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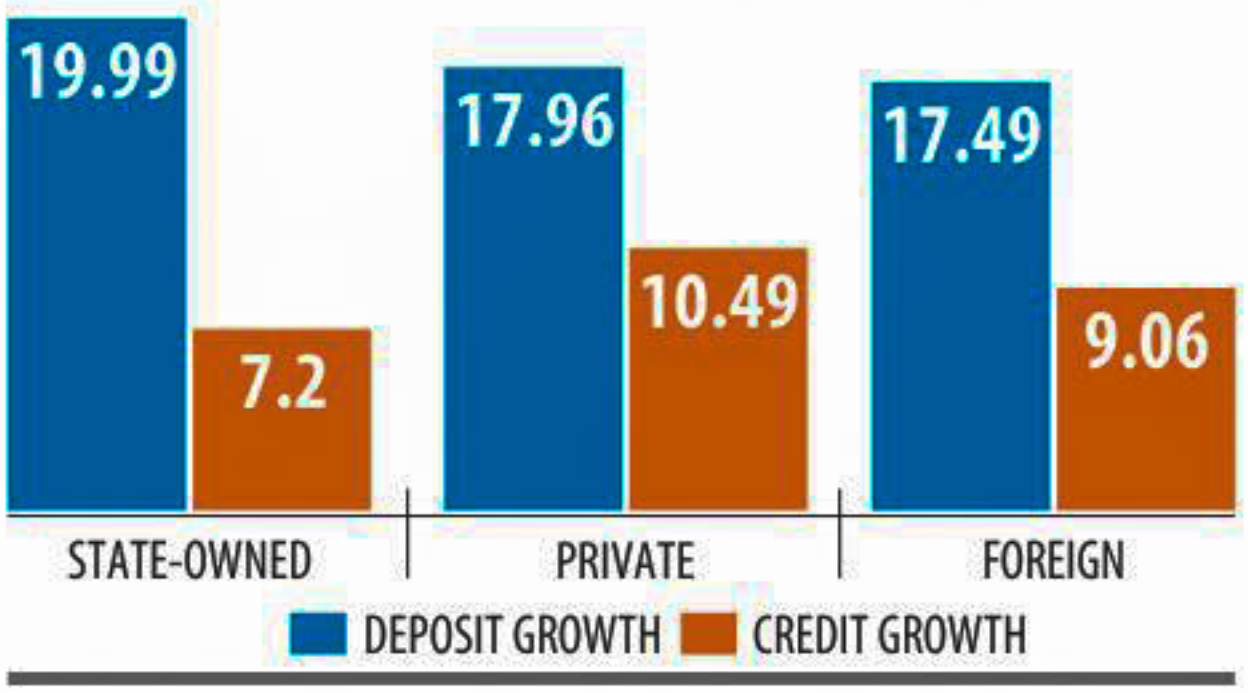
DHAKA WEDNESDAY JULY 17, 2013, e-mail:business@thedailystar.net

## Deposits pile up as demand for credit goes down

### Savers affected as banks cut interest rates on deposit

REJAUL KARIM BYRON

DEPOSIT AND CREDIT GROWTH OF BANKS AS OF JUNE 13 IN %



Banks' deposit growth has surpassed credit growth by 9 percentage points, which may take a toll on their profits and affect the savers.

The amount of deposit grew by 17.74 percent on June 13, while credit rose by 9.41 percent, compared to last year, according to central bank statistics.

Bank officials said, due to a huge gap between deposit and credit, profit of most banks marked a fall in the first half this year.

Banks are giving interest to their depositors but cannot invest the deposited money, the officials said. As a result, their cost of fund is going up, they added.

The banks have already started cutting the interest rates on deposits to rein in the cost of fund, the officials said.

An official of NCC Bank said they have instructed their branches to lower the rate of interest on deposit. Several other banks have taken the same initiative, he added.

Managing Director of Pubali Bank Helal Ahmed Chowdhury said if the situation continues to prevail, their profitability may be hampered. He also admitted banks are lowering interest rates on their deposits.

If the banks cannot invest the deposited

money, their efforts to cut the lending rates will turn futile, Chowdhury said.

However, he said, "As the country is heading towards the national election, investment will bounce back as soon as the political situation improves."

An official of Agrani Bank said many banks raised deposits by offering attractive interest rates. In recent times, many banks offered much higher interest rates, sometimes 14 percent to 14.5 percent, which contributed to the rise in deposits.

Due to the sluggish stockmarket and lower interest rates on various savings instruments, people prefer to save money with banks, officials said.

Many banks have also opened Islamic banking wings which helped raise their deposits.

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## Barclays cuts ties with exchange houses of 10 Bangladeshi banks

SAJJADUR RAHMAN

Barclays, a British bank, has recently decided to discontinue services with the exchange houses of 10 Bangladeshi commercial banks on grounds that they do not match its new eligibility criteria.

Local bankers said the move would affect their business, particularly that of sending remittances. But the banks' nostro accounts, used to facilitate settlement of foreign exchange and trade transactions, with Barclays will not be hampered.

"Having reviewed your business against the amended eligibility criteria, I must inform you that the corporate and investment banking divisions of Barclays will no longer be able to provide services to you," Nick Pritchard, relationship director of Barclays, said in a letter to a local private bank.

Barclays had initially set July 10 as the date for terminating business ties with the exchange houses. The deadline was later extended by a month to give the banks time to make arrangements with alternative banks.



"The decision has put us in a difficult situation," said Helal Ahmed Chowdhury, managing director and chief executive officer of Pubali Bank.

The corporate and investment banking divisions of Barclays have recently undertaken a review of money services it offers to business clients and accordingly, has amended its acceptance and eligibility criteria across the sector.

After reviewing the business of the exchange houses, Barclays decided in May to discontinue services to these houses, which it said do not fall under the amended eligibility criteria.

"Barclays has decided to close business with 250 exchange houses across the world, including 10 in Bangladesh," said Nurul Amin, managing director and CEO of NCC Bank.

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## DANDY DYEING LTD Court again asks Tarique, Koko to reply to money suits

STAR BUSINESS REPORT

A Dhaka court yesterday again asked BNP Senior Vice Chairman Tarique Rahman, his brother Arafat Rahman Koko and nine others to submit a written statement against money suits filed for recovery of a Tk 45.49 crore loan.

The other defendants include - Tarique's friend Giasuddin Al-Mamun and his wife Shahina Yasmine, Nasrin Iskander, wife of late Sayeed Iskander, Shams Iskander, Shafin Iskander, Sumaiya Iskander, and Kazi Galib Abdus Sattar. All are directors of Dandy Dyeing Ltd.

Earlier on different dates, the court asked the defendants to submit reply against the claim brought by Sonali Bank Ltd.

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## NBR asks telcos to resolve disputes out of court

STAR BUSINESS REPORT

The National Board of Revenue yesterday asked the telecom operators to settle their SIM tax issues out of court through the Alternative Dispute Resolution.

More than Tk 3,000 crore is stuck in disputes between the tax authority and four telecom companies. The NBR claims the operators owe the money for value-added tax for SIM replacement.

The NBR last year claimed the amount as tax on SIM cards replaced by Grameenphone, Banglalink, Robi and Airtel over the rationale that operators resold the SIM cards instead of replacing them -- which the operators categorically denied.

Last month, the High Court directed NBR to solve the ongoing legal disputes out of court with the four mobile operators. Of the amount, around Tk 2,000 crore is tax and Tk 1,000 crore is the late fee.

Revenue officials said the ADR process can expedite settlement of the disputes and enable the tax authority to boost revenue collection.

"The provision to settle cases is there. They can take advantage of ADR," NBR Chairman Md Ghulam Hussain said.

But officials of the telecom operators, who were present at the meeting, expressed frustration as NBR wants to go for negotiation by charging them a certain amount.

TIM Nurul Kabir, secretary general of Association of Mobile Telecom Operators of Bangladesh, said NBR is blaming the operators for irregularities on SIM replacement and wants to charge taxes.

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**STATE BANK OF INDIA BANGLADESH OPERATIONS**  
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**Career Opportunity**

State Bank of India (SBI), with a 206 years glorious tradition & history, is the largest commercial bank in India. SBI ranked 60th in the list of "TOP 1000 BANKS IN THE WORLD" by "The Bankers", in July, 2012. With more than 20000 branches and 32752 ATMs, SBI and its Associates (SBI GROUP) have overwhelming presence in India. SBI has another 180 foreign offices in 34 countries across the world (in all time zones), furthering the growth and prosperity to this subcontinent. SBI restarted its operation in the soil of Bangladesh, after independence, from 5th May 1975, though its existence in this part of the world dates back to 1862. At present, SBI, through its six branches and two Off-shore Banking Units, are playing a significant and pivotal role in banking & trade sector in Bangladesh. SBI, for its present operations and future expansion plan, invites application for the following positions:

**Trainee Assistant Officer**

Educational Qualification: Graduation in any discipline with minimum CGPA 3 out of 4 and CGPA 3.50 out of 5 from any recognized University of Bangladesh (not below 1st class throughout in his/her career).

- \* Job Location : Any branch/office of the bank under Bangladesh Operation.
- \* Age : Not below 21 & not over 30 years as on 01.01.2013.
- \* Compensation Package: Attractive compensation package with excellent career opportunity.

The detailed scheme for the selection process through examination, interview and/or group discussion, eligibility criteria, how to apply, is available at [www.sbibd.com](http://www.sbibd.com), the web portal of SBI, Bangladesh operations. Those who aspire to be the part of SBI team and interested in shouldering the responsibility with cherishing success, can download the details from [www.sbibd.com](http://www.sbibd.com) under the head "Recruitment"

**Branch Head** (In the Rank of First Assistant Vice President (FAVP)/Assistant Manager)

Applications from experienced dynamic bankers and persons with visions for technology-based banking and flair for marketing of banking and financial products, for the post of branch head. He will be business head to lead the bank with its growth perspective in right direction.

**Job Responsibilities (brief description but not limited to) :**

- \* Overall branch management ensuring proper implementation of the objectives prescribed by top management in respect of business growth and profitability.
- \* Day to day supervision and monitoring of all the functions.
- \* Ensuring healthy growth in advance portfolio and retain the health status.

**Educational Qualification :**

- \* First Class Post Graduate degree from a recognized University preferably in Commerce or Management background (not below 2nd class throughout in his/her career).

**The candidate must possess the following attribute/Qualities :**

- \* Excellent communications skill in English and local language and literacy in Computer.
- \* Pleasant personality and shall be capable of keeping good relationship with a wide spectrum of people/organization related to the branch and banking.

Desirable qualification : Degree in Law

Job Location : Any branch under Bangladesh Operations.

Age : not over 35 in the rank of Assistant Manager and not over 40 years in the rank of FAVP.

Salary : Attractive package.

**Experience :**

- \* Shall have at least 8/10 years banking experience including minimum 3-years as Assistant Manager or equivalent position & 2-years as FAVP or equivalent position in any major commercial bank with minimum 2 years as branch manager (independent charge) of any city branches with extensive exposure to General Banking, Foreign exchange and Credit Portfolios.
- \* Selection will be through short listing, interview/Group discussion

**Please note that the bank will accept completed application form in the manner as prescribed in the advertisement (at [www.sbibd.com](http://www.sbibd.com)) till 27th July, 2013.**

**State Bank of India Bangladesh Operations**  
[www.sbibd.com](http://www.sbibd.com)  
Women are encouraged to apply. SBI is an equal opportunity employer.

## Regulator rejects Brac and IFIC banks' rights proposals

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday rejected rights offering proposals of Brac and IFIC banks as the listed banks failed to comply with underwriting requirements.

Neither of the banks did the underwritings of their rights issues properly, the regulator said in a statement.

The two banks, however, can apply for regulatory approval in future after meeting the requirements.

Underwriting is the procedure by which an underwriter brings a new security issue to the investing public in an offering.

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## Bangladeshi cotton importers still top default list

STAR BUSINESS REPORT

The International Cotton Association (ICA) has listed 93 companies from Bangladesh for failing to make payments to suppliers. The country ended up on top of the default list.

In the previous update in April, the number of Bangladeshi defaulters was 91. The ICA updated the list of default companies on July 12.

Among the South Asian textiles and garment producing nations, India is in the second position with 89 companies while Pakistan has 50 companies on the list.

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