by the Bangladeshi community on July 18.

On Thursday he was due to leave for Fukuoka to attend the Asia Forum for Social Business hosted by Kyushu University, which is serving as a hub of social business activities in Japan.

Kyushu University's social business centres have also been focussed since March on finding ways to alleviate the suffering of Japanese people after the earthquake.

## Weak economy, housing weigh on US banks

AFP, New York

The big US banks showed signs of resilience in their second-quarter earnings, but the sluggish economy and fallout from the subprime mortgage debacle weighed on profits.

Over the past week, Bank of America reported a whopping nine-billion-dollar loss while Citigroup, Wells Fargo and JPMorgan Chase announced profits which beat analysts' forecasts.

Morgan Stanley reported a half-billion-dollar loss, mostly due to a one-time charge, and its share price rose. Its rival Goldman Sachs reported a profit of \$1.05 billion, falling short of expectations, and its shares sank.

"The operating environment for banks continues to slowly improve but significant challenges remain and the recovery from the financial crisis continues to be uneven across the industry," analysts at Keefe, Bruyette and Woods said in a research note.

In a positive sign, the banks made progress in getting bad loans off their books, and some reported that lending to businesses was growing

## British watchdog hits Willis with record anti-bribery fine

AFP, London

Britain's financial watchdog on Thursday said it had fined British insurance broker Willis Limited nearly £7.0 million for failing to ensure payments to overseas third parties were not used for corrupt purposes.

The Financial Services Authority said it had fined the company, a unit of the world's third-biggest insurance broker Willis Group Holdings, £6.895 million (7.9 million euros, \$11.14 million) "for failings in its anti-bribery and corruption systems and controls."

It added in a statement: "This is the biggest fine imposed by the FSA in relation to financial crime systems and controls to date."

The announcement comes after Britain earlier this month implemented new bribery laws.

The FSA said that the failings of Willis Limited created an "unacceptable risk" that payments made to overseas third parties could be used for

## Correction

In a news item titled "Book building in final makeover" published on B8 on July 11, it was mentioned that Alliance Holdings issued placement shares. However, the company in a statement said it