ASIAN MARKETS

TOKYO

2.56%

MUMBAI

1.68%

আস্থাটাও বেশি এসআইবিএল সুপার সেভিংস একাউন্ট পঞ্চান্ন-উর্ধ্ব সিনিয়র সিটিজেনদের জন্য। ১৮-উর্ধ্ব মহিলারাও এই হিসাবটি খুলতে পারবেন। 16491 www.siblbd.com

DHAKA SUNDAY NOVEMBER 4, 2018, KARTIK 20, 1425 BS starbusiness@thedailystar.net

Most listed banks' profits tumble in Q3

As of Friday

Oil 🔺

\$72.83

AHSAN HABIB

STOCKS

V 0.45%

DSEX

Week-on-week

V 0.48%

CSCX

COMMODITIES

Gold V

\$1,231.70

As many as 60 percent of the banks listed on the stock exchanges have seen their profits tumble in the third quarter of the year because of higher provisioning requirement against default loans, lower interest rates and slow credit growth.

Of the 30 banks listed, 18 saw their earnings per share (EPS)—an indicator of profitability—plummet between the months of July and September. EPS informs how much money shareholders would receive for each share of stock they own if the company distributed all of its net income for the period.

Al-Arafah, Brac Bank, Dhaka, Exim, First Security, IFIC, Islami, Mercantile, One, Premier, Prime, Rupali, SIBL, Southeast, Standard, Trust and UCB saw their EPS to decline, according to the data from the Dhaka Stock Exchange. ICB Islamic Bank posted higher

losses this quarter.

"Bad performance, bad management and bad governance led the profits to tumble," said Salehuddin Ahmed, former governor of Bangladesh Bank.

All the banks are saddled with large amounts of bad loans, so they have to keep provisioning against them.

"This ate into the profits."

Some banks are averse to providing loans ahead of the national election fearing political tension, which has slowed down credit growth. "As credit growth rate has lowered, so

has the banks' income. On the other hand, their operating costs have not declined, so profits fell," Ahmed added. Exim Bank's EPS declined the most this quarter: by 103 percent year-on-year to Tk 0.02 in the negative.

dblceramics.com

dblceramics

01713656565

The shariahbased bank incurred losses this quarter, in contrast to profits a year earlier.

"Exim Bank's income was

mostly hit by the sector's decision to lower the inter-

BMW brings plug-in hybrids

STAR BUSINESS REPORT

CURRENCIES

BUY TK 82.90

SHANGHAI

2.70%

SINGAPORE

1.81%

BANKS THAT SAW STEEPEST

FALL IN EARNINGS (in taka)

2017

0.29

0.41

-0.15

0.6

0.73

1.25

1.04

1.12

impacted by the decision.

that on deposits to 6 percent.

provisioning on bad loans.

sector falls their costs rose."

est rates," said its Managing Director

Mohammed Haider Ali Miah, adding

that most of the banks' profits were

vate banks decided to lower the inter-

est rate on lending to 9 percent and

man of the board of governors of the

Association of Bankers, Bangladesh,

said the main hit came from the

"As the loan quality in the banking

READ MORE ON B3

From July 1, both public and pri-

Syed Mahbubur Rahman, chair-

2018

-0.02

0.02

0.17

-0.23

0.31

0.38

0.73

0.71

0.84

CHANGE

IN %

-103%

-93%

-59%

-53%

-48%

-48%

-46%

-42%

-32%

-25%

NAME OF

BANKS

Standard

ICB Islamic

Al-Arafah

First Security

Trust

Southeast

Exim

IFIC

BMW yesterday launched three plug-in hybrid vehicles in Bangladesh.

The BMW 530e, BMW 740Le xDrive and BMW X5 xDrive40e are characterised by a combination of an electric motor and a "highly efficient and sporty" engine. The German multina-

tional says these iPerformance models can achieve "excellent fuel efficiency yet provide dynamic performance" and "high operating range" while combining an electric driving experience with functional excellence and everyday practicality.

"Sustainable mobility is the future of mobility," said Dewan Muhammad Sajid Afzal, director of operations at Executive Motors Ltd, the authorised importer and dealer of BMW vehicles in Bangladesh.

Addressing a press conference at the Executive Motors showroom in Dhaka's Tejgaon, he said, "We've reached a milestone today in Bangladesh by offering customers a range of BMW iPerformance models with electrified drivetrains."

READ MORE ON B3

Compliance pays off

58 individuals, firms winning tax cards since 2016; a total of 141 to be honoured on Nov 12

SOHEL PARVEZ

Some 26 individuals and 32 companies, for their for the third year in row, have made it to the list of the top taxpayers who will be recognised for exemplary compliance in 2017-18.

They are among 141 top taxpayers who would be bestowed with tax card sat a ceremony on November 12.

The tax administration yesterday released the names of the top taxpayers in their respective professions and industries for the last fiscal year.

This is the third year the NBR is recognising top taxpayers based on the amended tax card policy framed in 2010 after it found that many taxpayers were left out despite regularly furnishing the state coffers with sizeable sums.

Between 2010-11 and 2014-15, the tax cards were given only in two categories: individuals and companies, with 10 tax cards for each group to encourage compliance in the country where just over 1 percent of the population file returns.

The revenue board now recognises the highest taxpayers in 13 categories for individuals and 14 categories.

Some 76 tax cards, which offer privileges to the cardholders, are given to individual taxpayers, 55 to companies and 10 to other categories.

Nearly 50 taxpayers, representing both individuals and companies, have secured their positions in the list for the first time this year, according to the gazette pub-

The NBR now recognises the highest taxpayers in 13 categories for individuals and 14 categories for companies

lished by the NBR.

In the senior citizen category, Gazi Group Founder and Chairman Golam Dastagir Gazi was named the top tax taxpayer, followed by Square Pharma's Managing Director Tapan Chowdhury.

Chowdhury has made it to the list for the first time while Gazi for the third time. In the category of war-wounded free-

dom fighters, Abu Saleh Mohammad Nasim and Md Nasir Uddin Mridha have become the top taxpayers for the third year in a row. Md Mamunur Rashid has been one of the top taxpayers in the challenged category since 2016.

In the women category, Nishat Farzana Chowdhury has become one of the top taxpayers for the third consecutive year. Nafis Sikder has retained his position as the top taxpayer in the young taxpayer category for the third year in a row.

READ MORE ON B3

Apparel exports to US rise 6pc

REFAYET ULLAH MIRDHA

CERAMICS

Garment exports to the US rose by 5.83 percent year-on-year to \$4.17 billion in the nine months to September thanks to the increasing Christmas spending by the Americans and the ongoing US-China trade war. The North American clothing retailers and brands have

been placing more work orders after gaining confidence from the near complete factory safety inspection and remediation run by the Accord and Alliance, exporters said. US consumers will spend an average of \$1,007.24 during

the holiday season this year, up 4.1 percent from \$967.13 they spent last year, according to an annual survey by the National Retail Federation and Prosper Insights & Analytics. Based in Washington, the National Retail Federation (NRF) is the world's largest retail trade association.

The growth of garment export to the US indicates that Bangladesh is becoming a lucrative destination for the American retailers and brands following the US-China trade war, as predicted by analysts earlier.

"The holidays are just around the corner and consumers are ready to shop," NRF President and CEO Matthew Shay

"Confidence is near an all-time high, unemployment is the lowest we've seen in decades and take-home wages are up. All of that is reflected in consumers' buying plans," Shay said in a NRF statement recently.

"Retailers expect strong demand this year, and are prepared with a wide array of merchandise while offering strong deals and promotions during the busiest and most competitive shopping season of the year."

Tariffs on a wide range of consumer goods from China came into effect last month but Shay noted that retailers had imported record volumes of merchandise in advance this summer.

"The effect on pricing during the holiday season is expected to be minimal."

The consumer survey comes on top of the NRF's annual holiday spending forecast, which takes into account a variety of economic factors to project overall spending rather than per-consumer spending.

READ MORE ON B3



A BMW 740Le xDrive, offering an amalgamation of an electric motor and an engine. Three such iPerformance models were launched in Bangladesh yesterday by Executive Motors Ltd, authorised importer and dealer of the German multinational's vehicles, at its Tejgaon showroom in Dhaka.

Use of electronic fiscal device to be delayed

SOHEL PARVEZ

The National Board of Revenue is yet to complete its preparations to enforce the use of automated sales recording machines at the retail tions. level, in yet another hold-up to the government's plans to boost revenue collections.

With a view to curbing the evasion of the biggest source of revenue, the value-added tax, the NBR in August asked all types of businesses -including hotels, restaurants and NBR. supermarkets -- to start using the

Electronic Fiscal Device (EFD) from mandatory in the backdrop of non-November 1 to record sales.

But the revenue administration is yet to list the firms that will supply the EFDs in line with its specifica-

"It is highly likely that we have to extend the deadline," said Syed Mushfegur Rahman, deputy project director of the NBR's VAT Online Project, which included overseeing the establishment of an EFD management system (EFDMS) at the

The use of the EFDs was made

compliance of many businesses with the NBR's 2008 order for using conventional Electronic Cash Registers (ECR) to record sales to combat VAT evasion, the prevalence of which is believed to be high.

Revenue officials found that one of the major shortcomings was that the NBR had no server connected to the ECRs at the retail level to ensure that sales receipts were issued through the devices and records were not erased.

READ MORE ON B3

MEGHNA GROUP

More than 600 permanent employees of Grameenphone

might lose their jobs as the leading mobile phone opera-

tor is moving towards managing its network through a

Job cut fear grips

GP employees

third party, said its employees' union yesterday.

STAR BUSINESS REPORT

Grameenphone Employees Union (GPEU) demanded immediate scrapping of the plan, running in the form of a "Common Delivery Centre" (CDC) project, and placed a 12-point demand for enhanced job security.

Last month, the operator advertised a request seeking quotations to outsource the network management operations, said Mia Md Shafiquer Rahman Masud, general secretary of the union, at a press conference at Dhaka

Reporters Unity in the capital. GP's parent company Telenor implemented similar projects in its ventures in Malaysia and Myanmar and jobs of a huge number of employees in those countries were terminated, the union said.

READ MORE ON B3

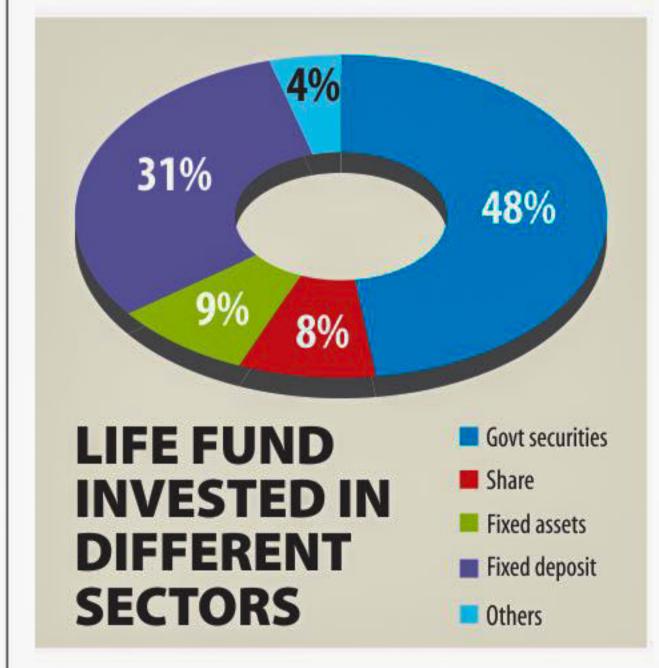
Poor return raises concern for insurers

JEBUN NESA ALO

The insurance sector's returns on investment in fixed assets such as land, buildings, floors and flats have been minimal, raising concerns among the regulator on insurers' capacity to settle claims.

In the first quarter of the year, life insurance companies invested Tk 2,470 crore, or 8.48 percent of their total fund, in fixed assets and the return was only Tk 10 crore, which is 0.40 percent of the investment.

Thirty-two life insurance companies invested Tk 13,949 crore in government securities, from which the return was 2.62 percent, or Tk 365 crore, in the first quarter of the cur-



rent year, according to the Insurance Development and Regulatory Authority (IDRA).

Life insurance companies have a total Tk 29,118 crore of

life fund remained invested in different sectors. The highest portion of the insurance fund— about 48 percent-was invested in government securities as insurers are mandated to invest at least 30 percent of their fund in the instrument, said Mohammodi Khanam, chief executive

officer of Prime Insurance. Moreover, investment in government securities is more secure and companies can withdraw funds anytime, she said. Life insurance companies have invested Tk 9,028 crore in fixed deposits, which was 31 percent of the total fund as

of March this year.

READ MORE ON B3



Mostafa Kamal, chairman of the Meghna Group of Industries, shows around Harsh Vardhan Shringla, Indian high commissioner to Bangladesh, during a visit to the group's factory complex in Meghnaghat of Narayanganj on Friday.