

# Analysts stress risk management in lending

## The wealthy get better access to credit: Rehman Sobhan

BSS, Dhaka

Economists and banking regulators in the Saarc region yesterday suggested proper risk management in the newer areas of lending expansion while promoting financial expansion.

The recommendation came at the daylong SAARCFINANCE seminar on 'Financial Inclusion: the Role of Central Banks in Saarc Region', organised by the Bangladesh Bank at Hotel Ruposhi Bangla in Dhaka.

BB Governor Atiur Rahman chaired the inaugural session. Former finance minister M Syeduzzaman and economist Professor Rehman Sobhan addressed the seminar as distinguished guests.

High-level delegates from central banks of Saarc region and high officials from government and private institutions related to the financial sector of the country participated in the semi-



Centre for Policy Dialogue Chairman Prof Rehman Sobhan, second from left, Bangladesh Bank Governor Atiur Rahman, centre, and former finance minister M Syeduzzaman, second from right, attend a seminar on the role of central banks in financial inclusion, in Dhaka yesterday.

nar to discuss and share various steps and policies taken for broadening financial inclusion in the Saarc region.

Prof Sobhan criticised the banks that served only the well-off, and mentioned that around

15 percent of the total population in Bangladesh is still out of the main stream of the economy.

He was also sceptical of the success of the current initiatives of financial inclusion and about a sustainable financial develop-

ment unless the huge unserved population gets institutional financial support.

Prof Sobhan said most banks are reluctant to provide loans to the poor and they serve only the people who are influential in

politics, financial sector and society.

Describing this type of banking as unskilled and improper, he suggested the central bank address the issue with more effective policy efforts to accelerate the financial inclusion of the grass-root people.

Dr Atiur Rahman said the world economy is showing indications of slipping yet again into another slowdown, this time precipitated by the simmering European debt crisis.

He said the central banks, as financial sector regulators and supervisors, should get ready with well conceived financial inclusion initiatives to address looming challenges.

He also suggested that banks and regulators should keep an eye on proper risk management in the newer areas of lending expansion while promoting financial inclusion with appropriately designed initiatives.



Bank Asia Chairman A Rouf Chowdhury cuts a cake at a programme to celebrate the bank's 12th anniversary at Khulna Club in Khulna recently. Directors Rumee A Hossain, AM Nurul Islam and M Irfan Syed and President and Managing Director Md Mehmood Husain were also present.

BANK ASIA

## Dhaka stocks rise, Chittagong down

STAR BUSINESS REPORT

Dhaka stocks gained slightly yesterday, but Chittagong stocks slipped amid low confidence among investors.

At the end of the day's trade, the benchmark General Index of the Dhaka Stock Exchange reached 5,089 points, registering a rise of 0.18 percent or 9 points. The Selective Categories Index of Chittagong Stock Exchange fell 15 points to 9,183.

Insiders said the bullish sentiment felt in the opening hours wore off, as sellers dominated the last session of the trading.

Activities declined on the premier bourse where turnover and volume were down 3.63 percent and 9.63 percent respectively.

A total of 1.04 lakh transactions were executed in yesterday's trading generating a turnover of Tk 334 crore with 7.19 crore shares and mutual units changing hands.

On the DSE, 173 shares gained, while 73 declined. A total of 12 shares remained unchanged.

Among the major sectors, banks lost 0.34 percent, while non-bank financial institutions rose 0.73 percent and the telecom sector 0.77 percent.

On the port city bourse, gainers beat losers 89 to 75, with 19 securities remaining unchanged. The CSE traded more than 85.13 lakh shares and mutual fund units on a value of Tk 36.04 crore.

## Airtel celebrates first anniversary

STAR BUSINESS DESK

Mobile phone operator Bharti Airtel celebrated the first anniversary of its operations in Bangladesh yesterday.

Airtel has over 58 lakh customers in the country, it said in a statement.

In January 2010, Bharti had acquired 70 percent stake in Warid Telecom and subsequently launched brand Airtel in Bangladesh in December 2010.

"Our journey with millions of customers in Bangladesh has been remarkable and the success achieved is symbolic of the trust brand Airtel has successfully been able to instigate within our customers here," said Chris Tobit, managing director of Airtel Bangladesh.

"We are thankful to our customers, partners and other key stakeholders for their support in our first year, and look forward to further strengthening our association with them for many more years to come."

Over the last few months, Airtel added more than 1,500 new network sites in Bangladesh, establishing wide scale availability of its best-in-class services in 4,350 towns.

The operator has established 124 relationship centres and six experience centres across Bangladesh.

## Eurozone crisis wins some respite

AFP, Brussels

The eurozone debt crisis abated slightly Tuesday with an agreement on extra funds for the IMF, strong data from Germany and a good bond sale in Spain which boosted stocks and the euro.

But the deal on funds for the International Monetary Fund fell short of targets, with Britain again shunning its neighbours.

And the Fitch ratings agency warned that the EU's EFSF bailout fund could lose its triple A rating if its main sponsors Germany and France were downgraded.

IMF chief Christine Lagarde, speaking in Lagos, warned that because of a crisis of confidence and slowing growth, "currently the world economy stands at a very dangerous juncture."

In London, top business leaders including the heads of Shell Virgin Group, Nomura and Rio Tinto insisted in a letter to the Daily Telegraph newspaper: "It is in Britain's interest that the euro survives, and we therefore should do everything we can to ensure the necessary steps are taken to guarantee its viability."

In Paris, French Budget Minister and government spokeswoman Valerie Pecresse said: "I have no doubt that Britain, once a certain number of G20 countries agree to fund the IMF, will come to the IMF's aid."

Eurozone chief Jean-Claude Juncker said the 17 countries that share the single

currency had pledged 150 billion euros (\$195 billion) in bilateral loans for the IMF late Monday.

The European Union hopes the money can help stabilise the debt crisis in the eurozone.

But European Union leaders appealed at a December 9 summit for 200 billion euros, and Britain refused to stump up its share of roughly 30 billion euros.

After mixed messages also from European Central Bank chief Mario Draghi in a high-profile press interview and before a key European Parliament committee, Wall Street ended the day down 0.84 percent in thin trading, with Europe's main markets also down at Tuesday's opening.

"We will not contribute to anything that is only available to eurozone countries," a British government official in London told AFP.

"Nor will we participate in an increase in IMF resources that only comes from EU countries without the participation of other G20 countries" outside the EU, he added.

The IMF currently has less than 300 billion euros available for lending to countries that enter reform programmes.

Germany will provide 41.5 billion euros, France 31.4 billion, Italy 23.48 billion, Spain 14.86 billion, The Netherlands 13.86 billion and Belgium 9.99 billion.

Juncker said Britain would "define its contribution early in the new year in the framework of the G20."

## Asif re-elected as DCCI chief

STAR BUSINESS DESK

Asif Ibrahim has been re-elected as president and Haider Ahmed Khan as new senior vice president of Dhaka Chamber of Commerce & Industry (DCCI) for 2012.

Asif, vice chairman of Newage Group of Industries, was reelected as the new board of the chamber took over charge at the 50th annual general meeting of DCCI at its auditorium in the city.

Other elected directors are Abul Hossain, Osama Taseer, Md Iftekharuddin Naushad, Kh Shahidul



## Citi Bangladesh appoints new global banking head

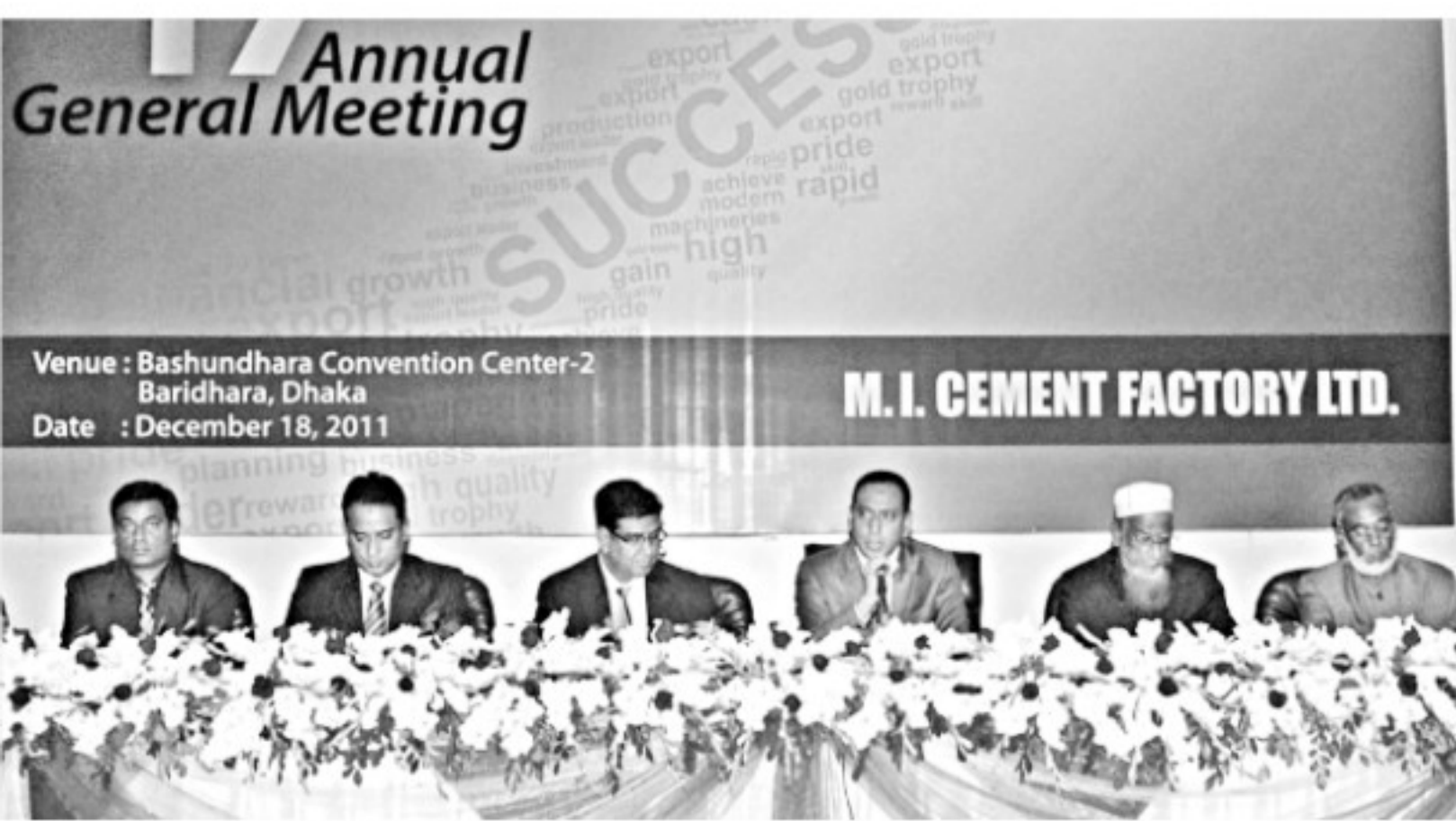
STAR BUSINESS DESK

Citibank, NA, Bangladesh has recently appointed Emeka Okonkwo as its global banking head, the bank said in a statement yesterday.

Okonkwo will be responsible for global banking related all corporate, financial institution and global subsidiaries group client relationships in the country.

Prior to the appointment, Okonkwo was Citibank Nigeria's global commercial banking head where he was responsible for all credit and marketing activities throughout Citi's commercial banking businesses in Nigeria.

Okonkwo has a Bachelor's degree in civil engi-



Mohammed Jahangir Alam, chairman of MI Cement Factory Ltd (Crown Cement), presides over the 17th annual general meeting of the company at Bashundhara Convention Centre in Dhaka on Sunday. The company declared 35 percent stock dividends and 15 percent cash dividends for its shareholders.



J Ekram Hussain, managing director of TVS Auto Bangladesh, and Mahbob Hossain, chief operating officer, unveil a new product of the company -- TVS WEGO -- at Baton Rouge Convention Centre in Dhaka on Sunday.



Mustafa Anwar, acting chairman of Islami Bank Bangladesh Ltd (IBBL), and Mohammad Abdul Mannan, managing director, attend a five-day training on Islamic microfinance for the executives of Microfinance Support Centre Ltd at Kampala in Uganda, in the capital on Saturday. IBBL organised the programme.