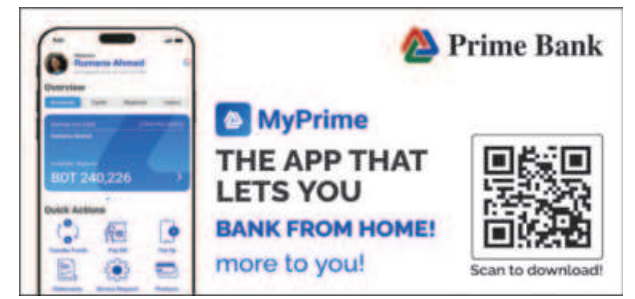


Star BUSINESS



5 projects to seek extra Tk 1,119cr

REJAUL KARIM BYRON and DWAIPAYAN BARUA

Although the government discourages implementing agencies of development projects in Bangladesh from seeking time and cost revisions, several proposals in this regard are placed at each meeting of the Executive Committee of the National Economic Council (Ecnc).

Today's meeting will be no different as five of the eight proposals to be placed before the Ecnc are for increasing their deadlines by two to five years.

The five projects will also seek additional funds of Tk 1,119 crore collectively, up by some 40 per cent from their initial estimates, citing higher equipment costs owing to the higher US dollar price among other issues.

Prime Minister Sheikh Hasina on many occasions has expressed dissatisfaction over the sorry state of project implementation as long delays mean that more money is spent while people are deprived of benefits in the meantime

As such, the five projects could cost as much as Tk 3,903 crore to complete after revision.

Prime Minister Sheikh Hasina has repeatedly expressed dissatisfaction over the sorry state of project implementation in the country as long delays mean that more money is spent while people are deprived of benefits in the meantime.

For instance, Bangladesh Police aims to enhance its efficiency through a small project that initially involved Tk 80 crore for the purchase of 12 armoured vehicles, 20 escort vehicles and 5 floodlight vehicles.

The project taken up in July 2019 was originally set for completion by June 2021 but a proposal for its second revision will be placed today, seeking a time extension of two years till June 2023.

Besides, the cost of the project could be revised upward four times to Tk 309.48 crore, according to documents from the planning ministry.

The reason behind the proposed cost revision is the imposition of 826 per cent VAT against the value of armoured and escort vehicles.

Meanwhile, the fisheries and livestock ministry will place its first proposal for revising the Sustainable Coastal and Marine Fisheries project.

The project aims to modernise laws related to marine fisheries, formulate three national fishery management plans, install vessel monitoring systems in five trawlers, and place tracking systems on 10,000 commercial fishing boats.

READ MORE ON B3

Foreign banks see spike in deposits

Many savers ditch local lenders

SOHEL PARVEZ

Foreign banks operating in Bangladesh registered an 8.57 per cent growth in deposits in the October-December quarter of 2022, the highest since 2018, as many savers shifted their funds from local banks amid a confidence crisis.

Nine multinational lenders logged Tk 73,980 crore in deposits in the fourth quarter, up from Tk 68,143 crore in the third quarter, according to the Quarterly Scheduled Banks Statistics released by the Bangladesh Bank yesterday.

On a year-on-year basis, the banks recorded a 14 per cent growth in deposits even though several well-known multinational banks offer lower interest rates on deposits compared to their local competitors.

"Due to the perceived high-risk around a few local banks and financial institutions, cautious savers preferred to park



their deposits with foreign banks despite lower returns," said Mamun Rashid, a former CEO of Citibank, NA Bangladesh.

State-owned commercial banks logged the second-highest growth in deposit collection followed by private banks.

Government-owned banks witnessed their deposit grow by 0.96 per cent year-on-year to Tk

401,032 crore in the October-December quarter. Private banks, including Islamic ones, saw money parked by savers grow 0.22 per cent.

Islamic banks lost Tk 11,426 crore in deposits as a section of savers withdrew funds amid a confidence erosion in the wake of allegations of loan irregularities in some shariah-based banks, according to the October-December

quarterly report on Islamic banking of the central bank.

Overall, deposits rose 0.74 per cent to Tk 15,88,010 crore in the fourth quarter of 2022 compared to the third quarter when it stood at Tk 15,76,370 crore.

The growth of deposits, however, slowed to 5 per cent at the end of December, way lower than 9.6 per cent a year ago, BB data showed.

According to Syed Mahbubur Rahman, managing director of Mutual Trust Bank, multiple factors affected the deposit growth last year.

"Many people did not have enough liquidity owing to the higher inflation. It affected their scope to save. Besides, a section of people looked for investment opportunities outside banks as the interest rates on deposits were below the rate of inflation," he said.

Inflation rose 8.78 per cent in February, breaking a five-month declining trend.

READ MORE ON B3

Banks may lose 40% assets if global standards followed

Says FRC chairman

STAR BUSINESS REPORT

Banks and non-banks in Bangladesh are not properly following the International Financial Reporting Standard (IFRS) and so, the real picture is not seen in their financial reports, said Md Hamid Ullah Bhuiyan, chairman of Financial Reporting Council (FRC).

The FRC is an independent oversight body that aims to bring trust, credit worthiness, transparency and accountability in the audited reports and accounting of publicly listed companies.

"If they [financial institutions] followed the IFRS properly, then their assets would erode 40 per cent due to the carry over classified loans," he added.

"The classified loans are being carried forward year after year. However, there is very little possibility to get back the fund," the FRC chairman said

At present, financial institutions in the country operate in line with the central bank's directives while the IFRS is not followed.

Bhuiyan yesterday made these comments while speaking at CMJF Talk, organised by the Capital Market Journalists' Forum (CMJF) at its office in Dhaka.

"The classified loans are being carried forward year after year. However, there is very little possibility to get back the fund," the FRC chairman said.

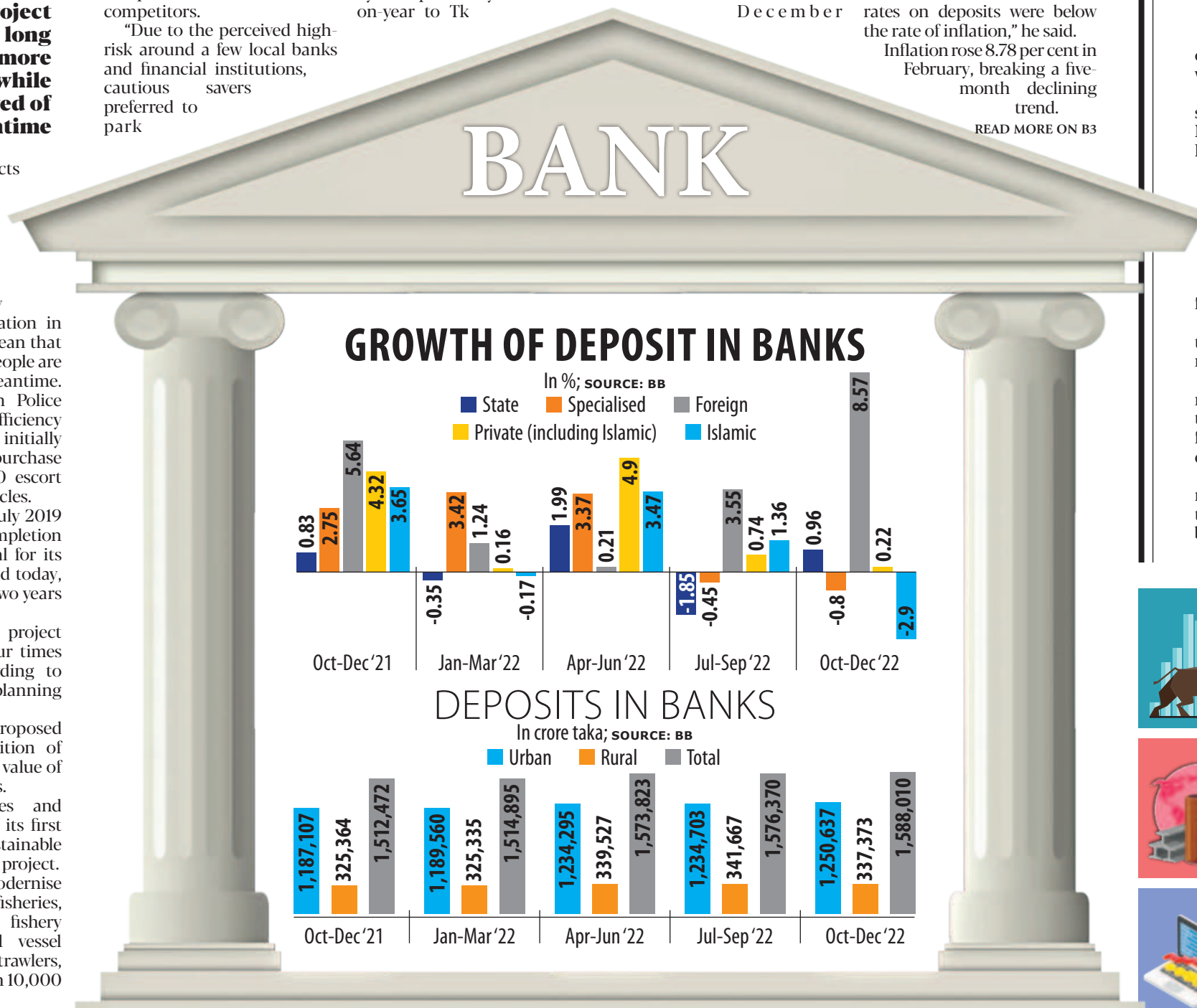
Borrowers now reschedule loans by paying a very minimal amount and then borrow from other banks. As a result, the other banks also face the same problem.

"We are requesting the central bank to make the banks bound to follow the IFRS. But we did not get any positive signal yet," he added.

Bhuiyan then said many companies make money from the capital market by manipulating their financial reports with general investors falling victim. So, the FRC plans to work on listed companies after getting the adequate manpower.

In order to ensure transparency in financial reporting, the FRC is going to enlist auditors. If they commit any wrongdoing, then they too will be punished.

READ MORE ON B3



STOCKS	
DSEX ▼	CASPI
0.05%	Flat
6,204.17	18,324.78

COMMODITIES	
Gold ▲	Oil ▼
\$1,981.47	\$65.80
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.62%	▼ 1.42%	▼ 1.37%	▼ 0.48%
57,628.95	26,945.67	3,139.76	3,234.91

Should tax-free income limit rise as inflation bites?

AHSAN HABIB

Mohammad Firoz works at a garment accessories manufacturing company and earns Tk 29,000 per month.

Last month, his five-member family was forced to move to a tin-shade room from a small flat in the capital's Mirpur as Firoz is failing to maintain the family expenses since the cost of living shows no sign of going down.

He has divided the room, which is large, with a board: he, his wife and their two school-going children live in one part of the room while his mother stays in the other part.

"My income is not enough to meet the tuition fees of the two children, afford the medicines for my mother, pay the house rent, and buy food. I have no way to earn more money," said Firoz.

He is one of the hundreds of thousands of fixed and low-salaried people in Bangladesh who are facing the same struggle because their monthly salary of Tk 25,000 to Tk 30,000 can't cover the expenditures since inflation has stayed at a higher level for nearly a year.

But the irony is if their monthly income

crosses Tk 25,000, they are bound to pay income taxes as the tax-free income limit is Tk 3 lakh.

Both fixed and low-income people and analysts have described the income tax slapped on the earnings of Tk 25,000 as harsh amid higher consumer prices.

In most cases, employers deduct the tax from an employee's salary every month and deposit it in the government coffers.

"How can the government impose the income tax on such a low level of salary?" asked Firoz.

The tax-free income threshold should be raised to Tk 3.50 lakh considering the added pressure stemming from the rise in commodity prices, particularly those of food items, said Towfiqul Islam Khan, a senior

READ MORE ON B3



RFL holds dealers' conference in Dubai

STAR BUSINESS DESK

RFL Group recently organised a "Dealers' Conference" at a hotel in Dubai.

More than 230 leading distributors of various brands of the Group attended the programme, virtually joined by RN Paul, managing director of RFL Group, said a press release.

The dealers, who took part in the conference, were from RFL's various product segments such as houseware, water tank, adhesive, lubricants, toys, stationery, hotpot and flask, door, bedding items, MS & GI pipe, TEL plastics, paints, footwear, melamine and medical appliances.

Toukirul Islam, executive director of Durable Plastic, Masudur Rahman, business unit head of stationery group, Esfaqueel Hoque, head of marketing of Durable Plastic, and Juhurul Islam, head of marketing of Banga Building Materials, among others, were present.

Fed, other cenbanks to boost global dollar liquidity

AFP, Washington, United States

The US Federal Reserve and other major central banks announced on Sunday a coordinated effort to improve banks' access to liquidity, hoping to calm worries rattling the global banking sector.

The special drive will be launched Monday by the Fed and the central banks of Canada, the United Kingdom, Japan, the European Union and Switzerland.

The announcement came hours after Switzerland brokered the UBS takeover of its troubled Swiss rival Credit Suisse. The central banks will step up so-called swap line operations, which give non-US central banks greater access to dollars.

"To improve the swap lines' effectiveness in providing US dollar funding, the central banks currently offering US dollar operations have agreed to increase the frequency of 7-day maturity operations from weekly to daily," the central banks said in a joint statement.

"The network of swap lines among central banks is a set of available standing facilities and serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate effects of such strains on the supply of credit," it added.



With each hectare producing about 30 tonnes of carrot, farmers are now selling the crop for as much as Tk 15 per kilogramme directly from their fields. Having been pleased by this year's yields, the char farmers now plan on expanding acreage next season.

PHOTO: S DILIP ROY

Carrot cultivation brings cheers for char farmers

S DILIP ROY

For the first time, carrots are being grown commercially in char areas of Teesta river, where farmers previously grew the vegetable only for personal consumption.

Having been pleased by this year's yields, the char farmers now plan on expanding acreage next season.

As per sources at the Department of Agricultural Extension (DAE) in Rangpur, carrots were cultivated on 1,900 hectares of land across 30 chars of Teesta river in the Lalmonirhat, Kurigram, Rangpur, Gaibandha and Nilphamari districts.

With each hectare producing about 30 tonnes of carrot, farmers are now selling the crop for as much as Tk 15 per kilogramme (kg) directly from their fields.

Those who leased lands for cultivation spent an average of about Tk 2.5 lakh to sow carrot on each hectare while farmers who have their own land spent Tk 1 lakh per hectare.

Ayub Ali, a madrasa teacher by profession in the Char Kalmati area of Lalmonirhat Sadar upazila, said he leased 8.5 acres of land to cultivate carrot at a cost of around Tk 9 lakh.

Ali's farm yielded 1.10 lakh kgs of the vegetable, earning him some Tk 6.5 lakh. "Seeing my success, many farmers have become interested in growing carrots commercially," he added.

Afzal Hossain, a farmer of the same char, said he spent Tk 12,000 to cultivate carrot on one bigha of land to get 3,700 kgs of the crop, which were then sold for Tk 45,000.

As per sources at the Department of Agricultural Extension in Rangpur, carrots were cultivated on 1,900 hectares of land across 30 chars of Teesta river

Having succeeded in producing carrots on the sandy char land, he now plans to expand cultivation.

"We used to only grow carrots on a small scale for our own use," he added.

Majibur Rahman, a farmer of Char Ichli in Gagachara upazila of Rangpur, said he got the expected profit of Tk 2.20 lakh by cultivating carrots on 5 bighas of land at cost of Tk 58,000.

"The method of commercially farming carrot on sandy char land was not known before but this year, with the help of the agriculture department, I have succeeded in cultivation. Now, I will cultivate more in the future," he added.

Nagen Chandra Barman, a farmer of Char Gatiashyam in Rajarhat upazila of Kurigram, said as many as 30 growers in the area have successfully cultivated carrots on a commercial basis this year.

Barman then informed that it does not cost much to cultivate carrot on char land while profits are good.

He earned Tk 55,000, excluding expenses, by cultivating the crop on two bighas of land.

Mohammad Shah Alam, additional director of the Rangpur DAE, said local vegetable markets are now packed to the brim with carrots grown in char areas.

The crop is also being shipped to various other parts of the country, he added.

Alam went on to say that the DAE extended all kinds of support for the commercial cultivation of carrots in the region.

In addition, many other crops are now being commercially cultivated on char land, he said.

Romana re-elected as Bank Asia Securities' chair

STAR BUSINESS DESK



Romana Rouf Chowdhury has been re-elected as the chairman of Bank Asia Securities Limited at the 12th annual general meeting of the company held on March 14 this year.

Chowdhury is one of the directors of Bank Asia Limited, said a press release.

She has more than 26 years' experience as an industrialist and she founded multiple ventures in different fields, such as food, retail and architecture.

She is the managing director of Sea Natural Food Limited, Sea Fishers Limited and Sea Resources Group.

Romana is director of various sister concerns of Rangs Group as well.

She did her graduation from Brac University and obtained an MBA degree from the Florida Institute of Technology.

She has also completed executive education from Harvard Business School and Columbia Business School.

Rupee weakens

REUTERS, Mumbai

The Indian rupee declined on Monday as relief from the Credit Suisse rescue deal proved to be short-lived, with investors dumping risk assets on worries over a contagion in the global financial sector.

The rupee closed at 82.6350 per dollar, compared with its previous close of 82.5525.

Asian stocks and currencies deepened losses as the session progressed as investor focus shifted to the massive hit some Credit Suisse (CS) bondholders would take under the UBS takeover deal due to the writedown of additional tier-1 (AT-1) capital debt.

Shares in India, Indonesia and Singapore fell between 1 per cent and 1.5 per cent.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (MAR 20, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	3.85 ↑
Coarse rice (kg)	Tk 46-Tk 50	-4 ↓	2.13 ↑
Loose flour (kg)	Tk 55-Tk 58	0	68.68 ↑
Lentil (kg)	Tk 95-Tk 100	0	-4.88 ↓
Soybean (litre)	Tk 168-Tk 172	0	0
Potato (kg)	Tk 16-Tk 20	-14.29 ↓	-10 ↓
Onion (kg)	Tk 30-Tk 40	7.69 ↑	-17.65 ↓
Egg (4 pcs)	Tk 42-Tk 45	-10.31 ↓	17.57 ↑

SOURCE: TCB



Adil Chowdhury, president and managing director of Bank Asia, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: BANK ASIA

Bank Asia, BB sign refinance deal

STAR BUSINESS DESK

Bank Asia Limited has signed a participation agreement with Bangladesh Bank under a refinance fund of Tk 5,000 crore aiming to accelerate green practices and sustainable growth in export-oriented and manufacturing industries.

Adil Chowdhury, president and managing director of Bank Asia, and Chowdhury Liakat Ali, director of the sustainable finance department of Bangladesh Bank (BB), signed the agreement at the latter's headquarters in Dhaka last week, said a press release.

Under the deal, Bank Asia will provide credit to borrowers for importing capital machinery and accessories to implement environment-friendly initiatives. Abdur Rouf Talukder, BB governor, Kazi Sayedur Rahman, deputy governor, and Md Khurshid Alam, executive director, were present.



Muhammad Qaisar Ali, additional managing director of Islami Bank Bangladesh, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: ISLAMI BANK BANGLADESH



Emranul Huq, managing director of Dhaka Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: DHAKA BANK

Nagad to make

FROM PAGE B4
The MFS provider introduced its business in 2019.

It started its journey with e-KYC (Electronic Know Your Customer). The digital KYC enabled customers to open an account in just 15 minutes in contrast to the 3-15 days usually taken to complete the process, bringing about a revolutionary change in the MFS sector as the number of users has rocketed.

"We later formed partnerships with mobile operators. This has allowed clients to open MFS accounts in only 10 seconds," Mishuk said.

In 2020, Nagad cut the rates on cash-out transactions, giving a significant boost to transactions.

He also touched upon the confusion about the ownership of Nagad, which started out as the MFS of

the Bangladesh Post Office.

The MFS service was operated by Third Wave Technologies Ltd until February 2021 before Third Wave Technologies was renamed Nagad Ltd.

"The confusion will be cleared fully when Nagad Finance starts its operation," Mishuk said.

He said that 51 per cent of shares of the MFS operator will be owned by Nagad Finance and the rest by Nagad Ltd.

Mishuk has also planned to establish a digital bank to gear up financial inclusion.

"The central bank is now working to formulate the guideline on digital bank. This will help the entrepreneurs of Nagad to set up a bank based on digital technologies."

About 19.10 crore users were registered with 13 MFS providers in 2022 in a country of 17 crore people, with many operating multiple accounts.



Khondoker Nayeemul Kabir, managing director (current charge) of NCC Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: NCC BANK



Arif Quadri, managing director of United Commercial Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank, at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: UNITED COMMERCIAL BANK



Md Ahsan-uz Zaman, managing director of Midland Bank, exchanged signed documents of an agreement with Abdur Rouf Talukder, governor of Bangladesh Bank (BB), at the BB headquarters in Dhaka last week over disbursing loans for export-oriented and production-based industries from a Tk 5,000 crore "Green Transformation Fund" of the central bank.

PHOTO: MIDLAND BANK

Most shares unchanged amid low investor participation

STAR BUSINESS REPORT

Most shares on the Dhaka and Chittagong stock exchanges did not see any price movement yesterday as investors refrained from making fresh bets amid persisting uncertainty.

The DSEX, the benchmark index of the Dhaka Stock Exchange, lost 3 points, or 0.05 per cent, to close the day at 6,204.

The DS30, the blue-chip index, decreased 0.08 per cent to 2,215 while the DSES, the shariah-compliant index, went down 0.2 per cent to 1,349.

"The Dhaka stocks continued bleeding amid low turnover. The risk-averse investors opted for liquidating their position to escape further losses on their portfolios," said International Leasing Securities Ltd, a brokerage house, in its daily market analysis.

Following the previous session, the market opened with a downward movement and observed volatility in the morning session. Later, the bargain hunters tried to reverse the downward trend but failed ultimately, it said.

Turnover, a key indicator of the market, fell 23 per cent to Tk 344 crore. Of the securities, 51 advanced, 35 declined and 234 did not show any price movement.



Among the sectors, life insurance rose 0.9 per cent, services were up 0.7 per cent and jute added 0.4 per cent. On the other hand, the travel sector lost 1.5 per cent, the tannery sector edged down 0.5 per cent, and the textile sector went down 0.3 per cent.

Investors' concentration was mainly focused on the pharmaceuticals sector, which constituted 22.8 per cent of the day's turnover. The IT and the life insurance sectors accounted for 12.9 per cent and 12.4 per cent of the turnover, respectively.

Shyampur Sugar Mills posted the highest appreciation on the day, advancing 7.36 per cent. Imam Button Industries Ltd rose 7 per cent and Legacy Footwear Ltd won 4.96 per cent.

Al-Haj Textile Mills suffered the sharpest fall, declining 10 per cent. Bengal Windsor Thermoplastics gave up 9.94 per cent and Orion Infusion shed 5.38 per cent.

Sea Pearl Beach Resort & Spa was the most-traded stock with its shares worth Tk 14.96 crore changing hands. Rupali Life Insurance Company, Shinepukur Ceramics, and ADN Telecom saw significant turnovers as well.

The Caspi, the all-share price index of the Chittagong Stock Exchange, remained almost flat to close at 18,324. Of the issues, 30 rose, 27 retreated and 120 did not see any price swing.

Turnover of the port city bourse plummeted more than 64.7 per cent to Tk 8.27 crore.



Nagad to make cash withdrawal free

Says its Managing Director Tanvir A Mishuk

STAR BUSINESS REPORT

Nagad will offer free-of-charge cash withdrawal service to its account-holders by this year in order to accelerate Bangladesh's financial inclusion drive, said its Managing Director Tanvir A Mishuk.

"The free-of-charge service for cash outs will not create any negative impact on the earnings. Rather, it will help expand our business to a large extent," he said during an interview with The Daily Star recently.

Clients of mobile financial service (MFS) providers in Bangladesh now pay Tk 10 to Tk 18.50 per Tk 1,000 withdrawal.

Mishuk says that Nagad Ltd, one of the largest MFS operators in the country, will provide the service to its clients through its upcoming non-bank financial institution, Nagad Finance PLC. The central bank gave the letter of intent to Nagad Finance on August 30. On January 12 this year, the Bangladesh Bank decided in principle to allow Nagad Finance to run MFS, the first such approval granted to any NBFI in the country.

The new NBFI will commence its operation upon getting the licence from the central bank, Mishuk said.

"Clients can now withdraw funds from their banks without any charge. The same should apply to the clients of MFS providers as well."

Nagad Finance plans to roll out various financial services for micro-businesses and the underprivileged groups. For instance, disbursing loans and

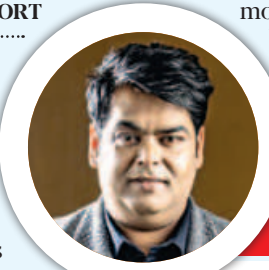
mobilising deposits will be operated through the MFS provider, which has 7.25 crore users.

According to Mishuk, around

loans through digital platforms.

"The use of digital technologies will allow us to make loans in a speedy manner and bring down the cost of operation."

"We will also offer several



NAGAD AT A GLANCE

Operation launched in 2019
Number of customers **7.25cr** in Feb
Hit daily Tk **100cr** transaction milestone in Feb 2020
Average daily transaction now Tk **1,000cr**

SOME SUCCESSES

- Sending money free from beginning
- Introduced free bill payment
- Introduced e-KYC
- Distributed around Tk 20,000cr govt assistance among poor
- Going to launch remittance service soon

RECOGNITION

- Received World Information Technology and Services Alliance Global ICT Excellence Award
- Recognised as the top utility bill payment operator

60 per cent of the country's people take loans from formal and informal channels at higher interest rates. Some microfinance institutions even charge 30-40 per cent interest rates.

"Such rates are not viable. We have the plan to break the system in the next two years so that micro-businesses can secure loans at a single digit," he said, adding that the NBFI would also provide collateral-free loans.

He said Nagad Finance would focus on micro and small businesses such as street vendors and the commoners when it comes to disbursing

savings products. As a result, the marginalised groups will be able to deposit even Tk 10 daily or weekly."

The profit made from the NBFI's operation will help the MFS provider offer the free-of-charge cash-out service, he said. Despite continuing faster expansion that usually requires significant use of funds, Nagad has decided to give dividends to its shareholders this year.

"We know how to do business smartly. Our MFS operation has already proven it by reaching out to a large number of people in the last couple of years," Mishuk said.

READ MORE ON B2

UBS swallows doomed Credit Suisse

Casts shadow over Switzerland

REUTERS, London

UBS Group emerged as Switzerland's one and only global bank with a state-backed rescue of its smaller peer Credit Suisse, a risky bet that makes the Swiss economy more dependent on a single lender.

The unprecedented move announced late on Sunday in Zurich capped a race against time by regulators to avert a meltdown in global markets. Switzerland is pledging more than 160 billion francs (\$173 billion) in loans and guarantees to underpin the new group, guarding against further risks undermining the lender.

The transaction – the first rescue of a global bank since the financial crisis of 2008 – grants enormous clout to UBS, ridding it of its main rival. It will change the landscape of banking in Switzerland, where branches of Credit Suisse and UBS are dotted everywhere, sometimes just metres apart.

The two lenders have been pillars of global finance for decades. The banks, two of the most systemically relevant in global finance, hold combined assets of up to 140 per cent of Swiss gross domestic product in a country heavily dependent on finance for its economy.

Following the 2008 financial crash, politicians pledged to never bail out banks again. The Credit Suisse rescue, orchestrated with public money, shows banks' continued vulnerability and how their problems can quickly rebound on their home country.



But it also removes a competitor to Wall Street, with UBS planning to pare back much of Credit Suisse's investment bank.

"Under normal circumstances, I would say it is an absolutely fantastic deal for UBS," said Johann Scholtz, equity analyst at Morningstar, covering European Banks, Amsterdam. "In the current environment, it is a bit more complicated as there is a lot of uncertainty generally in the markets."

Soon after the announcement, central banks including the Federal Reserve, the European Central Bank and the Bank of Japan said they would enhance dollar swap lines, helping calm investors rattled by turmoil in the banking sector. The failure of two US banks and a rout in Credit Suisse shares have sent shock waves through markets over the past week.

UBS will pay \$3.2 billion for 167-year-old Credit Suisse and assume at least \$5.4 billion in losses from unwinding its portfolio of derivatives and other risky assets. Credit Suisse had a market value of about \$8 billion at the close on Friday.

Holdings of Credit Suisse's Additional Tier 1 bonds will get wiped out and in a controversial move will come secondary to equity holders who will receive at least some UBS shares.

It marks a radical twist of fate for the banks. During the great financial crash, it was UBS and not Credit Suisse that needed state support.

The banks' fortunes have diverged sharply over the past year. UBS earned \$7.6 billion in profit in 2022, while Credit Suisse lost \$7.9 billion. Credit Suisse's shares were down 74 per cent from a year ago, while UBS's are relatively flat.

UBS becomes the undisputed global leader in managing money for the wealthy, with UBS's leading position in China now complemented by Credit Suisse's strength in the rest of Asia, the fastest growing region. UBS also gets to keep the jewel in Credit Suisse's crown, the domestic bank.

"In the past, when a deal between Credit Suisse and UBS was discussed, a sticking point would be concentration, especially in the domestic market," said Morningstar's Scholtz. "It is also the most stable part of the business, that generates quite a lot of cash. If UBS is not required to do an IPO of it, it could make sense for them to keep it, there are lots of synergies."

Banglalink's revenue grows over 12% in 2022

STAR BUSINESS REPORT

Banglalink registered a double-digit growth rate in its revenue in 2022 driven by increased investment in 4G network, expanding coverage and enhancing network speed.

Revenue rose 12.1 per cent year-on-year to Tk 5,374 crore, according to the 2022 earnings report published by the telecom operator's parent company, VEON Ltd, recently.

This was the third double-digit growth in consecutive quarters.

The operator's annual service revenue grew 12.3 per cent last year while data revenue surged 26.6 per cent.

The innovative and improved digital services also expanded the customer base last year, said Banglalink Chief Executive Officer Erik Aas while sharing the earnings report during a press conference at the corporate office of the operator in Dhaka yesterday.

"Banglalink embarked on a new era of growth as a digital powerhouse in 2022, delivering exceptional results across all segments. Our growth rate surpassed that of the industry by a two-fold margin."

He said by extending the fastest 4G network and delivering superior digital services to every corner of the nation, Banglalink has achieved the status of a truly national operator.

"Armed with our unparalleled speed and nationwide reach, we are poised to serve our customers with top-of-the-line connectivity in the coming years."



A man walks past a jewellery shop at a gold market in Dubai. Prices of gold, seen as a safe store of value in times of turmoil, rose as high as \$2,009.73 in early morning deals yesterday.

PHOTO: AFP/FILE

Gold tops \$2,000 on Credit Suisse buyout

AFP, London

Gold topped \$2,000 per ounce for the first time in more than a year on Monday on haven demand as investors fretted over global bank fears despite the buyout of Credit Suisse.

The precious metal, seen as a safe store of value in times of turmoil, rose as high as \$2,009.73 in early morning London deals.

That was the highest level since Russia launched its invasion of Ukraine just over one year ago. Gold later pared gains to stand at \$1,995, which marked a gain of 0.3 per cent from late Friday.

The metal has jumped by almost nine percent in value since the collapse of US regional lender Silicon Valley Bank ten days ago.

"Continued fallout from the banking sector has seen a flood of money to gold" on "its safe haven qualities", said Kinesis analyst Rupert Rowling.