

Star

BUSINESS

2022

Together, Let's Leave A Mark This Year!



- ANALYSTS SAY...
- BB's relaxed policy helped inflate income
 - The profit should be considered as "eyewash"
 - Relaxation of rules will affect banks' health
 - BB should force banks to keep more provisions

BANKS' OPERATING PROFIT

(In crore taka)
SOURCE: RESPECTIVE BANKS

● 2020 ● 2021

Islami	Pubali	City	Eastern	Southeast	Bank Asia	Premier	EXIM	IFIC	Al-Arafah	Jamuna
2,350	935	704	870	815	736	680	741	317	680	637
2,430	1,140	1,101	1,050	1,016	1,002	881	780	775	750	750
Dhaka	Mercantile	Shahjalal	NCC	First Security	SIBL	NRBC	National	South Bangla	Midland	Meghna
521	411	481	573	630	460	323	920	152	125	73
723	722	717	717	690	504	450	238	210	162	105

Businesses look to brighter 2022

REFAYET ULLAH MIRDHA and SUKANTA HALDER

Businesses in Bangladesh hope that 2022 would be better than the previous two years as their optimism grew thanks to the ongoing strong recovery from the coronavirus pandemic.

Only Omicron, the latest variant of Covid-19, could hand a serious blow to their optimism, a number of chief executive officers of the country's major corporate houses and companies admitted.

The decision to reopen the economy and factories, especially, the garment factories, in June 2020 just after closure for two months has given a special leverage to Bangladesh's apparel manufacturers as most of the garment producing nations were shut at that time owing to high level of coronavirus caseloads.

As a result, other garment producing countries have been detached from the global supply chain and are still taking more time to make a comeback in a significant way. So, global retailers



READ MORE ON B3

Banks glowing with paper profit

AKM ZAMIR UDDIN

Banks clocked higher operating profit in 2021 mainly due to the Bangladesh Bank's relaxed policy that allowed them to count income from unrealised instalments of loans.

An analysis of operating profit of 22 banks showed all of the lenders except one posted higher profit in 2021 compared to a year ago.

The forbearance offered by the central bank helped the lenders enjoy the high operating profit but this would not bring any good for the banking sector as a whole, warned analysts.

Rather, it will weaken the financial health of banks in the long run, they said.

As per the central bank policy, banks were not allowed to treat borrowers as defaulters if they repaid only 15 per cent of their total instalments payable.

Besides, banks were permitted to transfer the unrealised interests on the 85 per cent of the loans instalments to their income book although the

sums were not paid. This helped banks register the hefty profit.

Of the banks, Islami Bank Bangladesh recorded the highest profit, at Tk 2,430 crore, last year in contrast to Tk 2,350 crore the year before.

IFIC Bank posted the highest growth in operating profit, which rose 144 per cent to Tk 775 crore.

Shah Md Moinuddin, deputy managing director of IFIC Bank, said the private lender had also posted a significant income from retail loans.

"We have managed a positive growth in terms of mobilisation of deposits and disbursement of loans," he said.

Salehuddin Ahmed, a former governor of the central bank,

said that the higher profits made by the banks had apparently given an indication that the financial health of lenders had improved.

"But, this is not an actual profit because they showed the amount by following an arithmetical calculation," he said.

"The method will not bring any good for the banking sector, rather it will put an adverse impact on the fundamental pillars of banks."

According to Ahmed, businesses, shareholders and directors of lenders would get higher returns. The relaxation will not give anything to depositors.

A managing director of a bank, on condition of anonymity, says that the directors, including the shareholders of

READ MORE ON B3

STOCKS Week-on-week

DSEX ▲	CSCX ▼
0.29%	0.29%
22,277.97	22,277.97

COMMODITIES As of Friday

Gold ▲	Oil ▲
\$1,815.77	\$75.35
(per ounce)	(per barrel)

CURRENCIES As on Thursday STANDARD CHARTERED BANK

	\$ USD	€ EUR	£ GBP	¥ JPY
BUY TK	84.85	95.14	113.59	13.09
SELL TK	85.85	98.94	117.39	13.76

ASIAN MARKETS Friday Closings

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.80%	▼ 0.40%	▼ 0.09%	▲ 0.57%
58,253.82	28,791.71	3,123.68	3,639.78

Tax return deadline ends today

STAR BUSINESS REPORT

Today is the last day for submission of tax returns although the deadline was two days back on Friday, December 31, 2020, which being a weekend had prompted the National Board of Revenue to shift the cut-off day to a workday.

From tomorrow, taxpayers will be required to pay a fine for their late submissions.

Technically November 30 was the official deadline for furnishing income and wealth statements for financial year 2021-22. But the tax authorities deferred it by one month as the number of return submission was low.

The number of taxpayer identification numbers (TIN) has more than doubled to 62 lakh in financial year 2020-21 from the 28 lakh in financial year 2016-17.

However, the number of return submissions did not grow accordingly.

Taxpayers filed 24 lakh returns in financial year 2020-21, up 60 per cent from 15 lakh in financial year 2017-18.

Income tax is the second biggest source of revenue collection for the NBR after value added tax (VAT), the indirect tax paid by consumers.

The NBR targets to collect Tk 105,475 crore in income tax in financial year 2021-22.



Visitors entering the month-long Dhaka International Trade Fair, which opened at Bangabandhu Bangladesh-China Friendship Exhibition Centre in Purbachal yesterday.

PHOTO: ANISUR RAHMAN

DITF kicks off in new venue

STAR BUSINESS REPORT

The month-long 26th Dhaka International Trade Fair (DITF) opened to visitors on its new premises at Bangabandhu Bangladesh-China Friendship Exhibition Centre in Purbachal yesterday showcasing goods from around the world.

Prime Minister Sheikh Hasina virtually inaugurated the fair where some 227 companies from 11 countries, including India, Pakistan, Turkey, Thailand and South Korea, are participating alongside ones in Bangladesh.

There are 23 pavilions, 27 mini pavilions and 162 stalls, said Commerce Minister Tipu Munshi at a press conference on the premises on Friday.

Visiting hours are from 10:00am to 9:00pm and will be extended by an hour on weekends, he said.

The entry fee for adults has been fixed at Tk 40 and minors Tk 20. No charge is applicable on freedom fighters, said a commerce ministry statement.

Some 30 buses are providing shuttle service between the DITF and Kuril Bishwa Road charging Tk 30 per person, said Munshi, adding that there were also 15 food shops.

As set by the EPB, foreign companies have to pay \$6,500 to hire a small stall and \$9,000 for a big one.

In case of local companies, the lowest rent for a stall is Tk 1.55 lakh while the highest Tk 17 lakh.

The new venue houses the country's biggest multipurpose trade exhibition complex, constructed in cooperation with the Chinese government at a cost of Tk 817 crore.

READ MORE ON B3



CRISL has upgraded credit rating of Lankan Alliance Finance Limited to



Ratings	2021	2020
Long Term	A+	A
Short Term	ST- 3	ST-3
Based on Audited Financial Statement	31 December 2021	31 December 2020

Rated by CRISL & valid till 8 June 2022