Kabir made NCC Bank's AMD

STAR BUSINESS DESK

National Credit and Commerce Bank recently promoted its deputy managing director to the post of additional managing director.

The promotee, Khondoker Nayeemul Kabir, was previously working at the bank as deputy managing director, leading corporate business and many important divisions, a press release said.

He started his banking career with National Bank Ltd in 1984. Kabir worked in Midland Bank, Al-Arafaha Islamic Bank and Exim Bank during his more than 38-year-long professional career.

Islami Bank achieves ISO certificate

STAR BUSINESS DESK

Islami Bank Bangladesh has achieved an international organisation for standardisation (ISO) certificate from UK-based certification agency Bureau Veritas for fulfilling the requirements of ISO27001:2013 standard.

This is an international standard that specifies the requirements for establishing, implementing, and maintaining Information Security Management System, a press release said.

Mohammed Monirul Moula, managing director of the bank, received a certification of recognition from Md Towfiqul Arif, head of certification at Bureau Veritas (Bangladesh), and Mohammad Golam Kibria, CEO of IOTA Consulting Bangladesh, in Dhaka recently.

Cement bags get another lease of life, recycled into yet smaller bags to be used in the germination of seeds and saplings before they are ready to be transferred onto pots or planted on the ground. This nursery at Krishnakathi village in Pirojpur district's Nesarabad upazila sells various types of plants high in demand for gardening and forestry priced anywhere from Tk 30 to Tk 1,000. The photo was taken recently.

PHOTO: TITU DAS

Can Twitter become more profitable under Elon Musk?

AFP, *Paris*

Since going public in 2013, Twitter has only occasionally turned a profit, even if it has a commanding role in politics and culture worldwide.

The company's announcement on Monday that it had reached a deal for Tesla boss Elon Musk to buy it outright raises the question of whether this will lead to a brighter financial future for Twitter?

Musk has downplayed economic considerations as a motivation for his purchase, saying earlier this month at the TED2022 conference that, "This is not a way to make money."

Musk continued, "It's just that my strong, intuitive sense is that having a public platform that is maximally trusted and broadly inclusive is extremely important to the future of civilization."

Listed on the New York Stock Exchange for just under nine years, Twitter has posted a net loss every year, except 2018 and 2019 when it made a profit of just over $1 billion.

Musk is paying above $44 billion for the company, an amount dwarfed by Facebook's valuation of more than $500 billion. Twitter's revenues are mainly derived from advertising rather than its user base, which isn't large enough to make up its finances.

At the end of last year, it claimed 217 million so-called "monetisable" users, who are exposed to advertising on the platform. That's far from the 1.93 billion Facebook subscribers.

Twitter is scheduled to release its first quarter results on Thursday. Wall Street expects earnings per share of three cents and revenues of $1.2 billion. Even if Twitter's business prospects may not be his top concern, the world's richest man will be looking to at least not lose money, especially since part of the acquisition could be financed by his own funds.

In a securities filing released last week, Musk pointed to a $13 billion debt facility from a financing consortium led by Morgan Stanley, a separate $12.5 billion margin loan from the same bank, as well as $21 billion from his personal fortune as being behind the deal.

Musk has not yet detailed how he intends to increase Twitter's revenue.

However in a tweet, he suggested lowering the price of Twitter Blue, the paid version of the network that costs $2.99 a month, granting a certified account to paying subscribers and removing advertising for these customers. He later withdrew the message.

Another option in Musk's hands would be to cut the workforce, which may align with his desire to lighten content moderation on the platform.

At the end of 2021, Twitter, which is based in San Francisco, employed 7,500 people worldwide. It also had around 1,500 moderators worldwide as of 2020, according to a New York University business school study.

Musk could also be looking to accelerate user growth and thus advertising revenue, or add new paid features to the platform.

"He's got his own kind of plan in place. If he can keep a model with a subscription-based offer alongside free options, that could work," said Angelo Zino, an analyst at CFRA.

Unilever stocks rise on higher profits

STAR BUSINESS REPORT

Stocks of Unilever Consumer Care, formerly known as GlaxoSmithKline, rose 0.52 per cent to Tk 2,861 at Dhaka Stock Exchange (DSE) yesterday after it announced that its profits had gone up 40 per cent.

Its earnings per share (EPS) rose to Tk 14.33 in the first quarter (January to March) of 2022 whereas it was Tk 10.20 in the same period of the previous year.

The EPS rose due to an improved mix of sales and efficiency in managing operating expenses, the company said in the disclosure.

The multinational disbursed 440 per cent cash dividend among shareholders for 2021, when the EPS was Tk 43.80.

Unilever bought more than 82 per cent of GlaxoSmithKline's health food and drinks business in Bangladesh from Setfirst, a corporate director of the company, in 2020 in its push to further its footprint in Asia's fast-growing economies.

Around 87.79 per cent of the company's stakes are now in the hand of sponsors while 7.91 per cent are held by institutional investors, 0.29 per cent by foreign investors and 4.01 per cent by general investors, according to the DSE data.

Chevron, Brac funded Jibika project ends

STAR BUSINESS DESK

A programme was recently held at Brac Centre in Dhaka marking the end of a Jibika (livelihood) project run in areas adjacent to Chevron-operated gas fields in Sylhet, Moulvibazar and Habiganj districts.

Launched in 2015, the project was funded by the US energy company and non-government organisation Brac, which also oversaw it in partnership with Sylhet-based development organisation "IDEA".

The project worked to establish "village development organisations", a forum for organising villagers into self-help groups, and provide skills training and seed funds to enable the development of enterprises. It overall supported over 22,470 people (around 4,216 households).

M Makbul Hossain, director of operations at Brac, Md Ahsan Kabir, additional registrar of the department of co-operatives at the Ministry of Local Government Rural Development and Co-operatives, Eric M Walker, president of Chevron Bangladesh, Muhammad Imrul Kabir, director of corporate affairs, and Lauren Godfrey, senior manager of education at Brac USA, were present.

Shyam Sundar Saha, programme head of integrated development programme at Brac, presided over the event, says a press release.

ASM Sofrul Islam, programme coordinator of Jibika, Laila Sultana, secretary to Donokandi Shoboj Sharbik Sharbik Gram Unnayan Shomobay Shamity, and Md Rubel Ahmed, chairperson of Tukergao Surma Sharbik Gram Unnayan Shomobay Shamity, were also present.

How well does your bank

FROM PAGE B4

Except for taking deposits for different tenures and offering attractive rates at times, there has not been any material change over the past 50 years in terms of product offering. Similarly, when it comes to loans, we have been hearing about either personal overdrafts or personal loans for ages.

Many banks have introduced relationship managers (RM) following the foreign bank model for high net worth customers and even in those cases, the RMs have been busy chasing deposits or offering plain vanilla loans through differentiated pricing only coupled with a bump up in status in the form of airport lounge facility, occasional gifts and invites to parties especially held for a handful of them.

While the country is full of millennials and the middle class has expanded with a higher purchasing power capacity, all of these 60-odd banks have not been able to offer personalised or customised offerings for each unique client that bank with them. Though the banks have had most of the data about each of their customer—second only after the telecom operators in terms of data availability—, none has been able to leverage this, understand each customer separately, and offer uniquely.

A majority of the banks are earning hefty profits year after year by riding on these millions of customers who keep their hard-earned deposits with them or borrow some "One Size Fits All' kind of loan products, without ever trying to know the need or preferences of each.

We, as a customer, do not get the offer of a unique proposition based on our lifestyle choices, preferences or needs, because a majority of us do not have dedicated RMs who would know us or try to know us individually. It is still like BTV days, in this respect wherein I walk in and stand or wait in a queue to be served and that is also within a limited time because the branch official has plenty to serve. It is like the increased number of private channel days wherein we have plenty of banks but not many understand my priority and personal choices and offer programmes according to that.

Today's millennials, who make up around 60 per cent of the total adult population in Bangladesh, listen to music on Spotify and iTunes, which also offer customised playlists based on the genre of music of each individual's liking. Banking in that respect has not changed much in line with the demographic change that the country has gone through over the past five decades.

Naturally, the question that comes to one's mind is whether it is the scenario all around or unique in Bangladesh?

This was a global scenario a few years back when the words 'Fintech', 'Data' made their debut. The UK and the US led the evolution wherein a few Fintech companies emerged as 'challenger' or 'neo' banks.

Meantime, China's Alipay brought in accelerated speed to this and elevated it to a different level than others. These 'Digital/Challenger/Neo Banks' have brought in a total change in the ways traditional banking has been running for ages.

The most significant change is the personalisation of each service and product that a bank has to offer. Even if one has a paltry balance in the account, they can enjoy the most personalised understanding from the bank, which radically challenged the ways of banking, and that also at a very minimal cost being incurred by the bank.

In Bangladesh, it has only been in the recent past and that also after strong tremors being felt after almost a decade from the rapidly rising wallet usage by the masses that traditional banks (handful only though) have initiated digital onboarding in order to begin their frictionless personalised journey for a customer.

Digital know your customer (KYC), or eKYC, was also introduced by a leading digital service provider, Nagad. The model is now being followed by many banks meaning that they have been followers, not innovators in our market.

What is also surprising is that all the banks that have introduced eKYC for their customer onboarding have made this through a separate app that again does not provide the Netflix/Spotify kind of service that we were talking about.

Today's world is about app operations and doing everything within that single app and not letting customers leave that environment, rather offering all they need within that app for retention.

This is called the 'Super App' approach. Some apparent "digitally savvy" banks in town are providing digital services to customers through different interfaces or apps for different offerings. This actually is far from being what super apps services should be like. And we have not even touched the tip of the iceberg that digital innovation can offer for banking.

There is sufficient room to transform and modernise the existing banking ecosystem in the country. While there are ample challenges that legacy banks are struggling to overcome, the need for innovation and true digitalisation has become the need of the hour and something the banks and regulators should strongly focus on. With the changing demographic shift, it is time for us to change the way we bank. Digital transformation is the only way forward.

The author is an economic and financial analyst.

Brummer to sell

FROM PAGE B4

Brummer became a significant shareholder of the company in 2013 by investing Tk 105 core routed through its Frontier Fund.

It holds 2.83 crore of the shares, which indicates that it holds 24.93 per cent of Runner Automobiles, according to the company's latest annual report.

The amount that Runner Lube & Energy Ltd will pay to buy the shares was not disclosed. Stocks of Runner Automobiles traded at Tk 54 at the Dhaka Stock Exchange yesterday.

Apex sees 50pc rise

FROM PAGE B4

In previous years, it had to spend 74.6 per cent of its sales behind raw materials due to higher prices, according to the financial statements.

Raw materials are generally listed as cost of goods sold on a company's income statement. They are part of a company's direct costs along with labour.

In the January-March period of this year, earnings per share of Apex Footwear stood at Tk 2.64 while it was Tk 0.97 in the same period the previous year.

The company yesterday said in a disclosure that its earnings per share rose significantly due to an increase in sales and decrease in cost of goods sold.

In the three-month period, its sales rose 0.20 per cent to Tk 283.76 crore, the data shows.

Stocks of Apex Footwear rose 6.18 per cent to Tk 297 yesterday at the DSE.

SS Steel to acquire

FROM PAGE B1

SS Steel earlier acquired Saleh Steel Industries in 2020 with an investment of Tk 158 crore.

It also has three sister concerns – Fu-Wang Ceramic Industry, AJ Corporation and Generation Next Fashions.

In early January of 2021, the steel company had made another public disclosure saying it was acquiring a 75 per cent stake in Southeast Union Ceramic Industriesfor Tk 200 crore in an effort to expand its product base in the construction sector.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, and Alamgir Alvi, managing director of Ejogajog, exchange signed document of an agreement on financing to buy commercial vehicles at the bank's head office in Dhaka recently. Md Khalid Mahmood Khan, deputy managing director of the bank, Sanjib Kumar Dey, head of SME banking division, and Rajibul Huq Chowdhury, chairman of Ejogajog, were present.

PHOTO: MUTUAL TRUST BANK

Food, energy price shocks

FROM PAGE B4

prices exacerbate already elevated inflationary pressures around the world."

Wheat prices are forecast to increase more than 40 per cent, reaching an all-time high in nominal terms this year, it said adding, "That will put pressure on developing economies that rely on wheat imports, especially from Russia and Ukraine."

Metal prices are projected to increase by 16 per cent in 2022 before easing in 2023 but will remain at elevated levels.

"Commodity markets are under tremendous pressure, with some commodity prices reaching all-time highs in nominal terms," said John Baffes, senior economist in the World Bank's Prospects Group.

"This will have lasting knock-on effects. The sharp rise in input prices, such as energy and fertilisers, could lead to a reduction in food production particularly in developing economies. Lower input use will weigh on food production and quality, affecting food availability, rural incomes, and the livelihoods of the poor."

Russia stops gas to Poland

FROM PAGE B4

response to sanctions which include freezing hundreds of billions of dollars of Russian assets.

The European Commission accused Moscow on Wednesday of blackmail. But it has said Russia's payment system could be used without breaching European Union sanctions. Uniper, Germany's main importer, said it could pay without violations.

The Kremlin, which casts sanctions by the United States and Europe as acts of economic war, said on Tuesday that Gazprom was implementing Putin's decree on rouble payments.

"Payments for gas supplied from April 1 must be made in roubles using the new payments details, about which the counterparties were informed in a timely manner," Gazprom said.

It said it was halting supplies to Bulgaria's Bulgargaz and Poland's PGNiG "due to absence of payments in roubles." Warsaw, which has been at the forefront of efforts to keep Ukraine's military supplied with equipment to fight Russian forces, and Sofia said the halt was a breach of contract.

European Commission President Ursula von der Leyen said Russia's action was "unjustified and unacceptable" and said the EU would seek alternative supplies, aiming to refill the bloc's depleted stores before next winter.