

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.

Bank deposits grow by 13.5% in 2020, Islamic banks fare better

- Deposit growth in the country's banking sector was 13.5% in 2020, while the growth rate was 16.67% in Shariah-based banks, according to a Bangladesh Bank report. The growth in deposit and lending growth in Islamic Shariah-based banks was better than the overall growth in the country's banking sector in the year 2020. Deposits in Islamic banks increased by BDT 466.94 billion to BDT 3.26 trillion at the end of December, 2020 from BDT 2.80 trillion a year ago. The BB report also showed that the lending growth in Islamic banks was 11.93% in 2020 compared with 8.14% growth in the overall banking sector in the same period.
- With increasing public interest in the Islamic or Shariah-based banking system, the market share of the Islamic banks against the overall deposits in the banking industry rose to 25.69% at the end of December 2020 from 24.82% a year ago. BB officials, however, said that a strict compliance with rules and regulations had become very much essential for sustainable growth of the Islamic banking sector. As a Muslim-majority country, demand for Shariah-based banking products is on the rise, they said. To reap the benefits of the growing popularity of the Islamic banking segment, two of the country's conventional scheduled banks — NRB Global Bank and Standard Bank — were converted into Islamic banks in February 2020.
- The government has launched Shariah-compliant bond, the Bangladesh Government Islamic Investment Sukuk, and raised BDT 4,000 by issuing the bond in December, 2020. With the growth in market influence of the Islamic banks, the traditional banks are losing market share. Excess liquidity in the Shariah-based banks tripled to BDT 293.17 billion at the December-end quarter of 2020 from BDT 97.32 billion a year ago.

<https://www.newagebd.net/article/134737/bank-deposits-grow-by-135pc-in-2020-islamic-banks-fare-better>

Default loans at NBFIs just keep souring despite loan moratorium

- Default loans at non-bank financial institutions (NBFIs) rose 57.10% last year despite the loan moratorium facility offered by Bangladesh Bank. As of December last year, non-performing loans (NPLs) in the 33 NBFIs in the country stood at BDT 100.53 billion, which are 15.02% of the total outstanding loans, according to the provisional data from the central bank. The NBFIs' defaulted loans stood at BDT 63.99 billion at the end of December 2019.
- Earlier on March 24 last year, as the coronavirus pandemic was putting down its roots in Bangladesh, the central bank asked the NBFIs to keep classification unchanged until June to help borrowers tide over the economic shock. The loan moratorium facility was extended until the end of 2020. It was a bad year for the financial sector and we were not able to increase the lending portfolio during the last year, said the managing director of National Housing Finance and Investment Ltd. Loan recovery from borrowers is also unsatisfactory in the overall NBFIs sector, except two or three NBFIs, as a large number of borrowers have lost their ability to repay the loans owing to the pandemic, said he added.
- They hope that the rising number of NPLs would reduce in the current year, said National Housing Finance MD. The sector is facing an image crisis owing to the four or five NBFIs, said another managing director of a NBFIs, seeking anonymity. He said that the government and the central bank should take initiative to reconstruct those ailing NBFIs for the betterment of the entire NBFIs sector.

<https://www.dhakatribune.com/business/2021/04/07/default-loans-at-nbfis-just-keep-souring-despite-loan-moratorium>

Floor price removed for 66 listed firms

- The Bangladesh Securities and Exchange Commission (BSEC) yesterday lifted the floor price for 66 listed companies as it moved to put an end to its efforts to stop shares from any freefall. Analysts, merchant bankers and asset managers welcomed the decision. But retail investors questioned the timing of the removal of the floor price as coronavirus infections are surging across the country. In the first phase, we have decided to withdraw the floor price for 66 listed companies, said the spokesperson of the BSEC. After analysing the impact, the regulator will decide on whether to do the same for other companies, he added.
- The order to scrap the floor price was issued yesterday. In it, the BSEC said that it took the decision in the interest of investors and the development of the capital market. The companies were selected from all the sectors. A merchant banker said a floor price could not remain in place all the time. It was criticised by foreign investors too. On the other hand, examples of floor prices are rare in the world, so this cannot be expected anymore, he said. As our investors are sensitive, lifting the floor price will be done in several phases. This is a good decision, the merchant banker said.

<https://www.thedailystar.net/business/news/floor-price-removed-66-listed-firms-2073981>

<https://today.thefinancialexpress.com.bd/stock-corporate/floor-prices-of-66-issues-lifted-after-one-year-1617808071>
<https://www.dhakatribune.com/business/stock/2021/04/07/decision-taken-to-raise-floor-prices-of-66-companies>
<https://www.newagebd.net/article/134734/bsec-lifts-floor-prices-of-66-cos>
<https://www.tbsnews.net/economy/stock/bsec-exempts-66-firms-floor-price-barrier-228421>

BSEC approves country's first green zero coupon bond

• Bangladesh Securities and Exchange Commission (BSEC) has approved the country's first green zero-coupon bond with the help of which Sajida Foundation will raise a fund of BDT 1.00 billion. Face-value of the country's first bond is BDT 1.0 million. With the bond proceeds, Sajida Foundation would finance its micro credit activities, through which environmental development would be ensured. The tenure of the unsecured, non-convertible, and fully redeemable bond is two years, the BSEC said in a press release. The bond would be issued to financial institutions, insurance companies, corporations, and individuals with a high net worth through private placement.

<https://www.thedailystar.net/business/news/bsec-approves-countrys-first-green-zero-coupon-bond-2073969>
<https://www.dhakatribune.com/business/2021/04/07/country-to-get-1st-green-bond-via-sajida-foundation>
<https://www.tbsnews.net/economy/stock/first-ever-green-bond-bangladesh-approved-sajida-foundation-228406>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$59.37	\$10.85	22.36%
Crude Oil (Brent)*	\$62.74	\$10.94	21.12%
Gold Spot*	\$1,735.16	(\$159.94)	-8.44%
DSEX	5,337.33	(64.74)	-1.20%
S&P 500	4,079.95	323.88	8.62%
FTSE 100	6,885.32	424.80	6.58%
BSE SENSEX	49,661.76	1,910.43	4.00%
KSE-100	43,953.58	198.20	0.45%
CSEALL	7,310.26	536.04	7.91%

Exchange Rates

USD 1 = BDT 84.72*
GBP 1 = BDT 116.47*
EUR 1 = BDT 100.52*
INR 1 = BDT 1.14*

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

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