

Eurozone Q2 economic growth revised down

AFP, Brussels

The eurozone economy's growth in the second quarter this year was slightly smaller than previously estimated after the EU's statistics agency on Friday revised its data.

The 20-country single currency zone's recorded economic growth of 0.2 percent between April and June from the previous quarter, down from the 0.3 percent estimate in July.

Eurostat also revised its figure for the 27-country European Union's economy, which expanded by 0.2 percent, slightly lower than the previous estimate of 0.3 percent.

Analysts surveyed by FactSet and Bloomberg had forecast the eurozone economy to grow by 0.2 percent before the first estimate was published in July.

The revisions will likely add to concerns about the eurozone, especially over Germany, Europe's largest economy, which is weighing on the area's performance.

Walton declares 350% cash dividend

STAR BUSINESS DESK

Walton Hi-Tech Industries has declared a 350 percent cash dividend for its general shareholders for the financial year 2023-24, despite adverse economic situations.

General shareholders will get a cash dividend of Tk 35 per share.

But, sponsors and directors have opted for a 200 percent cash dividend for the same period, meaning that sponsors and directors of the company will get Tk 20 cash dividend per share.

These decisions were made after the review and approval of the audited financial statements for the year ending June 30, 2024, by the board of directors at their 40th board meeting at the company's head office in Dhaka, said a press release.

To approve the dividend and financial statements, Walton has scheduled an annual general meeting on October 29, 2024. The record date is September 30, 2024.

According to the company's disclosure,

its operating profit margin improved while finance costs decreased in FY 2023-24 compared to the previous fiscal year. As a result, net profit after tax increased by Tk 573.85 crore to Tk 1,356.53 crore.



Thus, the company's earnings per share rose to Tk 44.78 for the year ending June 30, 2024, from Tk 25.84 in the same period of the previous year.

The company reported a net asset value per share of Tk 379.30 with revaluation and Tk 277.86 without revaluation for the year ending June 30, 2024.

These figures were higher than the corresponding values of Tk 343.73 with revaluation and Tk 242.18 without

revaluation for the previous year.

The company's net operating cash flows per share (NOCFPS) stood at Tk 56.96 for the year ending June 30, 2024 -- down from Tk 111.84 in the previous year.

The decline in NOCFPS was due to increased payments to suppliers and the government. These payments were necessary for input purchases and sustained sales growth.

Company sources said their efficient management was able to reduce operating cost in various sectors despite adverse situations, resulting in the company's various financial indicators having also improved greatly.

Also, the company's profit increased at the expected rate due to the increase in sales following expansion of business in domestic and international markets.

Walton management expressed optimism that the company will be able to maintain the profit growth in the coming years.

Abdul Awal new chairman of Mercantile Bank risk management committee

STAR BUSINESS DESK



Mohammad Abdul Awal (Sumon) has been elected the chairman of the risk management committee of Mercantile Bank PLC.

The election was held at the bank's 448th board meeting in Dhaka recently, the bank said in a press release.

Awal, former chairman of Express Insurance Limited, is the managing director of Synthia Securities Limited.

He is involved in different financial institutions and businesses.

He is a member of non-profit organisation 'Abdur Razzak and Mohammad Selim Foundation'.

Awal has a deep affinity for socio-cultural activities and linked with various organisations, including Dhaka Club Ltd, Dhanmondi Club Ltd and Gulshan North Club.

Meghna Bank, Sheba sign MoU on service benefits

STAR BUSINESS DESK

Meghna Bank PLC has recently signed a memorandum of understanding (MoU) with Sheba.XYZ, an on-demand service delivery platform in Bangladesh.

Kimiwa Saddat, deputy managing director of the bank, and Ronald Micky, chief operating officer of the on-demand service delivery platform, penned the MoU at the bank's head office in the capital's Gulshan, the bank said in a press release.

Under this agreement, the bank's cardholders and employees will enjoy special service benefits on the platform.

Moksedur Rahman, head of cards (in-charge) of the bank, and Sultanul Arefin Sunny, head of alliance, and Faisal Ibna Islam, manager of corporate sales of Sheba.XYZ, along with other senior officials from both the organisations were also present.



PHOTO: MEGHNA BANK

Kimiwa Saddat, deputy managing director of Meghna Bank, and Ronald Micky, chief operating officer of Sheba.XYZ, pose for photographs after signing a memorandum of understanding at the bank's head office in Gulshan recently.

China pauses gold purchases

REUTERS

China's central bank held back on buying gold for its reserves for a fourth straight month in August, official data showed on Saturday.

China's gold holdings stood at 72.8 million fine troy ounces at the end of last month. The value of the gold reserves, however, rose to \$182.98 billion compared with \$176.64 billion at the end of July.

Gold prices have been rising this year amid bets that US rate cuts are imminent and due to safe-haven demand driven by geopolitical and economic uncertainty, with central banks making robust purchases.

Community Bank holds its 56th board meeting



Inspector General of Police Md Mainul Islam, chairman of Community Bank Bangladesh PLC, presides over the bank's 56th board meeting at the Police Headquarters in Dhaka recently.

PHOTO: COMMUNITY BANK BANGLADESH

STAR BUSINESS DESK

Community Bank Bangladesh PLC held its 56th board meeting at the Police Headquarters in Dhaka recently.

Inspector General of Police (IGP) Md Mainul Islam, who is the chairman of the bank, presided over the meeting, said a press release.

During the meeting, a number of important decisions were taken about the investment proposals and different policy agenda of the bank, the press release added.

Abu Hasan Muhammad Tarique, additional IG (finance) of Bangladesh Police, Md Tawfique Mahub Chowdhury, additional IG, Shoeb Reaz Alam, deputy IG for development revenue-1, Md Aminul Islam, DIG (admin), Quazi Zia Uddin, DIG (human resources), Muntashirul Islam, additional DIG (police welfare trust), and Sufian Ahmed, additional DIG (DC, Dhaka Metropolitan Police), attended the meeting.

Al-Arafah Islami Bank opens its 224th branch in Chandpur

STAR BUSINESS DESK

Al-Arafah Islami Bank PLC opened its 224th branch in Chandpur recently.

Farman R Chowdhury, managing director and CEO of the bank, inaugurated the branch as the chief guest, the bank said in a press release.

Chowdhury said that the country's socioeconomic development is possible along with halal business management through Islamic banking system.

"The country's Islamic banking system has already succeeded in proving that," he said.

Later, he explained various statistics of the bank and assured the best services for its clients.

Shabbir Ahmed, additional managing director of the bank, and Md Aminul Islam Bhuiyan, Syed Masudul Bari, Muhammed Nadim, Md Abdullah Al Mamun, Md Fazlur Rahman Chowdhury, and Md Asaduzzaman Bhuiyan, deputy managing directors, were present.

Abdur Rahim Duany, senior executive vice president and Sylhet zonal head, presided over the ceremony, where Subhash Chandra Roy, senior vice-president of the Chandpur Chamber of Commerce and Industries, Md Nuruzzaman, manager of Chandpur branch at Islami Bank Bangladesh PLC, ANM Nurur Rahman, lecturer of Hajiganj Aliya Madrasa, also attended.



Farman R Chowdhury, managing director and CEO of Al-Arafah Islami Bank PLC, cuts a ribbon to inaugurate a branch in Chandpur as chief guest from the bank's head office in Dhaka recently.

PHOTO: AL-ARAFAH ISLAMI BANK

Eastern Bank opens 38th sub-branch at Chandaikona

STAR BUSINESS DESK

Eastern Bank PLC recently opened its 38th sub-branch at Chandaikona of Raiganj upazila in Sirajganj.

M Khorshed Anowar, Eastern Bank's retail and SME banking head, inaugurated the sub-branch, the bank said in a press release. The bank has been gradually expanding its sub-branch network to provide banking facilities across the country. As part of it, it opened the branch to provide banking services to the doorsteps of the customers, the press release added.

Istiaq Ahmed, head of outstation, along with other senior officials of the bank, and local dignitaries were also present.



M Khorshed Anowar, head of retail and SME banking of Eastern Bank PLC, cuts a ribbon to inaugurate its 38th sub-branch at Chandaikona of Raiganj upazila in Sirajganj recently.

PHOTO: EASTERN BANK

Interest rate spread rises to highest level

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Various bankers said troubled banks have not hiked the interest on deposits and savers there are facing difficulty in withdrawing their deposits. However, they increased the interest rate on loans.

"They are practically not giving any loans. What we see is paperwork," said a top banker on condition of anonymity.

Ali said the profits of some banks have increased because of the higher spread.

"Because of goodwill, we are getting fixed deposits every day. So, driven by markets, we are bringing down the interest rate. However, we have not increased the rate on loans to that extent," he added.

Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank PLC, said the spread between deposits and loans has increased due to low rates offered by some foreign banks.

"Their cost of deposits is much lower than ours. Their organisations are lean and have a small number of branches. Besides, they get some deposits automatically," he added.

Rahman also said that amid concerns regarding the health of

banks, savers now look for sound banks to park their funds.

"Besides, many individuals now invest in government treasury bonds to reap the benefit of high interest rates and avoid risk," he added.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said the high spread hurts both depositors and borrowers.

He believes the interest rate spread in developing countries like Bangladesh should not cross 5 percent.

"The best would be to keep the gap at 4 to 4.5 percent in line with international best practices," he said.

"Otherwise, the widened gap indicates the inefficiency of the financial sector. It shows that they [banks] are depending on interest incomes. Banks should maintain a rational spread," Hossain added.

The Bangladesh Bank data shows that the spread between weighted average deposits and advances stood at 6 percent, excluding the high interest-bearing credit card. However, the gap widens further to 6.11 percent if the interest rates for consumer credit are taken out of the overall weighted average rates.

National Bank's new board

FROM PAGE B4

To deceive shareholders, the bank showed the due interests in the interest income. As it was shown as income, the bank had to pay 40 percent income tax to the government, and they also paid the dividend.

So, its impact was Tk 4,800 crore on the bank, he said.

"If we say that there were irregularities in the bank, it would be underestimated, it was actually robbed."

Most importantly, everything was

done in the bank, be it giving loans, interest waivers or loan write-offs, it was done either with the permission of the Bangladesh Bank or with the knowledge of the regulator.

"And it [the regulator] has not taken any action against them," Mintoo said.

Mintoo was elected president of the Federation of Bangladesh Chambers of Commerce and Industry in 1998 for the first time and re-elected in 2003. He is the author of several books, including "Bangladesh: Anatomy of Change".

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 7, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 64-Tk 80	4.35 ↑	9.09 ↑
Coarse rice (kg)	Tk 52-Tk 55	2.88 ↑	9.18 ↑
Loose flour (kg)	Tk 38-Tk 45	-2.35 ↓	-12.63 ↓
Lentil (kg)	Tk 105-Tk 110	0	10.26 ↑
Soybean (litre)	Tk 148-Tk 158	2.00 ↑	-2.86 ↓
Potato (kg)	Tk 55-Tk 60	0	32.18 ↑
Onion (kg)	Tk 110-Tk 120	0	35.29 ↑
Egg (4 pcs)	Tk 52-Tk 55	2.88 ↑	3.88 ↑

SOURCE: TCB