

# Commitment earns him success

Anis A Khan, CEO of Mutual Trust Bank, talks about his journey in banking career

SAJJADUR RAHMAN

**H**AD Anis A Khan joined civil service, as he passed the examination for a government job in 1982, Bangladesh's corporate sector would have missed a professional with distinctive leadership qualities. He is now 60 years old and has led two financial institutions -- Mutual Trust Bank and IDLC Finance -- as their chief executive for nearly 12 years.

Khan's ability to focus on a vision and to communicate his ideas with stakeholders -- including clients, employees and board of directors -- has brought him the success that many corporate professionals of his age did not dream of.

In his 33 years of banking career, he has witnessed how Bangladesh's private sector has grown from scratch. He has seen how small trading companies such as Akij, PHP, Abul Khair, Meghna, City, Square and Partex have become giant business groups.

"These entrepreneurs had a very humble beginning and have succeeded without much government support," Khan told The Daily Star in a recent interview.

He said sincerity and devotion of the entrepreneurs and an active role of banks helped the private sector grow over the years.

"And these entrepreneurs were not loan defaulters," said Khan, who has now been serving his second term as the CEO of Mutual Trust Bank, where his service may be extended for another term. Before joining the bank in April 2009, he served IDLC Finance, Bangladesh's largest non-bank financial institution, as its chief executive for two terms.

Khan also worked for then Grindlays Bank and its successors -- ANZ Grindlays and Standard Chartered -- both in Bangladesh and abroad.

Though Mutual Trust is a third generation private bank, his leadership gave the bank a strong foothold. During his stint, the bank saw steady business growth with less than 3 percent non-performing loans



Anis A Khan

against the industry average of 11 percent.

Khan said, though Bangladesh's economy has been growing at around 6 percent for the past one decade, the country has the potential to see higher growth.

"Our people are hardworking and intelligent, especially the young generation."

Khan said he visited around 50 countries where people leave office at 5pm and then pass time in pubs and clubs. But many people in Bangladesh work till night and again go to office the next morning.

Bangladesh has exploited only the apparel sector, but there are many other potential sectors such as leather and pharmaceuticals that, according to him, could generate huge foreign currencies.

The top banker also talked about the infrastructure bottlenecks. He is surprised to see that coal is not being explored; rather it is being imported by spending foreign currencies. "We have to use our own coal for power generation. People who will be affected must be rehabilitated properly," Khan said.

He said foreign investors think twice

before coming to Bangladesh due to poor infrastructure and political instability in the country. The next major bottleneck is scarcity of land, he said. "Investors from Thailand, Japan, Spain and Belgium were supposed to come to Bangladesh in January to discuss their investment plans, but they did not come because of political unrest," said Khan, also the vice president of Metropolitan Chamber of Commerce and Industry, the country's premier trade body.

He said special economic zones are the solution to the shortage of land. "Many state-owned mills and factories that have been shut for years could be converted into economic zones," he said.

While talking about the overall banking sector, he said lending rates have come down in line with the falling deposit rates.

Higher non-performing loans, excessive lending and soaring cost of funds are the major reasons why banks in Bangladesh cannot reduce lending rates to single digit, Khan said. "The good thing is that now banks are competing with each other to grab new

**“ Many state-owned mills and factories that have been shut for years could be converted into special economic zones to meet the demand for land ”**

clients or retain the older ones and that competition is giving borrowers an edge."

Khan said 2013 was "a horrible year" for banks, especially for primary dealers that were obliged to buy government bonds. But banks were completely liquid in 2014 as the government did not borrow much from the banking industry. He hailed the central bank for its prudent role in managing inflation and exchange rate and for healthy foreign exchange reserves.

The banker said small and medium enterprises are the country's engine of growth. His bank has been allocating more funds for SMEs every year to cash in on the growing potential of the sector. Mutual Trust has earmarked Tk 1,000 crore for SMEs for 2015, up from Tk 700 crore in the previous year.

Mutual Trust has recently been recognised as the 'best SME bank of the year 2014' by Bangladesh Bank and the SME Foundation. It has also been awarded as the 'best women entrepreneur-friendly bank of 2014'.

## Gleneagles Hospital's seminar on ageing held

RAFFAT BINTE RASHID, Singapore

The Gleneagles Hospital's 17th seminar on "Managing ageing: recent advances in medicine" took place at Sheraton towers in Singapore yesterday.

The focus of the seminar was to bring awareness about managing ageing and maintaining quality of life and not about the longevity.

Specialists on geriatric medicine, endocrinology, ophthalmology, cardiology, orthopaedic surgery and neurology talk elaborately on ailments common to senior citizens at the seminar.

Eighteen international journalists from South Asian countries, including Myanmar, Indonesia, Malaysia, Vietnam, Cambodia and Bangladesh, joined the event.

"As Singapore is celebrating her 50th year of independence this year, we believe our theme 'managing ageing' is timely to refresh and update our knowledge in geriatrics," said Dr Bertha Woon, chairman of the organising committee of the seminar.

The Gleneagles boasts a history of 56 years of giving care to Singaporean and other regional patients, said Dr Vincent Chia, CEO of Gleneagles.

Speaking about regional patients, Dr Chia said medical tourism is increasing in Singapore with the highest number of patients coming in from Indonesia, Malaysia, UAE and Bangladesh.

Medical treatment in Bangladesh has improved in the last decade, said Zahid Khan, a director of Parkway Hospitals, Dhaka office.

"But to avail technologically advanced treatment for complex surgeries or for minimal invasive surgeries related to cancer or liver and pancreatic ailments, patients from Dhaka are increasingly seeking medical treatment in Singapore."

The Gleneagles and Mount Elizabeth hospitals are under the Parkway Hospitals banner.

Dr Chia stressed the need for seeking help early. "We are passionate about curing our patients. To help us do that, early detection, early diagnosis and early treatment are of utmost importance."

"We are aware of regional patients being on tight budgets, for which I am reiterating on this fact. Clinical governance to protect the patients is of utmost importance to the Gleneagles," Dr Chia said.

The Gleneagles specialises on women's reproductive health, liver transplant and other liver disease and orthopaedics. There are international patient centres to facilitate international patients. There are two patient assistance centres in Chittagong and Dhaka of Bangladesh to provide information on treatments.

## Damascus fair encourages people to 'buy Syrian'



A Syrian woman looks at "halawa" sweets during an exhibit of local Syrian products organised by the Damascus Chamber of Industry at the Al-Jalaa sports complex in the capital Damascus.

AFP, Damascus

Syria's entrepreneurs, suffering from crippling losses after four years of civil war, have launched a drive to encourage consumers hit by burgeoning inflation and a shortage of imports to "buy Syrian".

A first instalment of the "Made in Syria" fair in Damascus this month attracted around 60 local companies to showcase products that are both easier to acquire and far cheaper than whatever imports are available.

Fuad Adam is sales director at kitchenware company Heart, whose factory in Douma, near the capital, was destroyed by months of fighting.

But he is at the fair anyway, offering whatever wares could be saved before the plant was reduced to rubble.

"We're participating in this exhibition to keep our brand alive in the minds of consumers," he explains, as shoppers make their way through what looks like a makeshift hypermarket set up in a sports complex in the Mazzeh residential district.

Organised by the Damascus Chamber of Industry, the fair aims to "promote our industry and encourage people to buy Syrian products, which are half as expensive as imported goods," says chamber official Mohammed Omar.

This first event was such a success that organisers are planning monthly fairs, not only in the capital, but also in other areas under government control, including one in the western province of Tartus in May.

They could be a major boon for Syrian consumers, whose purchasing power has

been devastated as the economy has crumbled amid the fighting.

Millions of Syrians have been driven into exile by a war that has killed more than 220,000 people, and the United Nations estimates that four out of five of those who remain are living below the poverty line.

Dania, 30, says she came to the fair just "to walk around." But she ends up with such a load of cleaning products, milk, cheese and even thyme, all of which were discounted to encourage spending, that her husband has to carry the bag for her.

"It's worth it," she says. "It's half the price of the store." For Dania, like many other Syrians, buying imported products has become nearly impossible.

Syria's currency has plunged since the beginning of the conflict in 2011, dropping from 50 pounds to the dollar to 300 pounds this year.

To limit the damage caused by a foreign currency shortage, authorities are curbing imports while trying to promote exports, according to Fares Shehabi, president of the Syrian Federation of Chambers of Industry.

"Whatever we can produce here will no longer be imported. We will be able to provide the market with many products," he says. But boosting exports will be difficult for a country where many companies and businessmen have been under international sanctions since 2012.

Syria's exports have plunged from \$11.3 billion (10.5 billion euros) in 2010 to only \$1.8 billion last year, according to pro-government newspaper Al-Watan.

## Indian banks set for cost increases on new loan provisioning rules

REUTERS, Mumbai

India's banks could see their lending-related costs rise by up to a fifth as a recent rule change means they must make bigger provisions for restructured debt, crimping their profits at a time when consumers and firms are starting to borrow more.

This could make banks cautious about lending, hurting an economy that is emerging from its weakest growth since the 1980s. The stricter provisioning norms may also affect the recovery chances of troubled borrowers as more loans are classified as bad instead of attempts to restructure them.

The Reserve Bank of India (RBI) ended last month what it called a period of "forbearance", dating back to the financial crisis. During this time, problematic loans that were being restructured required provisions amounting to only 5 percent of their value, instead of 15 percent for the loans classified as "bad".

"If an account needs to be restructured, then they would have to provide for that as if it were a non-performing loan. So the credit cost is going to go up,"



An employee arranges currency notes at a cash counter inside a bank in New Delhi, India.

REUTERS/FILE

said Ananda Bhoumik, a senior director at ratings agency India Ratings and Research.

Brokerage Macquarie estimates credit costs for the state-run lenders, including State Bank of India and Punjab National Bank, who dominate the Indian banking landscape, will rise from 1.18 percent of their total loans in the 2013/14 fiscal year to 1.3-1.4

percent through 2016/17.

The state-controlled banks not only have a higher percentage of poor quality loans of their total loans than privately owned banks such as HDFC Bank and ICICI Bank, they are also under-provisioned.

Macquarie expects gross non-performing loans for state-owned banks to increase 40 to 50 basis

points to 6.2 percent in the current financial year as they won't have the flexibility to classify loans as restructured.

After the 2008 financial crisis, the RBI had allowed banks to treat restructured loans differently, in order to put distressed projects back on track. But critics say banks have been using the window to avoid classifying loans as bad.

Despite the central bank flagging the rule change well in advance banks were hopeful of a reprieve until almost the last minute.

As it started to become clear that the RBI was in no mood to relent, banks rushed to take advantage of the lower provisions, likely causing a spike in restructured loans in the March quarter, analysts and bankers said.

Among the largest was Pipavav Defence and Offshore Engineering's more than \$1 billion debt, cleared for restructuring just days before the window closed.

"The restructured portfolio will go up very substantially," said state-owned Andhra Bank's Chairman CVR Rajendran, referring to the fourth quarter as a "peak".

## Samsung hints at new smartwatch on Apple Watch launch day

REUTERS, Seoul

Samsung Electronics Co Ltd teased the market with hints of a new version of its Gear smartwatch on Friday, the same day that rival Apple Inc's long-awaited wearable devices went on sale.

The South Korean tech giant's official blog post showed images of smartwatch with a round face - which would be a first for Samsung - and naming several partners, including Baidu Inc, Yelp Inc and CNN.

Samsung also said it would release a wearable software development kit for third-party developers ahead of the launch.

The blog post came as the Apple Watch went on sale without the fanfare typical of the US firm's major product rollouts.

Apple's offering is still expected to sell much better than any rival products to date. Researcher IHS expects shipments of more than 19 million Apple Watches this year, more than five times the number of all smartwatches shipped globally in 2014.

## EU clears key hurdle to giant Lafarge, Holcim merger

AFP, Brussels

The EU on Friday removed a key hurdle to the merger between French cement giant Lafarge and Swiss rival Holcim, approving the sale of assets demanded for the deal to go through.

Lafarge and Holcim agreed to their 40 billion euro tie-up to form the world's biggest cement company last year, but EU regulators said they would have to sell assets worth 6.5 billion euros to ease fears the new firm would hurt competition.

The European Commission said it had now approved the sale of those assets to Irish building materials group CRH, finding that it posed no separate competition risk. "CRH's activities overlap with the divested businesses in a number of areas, such as cement, aggregates, ready-mix concrete and asphalt," the

Commission said in a statement.

However, it added that because these materials are sold close to where they are manufactured, in local markets, CRH would not gain an unfair advantage and would still face competition.

The Commission cleared the merger in December but required Lafarge to sell businesses in Germany, Romania and Britain, while Holcim had to do the same in France, Hungary, Slovakia, Spain and the Czech Republic.

Regulators in other countries such as the US and Brazil also demanded that the two companies sell assets to address their competition concerns.

The new company will be called LafargeHolcim, employing some 136,000 people with annual sales of 32 billion euros and underlying profits of 6.5 billion euros.