

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.08%	▲ 1.12%	\$1,842.19	\$68.71	▲ 0.09%	▲ 2.32%	▼ 2.18%	▲ 1.77%	BUY TK 83.95	100.88	117.50	12.80
5,813.16	10,156.40	(per ounce)	(per barrel)	48,732.55	28,084.47	3,055.02	3,490.38	SELL TK 84.95	104.68	121.30	13.46



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## Banking stocks suffer despite higher dividends

AHSAN HABIB

Most banks are announcing higher dividends for 2020 than a year ago although they were plagued by the coronavirus pandemic for most of the year and had to do with a lower interest rate regime.

However, this could do little to enable banking stocks to attract investors as apprehensions prevail over the asset quality and a likely increase in non-performing loans, according to analysts.

So, the prices of these stocks have stayed relatively low in context to all the sectors in the market.

Among the 27 listed banks, 10 declared higher dividends, 11 the same, and seven lower.

Pubali Bank Managing Director Md Abdul Halim Chowdhury said the stock market was in a better position last year that positively impacted their profits.

### AT A GLANCE

Number of listed banks **31**

**27** banks announced dividends

**10** banks saw dividends rise

Dividends unchanged for **11**

Declined for **7**

When the market did turn bullish, banks generated higher profits and had to keep a reduced amount in provisioning in the portfolio compared to that a year earlier, he said.

"So, our profits were impacted positively in two ways," he said.

The Bangladesh Bank also ordered banks not to classify loans in 2020. As a result, lenders did not require to set aside a higher amount of funds in provisioning.

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## Boro output to decline

US Dept of Agriculture says, but Bangladesh's DAE refutes

SOHEL PARVEZ

The production of Boro rice may decline by 1.5 per cent year-on-year to 1.90 crore tonnes in the current harvesting season because of the recent heatwave and pests attacks, according to the US Department of Agriculture (USDA).

As a result of the heat, key industry contacts believe it may be difficult for Bangladesh to achieve the target of producing 2.05 crore tonnes of the grain this year, said the USDA Foreign Agriculture Service (FAS) in its report released last week.

The agriculture ministry, however, expects that the yield would go past two crore tonnes during this year's harvest, up from the previous year's 1.96 crore tonnes estimated by the Bangladesh Bureau of Statistics.

The USDA had estimated Boro output at 1.93 crore tonnes the previous season.

Boro accounts for nearly 55 per cent of annual rice production, and farmers began harvesting the crop in late April.

The FAS Dhaka contacted Boro rice farmers from various parts of Bangladesh, and the farmers reported an expectation of a bumper crop this year.

"Though, some farmers reported damage caused by a short heatwave in the first week of April," the report said, adding that the agriculture ministry was in the process of estimating the



Farmers harvest Boro paddy from a field in Tangail's Kalihati upazila recently.

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full extent of the production loss caused by the heat.

Last week, the ministry said the heatwave damaged nearly 100,000 tonnes of Boro rice.

The USDA's estimate of acreage of Boro is also lower than the Department of Agricultural Extension's (DAE's) forecast.

The US agency said farmers cultivated the paddy on 47 lakh hectares this season. The DAE put

the number at 48.83 lakh hectares.

DAE Director General Md Asadullah disagreed with the production forecast and estimate of the Boro rice area.

"Their [the USDA] estimate is not realistic. The yield is going to increase a lot this year, and we think the overall production will be no less than two crore tonnes."

Because of the higher prices of rice in the domestic market, a

section of farmers grew Boro paddy on the land they cultivated wheat, maize and mustard earlier.

"We also saw an increased acreage of hybrid rice. Overall, the acreage has expanded," said Asadullah.

The USDA forecast a 1.3 per cent increase in the total rice area to 1.16 crore hectares in the marketing year (May-April) of 2021-22.

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## Health division spends only 26pc of ADP outlay

REJAUL KARIM BYRON

Despite giving special focus on the health sector, the government could implement only 26 per cent of the sector's Annual Development Programme in the first 10 months of the current fiscal year.

Out of the Tk 11,979 crore allocation against 53 projects, the Health Services Division could spend only Tk 3,050 crore during the July-April period.

Most of the projects were taken for health infrastructure development projects.

Of the 53, two coronavirus-related projects involving Tk 2,492 crore were taken in April 2020.

The World Bank and the Asian Development Bank (ADB) gave \$100 million each for the two projects.

The government could spend only \$20 million of the ADB fund until April this year and \$37 million of the World Bank fund until March, according to the officials of the Economic Relations Division.

The change of a project director, the director general of the health services division and a health secretary in the last one year also played a role in slowing down the implementation rate, according to a planning ministry official.

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A laidback holiday mood is apparently prevailing along this lane at Shahjahanpur in the capital with its shops yet to open two days past Eid-ul-Fitr. The photo was taken yesterday around 10:00am.

ANISUR RAHMAN

## Banks can't appoint former MDs as independent directors

STAR BUSINESS REPORT

Banks cannot appoint their former managing directors as independent directors at their respective board as per the provisions of the Banking Companies Act 1991, Bangladesh Bank (BB) said last week.

"Any regular or contractual officials of a bank will not be allowed to act as independent directors of the lender's board under any circumstances," the central bank said in a circular.

Banks appoint managing directors (MDs) on a contractual basis.

The BB has taken the move after a number of banks had appointed their former officials as independent directors at their boards.

The Banking Companies Act has barred banks from appointing an individual as an independent director of the lender's board if there is any possibility of conflict of interest between the lender and the person in the future.

Despite that, a number of banks have continued to breach the rule.

The central bank cited the banking companies law and said a person, who had an interest in a bank in the past and has at present, cannot be appointed as an independent director.

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## Banking hour 10am to 2pm until May 23

STAR BUSINESS REPORT

Bangladesh Bank yesterday instructed lenders to continue their limited banking operations until May 23.

The central bank took the decision after the government extended the nationwide restrictions on public movement until May 23 to contain the second wave of Covid-19 infections.

Clients will be able to enjoy banking services from 10am to 2pm during this time, according to a notice of Bangladesh Bank.

Besides, the branches will remain open until 3:30pm to complete their regular procedures.

In the notice, the central bank, however, has not given any indication on the alternate-day duty rosters for employees.

Banks have been following the rostering system for their employees since April 14 as per the instructions of the central bank and the government.

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## Stock index crosses 5,800 after 4 months

STAR BUSINESS REPORT

The benchmark index of Dhaka Stock Exchange (DSE) went past 5,800 yesterday after around four months thanks to increased participation of investors.

The DSEX rose 62 points, or 1.08 per cent, to end the day at 5,813 points.

The index has been rising for the last couple of days because of the higher participation of investors in a buoyant mood, according to market analysts.

However, turnover, an important indicator of the stock market, plunged 2.4 per cent to Tk 1,418 crore.

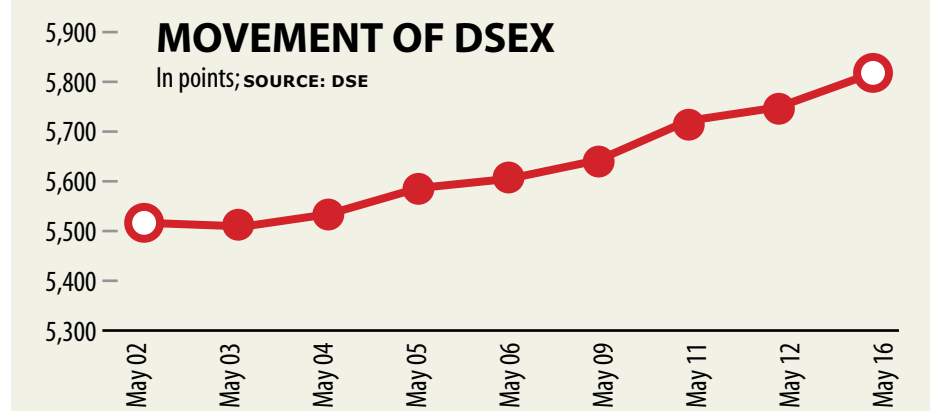
Advent Pharma topped the gainers' list with a 10 per cent rise followed by Nurani Dyeing & Sweater, Shurwid Industries,

Tung Hai Knitting and Dyeing and Index Agro Industries.

Beximco traded the most with shares worth Tk 83 crore changing hands followed by Saif Powertec, Robi Axiata, Summit Power and National Feed Mills.

At the DSE, 231 stocks rose, 88 declined and 49 remained unchanged. Malek Spinning Mills shed the most dropping 4.3 per cent followed by Emerald Oil Industries, eGeneration, Mercantile Insurance Company and Islami Insurance Bangladesh.

Chittagong Stock Exchange also rose yesterday. The Caspi, the general index of the port city bourse, surged 190 points or 1.14 per cent to stand at 16,849. Among the 292 stocks to witness trade, 192 advanced, 68 fell and 32 remained the same.



## Allow foreign firms to switch banks promptly

BB asks lenders

STAR BUSINESS REPORT

The central bank yesterday ordered banks to permit branches, liaison and representative offices of foreign companies promptly if they want to move their accounts to another lender.

Foreign firms operating in the country have complained to the Bangladesh Bank that their nominated banks are making undue delay in providing a no-objection certificate (NOC) when they want to switch to another bank.

Foreign firms have to secure the NOC from their existing banks to relocate their accounts as per the central bank rule.

The central bank has instructed banks to issue the NOCs immediately so that foreign companies can carry out businesses smoothly, a BB official said.

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