



Farmers prepare paddy seedbeds using two varieties developed by Bangladesh Agricultural Research Institute for the upcoming dry Boro season starting in January. Boro paddy accounts for nearly 55 per cent of the country's annual rice production. An estimated 1.98 crore tonnes were produced from 47.86 lakh hectares of land in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken from Dakkhin Mathipara village of Rajbari sadar upazila on Sunday. PHOTO: SUZIT KUMAR DAS

MOODY'S RATINGS

7 Bangladeshi banks under review for downgrade

STAR BUSINESS REPORT

Moody's Investors Service has placed 7 Bangladeshi banks' long-term ratings and assessments on review for downgrade, said the global rating agency on Monday.

The disclosure came after its announcement of placing Bangladesh's long-term ratings on review for downgrade. "The outlooks have been changed to rating under review," said Moody's.

The banks are: Brac Bank Ltd, The City Bank Ltd, Dutch-Bangla Bank Ltd, Eastern Bank Ltd, NCC Bank Ltd, Premier Bank Ltd and Mercantile Bank Ltd, according to a statement issued from Singapore.

Moody's has also downgraded Social Islami Bank Ltd's long-term foreign currency deposit ratings to B3 from B2 and the bank's Baseline Credit Assessment (BCA) to caal from b3.

The rating agency has also changed the rating outlooks, where applicable, to stable from negative, it added.

Moody's said the decision to place the

ratings and assessments of 7 Bangladeshi banks on review for downgrade is driven by its placement of Bangladesh's Ba3 sovereign rating on review for downgrade on 9 December 2022.

"Bangladesh's sovereign credit strength is a key input in Moody's assessments of bank ratings because the country's credit strength affects the government's capacity to provide support to the banks in times of stress," it said.

If Moody's were to downgrade Bangladesh's sovereign rating, it will likely result in lower long-term ratings for the banks, it added.

The rating action also considers the deterioration in the country's foreign exchange reserves and central bank's measures to limit foreign currency outflows, which have tightened foreign currency liquidity in the banking system.

"During the rating review, Moody's will assess if the efforts instituted by the central bank and individual banks to improve their foreign currency liquidity,

such as limiting the opening of new letters of credit and efforts to attract remittances, will help to improve the banks' foreign currency liquidity to support their obligations," said the agency.

It said given the review for downgrade, the 7 banks' BCAs and long-term ratings are unlikely to be upgraded during the review period.

"Nonetheless, Moody's could confirm the ratings if Bangladesh's sovereign rating is maintained at Ba3 and the banks' standalone credit strengths remain unchanged."

However, Moody's said a downgrade of the sovereign rating could lead to a downgrade of the 7 banks' BCA and long-term ratings.

Moody's could also downgrade their ratings and BCAs if there is a material deterioration in their standalone credit strengths, it added.

DOWNGRADE OF SIBL'S RATINGS

Moody's said the downgrade of SIBL's BCA and long-term ratings reflects the

bank's weak solvency and liquid buffers, which have deteriorated further amid a tight funding environment.

"Prior to this action, the ratings of SIBL were already on a negative outlook, reflecting the bank's weak solvency and constrained access to funding," it said.

Moody's said it could upgrade SIBL's BCA and long-term ratings if the bank manages to increase the share of high-quality liquid assets and reduce reliance on market funds on a sustained basis.

Specifically, Moody's could upgrade SIBL's ratings if the bank's ratio of liquid banking assets to tangible banking assets remains above 15 per cent and there is an improvement in the quality of liquid assets, according to the press release.

Moody's could also upgrade SIBL's ratings if the bank's ratio of market funds to tangible banking assets remains below 15 per cent and there is an improvement in the bank's deposit composition.

An improvement in the bank's solvency will also be positive for its ratings, it said.

SSLCOMMERZ gets payment system operator licence

STAR BUSINESS REPORT

SSLCOMMERZ Limited has received a licence from the central bank to run operations as a payment system operator.

The payment gateway aggregator would run the operation under the brand name of SSLCOMMERZ, said the Bangladesh Bank in a notice on Monday.

SSLCOMMERZ would work as a white-label merchant acquirer.

A white-label merchant acquirer is an entity that will deploy, own and operate automated teller machines and offer in-store merchants acquiring services such as point of sales or quick response payments. Besides, they may provide e-commerce merchant acquiring facilities.

Operating since 2010, SSLCOMMERZ is the largest payment gateway aggregator in Bangladesh and a pioneer in the fintech industry, according to its website.

It empowers more than 3,500 businesses by offering digital payment solutions, enabling them to extend businesses across mobile and web platforms.

New MD for SBAC Bank

STAR BUSINESS DESK



South Bangla Agriculture and Commerce (SBAC) Bank has appointed a new managing director and CEO.

The appointee, Habibur Rahman, was earlier serving as managing director (acting) and deputy managing director of United Commercial Bank.

He attained bachelor's and master's degrees in economics from Jahangirnagar University and started his banking career at Grindlays Bank in 1996 before moving on to City Bank, Eastern Bank, HSBC Bank Bangladesh and Toronto-Dominion Bank.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (DEC 13, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 75	2.24 ↑	8.73 ↑
Coarse rice (kg)	Tk 48-Tk 55	4.4 ↑	10.75 ↑
Loose flour (kg)	Tk 60-Tk 65	1.63 ↑	73.61 ↑
Lentil (kg)	Tk 100-Tk 110	2.44 ↑	20 ↑
Soybean (litre)	Tk 175-Tk 180	0	25.44 ↑
Potato (kg)	Tk 22-Tk 35	14 ↑	-10.94 ↓
Onion (kg)	Tk 45-Tk 55	-4.76 ↓	-20 ↓
Egg (4 pcs)	Tk 36-Tk 38	-17.78 ↓	13.85 ↑

SOURCE: TCB

IFC offers \$32.5m to Agrocorp

The fund to help improve Bangladesh's food security

STAR BUSINESS REPORT

The International Finance Corporation (IFC) is providing a \$32.5 million loan to Agrocorp International Pte Ltd, a Singapore-based company that supplies wheat and pulses to Bangladesh, in order to improve food security in the South Asian country.

The World Bank Group's arm is giving an eight-year financing package consisting of a senior secured loan of up to \$18 million as well as a concessional loan of \$14.5 million from the International Development Association's Private Sector Window Blended Finance Facility, it said in a press release yesterday.

The investment will allow Agrocorp to buy wheat and pulses

from Australia and Canada and deliver them to Bangladesh, providing safe, nutritious, and calorie-rich staples to the country at a time of heightened food insecurity.

These staples are sold to millers and food processors, which depend on them to produce basic foods for the Bangladeshi population.

Vijay Iyengar, chairman and managing director of Agrocorp International, said, "We are delighted to be partnering with the IFC for this loan, which will allow us to scale up our work to provide an even stronger platform to secure food supplies for emerging markets such as Bangladesh."

"We are pleased that the IFC is able to provide financial support for Agrocorp to reinforce its position

in global food supply chains, and in this instance to serve the markets in Bangladesh during these challenging times," said Geoffrey Yeo, assistant chief executive officer of Enterprise Singapore.

Hector Gomez Ang, regional director for South Asia at the IFC, said the investment ensures the supply of essential raw materials to food producers and processors in Bangladesh, allowing the availability of safe, nutritious, and calorie-rich staple foods to be available.

"IFC's funding to Singapore's Agrocorp comes at a critical time, as pandemic-related disruptions and geopolitical tensions impact global food supply chains."

Since 2010, the IFC has invested more than \$3.6 billion in Bangladesh to help the private sector.



Kazi Wahidul Alam, editor of The Bangladesh Monitor, and Imran Asif, CEO of Air Astra, exchanged documents after signing an agreement in Dhaka on Monday over title sponsorship of a three-day Chittagong Travel Mart 2023, scheduled to be organised by the travel and tourism publication next year. PHOTO: COLLECTED

Nestle to open \$43m factory in Ukraine

AFP, Zurich

Swiss food giant Nestle said Monday it was opening a new production site in war-torn Ukraine, and would invest tens of millions in a factory and production network set to employ 1,500 people.

"Nestle is announcing the opening of a new production site in Ukraine," the company, which had three facilities in Ukraine before the war broke out, said in a statement.

It said that "40 million Swiss francs (\$43 million) will be invested in production in Smolyhiv located in Volyn region, in the western part of the country." The aim was to increase "the capacity of noodles culinary production in Ukraine", the company said, adding that it also wanted to help support growth of the Ukrainian economy, which has been ravaged since Russia's full-scale invasion in February.

Two BSRM companies

FROM PAGE B4
Shares of BSRM closed unchanged at Tk 90 on the premier bourse yesterday.

BSRM Steels posted a loss of Tk 34.96 crore in the first quarter of FY23, whereas it made a profit of Tk 108.65 crore in the three months to September in the previous financial year.

The EPS was a negative Tk 0.93 for July-September against a positive Tk 2.89 in July-September of 2021.

The company blamed the foreign currency transaction loss, the increase in local and imported raw materials prices, and the unfavourable movement of foreign currencies for the losses.

The NOCFPS was Tk 2.93 in July-September of FY23 against Tk 4.29 in the first quarter of FY22.

"The NOCFPS decreased due to more cash payments to suppliers, employees and foreign currency transaction loss," said BSRM Steel in a filing.

The NAV per share was Tk 67.69 on September 30 and Tk 68.99 on

June 30.
BSRM Steels shares traded at Tk 63.90 on the DSE yesterday, unchanged from a day earlier.

Stocks creep up

FROM PAGE B4
Salvo Chemical Industry was the most-traded issue on the DSE, with its shares worth Tk 42 crore transacted. Intraco Refueling Station, Genex Infosys, Monno Ceramic Industries, Bashundhara Paper Mills, and Bangladesh Shipping Corporation witnessed significant turnover as well. The Caspi, the all-share index of the Chattogram Stock Exchange, edged up nine points, or 0.05 per cent, to end the day at 18,467.

Of the 193 securities that traded on the bourse in the port city, 36 advanced, 30 declined, and 127 showed no price movement.

Turnover surged more than 645 per cent to Tk 43.88 crore, the highest since October 17, CSE data showed.



Md Afzal Karim, managing director and CEO of Sonali Bank, handed over a cheque worth Tk 75 lakh to Lt Col Md Shariat Ullah at the bank's head office on Monday as sponsorship of the Victory Day parade scheduled to be held at the national parade grounds in Dhaka on December 16. Deputy managing directors Niranjana Chandra Debnath, Subhash Chandra Das, Kazi Md Wahidul Islam and Parsoma Alam and General Manager Md Moniruzzaman were present. PHOTO: SONALI BANK