

National Bank's losses jump 145% in Q1

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Crisis-ridden National Bank's financial woes have deepened further, as the bank's losses increased by a massive 145 percent year-on-year in the first quarter of 2024.

The loss amounted to Tk 766.29 crore. National Bank's financials in the January-March period paint a grim picture, with the losses growing more than 13 times over the past three years.

The bank reported a loss of Tk 311.85 crore in the first three months of 2023 and another loss of Tk 56.94 crore in the corresponding period of 2022.

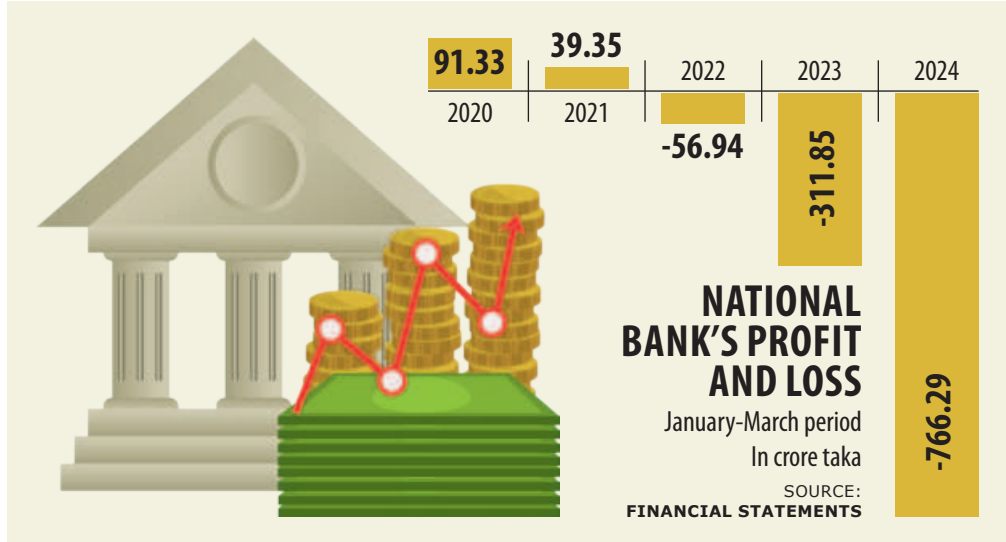
In a statement published on the Dhaka Stock Exchange website yesterday, the bank disclosed its consolidated loss per share to be Tk 2.38, up from Tk 0.97 in the corresponding period last year.

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The bank also said it incurred higher interest expenses on deposits and borrowings. National Bank's consolidated net asset value (NAV) per share tumbled to Tk 4.92 in the first three months of this year from Tk 11.92 in the corresponding period of last year, as per its unaudited financial statements.

The bank attributed an operating loss to the significant decrease in its NAV.



"Nevertheless, the new board and the new management are exerting maximum efforts to improve the financial health of the bank by streamlining recovery drives and mobilisation of low-cost deposits," added National Bank.

National Bank is the first fully-owned private bank in Bangladesh that began its journey in 1983. It flourished as one of the largest and most prominent private lenders in Bangladesh. However, its financial health started deteriorating after 2009 when Sikder Group took control.

In 2022 and 2023, the bank suffered a combined loss of Tk 4,758 crore, with a high amount of classified loans regarded as one of the factors behind the abysmal performance.

Default loans of National Bank accounted for 25 percent of the loans it had disbursed at

the end of 2022. Its classified loans stood at Tk 6,658 crore in 2022, accounting for 15.76 percent of the total loans and advances of the bank.

The prospect of a merger between National Bank and United Commercial Bank sparked panic among customers about the bank's financial stability, leading to a significant withdrawal of deposits recently.

On May 6, Bangladesh Bank dissolved the National Bank's board of directors, with Parveen Haque Sikder losing the post of director.

The restructuring came after the now-defunct board split over the bank's merger with United Commercial Bank. Three independent directors, including the National Bank chairman, resigned over the issue.

Oil prices steady

REUTERS, London

Brent oil futures held steady on Thursday, bolstered by signs of stronger demand in the US after slower than expected inflation in April and lower oil stocks in the past week.

Brent crude futures fell 25 cents, or 0.3 percent, to \$82.50 a barrel by 0951 GMT. US West Texas Intermediate crude (WTI) shed 26 cents, or 0.33 percent, to \$78.37.

Brent had touched an intra-day low of \$81.05 on Wednesday - the lowest the front-month futures contract has traded since February 26 - but recovered to about 0.5 percent higher on the day.

Honda doubling investment in EVs

AFP, Tokyo

Honda announced plans Thursday to double investment in electric vehicles to \$65 billion by 2030 as the Japanese auto giant seeks to go fully electric.

The company is aggressively pursuing a target set three years ago of achieving 100 percent EV sales by 2040.

In April, it announced the largest auto investment in Canada's history with a new US\$11 billion EV battery and vehicle assembly plant.

The company also has a partnership in EVs with Sony, and is exploring collaboration with rival Nissan as they face a "once-in-a-century" upheaval in the car industry.

Analysts have said the move is aimed at catching up with Chinese EV competitors such as Beijing-backed automakers such as BYD speed

ahead of global rivals.

"Honda is planning to invest approximately 10 trillion yen in resources... through 2030, when the period of full-fledged popularisation of EVs is expected to start," a statement said.

The automaker had previously allocated five trillion yen to EV tech in the medium-term.

Honda wants to "establish a competitive business structure with an aim to reduce overall production cost by approximately 35 percent", it said Thursday.

And "as of 2030, Honda will reduce the cost of the battery to be procured in North America by more than 20 percent compared to the cost of current batteries".

By 2030 the company is aiming for electric vehicles and fuel-cell EVs to account for 40 percent of global sales.

The world's auto giants are increasingly prioritising electric and hybrid vehicles, with demand growing for less polluting models as concern about climate change grows.

At the same time, however, there has been a slowdown in the EV market on the back of consumer concern about high prices, reliability, range and a lack of charging points.

China overtook Japan as the world's biggest vehicle exporter in 2023, helped by its dominance in electric cars.

When Honda released its earnings last week, it said it expected overall vehicle sales in the United States and Japan to grow this financial year, but predicted sales in the rest of Asia would ease.

Honda plans to produce around two million EVs per year by 2030.

Table with 2 columns: ১. সংশ্লিষ্ট কার্যক্রম (Related Activities) and ২. কার্যক্রমের বিবরণ (Description of Activities). Lists various government services and their details.

US consumer inflation eases slightly in Apr

AFP, Washington

US consumer inflation eased slightly last month, according to government data published Wednesday, in a positive sign for President Joe Biden ahead of November's election.

The data supports his administration's messaging that the US economy has turned a corner, as it looks to quell consumers' concerns about the impact of rising prices going into an expected rematch against former president Donald Trump.

US stock markets set new records in New York following the publication of the inflation data, as hopes rose that the Federal Reserve would start cutting interest rates in the coming months.

The annual consumer price index (CPI) came in at 3.4 percent in April, down 0.1 percentage point from March, the Labor Department said in a statement.

This was in line with the median forecast of economists surveyed by Dow Jones Newswires and the Wall Street Journal. Monthly inflation came in at 0.3 percent, slightly below expectations.

"I know many families are struggling, and that even though we've made progress we have a lot more to do," Biden said in a statement, adding: "Prices are still too high."

But Trump, his likely Republican opponent, said in a statement that American workers and families were "literally paying the price for Joe Biden's failed economic policies, with prices on household essentials like gas, food, rent and diapers skyrocketing."

Amnesty

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Apart from the amnesty's discontinuation, the NBR may bring changes in a provision in the law that enables undeclared income to be legalised when invested in buildings and flats, according to the NBR.

As per the income tax law, any such investment

"will be considered as ones which have already gone through the process of their source being explained" with field officials of the tax administration if a specified amount of tax is paid per square metre area of flats or buildings.

The rate of taxes varies depending on the location of the flats or buildings.

Bangladesh could earn billions from carbon trade: experts

STAR BUSINESS REPORT

Bangladesh could earn a few billion US dollars from global carbon trading each year if carbon reduction projects are properly implemented in the country, according to speakers at a discussion.

The global carbon trading market was worth \$4.5 trillion in 2022 and may reach \$8.98 trillion by 2050, they said.

However, Bangladesh is not ready to tap into this market as it lacks the adequate information, legal framework and expertise required from both the public and private sectors, they added.

Carbon trade is the buying and selling of credits that permit a company or other entity to emit a certain amount of carbon dioxide and other greenhouse gases.

In case a company or entity does not need their excess credits, then they can sell it to another company or entity for actual money.

Each carbon credit is measured as 1 tonne of carbon dioxide, with the International Monetary Fund having proposed an average price of \$75 per unit.

However, the unit price varies in different parts of the world depending on the demand.

So far, Bangladesh has only earned a few hundred million US dollars from carbon markets.

But as the country is one of the lowest carbon emitters in the world, accounting for only 0.5 percent of global emissions, it has the potential to earn significantly more.

In a presentation, Eun Joo Allison Yi, senior environment specialist of the World Bank, called for strengthening environmental governance and accounting systems.

Additionally, Yi stressed the need for enabling energy independence through energy efficiency and trade in renewable energy, and to promote

inclusive connectivity through green transport and logistic systems.

She also suggested investing in new green industries and human capital to promote job creation and green innovation, fostering liveable green cities through urban regeneration and building new smart cities.

Yi was speaking as a panellist at a discussion on the "Application of Carbon Financing: Challenges and Policy Options for Bangladesh" at the Bangladesh Institute of International and Strategic Studies (BISS) in Dhaka yesterday.

Shams Mahmud, director of the Bangladesh Garment Manufacturers and Exporters Association, said garment factories can be run with green energy but fabric production requires fossil fuel.

He said many special economic zones (SEZs) are not yet ready for industrial units even though the central bank already said the setting up of new industries will not be allowed outside of SEZs.

State Minister for Finance Waseqa Ayesha Khan said the government aims to meet 40 percent of the country's energy requirement from renewable sources by 2041.

Mahfuz Kabir, research director of the BISS, presented the keynote paper, titled "Pathways of Carbon Financing: Imperatives for Bangladesh".

In his presentation, Kabir said the existing buyers of carbon credits include Microsoft, Shell, BP, Nestle, Amazon, Delta Airlines, United Airlines, Coca-Cola, JP Morgan, and Goldman Sachs.

Some countries that buy carbon credits include Canada, the US, China, South Korea, New Zealand, Kazakhstan, the UK, Norway, Sweden, Spain, Portugal, France, Ireland, Italy, Greece and Iceland.

Besides, garment exporters in Bangladesh are also potential buyers of carbon credits, he added.

Government of the People's Republic of Bangladesh. Local Government Engineering Department. Office of the Executive Engineer. District: Rangpur. Specific Procurement Notice. Contract Title: "Package W-25; Construction of Rural Road and Drainage Culverts (Rangpur District)".