

Exim Bank signs deal with CNS for receiving BRTA fees

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Exim Bank has signed an agreement with Computer Network Systems Ltd (CNS) in an event held at the CNS head office on February 20.

Under this deal, all types of fees, including tax token, fitness token, advance income tax, and number plate fees, for all types of vehicles registered under BRTA can be paid through Exim Bank, read a press release.

Mohammad Feroz Hossain, managing director and CEO of Exim Bank, and Major Md Ziaul Ahsan Sarwar (Retd), senior executive director of CNS, signed the deal on behalf of their respective organisations.

Md Mahbubul Alam, additional deputy managing director and head of IT division of Exim Bank, Sanjib Chatterjee, head of corporate affairs and branding and marketing division, and Mohammed Golam Mohiuddin, head of operations of CNS, were present at the signing ceremony alongside senior executives of both organisations.



Mohammad Feroz Hossain, managing director and CEO of Exim Bank, and Major (retd) Md Ziaul Ahsan Sarwar, senior executive director of CNS, pose for photographs with the signed documents, in presence of officials from both organisations. PHOTO: EXIM BANK

Europe's gas demand at 10-year low, to peak in 2025: report

AFP, Paris

Europe has cut its gas demand by 20 percent since the Russian invasion of Ukraine and demand for liquefied natural gas (LNG) should peak next year thanks to renewables and efficiency gains, a study published Wednesday said.

The February 2022 invasion of Ukraine by Russia triggered a massive shift by European nations away from Russian natural gas delivered by pipelines, with prices for LNG soaring as they competed on international markets for limited supplies.

With a limited number of import terminals, European nations were also forced to undertake measures to restrain consumption, but made it through the winter of 2022-2023 without cuts to residential heating or electricity generation.

The Institute for Energy Economics and Financial Analysis said that European gas demand has declined by 20 percent since the start of the Russian invasion, driven mainly by Germany, Italy and Britain.

It put the decline down to energy efficiency and demand management measures, the impact of high prices on demand as well as mild winter temperatures.

"Europe has successfully navigated the energy crisis and has set itself up to continue curbing gas use, thanks in part to efficiency measures and renewables deployment," IEEFA said in a report.

The further deployment of solar and wind, the switch from gas boilers to heat pumps for home heating and added efficiency measures should mean that demand for LNG peaks in 2025.

The international group which studies issues related to energy markets and policies, noted that rush to build LNG terminals was continuing despite imports holding steady in 2023 and the likely peak in demand next year.

With 13 terminals expected to become operational by 2030, compared to eight operational in February 2022, IEEFA risked having import capacity three times LNG demand by the end of the decade.



M Shamsul Arefin, managing director and CEO (current charge) of NCC Bank, and Riad Mahmud, managing director and CEO of National Polymer Industries, pose for photographs after signing an agreement in Dhaka recently. PHOTO: NCC BANK

NCC Bank, National Polymer ink deal on cash management solutions

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NCC Bank recently signed a cash management solution agreement with National Polymer Industries, a PVC pipe manufacturing company.

M Shamsul Arefin, managing director and CEO (current charge) of the bank, and Riad Mahmud, managing director and CEO of National Polymer Industries, inked the deal, read a press release.

Under this agreement, distributors or representatives of the company will enjoy cash transaction facilities through any branch or sub-branch of the bank across the country.

Md Mahbub Alam, deputy managing

director of the bank, and Abu Jafar, chief financial officer of the PVC pipe manufacturing company, and Md Masud Rana, head of corporate finance, were present.

Among others, Mohammed Anisur Rahman, senior executive vice-president and CIO of the bank, Mohammad Mohibullah Khan, executive vice-president of CRMD (corporate), Mohammad Ridwanul Hoque, executive vice-president and head of retail finance centre, Md Taiab Ali Khan, senior vice-president and manager of Bashundhara branch, and Shahin Akter Nuha, head of cash management department, were also present.

IFIC Bank conducts financial literacy workshop at Kumudini Women's Medical College

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IFIC Bank PLC recently organised a workshop on financial literacy at Kumudini Women's Medical College, a member of the charity organisation Kumudini Welfare Trust of Bengal.

IFIC Bank, which has 1,370 branches and sub-branches in operation across the country, is committed to promoting economic self-reliance among women through a range of activities, according to a press release.

150 students attended the event alongside Md Abdul Hamid, principal of the college, faculty members from various departments, and officials from the bank.

This workshop is part of the financial literacy programme organised by the bank in February, conducted in various educational institutions at the district-upazila level.



Md Abdul Hamid, principal of Kumudini Women's Medical College, attends the workshop along with faculty members, officials of IFIC Bank and students. PHOTO: IFIC BANK PLC

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (FEB 20, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	-1.46 ↓	0
Coarse rice (kg)	Tk 48-Tk 50	-3.92 ↓	-2.00 ↓
Loose flour (kg)	Tk 45-Tk 50	0	-15.93 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 155-Tk 160	0	-7.35 ↓
Potato (kg)	Tk 26-Tk 30	-37.78 ↓	33.33 ↑
Onion (kg)	Tk 100-Tk 120	46.67 ↑	238.46 ↑
Egg (4 pcs)	Tk 45-Tk 48	6.90 ↑	-4.12 ↓

SOURCE: TCB

Oil rises as investors weigh Red Sea attacks

REUTERS, New Delhi

Oil prices regained some ground in Asian trade on Wednesday amid concerns over attacks on shipping in the Red Sea and growing expectations that cuts to US interest rates will take longer than thought.

Brent crude futures rose 24 cents or 0.3 percent to \$82.58 a barrel by 0721 GMT, while US West Texas Intermediate crude futures (WTI) were up 21 cents or 0.3 percent at \$77.25.

The Brent and WTI contracts fell 1.5 percent and 1.4 percent, respectively, from near three-week highs on Tuesday as the premium for prompt US crude futures to the second-month contract more than doubled to \$1.71 a barrel - its widest level in roughly four months.

That encourages energy companies to sell now rather than paying to store product for future months. The premiums slid to 4 cents a barrel on Wednesday.

"Crude futures prices have become relatively range-bound, and have at least \$6-7 per barrel of risk premium embedded at current levels," said Vandana Hari, founder of oil market analysis provider

Vanda Insights.

She said prices could remain range-bound until the next turning point in the Gaza crisis, whether that be a de-escalation through a ceasefire or an exacerbation by Israel's onslaught in Rafah.

Attacks in support of the Palestinians on vessels in the Red Sea and Bab al-Mandab strait by Yemen's Iran-aligned Houthis have continued to stoke concerns over freight flows through the critical waterway. Drone and missile strikes have hit at least four vessels since Friday.

Washington on Tuesday again vetoed a draft United Nations Security Council resolution on the Israel-Hamas war, blocking a demand for an immediate humanitarian ceasefire. The US is instead pushing for the Security Council to adopt a resolution tying a ceasefire to the release of Israeli hostages by Hamas.

Meanwhile, Russia, which has pledged output cuts of 500,000 barrels per day (bpd) as part of a package of cuts with Organisation of Petroleum Exporting Countries and its allies (OPEC+), said on Tuesday that it intends to fulfil its OPEC+ quota in February despite a decline in oil refining.

A third of NBFIs running without MDs

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Currently, the company has no sponsor director or shareholder director.

AF Sabbir Ahmed, a DMD, has been running the company as the acting managing director for the last six months.

FAS Finance's bad loans stood at Tk 1,645 crore, which made up 90 percent of the funds disbursed.

Md Zillur Rahim Chowdhury, a senior official, is the acting MD at GSP Finance. Its bad loan rocketed to 92.37 percent.

Aviva Finance, previously known as Reliance Finance Ltd, where PK Halder was the managing director, is currently being led by M Mostafiduzzaman, an acting MD.

Aviva's defaulted loans amounted to Tk 1,902 crore, or 71.2 percent.

Mohammad Ruknuzzaman has been working as the acting MD of Bay Leasing, where half of the disbursed loans have defaulted, since September. He is expected to become the next MD of the NBFIs after BB's consent, said an official of the company.

Maksumul Mahmud, a former branch manager of First Finance, is now working as the acting MD of the NBFIs, whose 89 percent of loans have turned sour.

In December, the BB suspended Intekhab Alam, MD of Phoenix Finance, for loan irregularities. Since then, Mohammad Sayduzzaman, an executive vice-president, has been working as the acting MD.

The NBFIs's bad loans ratio stood at

58 percent.

Strategic Finance, a new NBFIs, is being led by acting MD Tamim Marzan Huda. He was a DMD previously.

MM Mostafa Bilal, DMD of UBICO, a joint venture financial institution of the governments of the UAE and Bangladesh, has been leading the firm as the acting chief since mid-2021.

"Before appointing someone as a full-fledged MD, the company closely monitors the performance of the designated official. As part of the norms, I have been put in the current charge," he said.

The post of the MD at IPDC Finance, one of the top NBFIs in Bangladesh, fell vacant in January after long-time CEO Mominul Islam resigned. The company is yet to announce his replacement.

Shah Md Ahsan Habib, an independent director of IPDC Finance, said appointing the new MD is now at the final stage.

"We are now awaiting BB's approval."

Agrani SME Finance, a subsidiary of state-run Agrani Bank, is being run by acting managing director Md Muzahidul Islam Zoarder.

Reasons for a dearth of MDs

There are 35 NBFIs in the country. Industry people say that most of the NBFIs are involved in loan irregularities, which have sent their default loans to a higher level and brought about a liquidity crisis. This keeps experienced people at bay.

Even, half a dozen of the companies

in the sector have failed to repay the depositors' money, spooking the confidence in the industry.

The sector's combined bad loans stood at Tk 21,658 crore at the end of September, accounting for a record 30 percent of the disbursed loans, central bank data showed.

The bad loan ratio is more than 80 percent in seven companies.

Toufic Ahmad Choudhury, a former director-general of the Bangladesh Institute of Bank Management, said some NBFIs are witnessing a shortage of eligible MDs because there are too many financial institutions given the size of the economy.

Currently, there are more than 100 financial institutions, including banks, in Bangladesh whereas in the 1980s, the number was eight to 10, he said.

"We don't need so many financial institutions."

According to Choudhury, there is a dearth of skilled executives at financial institutions. As a result, some NBFIs have appointed people with a lower level of skills, leading to a fragile condition of the sector.

The analyst pointed out that some NBFIs can't pay salaries to their staff because of their weak financial health.

"As a result, they are being forced to run the companies through mid-level officials as part of their efforts to reduce operational costs."

"Besides, skilled and experienced financial sector professionals don't want to work for a sector that is facing an image crisis."

A former MD of an NBFIs says as many NBFIs are in bad shape, the job of a CEO has become difficult.

"These companies are struggling to regain their good health and the salary packages are not attractive enough for the experienced professionals to assume the risk."

The official said there are several restrictions in the new Finance Companies Act that have limited business opportunities for the sector.

BB's initiative to find MDs for NBFIs

The BB is now working to form a panel to find experienced bankers to appoint them as the MDs in the NBFIs.

The regulator has already sent letters to six banks citing the names of the officials who qualify to lead the ailing NBFIs.

The six banks are Sonali Bank, Rupali Bank, Agrani Bank, Janata Bank, Utara Bank and Pubali Bank.

"We have already received some CVs from experienced bankers who wanted to lead the NBFIs," said Mezbaut Haque of the BB.

Mohammed Nurul Amin, an independent director and the chairman of FAS Finance, said they have sought an extension of the deadline from the BB to appoint an MD to June this year.

"We have no intention to raise the operational expenses, so a DMD is serving as the acting MD."

"Now we are not getting deposits and the loan recovery is not satisfactory."

Daudkandi to Tripura

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with different states and neighbouring countries through roadways, waterways, railways and airways.

"Currently, we have six highways and a few more will come up. We have been connected with different places of the country through railways. We had never thought that the Rajdhani Express would run here. We had never dreamt of waterways

connectivity to Bangladesh," he said.

Sarbananda Sonowal, union minister for ports, shipping and waterways of India, who joined the inauguration virtually, unveiled different projects worth Rs 308 crore, including upgraded terminals at Karimganj and Badarpur, a passenger-cargo terminal at Bogibeel near Dibrugarh in Assam and the inland water transport terminal at Sonamura.

HSBC reports record profit

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It also announced a fourth quarterly dividend of \$0.31 per share, bringing the total dividend for 2023 to \$0.61 per share.

HSBC said the profits included a "favourable year-on-year impact" of \$2.5 billion due to the sale of its French retail banking operations, as well as a \$1.6 billion provisional gain recognised on its acquisition of Silicon Valley Bank UK.

The profits were partly offset by a

\$3 billion impairment charge related to its holding in China's Bank of Communications - which helped tank HSBC's fourth-quarter profits by 80 percent to \$1 billion.

HSBC said it maintains a 19 percent interest in the Bank of Communications, adding that the Shanghai-based lender "remains a strong partner in China, and we remain focused on maximising the mutual value of our partnership".

Quinn told Bloomberg the impairment charge was a "technical accounting issue" and had no impact on HSBC's capital position.

Shares of HSBC in Hong Kong dipped by nearly four percent at the close on Wednesday.

Quinn said the bank remains "confident in the resilience of the Chinese economy, and the growth opportunities in mainland China over the medium to long term".

Group chairman Mark Tucker noted that China's recovery after reopening was "bumpier than expected", and that the five percent growth target of the world's second-largest economy is expected to be maintained this year.

HSBC reported expected credit losses of \$3.4 billion in 2023, which included charges "notably related to mainland China commercial real estate exposures".