

# Huawei's nova 3i hits market



Aaron Shi, *centre*, country director of Huawei Consumer Business Group (Bangladesh), launches Huawei nova 3i, a popular device of the Chinese mobile maker, at Sonargaon hotel in the capital yesterday.

STAR BUSINESS REPORT

Chinese handset-maker Huawei launched its popular smartphone—Huawei nova 3i—at an event at the Pan Pacific Sonargaon in the capital yesterday.

The device priced at Tk 28,990 will be available at all Huawei-branded shops across the country from August 11. Interested customers can pre-book the handset from August 1 to August 10.

Customers who will pre-book will get an attractive gift box with the device, the company said.

Grameenphone users will get 5GB internet for free with the purchase of every Huawei nova 3i, the company said in a statement.

Customers can also buy the set by using

six months equal monthly instalment facility, according to the statement.

"This is just another milestone of Huawei's commitment to consumers bringing in another innovation," said Aaron Shi, country director of Huawei Consumer Business Group.

"I believe that Huawei nova 3i will set a new standard of expectation among the consumers."

The handset features the same design as its predecessor and delivers an artificial intelligence four-camera photography experience.

The smartphone has a 24MP primary sensor and a 2MP sensor in the front side and two rear-facing cameras which are of 16MP and 2MP. The 6.3-inch device is equipped with 128GB ROM and 4GB RAM.

# State banks' escalating bad loans a threat: BB report

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"The banking sector is said to be the main source of funds in accelerating economic growth through short-term financing. But the pile-up of rescheduled loans seems to be a matter of concern."

Despite the expected rescheduling, a large amount of rescheduled loans in the industrial sector, particularly garment and textile, in conjunction with the lack of required follow-up may create downside risks for the banking system as a whole.

The stressed advance, which includes the NPLs and rescheduled loans, also increased to 19 percent last year from 17.2 percent a year earlier.

Large industries, which enjoyed 46.1 percent of the total loans given by the banking industry, accounted for 46.6 percent of the total stressed loans in the banking sector last year.

In 2017, the stressed loans in the large industries also increased significantly: by 12.8 percentage points from 2016.

The medium industries possessed 14.4 percent and small industries 11.7 percent of the total stressed loans in the banking sector.

The accumulation of larger stressed loans can hamper financial intermediation and banks' profitability.

"Therefore it is a foremost concern for the bank management and the regulator," the report said.

The bank should boost recovery drives to ensure collection of dues and speedy resolution of stressed assets.

The banking sector also faced a provisioning shortfall of Tk 6,767 crore in the last year as the state-run banks were largely responsible for keeping the regulatory requirement, the report added.

# Safety concerns, poor infrastructure holding back digital payment

FROM PAGE B1

"There should be an alternative to NPSB," Shirin said.

A regulatory framework is needed to set security standards for the electronic payment system, Crawford said. "The government and the private sector should work together to build a secure payment system."

Merchants can be subsidised to create value in card payment to encourage people to use the electronic payment system, he added. "The two things that most important for spreading out the digital payment system are confidence and convenience," said Mahfuz Anam, editor and publisher of The Daily Star.

People go for the digital payment system for convenience and resist the system for lack of confidence.

Subsequently, formulation of a legal framework for the system should be the number one priority.

"By merely creating confidence among the people can expedite the adoption of the digital payment system."

For instance, 90 percent of the payment for e-commerce purchases is made with cash on delivery due to low confidence, he added.

Only 5 percent of the total transactions in the country takes place through cards, said Lila Rashid, general manager of the Bangladesh Bank's payment systems department.

And even then, 89 percent of the card transactions are for cash withdrawal from the ATM booths.

"This is frustrating," she said.

Internet banking accounts for only 1 percent of the total transactions. "This is very insignifi-

cant when we are trying to promote electronic payment."

This is because people still do not have confidence in cards or the electronic payment system.

Banks are also reluctant to provide the internet banking facility, which is the future of the electronic payment system, she said.

Currently, about 33 banks provide the service and even then not all of them provide the gamut of internet banking facilities.

Of the banks that have full-fledged internet banking service, only 13 banks are connected with the NPSB, according to Rashid.

Many banks are not interested in adopting the new technology because of low returns to investment, Shirin said.

Bangladesh has made impressive growth in mobile financial services, said Dianne Rajaratnam, Asia Pacific Lead at the Better Than Cash Alliance, a United Nations partnership of governments, companies and international organisations to accelerate the transition from cash to digital payments.

The faster growth showed the potential of the digital payment system, she added.

Despite various challenges, lots of progress happened in the digital payment system, said Pinal Islam, managing partner of pi Strategy, who moderated the session.

Only by building confidence can the remote people be brought under banking channel, said Anis A Khan, managing director of Mutual Trust Bank.

Agent banking is working tremendously in taking banking services to the remote people, he added.

# Half Yearly Financial Statements-2018 (Un-audited)

# Premier Bank service first

Consolidated Balance Sheet As at 30 June 2018		
	Amount in Taka	
	June 2018	December 2017
<b>PROPERTY AND ASSETS</b>		
<b>Cash</b>	<b>12,768,529,515</b>	<b>11,338,246,488</b>
In hand (including foreign currencies)	1,747,571,321	1,648,447,462
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	11,020,958,194	9,689,799,026
<b>Balance with other banks and financial institutions</b>	<b>492,266,544</b>	<b>926,436,073</b>
In Bangladesh	60,658,804	212,708,609
Outside Bangladesh	431,607,740	713,727,464
<b>Money at call and short notice</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>24,741,456,870</b>	<b>23,164,705,952</b>
Government securities	18,636,771,963	17,040,173,917
Others	6,104,684,907	6,124,532,035
<b>Loans, advances and lease/ investments</b>	<b>149,132,137,301</b>	<b>137,728,107,037</b>
Loans, cash credits, overdrafts, etc.	137,491,994,904	128,285,305,266
Bills purchased and discounted	11,640,142,397	9,442,801,771
<b>Fixed assets including premises, furniture and fixtures</b>	<b>2,371,356,371</b>	<b>2,373,477,630</b>
<b>Other assets</b>	<b>7,700,746,370</b>	<b>7,006,078,746</b>
<b>Non-banking assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>197,206,492,971</b>	<b>182,537,051,926</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>	<b>-</b>	<b>-</b>
<b>Borrowings from other banks, financial institutions and agents</b>	<b>14,040,010,242</b>	<b>15,084,474,001</b>
<b>Non-convertible Subordinated bonds</b>	<b>8,250,000,000</b>	<b>7,000,000,000</b>
<b>Deposits and other accounts</b>	<b>154,054,156,535</b>	<b>140,644,053,680</b>
Savings/ Mudaraba Saving deposits	9,020,544,264	9,082,720,699
Fixed deposits/Mudaraba term deposits	92,987,747,473	86,233,068,806
Current deposits and other accounts	46,566,197,568	43,235,048,516
Bills payable	5,479,667,230	2,093,215,659
<b>Other liabilities</b>	<b>6,921,476,610</b>	<b>6,649,505,297</b>
<b>Total Liabilities</b>	<b>183,265,643,387</b>	<b>169,378,032,978</b>
<b>Capital/ Shareholders' Equity</b>	<b>-</b>	<b>-</b>
<b>Paid-up capital</b>	<b>8,000,810,980</b>	<b>6,957,226,940</b>
Statutory reserve	4,251,956,251	3,981,066,735
Other reserve	142,591,810	133,982,358
Retained earnings	1,545,465,863	2,086,718,332
Non controlling interest	24,680	24,583
<b>Total Shareholders' Equity</b>	<b>13,940,849,584</b>	<b>13,159,018,948</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>197,206,492,971</b>	<b>182,537,051,926</b>

OFF- BALANCE SHEET ITEMS		
<b>Contingent Liabilities</b>	<b>130,449,039,864</b>	<b>88,148,149,137</b>
Acceptances and endorsements	21,076,196,906	18,763,102,486
Letters of guarantee	79,186,315,431	42,435,425,990
Irrevocable letters of credit	15,945,056,168	16,216,851,844
Bills for collection	14,241,471,359	10,732,768,817
Other contingent liabilities	-	-
<b>Other commitments</b>	<b>-</b>	<b>494,383,800</b>
Documentary credits and short term trade-related transactions	-	-
Forward assets purchase and forward deposits placement	-	494,383,800
Spot and forward foreign exchange contracts	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
<b>Total Off-Balance Sheet Items including contingent liabilities:</b>	<b>130,449,039,864</b>	<b>88,642,532,937</b>

Chairman Director Managing Director Chief Financial Officer Company Secretary

# Consolidated Statement of Changes in Equity For the period ended 30 June 2018

Particulars	Equity attributable to shareholder of Premier Bank Ltd.					Non controlling interest	Total
	Paid-up capital	Statutory reserve	Other reserve	Retained earnings	Total		
Balance as at 01 January 2018	6,957,226,940	3,981,066,735	133,982,358	2,086,718,332	13,159,994,365	24,583	13,159,018,948
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	6,957,226,940	3,981,066,735	133,982,358	2,086,718,332	13,159,994,365	24,583	13,159,018,948
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	8,609,452	-	8,609,452	-	8,609,452
Currency translation differences	-	-	-	-	-	-	-
Net profit for the year ended	-	-	-	773,221,184	773,221,184	-	773,221,184
Transfer to statutory reserve	-	270,889,516	-	(270,889,516)	-	-	-
Transfer to general and other reserve	-	-	-	-	-	-	-
Issue of dividend	1,043,584,040	-	-	(1,043,584,040)	-	-	-
Non controlling interest	-	-	-	(97)	(97)	97	-
Balance as at 30 June 2018	8,000,810,980	4,251,956,251	142,591,810	1,545,465,863	13,940,849,584	24,680	13,940,849,584

Balance as at 30 June 2017 6,957,226,940 3,981,066,735 133,982,358 2,086,718,332 13,159,994,365 24,583 13,159,018,948

Chairman Director Managing Director Chief Financial Officer Company Secretary

Consolidated Profit and Loss statement For the period ended 30 June 2018				
	01.01.2018 To 30.06.2018	01.01.2017 To 30.06.2017	01.04.2018 To 30.06.2018	01.04.2017 To 30.06.2017
<b>OPERATING INCOME</b>				
Interest income/profit on Islamic investments	7,636,883,141	5,906,759,143	4,144,959,098	3,078,848,748
Interest/profit paid on deposits, borrowings, etc	(5,162,100,587)	(4,014,456,917)	(2,755,632,246)	(2,053,207,724)
<b>Net interest income/ net profit on investments</b>	<b>2,474,782,554</b>	<b>1,892,302,226</b>	<b>1,389,326,852</b>	<b>1,025,641,024</b>
Investment income	834,859,197	898,716,679	367,941,728	448,366,325
Commission, exchange and brokerage	951,483,235	830,667,167	498,031,030	419,106,717
Other operating income	344,005,045	285,659,175	214,602,407	167,325,082
<b>Total Operating Income (A)</b>	<b>4,605,130,031</b>	<b>3,907,345,247</b>	<b>2,469,902,017</b>	<b>2,060,439,148</b>
<b>OPERATING EXPENSES</b>				
Salary and allowances	990,405,953	744,323,533	546,024,360	404,852,015
Rent, taxes, insurance, electricity, etc.	736,830,714	622,549,249	361,871,180	312,101,027
Legal expenses	54,842,926	59,576,514	27,332,051	8,770,410
Postage, stamps, telecommunication, etc.	53,087,398	39,378,054	30,745,238	20,872,934
Stationery, printing, advertisement, etc.	271,147,433	188,507,636	166,265,137	89,294,687
Chief executive's salary and fees	6,513,333	7,400,000	4,013,333	4,700,000
Directors' fees	688,000	656,000	432,000	-
Auditors' fee	-	7,500	-	-
Depreciation and repair of Bank's assets	141,055,736	131,510,806	67,916,189	76,693,795
Other expenses	227,491,307	170,897,552	125,380,703	98,309,132
<b>Total Operating Expenses (B)</b>	<b>2,482,062,800</b>	<b>1,964,806,844</b>	<b>1,329,980,191</b>	<b>1,015,594,000</b>
<b>Profit before provision (C = A-B)</b>	<b>2,123,067,231</b>	<b>1,942,538,403</b>	<b>1,139,921,826</b>	<b>1,044,845,148</b>
Specific Provision	750,000,000	900,000,000	450,000,000	500,000,000
General Provision	-	-	-	-
<b>Total provision (D)</b>	<b>750,000,000</b>	<b>900,000,000</b>	<b>450,000,000</b>	<b>500,000,000</b>
<b>Profit before taxation (C-D)</b>	<b>1,373,067,231</b>	<b>1,042,538,403</b>	<b>689,921,826</b>	<b>544,845,148</b>
<b>Provision for taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Current Tax	585,000,000	687,854,471	343,717,105	351,424,663
Deferred tax expense (Income)	14,846,047	(347,976,693)	(113,871,058)	(217,636,787)
<b>Profit after taxation</b>	<b>599,846,047</b>	<b>339,877,778</b>	<b>229,846,047</b>	<b>133,787,876</b>
<b>Retained earnings brought forward</b>	<b>773,221,184</b>	<b>702,660,625</b>	<b>460,075,779</b>	<b>411,057,272</b>
<b>Profit available for appropriation</b>	<b>2,086,718,332</b>	<b>1,574,941,697</b>	<b>1,329,980,191</b>	<b>1,015,594,000</b>
<b>Appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Statutory reserve	270,889,516	204,019,412	135,551,238	107,051,840
Issue of bonus shares / Dividend paid	1,043,584,040	-	1,043,584,040	-
Non controlling interest	97	12	63	5
<b>Retained earnings carried forward</b>	<b>1,314,473,653</b>	<b>204,019,424</b>	<b>1,179,135,341</b>	<b>107,051,845</b>
<b>Earnings per share (EPS)</b>	<b>1,545,465,863</b>	<b>2,073,582,893</b>	<b>(719,059,562)</b>	<b>304,005,427</b>
<b>0.97</b>	<b>0.88</b>	<b>0.58</b>	<b>0.51</b>	

Chairman Director Managing Director Chief Financial Officer Company Secretary

# Consolidated Cash Flow Statement For the period ended 30 June 2018

	Amount in Taka	
	June 2018	June 2017
<b>Cash Flows from Operating Activities</b>		
Interest received in cash	8,472,817,442	6,800,044,015
Interest paid	(5,162,100,587)	(4,014,456,917)
Fee and commission received in cash	501,031,478	426,229,391
Payments to employees	(996,919,286)	(749,723,533)
Payments to suppliers	(314,882,963)	(226,726,696)
Income taxes paid	(707,912,339)	(573,004,165)
Receipts from other operating activities	344,005,045	285,659,175
Payments for other operating activities	(1,072,940,345)	(896,347,296)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,063,098,445</b>	<b>1,051,673,974</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Loans and advances to customers	(12,046,667,481)	(16,030,262,999)
Other assets	(661,372,060)	(1,002,006,431)
Deposits from other banks	(1,044,463,759)	5,672,174,335
Deposits from customers	13,410,102,855	10,615,559,534
Other liabilities	237,994,737	969,230,973
	<b>(104,405,708)</b>	<b>224,695,412</b>
<b>Net cash from operating activities (A)</b>	<b>958,692,737</b>	<b>1,276,369,386</b>
<b>Cash Flows from Investing Activities</b>		
Purchase/sale of trading securities, shares, bonds, etc.	19,847,128	521,409,630
Purchase of property, plant and equipment	(94,889,530)	(89,033,501)
<b>Net cash used in investing activities (B)</b>	<b>(75,042,402)</b>	<b>432,376,129</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid		
Issue of shares	1,250,000,000	
Issue of non-convertible variable coupon rate bond	1,250,000,000	
<b>Net cash from financing activities (C)</b>	<b>2,133,650,335</b>	<b>1,708,745,515</b>
<b>Net increase in cash (A+B+C)</b>	<b>450,451,757</b>	<b>404,437,776</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>29,240,366,557</b>	<b>27,269,020,797</b>
<b>Cash and cash equivalents for the period ended (*)</b>	<b>31,824,468,649</b>	<b>29,382,204,088</b>
(*) Cash and cash equivalents at the end of the period:		
Cash in hand (including foreign currencies)	1,747,571,321	1,736,645,246
Investments in government securities	18,563,672,590	18,043,036,585
Money at call on short notice		
Balance with Bangladesh Bank and its agent bank(s)	11,020,958,194	9,177,099,256
Balance with other banks and financial institutions	492,266,544	425,423,001
	<b>31,824,468,649</b>	<b>29,382,204,088</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>1.33</b>	<b>1.31</b>