

NRB Bank
Not Just Another Bank

8th ANNUAL GENERAL MEETING



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Mohammed Mahtabur Rahman, chairman of NRB Bank, virtually presided over its 8th annual general meeting recently. The bank has declared 8.5 per cent stock dividend (bonus share) for 2020. Tateyama Kabir and Mohammed Jamil Iqbal, vice chairmen, Khandakar R Amin, chairman of its executive committee, Intiaz Ahmed, chairman of its audit committee, Ali Ahmed, chairman of its risk management committee, and Mamoon Mahmood Shah, managing director and CEO, also attended the meeting.

Global sustainable debt issuance will crack \$1 trillion mark in 2021

REUTERS, London

Global issuance of sustainable debt is on track to surpass \$1 trillion this year with green bonds dominating while emerging markets have some catching up to do, the Institute of International Finance (IIF) said in a report.

With corporations and financial institutions under growing pressure from investors to up their environment, social and governance (ESG) game, the issuance of bonds to raise money for climate-related or social projects, or linked to sustainability targets, is an increasingly popular option.

Sustainable debt sales more than doubled year-on-year in the first half of 2021 to over \$680 billion, closing in on the \$700 billion issued during the whole of last year.

"With Net Zero commitments in the spotlight, an acceleration in low-carbon energy investment and technological innovation has been supporting ESG securities issuance, along with strong investor appetite," said IIF economist Khadija Mahmood.

The latest issuance bonanza will see the total market size grow to well above \$3 trillion during this year, the IIF found.

Green bonds, which are used to finance climate-related or environmental projects, made up the lion's share of all new issuance, at 35



A crow flies over a garbage-strewn beach in Mumbai, India.

REUTERS/FILE

per cent, led by Germany, China and France.

While sovereigns, financial institutions and utilities dominate issuance, firms from elsewhere in the energy sphere as well as materials and consumer discretionary sector increasingly joined the fray.

Other types of debt falling into the sustainable category also recorded stellar issuance in the first half of the year.

Issuance of social bonds, which

raise funds for projects with positive social outcomes, more than tripled year on year to \$140 billion, boosted in part by the European Union's introduction of the Sustainable Finance Disclosure Regulation (SFDR) which imposes mandatory ESG disclosure obligations.

Sales of sustainability-linked bonds, where an issuer pledges to reach specific ESG targets or face, for example, higher coupon payments - rose nearly four times to \$160 billion.

Cash-flush Americans lift US retail sales

REUTERS, Washington

US retail sales unexpectedly increased in June as demand for goods remained strong even as spending is shifting back to services, supporting expectations that economic growth accelerated in the second quarter.

The rebound in sales reported by the Commerce Department on Friday was despite purchases of motor vehicles declining for a second straight month due to a lack of supply caused by a global semiconductor shortage.

Sales were also flattered by higher prices resulting from supply constraints as Covid-19 vaccinations, low interest rates and massive fiscal stimulus fuel demand.

"Growing pains from reopening are on the supply side," said Chris Low, chief economist at FHN Financial in New York.

"Inflation reports earlier this week confirm firms are still struggling to keep up with this demand, but another month of high retail spending should give companies

confidence that consumer demand is not slowing down anytime soon."

Retail sales rose 0.6 per cent last month. Data for May was revised down to show sales falling 1.7 per cent instead of declining 1.3 per cent as previously reported. Economists polled by Reuters had forecast retail sales dropping 0.4 per cent in June.

Sales advanced 18.0 per cent compared to June last year and are now 18.0 per cent above their pre-pandemic level.

Retail sales mostly capture the goods component of consumer spending, with services such as healthcare, education, travel and hotel accommodation making up the remaining portion. Restaurants and bars are the only services category in the retail sales report.

Demand shifted to goods like electronics and motor vehicles during the pandemic as millions of people worked from home, took online classes and avoided public transportation. Spending is now rotating back to services like travel and entertainment.



CITY BANK

Sheikh Mohammad Maroof, additional managing director of City Bank, Zainal Abedin, director (technical) of BTP1, Mohammad Jahangir Alam, cluster head, public sector of City Bank, and Mahub Jamil, head of structured finance of the bank, signed a multi-party loan agreement to set up a high speed diesel-fired power plant of Bangla Trac Group at the head offices of Mashreq Bank (Dubai, UAE), City Bank and BTP1 (Dhaka, Bangladesh) yesterday. Iqbal H Khanari, senior vice president of Mashreq Bank, Ali Asghar Hamid, vice president, and M Jahangir Alam, CEO of Bangla Trac Group, and Fahad Mahmud Islam, CFO, were also present.

US warns of growing risks for business in blow to Hong Kong

AFP, Washington

The United States on Friday warned its business community of growing risks of operating in Hong Kong due to China's clampdown, as an increasing number of Western companies consider abandoning the historic financial hub.

The United States also imposed sanctions on seven more Chinese officials in Hong Kong as it vowed there would be a price for Beijing's imposition of a draconian security law a year ago.

"Beijing has chipped away at Hong Kong's reputation of accountable, transparent governance and respect for individual freedoms and has broken its promise to leave Hong Kong's high degree of autonomy unchanged for 50 years," Secretary of State Antony Blinken said in a statement.

"Today we send a clear message that the United States resolutely stands with Hong Kongers," Blinken said. In a long-awaited advisory that has already been denounced by China, US government agencies led by the State Department told businesses that they face "growing risks" in Hong Kong.

"As a result of these changes, they should be aware of potential reputational, regulatory, financial and, in certain instances, legal risks associated with their Hong Kong operations."

"The advisory acknowledged that Hong Kong, a former British colony handed back to China in 1997, "retains many economic distinctions" from the mainland including stronger protections of intellectual property.

But it pointed to a declining climate under the national security law including the arrest of one US citizen - John Clancey, a prominent human rights lawyer.

China imposed the law in June 2020 after massive and sometimes destructive protests that demanded the preservation of fundamental



People shop at a fruit and vegetable store in Hong Kong.

AFP/FILE

rights promised to the city before the handover. Dozens of people have been charged under the law including the media tycoon Jimmy Lai, former lawmakers and pro-democracy activists.

The US advisory also warned of heightened risks to data privacy and less access to information, noting the closure of a leading newspaper, Apple Daily, which was a thorn in the side of authorities.

The advisory also highlighted that businesses were at greater risk of incurring US sanctions, which have been aimed in particular at banks that work with the police. In the latest sanctions, the United States blocked any US assets of seven deputy directors of the Liaison Office, which represents Beijing in Hong Kong.

The United States has already

slapped sanctions on top officials including Hong Kong's pro-Beijing chief executive, Carrie Lam, who has admitted that she has struggled to use credit cards as a result. Xia Baolong, director of China's Hong Kong and Macau Affairs Office, said earlier Friday that sanctions will anger China and backfire.

"You would only lift a rock and drop it heavily on your own feet," Xia said in a speech. In a statement after reports first emerged of the advisory, the office of the commissioner of the Chinese foreign ministry in Hong Kong said the United States was trying to "mislead" international businesses.

"We believe that visionary people around the world will remain clear-eyed, see through the tricks of the US side, and make the right choice," it said.

Hong Kong emerged as one of the world's premier trading hubs thanks to its business-friendly policies, respect for rule of law and proximity to the vast Chinese market.

Since the imposition of the security law, a growing number of international companies have announced plans either to leave or reduce staff in Hong Kong including VF Corp, the US apparel giant known for its Timberland and North Face brands.

A survey in May by the American Chamber of Commerce in Hong Kong found that 42 per cent of its members were considering or planning a move out of the city.

Tensions between China and the United States have soared in recent years as Beijing becomes increasingly assertive both at home and abroad.

Saudi PIF buys into McLaren as part of £550m equity raise

REUTERS, London

The McLaren Group announced a 550 million pound (\$758 million) equity investment on Friday with much of it coming from Saudi Arabia's Public Investment Fund (PIF) and global investment firm Ares Management.

McLaren Group includes the British supercar maker as well as McLaren Racing, which competes in Formula One and IndyCar in the United States and is also entering the Extreme E off-road electric series next year.

McLaren said PIF and Ares were providing 400 million of new capital, in the form of preference shares and equity warrants.

The rest will come from existing shareholders as convertible preference shares, allowing for repayment of a loan received in June last year from the National Bank of Bahrain.

Bahrain's Mumtalakat sovereign investment fund is McLaren's majority shareholder with a 62.55 per cent stake according to its website.

"Following the strategic investment

into Racing that we secured last year, this successful equity raise is a key element of our comprehensive financial strategy to support the Groups sustainable growth plans," said McLaren Group's executive chairman Paul Walsh.

"With these strong foundations now in place, we are well positioned to achieve our ambitions as a global luxury supercar and elite motorsport business, with Automotive as McLaren's core profit driver."

McLaren had a 300 million pound equity injection from existing shareholders in March 2020 and last April completed a 170 million pound sale and leaseback deal on its Woking headquarters.

US-based investment group MSP Sports Capital also acquired a significant minority stake in McLaren Racing last December in a deal that brought in 185 million pounds and eased pressure from the Covid-19 pandemic.

Automotive revenues in the first quarter of this year were 170.5 million pounds, a rise of 145 per cent on the same pandemic-affected period in 2020.

EU probes €3.2b restructuring aid for airline TAP

REUTERS, Brussels

EU competition regulators will investigate whether a 3.2-billion-euro (\$3.8 billion) restructuring plan for ailing Portuguese airline TAP is proportionate and complies with EU state aid rules, the European Commission said on Friday.

The overhaul plan involves around 2,000 job cuts by 2022, pay cuts of up to 25 per cent, a reduced fleet and the sale of non-core assets.

The EU watchdog said it would investigate whether TAP or market operators would provide a sufficient contribution to the restructuring cost and also whether measures would be adopted to offset any negative impact on competition.

The Commission also re-adopted an

earlier decision clearing a 1.2-billion-euro rescue loan for TAP after Europe's second-highest court in May annulled its approval because regulators had not provided adequate reasons.

Rival Ryanair had challenged the TAP rescue loan, which forms part of the 3.2 billion euro restructuring aid and will be converted into equity.

Portugal's infrastructure ministry said the EU probe would focus on assessing the compatibility of the aid with the rules for supporting companies in difficulty.

"This is an important step for the European Commission to make more solid, namely from a legal point of view, the solutions that may be found to ensure the future viability of TAP without dependence on public resources," the ministry said in a statement.