

# HSBC to cut 50,000 jobs globally

AFP, London  
Scandal-hit bank HSBC said Tuesday it would cut its global headcount by up to 50,000 as part of a restructuring that entails its withdrawal from Brazil and Turkey, while it also mulls abandoning London as its HQ.

The Asia-focused lender added in a statement that it intended to save up to \$5 billion (4.4 billion euros) in annual costs within two and a half years as it seeks to boost profitability.

"HSBC is now undertaking a significant reshaping of its business portfolio," said the bank, which this year marks its 150th anniversary.

"It is redeploying resources to capture expected future growth opportunities and adapting to structural changes in the operating climate."

The statement did not mention extensive job cuts, the details of which were buried in an accompanying report.

HSBC said there would be a 10 percent reduction in jobs, with between 22,000 and 25,000 classi-

fied under "transformation savings". A further 25,000 jobs would be lost with the sale of operations in Turkey and Brazil.

"We recognise that the world has changed and we need to change with it," said chief executive Stuart Gulliver. "That is why we are outlining ... actions that will further transform our organisation."

Gulliver also confirmed the job losses would include between 7,000 and 8,000 positions in Britain -- where its retail bank will be rebranded and relocated from London to Birmingham, central England, by 2019.

The overhaul is the latest in a series of swinging cuts under Gulliver, who joined at the beginning of 2011.

Staff numbers have dropped from 295,000 in 2010 and by 2017 there will be 208,000 remaining.

"HSBC has an unrivalled global position: access to high growth markets; a diversified universal banking model with strong funding and a low risk profile; and strong internal capital generation with industry leading dividends," added Gulliver.

HSBC added that it will aim to save \$4.5-\$5.0 billion in annual costs by the end of 2017 but would continue to serve large corporate clients in Brazil "with respect to their international needs".

The bank added that it would focus more on Asia, particularly the in the Pearl River Delta, and set up a ring-fenced British bank.

It also expects to complete a review of where to locate its headquarters by the end of this year.

Gulliver has previously said the lender may relocate due to increased British regulation and taxation of the banking sector.

Financial analyst Jackson Wong described Tuesday's announcement as a "decisive move".

"It's a big cut ... (but) they haven't been able to save costs over the past few years," Wong, associate director for Simsen Financial Group, told AFP.

He added that the bank was likely to relocate its headquarters to Hong Kong, owing to its low tax regime. "The chance is pretty high for Hong Kong," he said.

But analyst Francis Lun said the cuts may be too severe. "They may

have overdone it -- if you cut the jobs any further... you cannot get the job done." Lun also believed Asia would be a friendlier environment for the bank.

"The problem is really with the regulators in Europe and America because they lost big during the financial tsunami so they want to get even with the banks," said Lun.

"There's no future for major international banks in Europe and America, no matter how much money you make or save."

Lun said that the Hong Kong Monetary Authority (HKMA), the city's de facto bank, was more relaxed.

"They are not out to get the pound of flesh," he said.

Swiss prosecutors on Thursday closed an investigation into allegations HSBC's Geneva branch helped clients evade millions of dollars in taxes, after it agreed to pay tens of millions in compensation.

The bank agreed to pay out 40 million Swiss francs (\$43 million).

Geneva authorities opened the probe in February following the publication of secret documents claiming the bank assisted many wealthy clients in thwarting the taxman.



EXIM BANK  
Md Nazrul Islam Mazumder, chairman of Exim Bank, presides over the 16th annual general meeting of the bank at Raowa Club in Dhaka yesterday. The bank declared 10 percent stock dividends for 2014. Mohammed Haider Ali Miah, managing director, was also present.



SIBL  
Md Rezaul Haque, chairman of Social Islami Bank, opens the bank's 103rd branch on Laksam Road in Comilla on Monday. Md Shafiqur Rahman, managing director, was also present.



NRBCB  
Dewan Mujibur Rahman, managing director of NRB Commercial Bank, and Md Faruque Hossain, director general of the Central Procurement Technical Unit, attend the signing of a deal in Dhaka recently. The bank can now take online payments for fees relating to government tendering and tender document.

## NCC Bank gets new DMD

STAR BUSINESS DESK

Abu Zafare Md Saleh has recently been promoted to deputy managing director of NCC Bank.

He was working as the bank's senior executive vice president and head of corporate and business banking prior to the promotion, the bank said in a statement yesterday.

He began his banking career with Agrani Bank and has since worked with One Bank, Dutch-Bangla Bank and Prime Bank.

Saleh is a postgraduate in economics from Dhaka University and holds an LLB degree, according to the statement. He is also a diploma associate of the Institute of Bankers, Bangladesh.



## Strengthen ability to reach revenue target: IBFB

STAR BUSINESS REPORT

Strengthening the country's capacity and transparency in meeting revenue targets and ensuring efficient public expenditure is vital for the new budget, the International Business Forum of Bangladesh or IBFB said in a statement.

The gap between the original revenue target and the actual revenue income was 8.3 percent, 16.2 percent and 16.4 percent in the last three fiscal years, indicating the government's dwindling capacity in reaching income targets, according to IBFB.

At the same time, an average of 85 percent of the original allocation under the annual development programme was achieved between 2010 and 2014.

"So the major challenge for the new budget will be to meet the revenue target and ensure its efficient use," IBFB President Hafizur Rahman Khan said.

Several initiatives have been taken in the new budget to safeguard local industries by way of withdrawing taxes and duties, which would help develop new industries as well as create jobs, he said.

The forum said without political stability, the budget cannot be implemented properly and the desired economic growth target cannot be achieved in the coming years.

Former IBFB President Mahmudul Islam Chowdhury, Vice President Humayun Rashid, Director MS Siddiqui and Executive Director Abdus Salam, were also present.

## Bidding held to appoint operators for New Mooring terminal

STAFF CORRESPONDENT, Ctg

Three companies participated in bidding yesterday for being appointed as terminal operators to handle container and containerised cargoes in two jetties of the New Mooring Container Terminal (NCT).

The bidding by Chittagong Port Authority received tenders from Saif Powertec Ltd (lead partner) along with two other firms -- MH Chowdhury and A&J Traders; M/s Bashir Ahmed; and Container and Terminal Services Ltd.

Today is the last day for submitting tenders to appoint operators in two other jetties of the same terminal, said Jafar Alam, director (admin) of the CPA.

On May 4, the CPA floated two separate

tenders to appoint terminal operators to handle container and containerised cargo at four out of the five berths of the NCT.

The High Court on May 31 stayed for three months the proceedings over the two tenders following a petition moved on the same day by Container and Terminal Services Ltd. It had also taken part in the bidding and alleged that the tender documents did not fulfil the requirements of Public Procurement Act 2006 and Public Procurement Rule 2008.

Following a civil miscellaneous petition moved by the CPA against the stay order, the appellate division of the Supreme Court on June 4 stayed the stay order till June 14, and thus allowed the CPA to go forward with the bidding process, officials said.

## IDLC's full-fledged solution for women entrepreneurs

FROM PAGE B1

The Pumota will give more than 0.5 percent interest rates over the regular rates on deposits. IFC, the private sector lending arm of the World Bank, helped design the products.

The features of the Pumota immediately won the heart of Bangladesh Bank Governor Atiur Rahman, who was the chief guest at the event held at the capital's Radisson Blu Water Garden Hotel.

He immediately advised the present senior officials from the central bank to pursue other financial institutions to design similar products for women entrepreneurs.

The central bank will soon issue a notice so that the expecting employees enjoy all the service benefits during their pregnancy period, and the financial institutions give them the same performance score they get the previous year of their leave. The governor advised central bank officials to think about insurance schemes for women entrepreneurs and small and medium enterprises.

The financial markets too should design products for the women entrepreneurs.

Defending women entrepreneurs, Rahman said: "It has already been proved that women entrepreneurs never default on their loans. So lending them makes commercial sense for banks. This is the best way to get rid of the default loan culture." IDLC Finance has grown to become the largest NBFI in Bangladesh.

In 2010, it had a loan portfolio of Tk 1,358 crore, which in five years grew to Tk 5,000 crore, thanks to a successful foray into the SME segment. Five years ago, its SME loan portfolio was only Tk 285 crore, 21 percent of the total outstanding loans. Today, it stands at Tk 2,100 crore, which is 42 percent of the total loan portfolio.

The non-performing loan in the SME portfolio is 2.25 percent, one of the lowest among all the banking and non-banking players, while the NPL is 0.07 percent when it comes to women entrepreneurs.

IDLC Finance's achievement represents the growth of the country's SME sector during the tenure of the incumbent central bank governor. Rahman has put importance on the once-neglected segment of the customers as part of his financial inclusive agenda. Last year, Bangladesh Bank nominated IDLC as the best women-friendly financial institution in the country.

Anwarul Huq, chairman of IDLC Finance, and Md

## Salary hike, interest to eat into budget

FROM PAGE B1

For paying interest on both domestic and foreign loans, the government got an allocation of Tk 35,109 crore, which is 18 percent higher than the revised allocation of the current year. Of the amount, interest on savings instruments went up 47 percent to Tk 14,421 crore.

The policy statement says, as the amount of low-cost foreign loans has been falling

since fiscal 2010-11, expenditure on interest payments has been on the rise.

It said the government will continue its attempts to get more low-cost foreign credit with the aim of reducing debt servicing costs. Most of the expenditure, 95 percent, on interest payment is for internal borrowing through various savings instruments that saw cuts in interest rates of late -- by up to 2 percentage points.

## RBI governor to speak in Dhaka tomorrow

FROM PAGE B1

"He is not a specialist in monetary policy. His writings are of a free-market persuasion, tinged with scepticism about how rational investors are and worries about the unintended consequences of regulation."

"In 2005, during a stint as the IMF's chief economist, Mr Rajan gave a gloomy talk to the world's central bankers at their annual gathering at Jackson Hole, Wyoming. It was a rare example of an economist predicting the subprime crisis," The Economist said.

Rajan assumed charge as the 23rd governor of RBI on September 4, 2013. He is on leave from the University of Chicago, where he is the distinguished service

professor of finance at the Booth School.

Between 2003 and 2006, Dr Rajan was the chief economist and director of research at the International Monetary Fund.

Atiur Rahman, governor of Bangladesh Bank, will inaugurate the programme to be presided over by Chiranjibi Nepal, governor of Nepal's central bank.

The research department of Bangladesh Bank is organising the event.

Also, governors and delegates from other Saarc countries' central banks are expected to attend the 30th Saarc Finance Governor's Symposium, and the 44th meeting of the governors of the Asian Clearing Union, scheduled to be held at the Pan Pacific Sonargaon Hotel in Dhaka on June 12 and 13.



ATHENA'S FURNITURE  
Neela Manwar, managing director of Athena's Furniture, poses at a two-day Summer Carnival of the company in Gulshan, Dhaka recently.



ICB ISLAMIC BANK  
Mohd Nasir Bin Ali, chairman of ICB Islamic Bank, attends the bank's 28th annual general meeting at Unique Trade Centre Convention Hall in Dhaka on Thursday. Muhammad Shafiq Bin Abdullah, managing director, was also present.

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### e-Tender Notice-01/2014-15

This is an online tender where only e-Tender will be accepted in the National e-GP portal and no offline/hard copies will be accepted to submit e-Tender, registration in the National e-GP system portal (http://www.eprocure.gov.bd) is required. The fees for downloading the e-Tender documents of following packages from the National e-GP system portal have to be deposited online through any registered Bank branches up to 12/07/2015 at 16:00.

Sl No.	Package No.	Name of works	Tender ID	Last date & time of selling documents	Last date & time of submission documents
01	ICGP BI ChCC-07	Construction of 14m span RCC bridge beside Rubi cement at Airport Road	25986	12-07-2015 16:00	13-07-2015 14:00
02	ICGP BI ChCC-08	Construction of 20m span RCC Girder bridge at 9 No. Goplo khal	25998	12-07-2015 16:00	13-07-2015 14:00
03	ICGP BI ChCC-11	Construction of 19.26m span Fishereeghat bridge at Fishereeghat	26058	12-07-2015 16:00	13-07-2015 14:00
04	ICGP BI ChCC-12	Construction of 20.34m span Jalligonj RCC girder bridge at Jalligonj.	26059	12-07-2015 16:00	13-07-2015 14:00
05	ICGP BI ChCC-13	Construction of 17.70m Tackpara RCC girder bridge at Tackpara	26065	12-07-2015 16:00	13-07-2015 14:00

Further information and guidelines are available in the National e-GP system portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

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