

DHAKA TUESDAY FEBRUARY 16, 2016

## Regulator directs MetLife to boost capital five times

SAJJADUR RAHMAN

The insurance regulator has instructed MetLife Bangladesh to raise its paid-up capital by almost five times to Tk 350 crore in a move to safeguard the interests of its policyholders.

At the end of 2015, MetLife's paid-up capital stood at Tk 72 crore.

The Insurance Development and Regulatory Authority asked for the increased paid-up capital to be reflected in its 2015 accounts.

Accordingly, it instructed the insurer to retain Tk 93.36 crore from each of its past three years' earnings.

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# Default loans decline slightly

REJAUL KARIM BYRON

Banks' default loans dropped 6.22 percent to Tk 51,300 crore in the last quarter of 2015 mainly due to restructuring of big loans.

On December 31 last year, bad loans accounted for 8.79 percent of the total loans in the banking system, which was 9.89 percent on September 30.

The amount of total default loans at the end of September last year stood at Tk 54,708 crore.

The reason for the drop in bad loans is that banks wrote off a large chunk of their piled-up bad loans in the last quarter following instructions from Bangladesh Bank, said Subhankar Saha, executive director of the central bank.

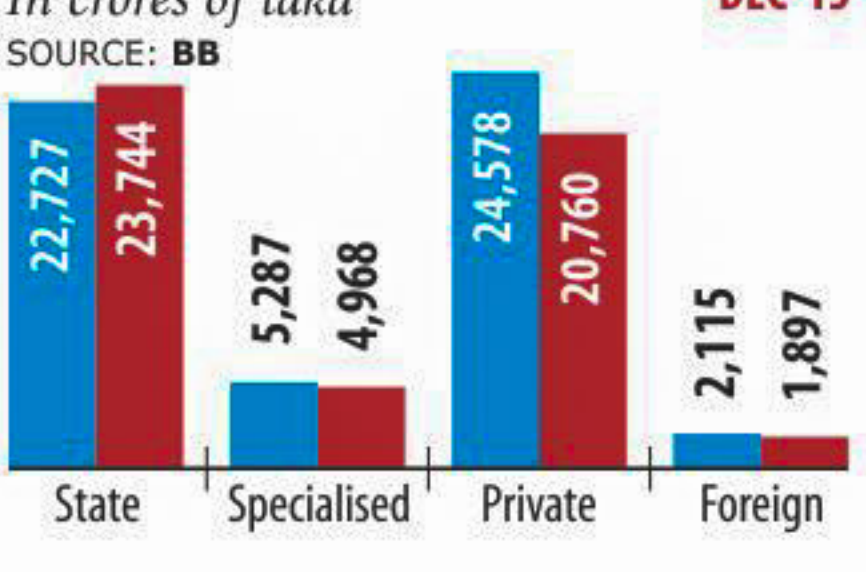
The BB directed banks to cut their default loans by making proper use of the central bank rules.

A good number of loans were restructured or rescheduled by applying the rules properly, which also helped cut the bad loans.

The BB last year gave an opportunity to reschedule loans of large borrowers. Some 11 large borrowers rescheduled Tk 15,000 crore of loans with the approval of the central bank.

Besides, banks were sincere in recovering their bad loans last year, forming a special taskforce for the purpose, Saha said.

## BANKS' DEFAULT LOANS



The BB has also appointed observers in state-owned banks and some private ones. The observers closely monitored the loan management process of the banks.

Yet, the five state banks saw their bad loans rise between the months of September and December last year.

The default loans of state banks rose 4.47 percent, or Tk 1,017 crore, to Tk 23,744 crore, according to central bank statistics.

The highest increase was at the scam-hit BASIC Bank, where the amount rose by about Tk 2,000 crore.

In percentage terms, 21.46 percent of the state banks' loans were defaults, which is high in the context of Bangladesh and beyond.

Default loans of each of the private, foreign and government-owned specialised banks dropped.

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## Huawei, GP launch handsets

STAR BUSINESS REPORT

Huawei yesterday unveiled two smartphones -- Huawei GR5 and Huawei Mate 8 -- in Bangladesh, partnering with Grameenphone.

Huawei recently launched these devices globally.

GR5 is the latest in its G series of smartphones with fingerprint ID technology, camera, a 5.5-inch screen, and a sophisticated design that would attract youths, officials said at a function at Sonargaon Hotel in Dhaka.

The Mate 8, on the other hand, is Huawei's latest introduction in the high-end smartphone market.

In Bangladesh, the GR5 is priced at Tk 22,990 and Mate 8 at Tk 59,990.

Grameenphone's "star" customers can buy the GR5 at 12 monthly instalments with an attractive data package.

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## Aman Group gets nod to set up economic zone

STAR BUSINESS REPORT

Aman Group, which was awarded a prequalification licence to set up an economic zone, demanded gas connections as early as possible to help the business conglomerate start production at its new factories in the zone.

"Though we have deposited the security money, we are yet to get the new gas connections," said Rafiqul Islam, chairman and managing director of Aman Group, which is setting up the economic zone on a 150-acre land in Narayanganj.

The group is primarily investing around Tk 2,100 crore to establish the economic zone, where various industries such as cement, packaging, shipyard, food and beverage, steel manufacturing and power generation will be set up.

"If we don't get the gas supply, we will have to look for alternative energy. That will increase our investment cost," he said, while seeking Bangladesh Economic Zones Authority's assistance in getting the utility connection.

Islam raised his demand while speaking at the prequalification licence awarding ceremony held at the Beza office in Dhaka yesterday. Beza Executive Chairman Paban Chowdhury handed over the licence to Islam.

In response, Chowdhury said they have already sat with Petrobangla, Titas Gas and the Energy and Mineral Resources Division to expedite gas connections for industries in the private economic zones.

"The Energy and Mineral Resources Division has sought a plan from us assuring that industries in the economic zones will get priority in getting gas connections," he said, adding that they will sit with the division soon with the plan.

"We hope there will be no problem in gas connections," Chowdhury said.

Although Aman Group's economic zone will be set up on 150 acres of land, the prequalification licence was for 90 acres. Beza will award another licence for the remaining 60 acres after the group meets certain conditions.

The "Aman Economic Zone" will be the sixth economic zone to be built by a private sector entity.

The economic zone, which will be well-connected with Dhaka and Chittagong, will create 15,000 jobs in the next four years.

Employment opportunities for another 10,000 will be created in the following phases.

Presently, Aman Group employs 13,500 people, and its annual turnover is around Tk 3,000 crore.

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