

bKash, Pragati Life Insurance to launch digital bank

STAR BUSINESS REPORT

bKash and Pragati Life Insurance Ltd yesterday the became companies in Bangladesh to share plans to roll out digital banks as the country looks to offer financial services using technologies and accelerate financial inclusion.

In a post on the Dhaka Stock Exchange, Brac Bank, one of the owners of bKash, said its board has decided to invest in establishing a digital bank, a form of banking that does not have branches and offers services both via desktop website and mobile apps.

The setting up of the proposed digital bank named "bKash Digital Bank PLC" is subject to the approval of the Bangladesh Bank, it said.

Launched in 2011, bKash is a joint venture

> Three more listed companies ACI Ltd, Bank **Asia and Crystal Insurance shared** plans to roll out digital banks.

of Brac Bank, US-based Money in Motion LLC, the International Finance Corporation of the World Bank Group, the Bill and Melinda Gates Foundation, Ant Group, and SoftBank Vision Fund.

Currently, it has 7 crore verified customers.

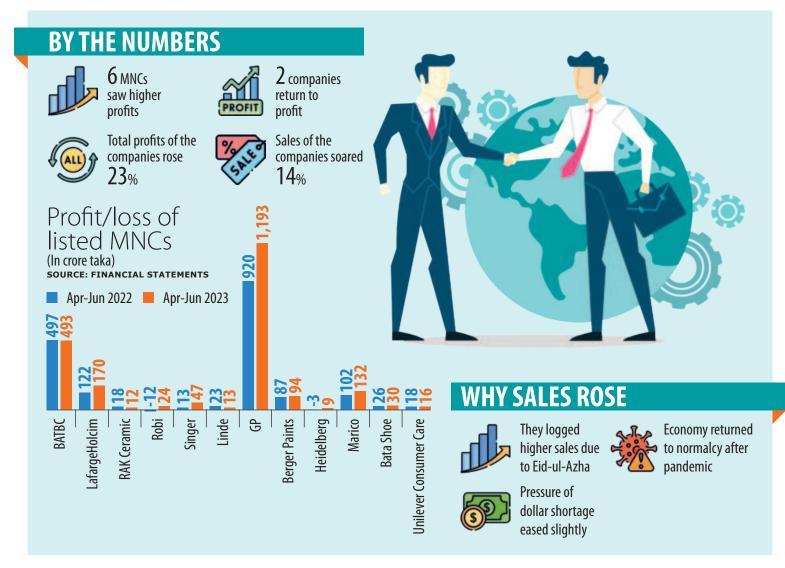
Brac Bank's share closed unchanged at Tk 35.80 on the DSE yesterday.

The bank's earnings per share rose 41 per cent yearon-year to Tk 1.93 in the January-June of 2023.

the central bKash has been practising digital lending for the last three and a half years, Shamsuddin Haider Dalim, head of corporate communications of the largest mobile phone operator in the country, told The Daily Star.

"After piloting for a year with a commercial bank, bKash launched the country's first digital nano loan. Besides, bKash has rolled out digital savings schemes with four commercial banks and a financial institution."

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Most listed MNCs post higher profits despite headwinds

AHSAN HABIB

Most of the listed multinational companies operating Bangladesh witnessed higher profits and sales in the April-to-June quarter despite persisting economic challenges at home and abroad, inflationary pressures and higher raw materials prices.

All of the 13 multinational companies that are listed on the Dhaka Stock Exchange have published their financial reports for the quarter. Their collective profit rose 23 percent year-onyear to Tk 2,247 crore.

Sales grew about 14 percent to Tk 12,933 crore.

Though higher sales led to higher profits for most companies, some struggled owing to the hike in raw material prices, energy costs and spiralling operational expenses lingering consumer prices.

A top official of an asset management company credits product quality and brand value that allowed MNCs to pass higher costs of production onto consumers.

"Their profits rose thanks to higher sales," he said, adding

found it difficult because of escalated prices of raw materials, payments.

Among MNCs, LafargeHolcim Bangladesh, Bangladesh, Singer Grameenphone, Bata Shoe

portfolio, efficient route to market, digital footprint, energy costs and a spike in salary nationwide distribution network and aggregates business for helping the company ensure healthy growth momentum.

Singer Bangladesh, a home appliance maker, saw its profits



Bangladesh, Berger Paints, and rocket 261 percent to Tk 47 crore, Marico Bangladesh logged higher profits in the three-month period, while Robi Axiata and Heidelberg Cement returned to profits.

LafargeHolcim clocked 39 percent higher profit to Tk 170 crore while sales surged 33

percent to Tk 671 crore. Iqbal Chowdhury, CEO of

LafargeHolcim

aided by a 34 percent hike in sales, which stood at Tk 717 crore.

The sales rose thanks to the company's wholehearted efforts from the beginning of the year despite the continuation of a few domestic and global issues, such as the Russia-Ukraine war, revenue in the second quarter high inflation and volatility in the came from the data business. Bangladesh, foreign exchange market.

come under control fully, people have accepted the increased prices since commodity prices have remained higher, the company said in its financial Singer Bangladesh said it

Although the situation has not

implemented several marketing strategies in the April-June quarter to boost sales ahead of the Eid festival.

Grameenphone, the largest mobile phone operator in percent higher profit to Tk 1,193 crore in April-June, the highest profit among all the listed multinational companies.

Robi Axiata, the secondlargest mobile phone operator, saw a good quarter after making a Tk 24.4 crore profit. Thus, it rebounded from a loss of Tk 12 crore in the same quarter in 2022.

CEO Rajeev Sethi Robi described data revenue as one of the key drivers for the profitability

Around 39 percent of its

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Exporters to get Tk 108.5 for each dollar from today

for remitters

The rate will be Tk 109

STAR BUSINESS REPORT

Banks yesterday hiked the buying and selling rates of US dollar as part of efforts to gradually reach a uniform exchange rate for the greenback by September this year.

As such, bankers at a meeting decided to purchase dollars from exporters by paying Tk 108.5 for each US dollar from August 1, up nearly by 1 percent or Tk 1 from Tk 107.5 set in June.

Migrant workers and non-resident Bangladeshis living abroad will get Tk 109 for a dollar.

Until July 31, banks were officially offering Tk 108.5 for each US dollar, two bankers after a joint meeting between the Bangladesh Foreign Exchange Dealers' Association (Bafeda) and Association of Bankers, Bangladesh (ABB) told The Daily Star.

Importers will require to count Tk 109.5 for every dollar, according to the decision.

ABB Chairman Selim RF Hussain said the exporters have been incentivised with the increase in the rate. Now the gap of buying rates of dollar from the exporters and remitters remains small,

"We are gradually moving towards a single exchange rate," he said.

89.35% votes cast in FBCCI polls Directors to pick president tomorrow

STAR BUSINESS REPORT

The biennial election of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) took place yesterday to elect the leadership for the country's apex trade body for the 2023-25

"Some 89.35 percent votes were cast in the polls. The counting of the votes is going on," said A Matin Chowdhury, chairman of the FBCCI Election Board for 2023-25, last night.

Some 1,746 out of the 1,954 voters cast their votes, according to data from the FBCCI.

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All I	COMMODITIES		
AOIL AOIL	Gold 📤	Oil 📤	
	\$1,967.4 (per ounce)	\$81.39 (per barrel)	

	ASIAN MARKETS			
	MUMBAI	токуо	SINGAPORE	SHANGHAI
	0.56% 66,527.67	1.26% 33,172.22	0.08% 3,373.98	0.46% 3,291.04

Central bank data shows that the private sector took shortterm loans from foreign sources amounting to PRIVATE SECTOR'S **\$2.31 billion SHORT-TERM BORROWING** in June, **FROM ABROAD** when total repayment In 2023; In million \$ against LOANSTAKEN REPAYMENT previous disbursals **stood at \$2.62** billion

Private sector's foreign borrowing falls in June

REJAUL KARIM BYRON

Short-term foreign debt in the private sector fell to \$13.66 billion in June, down 3 percent from \$14.08 billion in May, as repayments outpaced new loans during the period, according to Bangladesh Bank.

Central bank data shows that the private sector took short-term loans from foreign sources amounting to \$2.31 billion in June, when the total repayment against previous disbursals stood at \$2.62 billion.

However, the trend of higher repayments compared to fresh borrowing has persisted since January.

The private sector borrowed \$13.69 billion as short-term financing from foreign sources during the first six months of 2023, when repayments, including interest, totalled \$16.7 billion.

However, the picture was different in

In 2021, the private sector availed \$33.96 billion as short-term financing from foreign lenders against total repayments of \$29.15 billion for that year.

Similarly, repayments stood at \$36.73 billion against the \$37.26 billion borrowed in 2022.

Central bank officials say the higher repayments compared to fresh borrowing is harming the country's foreign reserve

considering their efforts to reduce forex spending amid an ongoing shortage.

Statistics show that the country's total foreign reserve stood at \$29.68 billion as of July 26, down from \$31.20 billion on June 30 while it was \$41.82 billion in June

> The private sector borrowed \$13.69 billion as short-term financing from foreign sources during the first six months of 2023

On the other hand, as per the standard of the International Monetary Fund, Bangladesh's foreign reserve stood at \$23.30 billion as of July 26 this year.

The country's foreign reserve has been gradually declining over the past year, turning into a serious headache for Bangladesh Bank.

per central bank statistics. Bangladesh's imports fell 14.15 percent in the July-May period of fiscal 2022-23.

However, the country's total exports increased by 6.67 percent at the same time while its inward remittance rose 2.8 percent.

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