

DHAKA TUESDAY MARCH 1, 2016

BB orders audit into Agrani's anomalies

The bank will appoint two auditors

REJAUL KARIM BYRON

The Banking Division has directed the Agrani Bank board to open a functional audit to find out whether irregularities were committed in granting loans to four companies.

The move comes as there are allegations that the bank pandered to misdeeds in disbursing loans to Sun Moon Group, Tanaka Tradecom International, Jaj Bhuiyan Group and BTL Group.

This is the third time that the Banking Division has called for an audit into a state bank.

Agrani Bank will appoint two chartered accountancy firms for the audit. Previously, chartered accountancy firms were appointed in the scam-hit Sonali and BASIC banks for functional audits.

The Banking Division has instructed Agrani to appoint SF Ahmed & Co and MABS & J Partners for the functional audit. They have also been asked to submit their reports in two months.

Contacted, Agrani Bank Chairman Zaid Bakht confirmed that they have received such a directive and will soon appoint the two audit firms.

The BB also served notice on Agrani Bank Managing Director Syed Abdul Hamid last month, seeking explanations from him under the banking companies act for nine counts of irregularities.

The BB letter mentioned that Agrani violated rules for loans amounting to Tk 792 crore.

The move against Hamid comes after the central bank's inspections into Agrani's main branch and the Asadganj and Laldighi

East branches in Chittagong established the allegations against him.

The BB notice said Hamid approved loans for a select few clients by violating the directives of the central bank and the Agrani board of directors.

In 2011, a Tk 120 crore loan was extended to Tanaka Tradecom International from the bank's main branch. The loan was approved by Agrani's board with the condition that supplementary collateral will be kept as security with the bank.

Tanaka Tradecom later proposed changes to the condition, which Hamid approved without the consent of the board.

Later in 2015, he rescheduled loans of the company amounting to Tk 10.79 crore -- a decision he was not authorised to make.

Serious irregularities were also committed in disbursing loans to Mizanur Rahman Mizan, a customer of Agrani's main branch, and various companies linked to the client's Sun Moon Group.

The outstanding loans now stand at Tk 300 crore and they have become risky.

An official of the BB said the central bank also found irregularities in loans given to Agrani's other clients, including Zaynab Trading of Chittagong.

The central bank inspection found that a huge amount of loans was extended to a company in Chittagong whose address was not found.

In this regard, Bakht told The Daily Star that the two bank officials involved with these loans have been suspended.

Instructions have been issued to file criminal cases against the officials and the borrowers, he added.

Banglalink keen to expand mobile financial service

Senior official of VimpelCom, the parent company of Banglalink, says they will invest more in MFS platforms

MUHAMMAD ZAHIDUL ISLAM

VimpelCom, the parent company of mobile operator Banglalink, is ready to help deepen financial inclusion to complement the government's vision for a "digital Bangladesh", said one of its top officials.

AJ Hanna, chief mobile financial services officer of VimpelCom, is currently visiting Dhaka and has expressed the company's willingness to invest in mobile financial service (MFS) platforms in Bangladesh. The official, however, declined to mention their planned investment figures.

"Opportunities in this space come in all shapes and sizes; it is difficult to put a number on that. We are open-minded and forward-thinking, and that is limitless," said Hanna in an interview with The Daily Star yesterday.

Both VimpelCom and Banglalink are here to support the government and the people of Bangladesh by doing whatever it takes to expand MFS, he said.

VimpelCom currently offers world-class MFS in many of their markets, including Russia, Italy, Kazakhstan, Ukraine and Pakistan. And they have some services in Bangladesh as well, added Hanna.

For the smooth running of MFS, security is the key to getting success and they are always operating at the highest standards of compliance, Hanna added.

"As Banglalink is already leading



AJ Hanna

in the biometric registration of subscribers, we are confident in providing MFS with the most authentic information and security measures."

VimpelCom also has one of the most renowned platforms, which ensures seamless operation across all the channels of operation, Hanna said.

As of January, Banglalink has 3.24 crore active subscribers, with a strong distribution network of over two lakh retail agents in almost every corner of the country, which will help them offer real-time services.

Hanna, however, raised concerns over the central bank's draft guideline on MFS. The mobile

operators will not be interested in investing heavily, if this guideline is implemented, he said.

The central bank recently began a process to allow any entity to have at best 15 percent share in a consortium of MFS. However, Hanna thinks anything less than 49 percent is unattractive.

"We have the retail network, a ready customer base and global know-how to offer financial services to Bangladeshi consumers right now. If a multiple ownership policy is imposed, there will be endless delays and hopeless frustration," he added.

"We will provide the best technology, the best products and the best services, online and offline."

VimpelCom and Banglalink are looking to opportunities to make MFS a part of everyday life for the people of Bangladesh.

"It's more than financial inclusion. It's lifestyle convenience for the new digital lifestyle we are aspiring for."

Hanna also welcomes the biometric SIM registration and verification initiative of the government. "It's a bold move but one that has to be taken. This will greatly benefit consumers and will enable us to provide them with more innovative and real time financial services that are tailored to their individual needs."

Banglalink has been aggressive in adopting this directive and is believed to have registered the highest number of people with biometrics, he said. "This paves the way for easy, fast and secure mobile wallet registration and can instantly increase the number of MFS users in the Bangladesh economy."

Hanna said people are spending a lot of their time online via their mobiles, sharing their lives on Facebook, searching for information, or chatting with their friends and families.

Currently, Banglalink has 15 percent penetration in the smartphone market, which is increasing day by day.

Hanna said, in the digital world of tomorrow, people will use their phones to do their shopping, pay their utility bills and transfer money.

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Taskforce to conduct study on smuggling

STAR BUSINESS REPORT

The central taskforce to prevent smuggling is set to conduct a study to assess the extent or volume of smuggling and its effects on Bangladesh and its overall economy.

The decision came at the meeting of the reconstituted taskforce, headed by Md Nojibur Rahman, chairman of the National Board of Revenue.

This is the first meeting since the government reconstituted the taskforce last month, to effectively fight smuggling, especially of gold, which has gone up of late. Rahman was made the chief of the team.

"We will soon prepare a research paper that will cover the nature of smuggling, statistics and various aspects," Rahman said at a press briefing following the meet at the NBR headquarters on Sunday.

He said smuggling is harmful for state security, revenue collection and society and the taskforce will follow both preventive and curative approaches.

"We will be proactive and work as a team," he said.

Big hauls of gold have been making headlines all too frequently.

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Second from right, Mustafizur Rahman Khan, CEO of SD Asia, a platform of startups and entrepreneurs, announces a networking event to be organised on March 19, at a media briefing in Dhaka yesterday.

Networking event for startups in March

STAR BUSINESS REPORT

SD Asia, a platform of startups and entrepreneurs, will organise a networking event on March 19 aiming to promote creativity and inject the risk-taking habit into Bangladeshi youths.

Mustafizur Rahman Khan, chief executive officer and founder of SD Asia, announced the event, Innovation Xtreme, at a media briefing at EMK Centre in Dhaka yesterday.

"More and more Bangladeshi people are going to get involved in online businesses and tech startups are going to play a major role in building Bangladesh's

future," said Sonia Bashir Kabir, managing director of Microsoft Bangladesh.

Muhammed Aziz Khan, chairman of Summit Group; Rajeev Sethi, CEO of Grameenphone; and Anis Uzzaman, general partner of Fenox Venture Capital, will also join this year's show, organisers said.

The daylong event will be organised at Radisson Blu Water Garden Hotel in Dhaka, where investors will meet 22 local startups.

Microsoft, Facebook, Tech in Asia, IPDC and Top-of-Mind are the event partners.

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Korean firm to invest \$25m in Mongla EPZ

STAR BUSINESS DESK

South Korean company CS Bangla Ltd will invest \$25 million to set up a tent and outdoor camping items manufacturing factory in Mongla Export Processing Zone.

An agreement to this effect was signed between Bangladesh Export Processing Zones Authority and CS Bangla at Bepza Complex in Dhaka yesterday.

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Banks' capital rises in Sept-Dec

STAR BUSINESS REPORT

Banks' overall capital increased 3.62 percent in the last quarter of 2015 as asset quality of most banks improved.

The banks' capital stood at Tk 75,352 crore on December 31, which was 10.84 percent of their total risk-weighted assets. The amount was Tk 72,720 crore on September 30.

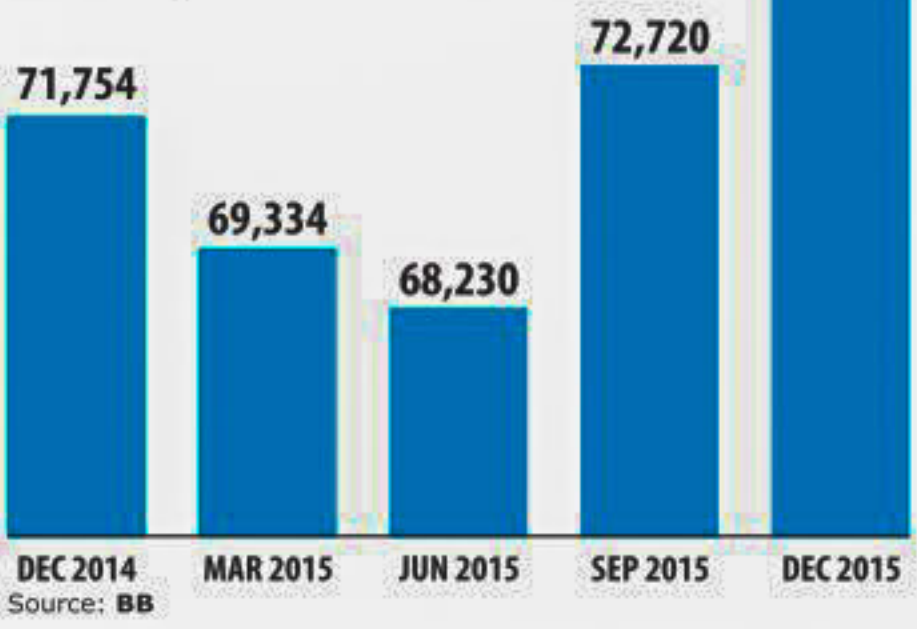
In line with international standards, banks have to maintain a capital adequacy ratio of 10 percent against their risk-weighted assets.

Anwarul Islam, a spokesperson for the central bank, said despite economic slowdown globally, banks' capital base in Bangladesh is gradually getting stronger. It will strengthen further in future, he added.

In the last quarter of 2015, no bank saw a

CAPITAL IN BANKS

In crores of taka



capital shortfall, he said.

According to central bank statistics, the overall capital shortfall in the banking sector in September last year was Tk 44 crore; but in December, capital surplus was Tk 2,396 crore.

ACI plans to export pharma products to US

STAR BUSINESS REPORT

ACI HealthCare, a subsidiary of ACI Ltd, plans to take its pharmaceutical products to the US market.

ACI HealthCare will seek permission from the authorities to open a subsidiary in the US, according to a web posting of the Dhaka Stock Exchange.

The purpose of the subsidiary will be to develop products and perform regulatory, marketing and distribution activities to facilitate operations of the pharmaceu-

tical plant of ACI in Sonargaon of Narayanganj.

The factory is being built following US Food and Drug Administration's specification.

The plant will manufacture products for domestic and international markets.

ACI HealthCare was set up in 2013 with an aim to manufacture and market pharmaceutical products for regulated markets, especially for the US, according to the company's website.

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Stocks extend losses

STAR BUSINESS REPORT

Stocks suffered for the fourth day yesterday with the key index of Dhaka Stock Exchange hitting the year's low as investors sold off scrips to book profits.

DSEX, the benchmark index of the premier bourse, declined 24.87 points or 0.54 percent, finishing the

day at 4,511.96 points.

Gloom pervaded the market as the DSEX touched this year's low, IDLC Investments said in its regular analysis.

Due to a persistently slow market, and in the absence of long-term optimism, many investors sold off shares, the merchant banks said.

The market marked the fourth day of losses backed up by heavy sell-offs

in large-cap stocks such as Square Pharma, Beximco Pharma and Lafarge Surma Cement, LankaBangla Securities said.

Turnover, another important indicator of the market, rose 9.1 percent to Tk 462.92 crore, with 13.04 crore shares and mutual fund units changing hands on the DSE.

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