STOCKS		COMMODITIES (As of Friday)		ASIAN MARKETS (As of Friday)				CURRENCIES (STANDARD CHARTERED BANK)				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
▲ 1.79 %	▲ 1.77 %	▲ $1,571.60 (per ounce)	▼ $99.36 (per barrel)	▼ 0.57%	▲ 0.67%	▼ 0.99%	▲ 1.91%	BUY TK	81.50	103.55	124.65	1.02
5,351.75	9,741.88			15,454.92	8,455.35	2,646.35	2,199.42	SELL TK	82.50	107.74	128.96	1.12

NCC Bank's 87th Branch at Boalkhali From December 28, 2011
Boalkhali Branch:
Kabir Center (1st Floor)
East Gomdandi, Boalkhali, Chittagong
NCC Bank Ltd.
Where Credit and Commerce Integrates
www.nccbank.com.bd

Star BUSINESS

DHAKA MONDAY JANUARY 2, 2012, e-mail:business@thedailystar.net

Banks' profits go up despite stock debacle

REJAUL KARIM BYRON *and* MD FAZLUR RAHMAN

Private commercial banks weathered a steep downswing in the stockmarket last year to continue their profit growth.

Many thought that the banks' operating profit would come down due to the debacle in the stockmarket, as the key index of the Dhaka bourse plunged by around 37 percent in the year.

But the banks proved them wrong. Of the 30 private banks in Bangladesh, however, nine banks saw profits decline in the year.

The profit before tax mainly came, riding on their core banking business, financing of buoyant export and import, and channeling of still stable remittances.

In 2010, the banks made a profit of Tk 2,497 crore from the stockmarket. Out of them, the private banks made Tk 2,205 crore.

Four state banks -- Janata, Rupali, Sonali and Agrani -- also logged higher profit in the just concluded year compared to the previous year.

Janata Bank's profit stood at Tk 1,500 crore, while Rupali and Sonali logged Tk 325 crore and Tk 1,458 crore respectively. Agrani Bank's figures could not be known.

FULL LIST OF BANKS ON B3

Mobile users now 8.5 crore

ABDULLAH MAMUN

The number of mobile subscribers crossed the 8.5 crore mark in December last year, a 24 percent rise from the same month a year ago.

At least 1.64 crore new users were brought under the mobile network in the last one year.

According to the website of Bangladesh Telecommunication Regulatory Commission, the number of subscribers was 8.4 crore in November and 1.63 lakh new subscribers were added in the month.

As the December figure is not available yet, the BTRC has put the figure of the month on the basis of a calculation of the previous months.

Leading operator Grameenphone still stays ahead with 3.61 crore users, while Banglalink has now 2.33 crore, Robi 1.58 crore, Airtel 58 lakh, Citycell 17.39 lakh and state-owned Teletalk 11.98 lakh.

However, second largest operator Banglalink added the highest number of subscribers in November at 6.86 lakh, beating its rival Grameenphone that roped in 4.22 lakh customers.

Robi netted three lakh customers, Airtel 2.31 lakh and Citycell 3,000 in the month. But Teletalk lost its 9,000 connections.

Abu Saeed Khan, secretary general of Association of Mobile Telecom Operators of Bangladesh, said mobile penetration is still not satisfactory as the network coverage is almost 100 percent but 50 percent population is still out of connectivity.

Moreover, the total subscription reflects connections or sold SIMs (subscriber identity module) only, not the number of people, he said.

Khan also said the growth in November last year is only 7 percent, which was 150 percent in the same month the previous year.

New Year hopes cheer up stocks

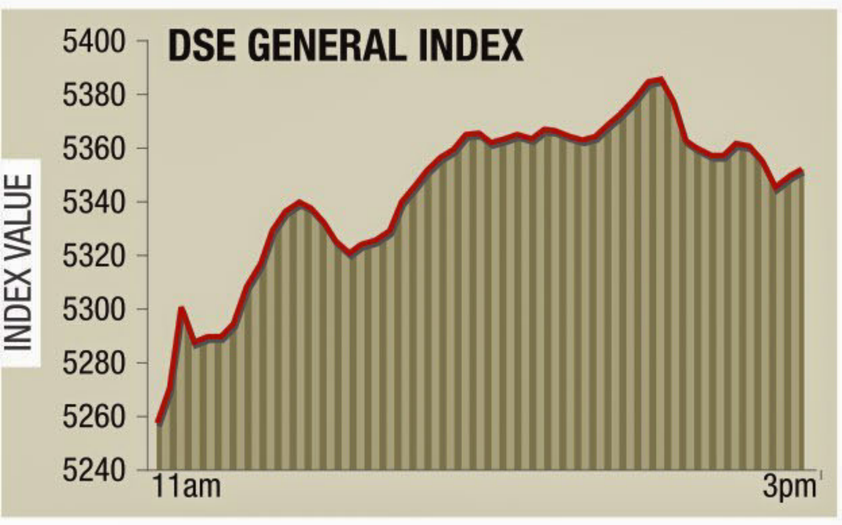
GAZI TOWHID AHMED

Investors yesterday bade farewell to the volatile days of the immediate past year, as the bourses started to gain with cheerful trading on the first trading day of the New Year amid optimism.

The benchmark General Index of the Dhaka Stock Exchange closed at 5,351.75 points, after gaining 94.15 points or 1.79 percent.

Turnover also hit a six-week high at Tk 669.63 crore, 20 percent up from the last trading day of 2011.

"The government and regulator have taken a series of initiatives to bring back normalcy in the market and that helped the investors gain some confidence," said Prof M Khairul Hossain, chairman of the SEC.



Institutional participation and mutual funds will also help stabilise the market in the long run, said Hossain.

However, analysts said the situation could have been worse if the government and regulator had not come up with the rescue packages.

SEC member Prof Helal Uddin Nizami said the government intervention is a sign of the government's seriousness to stabilise the market.

"We came up with the stimulus packages in en effort to bid farewell to the volatile pulse of the market ahead of the New Year," said Nizami.

He said the restructured SEC brought some changes to the securities rules in the immediate past year to increase accountability and transparency of the market.

Earlier in January, a government's probe committee on a stockmarket debacle suggested restructuring of the SEC, legal actions against the stock manipulators, demutualisation of the bourses and amendment to many of the securities rules and regulations.

In a major reshuffle, the government on May 15 appointed the incumbent chairman.

Also two members were replaced, while two were appointed in vacant posts.

After several ups and downs from March to June, the key index of the Dhaka bourse rose to 6,710.53 points with a turnover of Tk 1,957.92 crore.

The turnover hit the peak on July 24 during the tenure of the new chairman.

After the regulator got a new look, it changed and finalised the book building method, and the rules for mutual fund, preference share, placement share and rights offer.

The market watchdog also formed a number of committees for a better coordination with the central bank, merchant banks and asset management firms.

The SEC also asked the bourses to open corporate finance department for the investors.

The commission asked the merchant banks to maintain their own portfolio so that they can manage their clients' portfolio better.

The regulator is also working to establish a uniform index for the bourses and demutualise the stock exchanges.

The SEC has already filed cases against the market manipulators and approved a number of initial public offerings to increase the supply of shares in the market.

The regulator also made mandatory for sponsors, directors and promoters of a listed firm to individually hold minimum 2 percent and jointly at least 30 percent stake in the company for all time.

The sponsors, directors and promoters individually holding less than 2 percent and jointly holding 30 percent shares were also directed to acquire the rest of the amount within six months of issuance of a notification on November 22.

The commission also decided to set a uniform face value of equity shares and mutual fund units at Tk 10 to end misinterpretation, confusion and manipulative attempts.

The government probe committee earlier found that split of shares was used as a tool to mop up small investors' money and it was a major reason behind the market debacle.

Mirza Azizul Islam, former adviser to a caretaker government, said the initiatives such as mandatory buying of shares by sponsors and directors have created a positive impact on the market.

The regulator worked enough on the demand side, Islam said, adding that it should give importance to the supply side now.

He said monitoring, surveillance and supervision system of the market should be strengthened to stop further manipulation.

Islam also asked the investors not to pay heed to rumours for making any decision.

Also, the market's price-earnings ratio has come down to a five-year low at 14.59 in the just concluded year. The level indicates that the stockmarket has become less risky and more attractive for investment.

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Japan, India seal currency deal

AFP, *New Delhi*

Japan and India struck a $15 billion currency swap deal Wednesday that could bolster the sagging rupee as Japanese Prime Minister Yoshihiko Noda made a lightning 36-hour trip to New Delhi.

The currency swap was part of a host of agreements signed by India and Japan, which is seeking to forge closer partnerships.