

*Following is a summary of important business news published in the leading daily newspapers of Bangladesh. For the complete news, please follow the online link given below each news. Please note that the news summary doesn't reflect the opinion of BRAC EPL Stock Brokerage Limited.*

### **Moratorium helps banks' NPL shrink further**

- The size of the banks' non-performing loans (NPLs) shrank further at the end of the fourth quarter of 2020. The suspension of the usual practice of classifying loans that had been put into effect by the central bank in March last year following the outbreak of Covid-19 was largely responsible for the shrinking of the NPL. The Bangladesh Bank (BB) has started preparing a consolidated statement of non-performing loans (NPLs) covering both domestic and offshore banking units from the final quarter of the last calendar year, officials said.
- The share of NPLs in the total outstanding loans came down to 7.66% as of December 31 in 2020 from 8.89% a year before, according to a consolidated statement of such loans. Such consolidated statement of classified loans will be continued in the coming quarters in line with our policy on offshore banking operations, a senior central banker said. On the other hand, the share of classified loans in the total outstanding loans came down to 8.06% as of December 31 in 2020 from 9.32% in the same period of the previous calendar year, according to the statement that excludes the offshore banking operations.
- The central bank earlier prepared two statements of classified loans separately for domestic banking units and offshore banking units, they explained. The classified loans cover substandard, doubtful and bad/loss portions of total outstanding credit, which reached BDT 11587.75 billion as of December 31 on a consolidated basis. But the amount was BDT 10957.73 billion excluding offshore banking operations. The amount of NPLs fell by more than 6.0% or BDT 60.49 billion to BDT 882.82 billion excluding offshore banking operations as of December 31 from BDT 943.31 billion a year ago, the latest BB data showed. BB spokesperson said that loan moratorium facility from January 01 to December 31 has helped reduce the amount of classified loans in the banking sector.

<https://today.thefinancialexpress.com.bd/first-page/moratorium-helps-banks-npl-shrink-further-1612893405>  
<https://www.thedailystar.net/business/news/default-loans-drop-relaxed-policies-2042241>  
<https://www.newagebd.net/article/129730/defaulted-loans-decline-to-BDT-88283-crore-in-dec>  
<https://www.dhakatribune.com/business/2021/02/10/default-loans-ebb-in-2020-but-bankers-are-not-rejoicing>

### **Loan release thru agent banking surges in Oct-Dec**

- Loan disbursement through the banks' agent banking wings increased by 525.07% or BDT 7.70 billion year-on-year in the October-December period of 2020 as the system became a much more cost-efficient way of availing banking services compared with branch-based banking. The latest Bangladesh Bank data showed that the banks disbursed BDT 9.17 billion in loans to the customers through the agent banking wings during the last quarter of 2020 against their disbursement of BDT 1.46 billion in the same period of 2019. Of the disbursements made in the October-December period of 2020, the banks disbursed BDT 5.07 billion for the rural areas against their disbursements of BDT 4.10 billion for the urban areas.
- In October-December of 2019, the banks' loan disbursement for the rural and urban areas were BDT 889 million and BDT 578 million respectively. Apart from loan disbursement, the agent banking wings have also emerged as a cost-efficient way of deposit mobilisation for the banks with the volume of deposit collection through agent banking increasing by 107.95% or BDT 81.43 billion within a span of one year at the end of December 2020. Deposit collection by the banks through agent banking reached BDT 156.87 billion at the end of December 2020 from BDT 75.43 billion a year ago.
- Meghna Bank managing director and chief executive officer said that the agent banking service was much effective during the pandemic when the banks were very busy with implementing the stimulus packages. Keeping the factors in consideration, Meghna Bank has filed an application with the central bank for permission to operate agent banking wings.

<https://www.newagebd.net/article/129731/loan-release-thru-agent-banking-surges-in-oct-dec>

### **New definition of CKD to discourage bike manufacturing locally**

- Motorcycle manufacturers have alleged that the new definition of completely knocked-down (CKD) components for two-wheelers will discourage local production and impede the industry's development. Local and foreign investors will no longer be interested in this sector as all the required components to make a two-wheeler can now be imported, said the chairman of Nitol-Niloy Group, which manufactures India's Hero motorbikes in Bangladesh. The National Board of Revenue (NBR) issued a statutory regulatory order (SRO) on January 28, changing the definition of CKDs to include gearbox and speedometer. Now, local assemblers can import engines with the gearbox and speedometer instead of having to purchase them separately.

• Officials of the NBR and related ministries said the SRO would be helpful for local assemblers as all finished components can now be imported. However, a number of industry people say that it would discourage fresh investments. This is because only the distributors of foreign brands which want to sell motorcycles in the local market without making any investment will benefit from this SRO, said the chairman of Nitol-Niloy Group. As per the NBR circular, there is no requirement to manufacture any component locally. On condition of anonymity, an official of a motorcycle manufacturer said that the new definition of CKD actually contradicts the policy as it would discourage local manufacturing.

<https://www.thedailystar.net/business/news/new-definition-ckd-discourage-bike-manufacturing-locally-2042201>

### **BSEC launches digital BO account opening**

• The Bangladesh Securities and Exchange Commission (BSEC) inaugurated the digital Beneficiary Owners' (BO) account opening system on Tuesday, in Dubai as well as at its own premises. Stock market investors, especially non-resident Bangladeshis (NRBs), will now be able to open BO accounts online. To open BO accounts online, investors need to go to the CDBL website and select the "depository participant" option. Then, they need to fill in the necessary information, including their NID card numbers. Some information fills in automatically once investors submit their NID card numbers. After that, they need to fill in banking information and will receive a confirmation message if the information is correct. Investors will also be able to pay BO account fees through online payment systems.

<https://tbsnews.net/economy/stock/bsec-launches-digital-bo-account-opening-199267>

<https://www.newagebd.net/article/129728/bsec-launches-online-bo-account-opening-system>

### **World Stock and Commodities\***

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$58.26	\$9.74	20.07%
Crude Oil (Brent)*	\$61.06	\$9.26	17.88%
Gold Spot*	\$1,839.74	(\$55.36)	-2.92%
DSEX	5,498.54	96.47	1.79%
S&P 500	3,911.23	155.16	4.13%
FTSE 100	6,531.56	71.04	1.10%
BSE SENSEX	51,329.08	3,577.75	7.49%
KSE-100	46,674.77	2,919.39	6.67%
CSEALL	7,963.77	1,189.55	17.56%

### **Exchange Rates**

**USD 1 = BDT 84.54\***

**GBP 1 = BDT 116.81\***

**EUR 1 = BDT 102.45\***

**INR 1 = BDT 1.16\***

*\*Currencies are taken from XE Currency Converter and Commodities are taken from Bloomberg.*

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