

স্বপ্নময় জীবনের চাবি আপনার হাতে

এসআইবিএল ইসলামিক হোম ফাইন্যান্স

গ্যাপাটমেন্ট / ফ্ল্যাট ক্রয়, গৃহ নির্মাণ, গৃহ বর্ধিতকরণ অথবা গৃহ সংস্কারের জন্য সর্বনিম্ন ৫,০০,০০০ টাকা থেকে সর্বোচ্চ ৯,২০,০০,০০০ টাকা পর্যন্ত বিনিয়োগ সুবিধা।

* ফি অনলাইন সেবা যে কোন প্রয়োজনে ০৯৬৯২০০৯২২

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Star BUSINESS

DHAKA TUESDAY JANUARY 5, 2016

Little cheer for state banks in 2015

Their operating profits decline due to low credit growth, high non-performing loans

REJAUL KARIM BYRON

State-owned commercial banks saw their operating profits decline 4.69 percent year-on-year in 2015 owing to low credit growth and large amount of non-performing loans.

In 2015, the six state-owned banks logged in Tk 3,207 crore in profits, in contrast to Tk 3,365 crore a year earlier.

Of the six banks, Janata and Sonali saw their profits increase slightly. Janata's profits rose about 10 percent from the previous year to Tk 1,151 crore, which is more than its target for 2015.

In 2015, the bank's target was to register Tk 1,100 crore of profits.

The bank's profits grew due to increase in credit, especially to small and medium enterprises, said MA Salam, Janata's managing director.

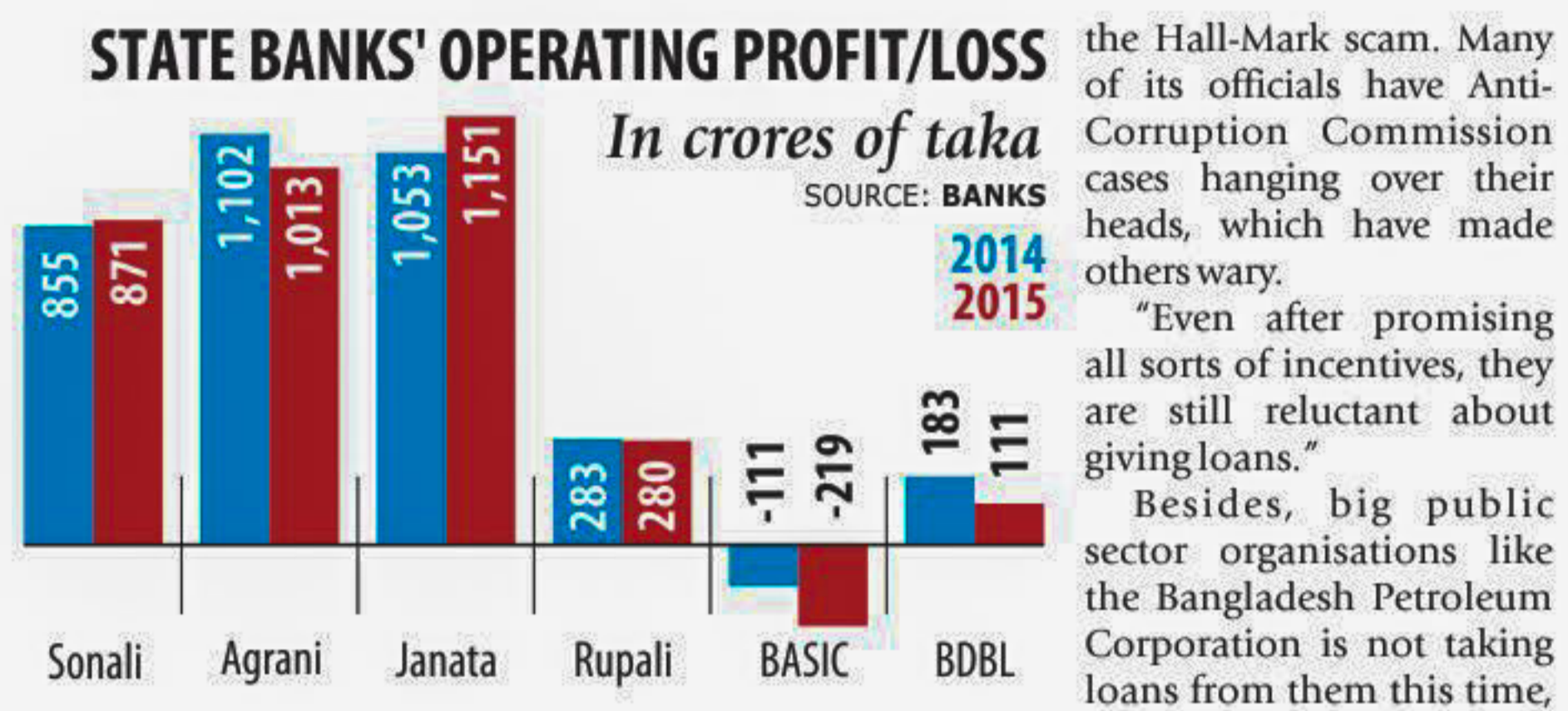
Last year, Janata disbursed large amounts of loans to women entrepreneurs across the country.

Janata also restructured about Tk 5,000 crore loans in 2015. However, it cannot count the interests on the loans as income, as per the central bank condition.

If the condition was not tagged, Janata's profits would have been even more, said a high official of the bank.

Sonali registered profits of Tk 871 crore, which suggests the bank is slowly shaking off the effects of the Hall-Mark scam. Pradip Kumar Dutta, managing director of Sonali Bank, said the amount was not up to expectations due to slow loan growth.

The bank has become cautious about granting loans after



the Hall-Mark scam. Many of its officials have Anti-Corruption Commission cases hanging over their heads, which have made others wary.

"Even after promising all sorts of incentives, they are still reluctant about giving loans."

Besides, big public sector organisations like the Bangladesh Petroleum Corporation is not taking loans from them this time, which contributed to the slow loan growth, he added.

Until the first week of November, Sonali's loans dropped 0.17 percent year-on-year in 2015, according to central bank statistics.

Another scam-hit bank, BASIC, saw its losses swell to Tk 219 crore in 2015, owing to bad decisions of the past board. They sanctioned loans without doing diligence and those have now turned bad.

"We are determined to overcome the loss and make a profit by next December," said Alauddin A Majid, chairman of BASIC Bank, adding that the condition of the bank is improving by the day.

Seeing its sorry balance sheet, Finance Minister AMA Muhith on December 30 last year authorised Tk 1,200 crore to meet its capital shortfall.

Even after that, the bank will be in the deficit by Tk 1,500 crore, according to Majid.

The bank will make up a portion of it by improving its financial condition, he said, while expressing hope that the government will provide the remaining amount.

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State-owned banks to slash lending rates

REJAUL KARIM BYRON

Seven state-owned banks jointly decided to lower their lending rates by 1.5 to 2 percentage points in a bid to compete with private banks and spur investment for the economy.

The new rates will come into effect on February 1.

The decision, which was taken yesterday at a meeting at the Agrani Bank headquarters, comes at a time when the gap between deposit and credit growth rates continues to widen.

The seven banks are: Sonali, Janata, Agrani, Rupali, BASIC, BDBL and Krishi banks.

On November 5, the state banks' credit growth stood at 8.49 percent and the deposit growth 13.34 percent, according to central bank statistics. For instance, the deposit growth of the largest state bank, Sonali, was 15.27 percent while its credit growth was negative.

Pradip Kumar Dutta, managing director of Sonali Bank, said they have taken the decision in principle and will make it effective after getting the approval from their respective boards.

The banks now have huge amount of excess liquidity, so they have decided to cut the rate to spur borrowing, he said, adding that the good borrowers will be given rebates on top of the lower lending rates.

The respective banks will decide on the rate of rebate after taking the board's approval.

At present, the state banks offer interest rates within the range of 10 to 15 percent.

The rate of interest on term loans is 13-14 percent, while for working capital it is 14 to 15 percent, according to the central bank statistics.

In contrast, private banks offer 11 percent for both term and working capital loans.

An official of Agrani Bank said as the rate of interest in private banks is low many borrowers are leaving state banks to take credit from private lenders.

The banks also decided to cut the deposit rate by 0.50 percentage points to make it 7 percent at yesterday's meeting.

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Remittance springs back in Dec

STAR BUSINESS REPORT

Remittance increased 2.5 percent year-on-year to \$1.31 billion in December last year due to seasonal effect, according to data from the central bank.

The amount is an increase of 14.53 from the previous month.

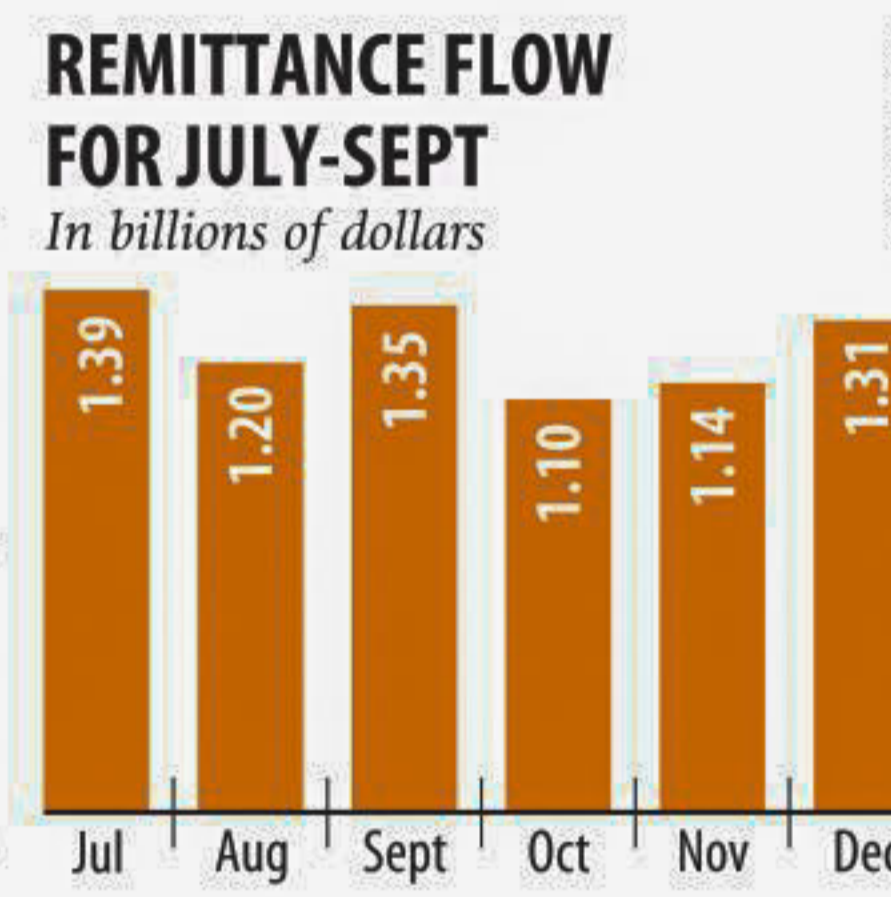
The reason for the spike is that two major festivals fall in the month of December in Western countries.

The tourists also flock to these countries then, as a result of which expatriate Bangladeshis see a rise in their incomes, which they prefer to send them back home, said a central bank official said.

Remittance dropped 3.39 percent year-on-year in November and almost 18 percent in October.

Over the last six months, remittance flow stood at \$7.49 billion, which is a decline of 0.66 percent year-on-year.

Bangladesh's manpower export rose 30 percent in 2015 but remittance inflow went up only 1.8 percent, according to the



Refugee and Migratory Movements Research Unit.

More than 5.42 lakh men and 92,000 women migrated to different countries until yesterday, while the numbers stood at about 4.25 lakh and 76,007 at the end of last year, the report said, citing statistics of the Bureau of Manpower, Employment and Training.

BTRC to study internet service costs to regulate prices

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator is going to analyse the cost components in providing internet services, to determine a pricing guideline for the operators, said an official.

There is a huge gap in internet prices between different operators. To intervene in the market, the regulator must first conduct an analysis of the pricing process, said Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission.

"We want to get the correct information, which will help us offer the best possible prices to customers."

BTRC recently decided in principle to purchase expertise from InCyte Consulting, a globally reputed company on telecommunication services and regulation, for Tk 30 lakh.

Two years ago, BTRC had approached International Telecommunication Union (ITU), the highest body of global telecommunication services, to receive consultation free of cost.

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Foreign funds fall in Dhaka bourse

SARWAR A CHOWDHURY

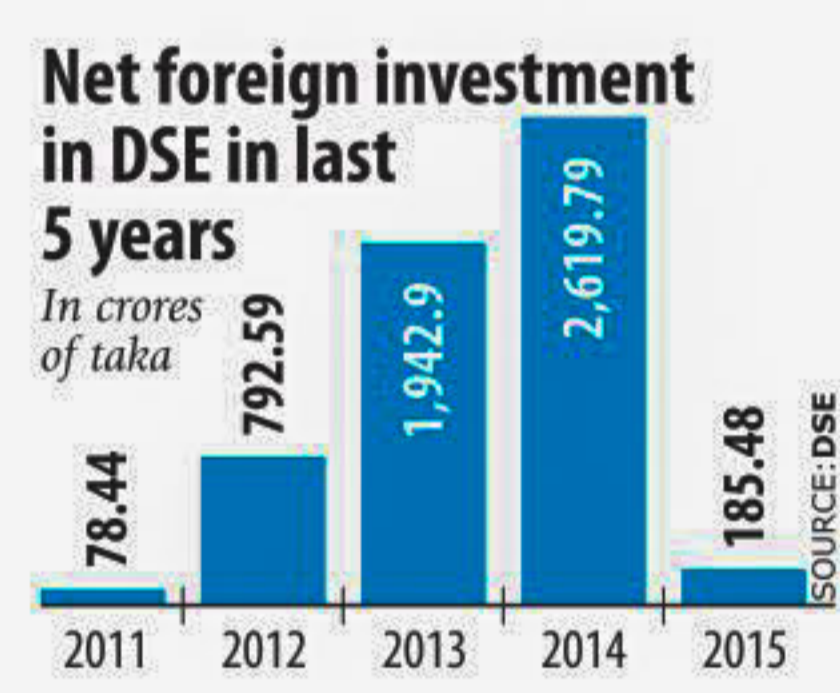
Foreign investment in the capital market witnessed a 93 percent year-on-year decline in 2015, driven by profit booking sales by overseas investors.

Last year, foreign investors bought shares worth Tk 3,825.46 crore and sold shares worth Tk 3,639.98 crore, to take their net investment for the year to Tk 185.48 crore, according to statistics from the Dhaka Stock Exchange.

The net investment by foreigners in 2014 was Tk 2,619.79 crore.

The foreign investors sold a bulk amount of shares, especially in the second and third quarters of last year, to realise the gains they made in the previous two years.

"They (foreign investors) offloaded fuel and power company stocks from



their portfolios to book profit, in addition to other stocks," said Md Saifuddin, managing director of IDLC Securities, which provides services to foreign fund managers.

The falling net investment is not alarming for the capital market, he said. "They are still interested in our

market and they were taking position on new securities that were comparatively lower in value."

Market insiders said the foreign investors had a big stake in Titas Gas, but they sold out a bulk amount of those shares, speculating that the profit margin of the state-run company would decline after the net profit distribution margin was re-fixed.

Last year, Bangladesh Energy Regulatory Commission re-fixed the net profit distribution margin following the new tariff structure for gas consumption in August.

The net profit distribution margin has been reduced by 33.72 percent, which means that if Titas Gas was receiving Tk 100 as net profit in 2014, it will get Tk 66.28 in 2015.

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Alliance strikes off 23 factories from its list

It says the units are not implementing corrective action plans

REFAYET ULLAH MIRDHA

The Alliance for Bangladesh Worker Safety has struck off 23 garment factories from its approved list for their lack of interest in implementing corrective action plans.

"Safety is our first priority. If a factory does not want to improve its safety mea-

asures, we cannot maintain a relationship with it," said Mesbah Rabin, managing director of the Alliance, a platform of 27 North American retailers.

There are 676 active factories on the Alliance list. Engineers inspected 846 units to improve their safety measures.

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Our Management Associate Program:

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The program is aimed to fast track professional development through structured rotations and assignments in various functions and projects within the organization to enhance knowledge and better understand the business, markets, products, and culture.

The program also offers a combination of on-the-job training and mentoring by senior leaders in harnessing talents to take on challenging roles within the company, while providing specific training assessed through development needs.

Upon successful completion of the program, the Management Associates typically will take on leadership roles based on their strengths and interests catering to the needs of the business.

Who we are looking for:

The ideal candidate should be eager to learn and explore new ideas, willingness to take ownership and have a strong analytical skills coupled with strong business acumen. An ideal candidate should have

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- Superior analytical skills coupled with strategic capabilities
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Interested candidates are requested to apply through online careers@ntg.com.bd or www.bdjobs.com by January 15, 2016.

For detailed about the organization please visit <http://www.ntg.com.bd>

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