

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.62%	▲ 0.90%	\$1,736.30	\$80.21	▼ 0.68%	▼ 0.19%	▼ 0.73%	▲ 0.54%	BUY TK 84.55	97.59	114.31	12.79
7,297.24	12,805.68	(per ounce)	(per barrel)	59,667.60	30,183.96	3,077.69	3,602.22	SELL TK 85.55	101.39	118.11	13.45

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NRB Bank deliberately loses Tk 103cr to favour stock gamblers

Its own audit report finds

AKM ZAMIR UDDIN and AHSAN HABIB

NRB Bank has incurred a loss of Tk 103 crore as it intentionally became involved in unethical trading practices in the stock market to favour gamblers, which weakened the financial health of the lender and put depositors' money at risk.

The unethical trading activity took place between January and August this year when it gave illegal benefits to gamblers by buying shares at higher prices and selling at lower prices, according to a special internal audit carried out by the private commercial bank this month.

However, the actual loss was Tk 31 crore, said Mamoon Mahmood Shah, managing director of NRB Bank.

He blamed some employees of the bank for the irregularities.

The illegal trading activity has had an adverse impact on the depositors' money as the bank

misused their funds in the name of investment in the stock market, said officials of the Bangladesh Bank.

"Almost all shares were traded [buy and sell] at negotiated prices in bulk quantity and on a deal basis during the period," the audit report said.

NRB Bank bought shares at comparatively higher prices and sold them at lower prices than the average market price with a view to giving a chance to the gamblers to make a profit, it said.

For instance, the lender bought the shares of Paramount Insurance at a higher rate though there was an opportunity for it to purchase them at 20-22 per cent lower rates.

The lender invested around 58 per cent of its investible fund in Pioneer insurance, breaching laws.

NRB Bank bought 27.36

lakh shares of the insurer worth Tk 454 crore. However, it was later compelled to sell 19 lakh

UNETHICAL TRADING

NRB Bank

Unethical trading brought a loss of Tk 103cr for the bank

It purchased shares at higher rate than average price

Four officials suspended for negotiation with gamblers

The lender invested in insurance sector breaching rules

BB imposed penalty of Tk 49.50 lakh

Default loans were Tk 287cr in Jun, up 93pc y-o-y



We have taken the issue with utmost importance. And more punitive measures will be taken against the involved persons

Mamoon Mahmood Shah
managing director of NRB Bank

shares at a loss in order to comply with regulatory requirements.

A bank can't invest more than 5 per cent of the total capital, share premium, and retained earnings in a single stock as per the Banking

Companies Act 1991.

The bank also bought the shares of Paramount Insurance Ltd in the similar fashion.

On January 12, the bank started to purchase 100,000

shares of Paramount Insurance at Tk 144.30 apiece. The rate was the highest on the day and 22.17 per cent higher than a day before, the report said.

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Chinese FDI in Bangladesh sees huge jump

STAR BUSINESS REPORT

Foreign direct investment (FDI) from China to Bangladesh has jumped by about 200 per cent year-on-year to \$418 million in the past seven months, according to Chinese ambassador Li Jiming.

"Over time, China has become Bangladesh's largest trading partner," he said, adding that Bangladesh is China's third largest market for engineering contracts in South Asia.

Jiming was speaking at the China-Bangladesh Economic and Trade Cooperation Forum 2021 and inauguration of the seventh council of the Chinese Enterprises Association in Bangladesh (CEAB), held virtually yesterday.

"Even amid the Covid-19 pandemic, our bilateral trade and investment bucked global trends, fully demonstrating the resilience and vitality of China-Bangladesh cooperation during such a crucial period of time," the ambassador said.

From January to July this year, the trade volume between China and Bangladesh reached \$13 billion, up 58.9 per cent year-on-year. At the same time, Chinese contractors in Bangladesh registered turnover of \$3.18 billion, up 59.5 per cent year-on-year.

Jiming went on to say that China and Bangladesh are both in a critical stage of revitalisation and development following the advent of Covid-19.

He also said that his country attaches great importance to building economic and trade cooperation mechanisms with Bangladesh.

Besides, after the zero-tariff benefit afforded to 97 per cent of Bangladesh's exports to China took effect, shipments to the East Asian nation have posted double-digit growth.

During the January-July period, Bangladesh's exports to China increased by about 38 per cent year-on-year, Jiming said. Up till March this year, the total value of FDI in Bangladesh stood at about \$20 billion, of which China provided around \$1.4 billion.

Most Chinese investment comes in the local power sector, which received about \$443 million as of May this year, according to data from Bangladesh Bank.

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NBR to check authenticity of firms' audited financial reports

STAR BUSINESS REPORT

The field office of the value-added tax (VAT) and audit team of the tax administrator is going to examine the authenticity of audited financial statements submitted by companies along with their returns.

The National Board of Revenue (NBR) has taken the move to curb the scope for evasion of indirect tax paid by the consumers.

In order to do the scrutiny, the NBR yesterday signed a memorandum of understanding (MoU) with the Institute of Chartered Accountants of Bangladesh (ICAB) for using the Document Verification System (DVS), an online system developed by the ICAB to verify the authenticity of audited reports.

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Allocate more for gender specific projects: experts

STAFF CORRESPONDENT, Chattogram

Experts yesterday underscored the need for greater allocation in the national budget for gender specific projects.

They also urged the relevant parties to take necessary initiatives to reduce the gender gap through the implementation of development projects with an aim to ensure women empowerment.

They made these comments while addressing a webinar styled "An Analysis of Gender Sensitive Budgeting: Bangladesh Perspective", jointly organised by the South Asian Network for Economic Modeling (Sanem) and Bangladesh Mahila Parishad.

Fauzia Moslem, president of the Bangladesh Mahila Parishad, said gender sensitive budgeting can significantly contribute to ensuring gender equality in the country.

She went on to express dissatisfaction over the fact gender budget reports had not been published in the last two national budgets.

The economic empowerment of women does not only mean employing more women, rather it depends on how issues related to women development and their progress are addressed in the national budget.

Sanem Executive Director Selim Raihan said issues regarding women empowerment and rights are well acknowledged in policy documents like the Eighth Five-Year Plan and the national budget.

However, this is not enough.

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Set up a knowledge hub for efficient policymaking: CPD

STAR BUSINESS REPORT

The government should set up a knowledge hub that could be used by the relevant authorities to ensure efficient policymaking amid the ongoing coronavirus pandemic, according to the Centre for Policy Dialogue (CPD).

"Despite all the sufferings brought on by Covid-19, a positive side of the pandemic was that Bangladesh made headway in data collection and usage," said Debapriya Bhattacharya, a distinguished fellow of the CPD.

The progress made in this regard is quite promising but the quality of data needs to be improved while real-time updates are necessary.

For example, a disaggregated analysis should be conducted to realise the actual class-wise infection levels of Covid-19, he added.

The government has two platforms for collecting data on Covid-19 -- the Covid dashboard

RECOMMENDATIONS

- Create a knowledge hub
- Reach out to local experts
- Do research at disaggregated level
- Improve quality of data
- Collect data on people's lifestyle amid pandemic
- Study various vaccines' effectiveness in Bangladesh

and Surokha dashboard -- but a single platform for related information is needed.

Besides, the government should engage local experts, academics, non-government organisations, and researchers when making policy decisions.

Bhattacharya also recommended that the data collected should be more graphically represented so that it can be easily used by those who need them.

Prof Meerjady Sabrina Flora, additional director general (planning and development) of the

health directorate, said a culture has created that data is necessary to make policies.

The government decided to announce countrywide or zonal lockdowns based on Covid-related data and as the culture has been created now, it should be improved.

"If we could get other economic data along with health related data, then policy decisions could be much better," she said.

The government is doing many things to curb the spread of Covid-19 but data on this is not available.

Take for instance how the government is conducting antibody tests among the masses but many researchers do not know about it.

"So, the information gap should be reduced," Flora added.

Prof Dr Rashid-E-Mahbub, former president of the Bangladesh Medical Association, said people's food habits, personal care, and social life have changed due to the pandemic.

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Non-food inflation jumps

REJAU KARIM BYRON and REAYET ULLAH MIRDHA

Overall inflation rose 18 basis points to 5.54 per cent in August owing to the rise in demand and the abnormal hike in transport cost following the reopening of the economy from the coronavirus-induced lockdowns, official figures showed.

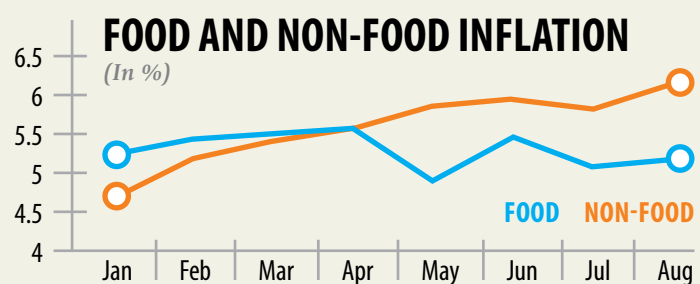
This compared with 5.36 per cent in July, according to data from the Bangladesh Bureau of Statistics (BBS).

Non-food inflation pushed up the general inflation: non-food inflation increased 33 basis points to 6.13 per cent in August.

Food inflation rose to 5.16 per cent, up eight basis points from a month ago.

This led experts to call for tightening money supply to rein in inflation as it is already hurting the lower-income groups, which have been facing reduced incomes since the start of the pandemic.

Prices of almost all kinds of rice, egg, lentil, edible oil, chilli, sugar, some varieties of fish, garlic, onion,



SOURCE: BBS

ginger, and turmeric went up in August, the BBS said.

On the other hand, consumers had to spend a bit less on potato, brinjal, lady's finger, and green papaya as their prices dropped.

"Non-food inflation will rise normally," said Ahsan H Mansur, executive director of the Policy Research Institute.

So, the BB should adopt a contractionary monetary policy, he said.

"The central bank needs to reduce the liquidity in the banking system by formulating a tight monetary policy."

A senior official of the planning ministry said the transport cost was low because of lower demand during the lockdowns at home and abroad.

With the re-opening of the economies, the transport cost has started rising unusually worldwide that has also impacted badly in the economy of Bangladesh, he said.

For instance, the freight charge went up by 100 per cent to 400 per cent, raising the prices of basic commodities in the country.

In its monetary policy statement this month, the central bank said due to global inflationary pressures,

many countries are also facing rising commodity and food prices, putting low-income people at risk.

Besides, disrupted labour markets because of the pandemic worsened the peoples' purchasing capacity, indicating a need for income support for the vulnerable population segment before the market conditions normalise.

Given the economic adversities due to the Covid-19 pandemic, the BB said it would continue its ongoing pro-growth expansionary and accommodative monetary policy stance to support investment

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1st October 2021 to 5th October 2021

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All banking services including Branches, Sub Branches, ATM Booths, Agent Banking, Islamic Banking, Digital Banking (MBL Rainbow) and Debit Card operation will remain suspended from midnight Friday the 1st October 2021 to midnight Tuesday the 5th October 2021 during this upgradation process.

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