ASIAN MARKETS

0.77%

TOKYO

0.43%



DHAKA WEDNESDAY JULY 31, 2019, SRABAN 16, 1426 BS starbusiness@thedailystar.net

Loan recovery falters Illegally imported in first quarter handsets to get in first quarter

\$64.23

AKM ZAMIR UDDIN

STOCKS

V 0.69%

CSCX

0.75%

DSEX

Banks' loan recovery in the first quarter of 2019 was 9.68 percent higher than a year earlier, but given the extraordinary rate at which default loans are increasing it seems below par.

......

Between January and March, banks recovered Tk 2,448 crore bad loans, according to data from the Bangladesh

Typically, banks go for a strong cash recovery drive towards the year end to clean up their balance sheet and show a flattering full-year picture.

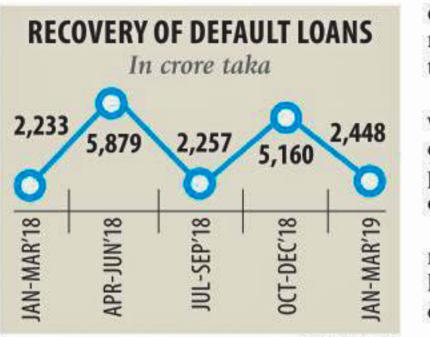
The heightened efforts leave bankers in a relaxed mood in the new year, so they take it easy with their recovery activities in the first quarter, according to Syed Mahbubur Rahman, chairman of the Association



COMMODITIES

Gold 4

\$1,427.60



private banks' chief executive officers. But this year, they cannot afford to

loans are racing ahead. loans in the banking sector stood at

Tk 110,873 crore, from the previous quarter and 25.15

year earlier.

shunned servicing their loans after Research Institute of Bangladesh. they had heard

of the central bank's forthcoming rescheduling policy that had favourable terms for them, according to analysts.

As per the new policy, defaulters will be allowed to reschedule their classified loans by providing only 2 percent down payment instead of existing 10-50 percent.

A maximum of 9 percent interest rate will be charged on the rescheduled loans, which is much lower than the existing interest rate of 12-16 percent. The tenure for repayment is 10 years

with a grace period of one year, which is of Bankers, Bangladesh, a platform of much longer than the existing duration for most of the loans at present. Although the BB had announced go slow given the rate at which default the extraordinary facilities for

defaulters in the second quarter of At the end of March, total default the year, many of the borrowers were aware of it way in advance, they said. Besides, the insufficient recovery up 18 percent has also hit the ongoing liquidity crisis in the banking sector, eroding

> the banks' capacity to disburse fresh percent from a loans, analysts said. "The bail-out offer for defaulters reason has created a moral hazard for good the spiral borrowers as they can be tempted to many turn bad too," said Ahsan H Mansur,

> > executive director of the Policy

READ MORE ON B3

no network

STAR BUSINESS REPORT

..........

CURRENCIES

BUY TK 83.50

SHANGHAI

0.39%

SINGAPORE

0.12%

Mobile handsets with fake International Mobile Equipment Identity (IMEI) numbers will not be able to use Bangladesh's mobile network after a certain period as the telecom regulator looks to crack down on illegal imports and duty evasion.

Bangladesh Telecommu-Regulatory nication Commission (BTRC) has already issued a public notice in this regard and asked the buyers to check The telecom regulator looks to crack down on illegal device's unique numbers are registered with the BTRC.

The telecom regulator has also decided

to run a massive campaign to warn the If an IMEI is found to be unregistered, then

the number is either fake or a copy and was therefore brought into the country illegally, said Md Zakir Hossain Khan, a senior assistant director of the regulatory body.

The BTRC will have an IMEI database

STAR BUSINESS REPORT

quarter of 2019.

day at 5,125.02.

than two weeks away.

expenses.

Stocks ended lower yesterday, dragged

down by selling pressure, especially from

retail investors, ahead of Eid-ul-Azha as

well as lower earnings declared by some

high-performing companies for the second

Dhaka Stock Exchange (DSE), declined

35.72 points, or 0.69 percent, to close the

started pulling money out of the market

by selling stocks, in order to meet the Eid

festivals in the Muslim calendar and is less

brokerage house says many retail investors

dip into their stock market investments to

TOYOTA

Analysts say many retail investors had

Eid-ul-Azha is one of the most important

A top official of a leading stock



REUTERS/FILE

their mobile import of mobile phones and rein in duty evasion.

certain period," he said.

of all the legally imported and locally assembled devices.

"We are not sure about the total number of handsets illegally brought in but the BTRC would start deactivating them after a

One can find the 15-digit IMEI number of one's handset by dialling *#06# and the number will flash on the screen.

READ MORE ON B3

The DSEX, the benchmark index of the companies reported poor quarterly

Germany to give 200m euros for development projects STAR BUSINESS REPORT

Germany is going to provide 200 million euros, or Tk 1,846.6 crore, to Bangladesh to implement a number of development projects, the Economic Relations Division (ERD) said in a statement.

Of the fund, 172 million euros will be provided as cooperation economic and 28 million euros as technical cooperation.

Two bilateral agreements were signed between the ERD and the embassy of Germany in Dhaka at the division's office in Sher-e-Bangla Nagar yesterday.

As per the agreements, projects in the renewable energy energy efficiency area will receive 156 million euros, climate change adaptation in urban areas 26 million euros, the textile sector 7.5 million resource management 4.5 million euros, and the Sundarbans mangrove management plan 4 million euros.

pay for the expenses during the religious

of all Eid festivals," he said.

in the last few days, he added.

fall in the index.

of tobacco products.

earnings during the trading session.

"It is a normal trend of the market ahead

The most sell-offs were executed in the

On the other hand, a number of

Earnings per share (EPS) of British

American Tobacco Bangladesh Company

for the second quarter of 2019 plunged 43

percent year-on-year to Tk 9.73, leading the

sales, particularly in the low-price segment

to the index, pulling down 19.5 points

The EPS went down because of the lower

BATBC was the top negative contributor

Mutual Trust Bank Ltd.

you can bank on us

@ www.mutualtrustbank.com

READ MORE ON B3

mutual fund sector, which rose the highest

READ MORE ON B3

Target rural women to deepen Stocks fall amid selling spree ahead of Eid financial inclusion: experts

STAR BUSINESS REPORT

The issue of rural women and insolvent people's low access to finance should be addressed so that financial inclusion can be ensured for all, experts suggested yesterday.

"Whatever responsibilities we have to carry

out, we must concentrate on rural women and poor people to ensure access to finance and perform fairly," said Mashiur Rahman, the prime minister's economic affairs adviser.

He was addressing the inaugural session of a two-day "First FIN-B International Conference and Inclusive Fair 2019" organised by the Institute for Inclusive Finance and Development at Krishibid Institution Bangladesh in Dhaka.

Rahman said the government treats finance as a powerful tool for inclusive growth and shared prosperity.

According to him, 85 percent of rural women have no access to financial institutions, for which the government has taken special measures. However, he said, it was really difficult to reach every person of the huge population overnight.

He further observed that financial inclusion of the most financially insolvent, particularly their access to small credit, was a major tool for combating poverty in Bangladesh.

Moreover, rural people have no access to financial institutions, for which they had to rely on microfinance, he said.

Rahman called for strengthening financial capabilities in several key areas, including incorporating provisions of financial educative tools for better management of income and encouraging households to use long-term savings products.

He also urged to work for reducing the gender

Qazi Kholiquzzaman Ahmad, chairman of the Institute for Inclusive Finance and Development, said Palli Karma Sahayak Foundation was working to address the limitations in access to finance in rural areas and to reduce the gender

Customized 4,050 sft Homes at Gulshan 2

For private viewing

0173 002 0499



Mashiur Rahman, the prime minister's economic affairs adviser, speaks at the inaugural session of the two-day "First FIN-B International Conference and Inclusive Fair 2019" at Krishibid Institution Bangladesh in Dhaka yesterday.

gap through partner organisations.

He also said the financially insolvent should have access to financial institutions and it should be ensured through financial inclusion.

The poor should be provided with financial services, health and education, the economist added. He observed that the positive impacts of

MK Mujeri, executive director of the institute, hoped that the knowledge acquired from the conference would help innovate new pathways to promote the financial inclusion agenda.

He also believes that the conference would give significant opportunities of cross learning across the diverse audience covering policymakers, financial experts, practitioners, academicians and the people at large over many complex issues and challenges facing financial

The conference has some 225 participants, including different stakeholders, representatives of financially excluded individuals and enterprises

financial services were not limited to individual and household levels. gap in access to financial institutions. Ahmad said financial and non-financial inclusion for all. interventions were necessary to ensure socioeconomic progress and human dignity, which played a vital role to ensure participation in social activities and increase self-esteem. and marginalised sections of the society. City Bank's half-year profit soars 33pc STAR BUSINESS REPORT The City Bank's consolidated profit rose around 33 percent InterContinental Dhaka recently. period last year.

baydevelopments.com

year-on-year to Tk 184.56 crore in the first half of 2019. The bank disclosed its half-yearly financial reports at

The report shows the consolidated earnings per share (EPS) to be Tk 1.91 whereas it was Tk 1.44 in the same

READ MORE ON B3

16219

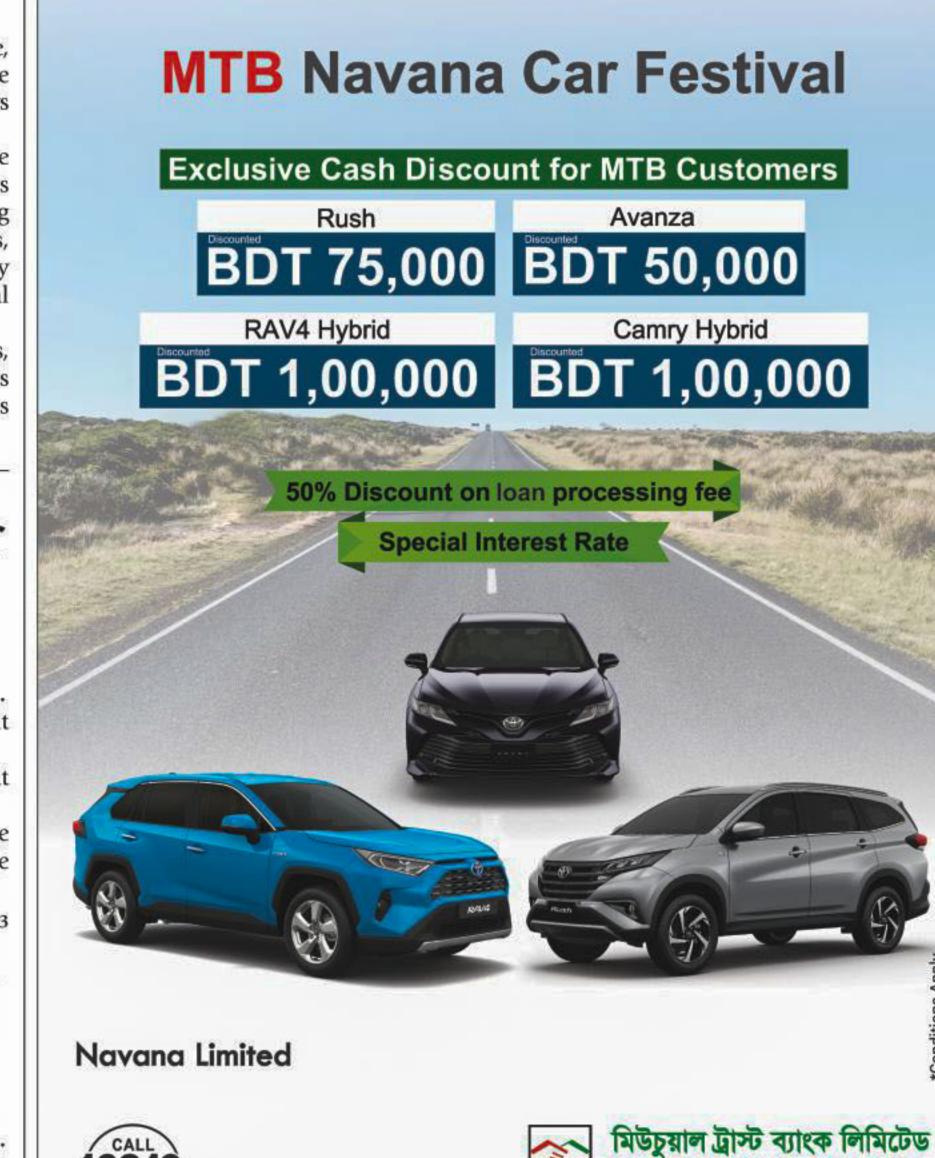
Tweet2MTB

Brac Bank's half-yearly profit down 12pc

STAR BUSINESS REPORT

Brac Bank's consolidated profit dropped 12 percent in the first half of 2019 despite maintaining good growth in deposits and loans with superior asset quality and strong capital base, the bank said in a statement yesterday.

READ MORE ON B3



Mutual.Trust.Bank