

Banks' profits rise slightly

REJAUL KARIM BYRON

Most private banks saw their profits rise, though slightly, in the first six months this year despite political unrest and a cut in lending rates.

Bankers expect the profits to get healthier by the yearend if political stability prevails.

Profits of Islami Bank Bangladesh, the largest private bank, rose 1.45 percent year-on-year to Tk 840 crore in January-June, according to preliminary statistics.

Pubali Bank, another large bank, made profits of Tk 350 crore during the period, a rise by 2.94 percent year-on-year.

Bank officials said political unrest during January-March affected the country's trade and commerce, taking a toll on their

business.

Managing Director of Mutual Trust Bank Anis A Khan said banks are now trying to recover their losses and profits may rise in the next six months.

Mohammad Abdul Mannan, managing director of Islami Bank, said, besides political uncertainty, stagnation in investment has led to excess liquidity in the banking system.

Big businesses are not interested to go for fresh investments now, he added, but hoped investment may pick up in the second half.

Mannan also said, though lending rates have been falling gradually, banks cannot cut deposit rates just as, which is why making profits has become difficult.

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BB toughens anti-money laundering steps for non-banks

STAR BUSINESS REPORT

Bangladesh Bank has tightened its rules for non-bank financial institutions against money laundering and terrorist financing, aiming to effectively check the menace.

The chief anti-money laundering compliance officer of each institution must submit an annual report to the BB's Financial Intelligence Unit (FIU) by January 15 every year, according to a notice issued by the central bank yesterday.

The Central Compliance Unit (CCU) in each institution has to submit a report on anti-money laundering and terrorist financing activities, progress report and recommendations to the chief executive of the institution on a half yearly basis.

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NBR reaches target after two years

STAR BUSINESS REPORT

After falling short for two years in a row, the National Board of Revenue has managed to hit its collection target in the just concluded fiscal year, much to the relief of the government.

The revenue authority logged in Tk 136,267 crore in fiscal 2014-15, which is 1,239 crore higher than the target for the year. The collection is also an increase of 13 percent over the previous year.

The collection figure eliminates fears that the target would remain unachieved for the third consecutive year.

"It is not a mirage; it is the reality," NBR Chairman Md Nojibur Rahman said at a press briefing yesterday.

Achieving the target was a challenging task, he said, while singling out the field officers for special praise.

The increased organisational capacity as a result of good governance and introduction of modern management also helped, according to the NBR chairman.

The collections from customs, income tax and value-added tax all exceeded their targets for the year in fiscal 2014-15.

Collections from customs grew 15 percent year-on-year to Tk 38,236 crore,

according to the NBR.

VAT collected from domestic businesses rose 11 percent year-on-year to Tk 48,638 crore, while income tax collections increased 13 percent to Tk 49,393 crore.

Rahman is bullish about meeting this fiscal year's target of Tk 176,370 crore as well, which is an increase of 29 percent over fiscal 2014-15's receipts.

He cited the case in fiscal 2010-11, when a 27 percent collection growth was seen. "So it will not be difficult to attain about 30 percent growth."

To achieve the goal, the NBR would scan harder to find new taxpayers, open a new tax zone to ensure proper collection of tax-at-source, Rahman added.

Towfiqul Islam Khan, research fellow of Centre for Policy Dialogue, expressed doubts about the year-end figure released by the NBR.

"It is possible that the NBR has overestimated the figures," he said, adding that there have been large discrepancies between the figures reported by the NBR and the finance ministry in recent years.

In fiscal 2013-14, the figure reported by the finance ministry, which is based on the integrated Budget Accounting System, was Tk 9,000 crore lower than the NBR's total collection claim. "A

Mobile talk a bit cheaper

STAR BUSINESS REPORT

The use of mobile phones became 2 percentage points cheaper from today after the government slashed the supplementary duty down to 3 percent.

Earlier on June 5, the government introduced a 5 percent supplementary duty on all mobile services including voice calls, text and picture messages and data.

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