

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.

Bangladesh Bank (BB) relaxes unclassified consumer loans provisioning

- The central bank has significantly cut provisioning against unclassified loans of all categories under consumer financing, excluding house finance aiming to expedite the flow of consumer loans in the banking system. Now the scheduled banks will have to maintain 2.0% general provision instead of 5.0% earlier against such unclassified loans under consumer financing, according to a notification issued by the Bangladesh Bank (BB) on Tuesday. In case of house finance, the required rate of general provision will remain the same at 1.0%, it added.
- Such relaxation will help banks reduce their cost of funds for loans under consumer financing, an executive director of the BB said. The central bank expects that the banks would encourage such financing with taking advantage of policy relaxation in near future. The growth in credit flow to the private sector stood at 9.36% in August 2020 on a year-on-year basis against 9.20% a month ago, according to the central bank's latest statistics. This growth was 2.14% points lower than the BB's target of 11.50% for the first half (H1) of fiscal year (FY) 2020-21.
- The growth in credit flow to the private sector stood at 9.36% in August 2020 on a year-on-year basis against 9.20% a month ago, according to the central bank's latest statistics. This growth was 2.14% points lower than the BB's target of 11.50% for the first half (H1) of fiscal year (FY) 2020-21. A former chairman of the Association of Bankers, Bangladesh (ABB), welcomed the BB's latest move, saying that it will help boost retail loans in near future.

<https://today.thefinancialexpress.com.bd/last-page/bb-relaxes-unclassified-consumer-loans-provisioning-1603217453>

<https://www.dhakatribune.com/business/2020/10/20/central-bank-lowers-provisioning-against-unclassified-loans-to-boost-consumer-spending>

<https://tbsnews.net/economy/banking/central-bank-decreases-provisioning-rate-unclassified-consumer-financing-147625>

<https://www.thedailystar.net/business/news/bb-relaxes-provisioning-consumer-loans-1981641>

Tax revenue collection gradually getting pace

- Tax revenue collection started gaining momentum gradually after the Covid-19 pandemic fallout, posting 4.11% growth in the first quarter (Q1) of the current fiscal year (FY), 2020-21, compared to that of the corresponding period last year. In the month of September, the National Board of Revenue (NBR) achieved 10.76% growth in revenue collection, compared to that of the matching period last year.
- Revenue collection growth was 7.85 per in the month of August. However, the National Board of Revenue (NBR) posted a negative growth of 6.77% in revenue collection in the month of July. Of its three wings, VAT Wing posted 1.19% growth, Customs Wing 6.78%, and Income Tax Wing 4.92% in July-September period. The NBR collected an aggregate amount of revenue worth BDT 499.89 billion in Q1 against BDT 480.17 billion in the same period last year, according to its provisional data.

<https://today.thefinancialexpress.com.bd/first-page/tax-revenue-collection-gradually-getting-pace-1603216940>

<https://www.thedailystar.net/business/news/tax-collection-jumps-september-1981645>

Deadline extended to apply for cash assistance against exports

- The Bangladesh Bank has extended the deadline to apply for cash assistance by 45 days as many exporters have failed to submit their applications due to the Covid-19 pandemic. The newly circular also said all other directives of the department regarding cash assistance against exports would remain unchanged. In this regard, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President said that it will help the manufacturers affected by the novel coronavirus pandemic.
- For the 2019-20 fiscal year, the government has allocated BDT 66.25 billion cash assistance against 37 export sectors. In the 2018-19 fiscal year, BDT 40.00 billion was spent in this sector. From the beginning of the last fiscal year (2019-20), export income was on the decline. The outbreak of the pandemic in Europe and the US earlier this year had a negative impact on export earnings. In the 2019-20 fiscal year, the export earnings stood at USD 33.67 billion, decreasing by about 17% as compared to the previous fiscal year.

<https://tbsnews.net/economy/trade/deadline-extended-apply-cash-assistance-against-exports-147601>

NBFIs lose deposits worth BDT 3.80 billion amid pandemic

- The non-bank financial institution (NBFIs) industry, which had been going through de-growth in deposits since December last year – following the liquidation of People's Leasing and Finance Limited – continued to suffer from deposit losses amid the novel coronavirus pandemic. The sector lost BDT 3.80 billion in deposits in the April-June

quarter of this year as depositors went on a withdrawal spree in the wake of the pandemic as well as the lowering of the interest rate on deposits.

- Total deposits in the NBFi industry were worth BDT 432.64 billion at the end of June, down from BDT 436.44 billion in March. The size of total loan book also declined slightly by BDT 610 million in the period, as lending activities were almost suspended due to Covid-19. The total loan portfolio of the NBFi industry stood at BDT 695.11 billion at the end of the first half of this year. The sector had been witnessing a declining trend in deposits since December last year as both banking and NBFi industries experienced huge withdrawal pressure – following the central bank's announcement People's Leasing would be liquidated.

<https://tbsnews.net/economy/stock/nbfis-lose-deposits-worth- BDT 380cr-amid-pandemic-147307>

Regent Textile to buy own entity with IPO fund

- Regent Textile Mills, a listed company, will acquire 99% shares of Legacy Fashion at a value of BDT 830.115 million based on net asset value reported in the financial statement for the year ended on 30th June, 2020. Legacy Fashion, a 100% export oriented and fully compliant RMG company, was established in 2006. Regent Textile Mills has also informed that they will invest BDT 800.00 million in RMG business that was approved by the shareholders of the company in the EGM held on 27th August, 2020 and rest of the amount from other sources. Regent Textile Mills, presently a 'B' category company, was listed on the stock exchanges in 2015.

<https://today.thefinancialexpress.com.bd/stock-corporate/regent-textile-to-acquire-99pc-shares-of-legacy-fashion-1603211351>

<https://tbsnews.net/economy/stock/regent-textile-buy-own-entity-ipo-fund-147622>

<https://www.thedailystar.net/business/news/regent-textile-acquire-legacy-fashion- BDT -83cr-1981637>

Bangladesh Lamps reports higher loss per share

- Bangladesh Lamps Limited is a manufacturer and supplies “Transtec” electric light bulb across the country Bangladesh Lamps Limited, a sister concern of Transcom Group, has reported a loss per share at BDT 9.88 for the year ended June 30, 2020, resulting in a BDT 13 loss compared to BDT 3.12 in earnings per share in the previous year. Amid declining profitability, the company's board of directors on Monday declared a 10% cash dividend for the last fiscal year, which was their lowest in the last five years.

- The final approval will come during the annual general meeting (AGM) scheduled to be held on December 15 virtually. The record date is November 12. Bangladesh Lamps has reported net asset value (NAV) per share of BDT 59.98 and net operating cash flow per share (NOCFPS) of BDT 14.70 for the year ended on June 30, 2020.

<https://www.dhakatribune.com/business/stock/2020/10/20/bangladesh-lamps-reports-higher-loss-per-share>

Genex Infosys to provide RPA services to Banglalink

- Genex Infosys Limited, the largest publicly listed IT company of the country was recently awarded by the leading Telecom Provider Banglalink Digital for providing Robotic Process Automation (RPA) Services. Genex will automate multiple business processes for Banglalink using world's top RPA platform UiPath to accelerate the digital transformation journey. Genex Infosys Limited has been one of the early players in Bangladesh to work with RPA, from having a top-notch dedicated team to working in partnership with Tech Giants such as UI Path, the company has invested a greater portion of its time and effort to the future of RPA in Bangladesh.

<https://today.thefinancialexpress.com.bd/stock-corporate/genex-infosys-to-provide-rpa-services-to-banglalink-1603211426>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$41.45	(\$20.18)	-32.74%
Crude Oil (Brent)*	\$42.93	(\$25.51)	-37.27%
Gold Spot*	\$1,915.62	\$394.15	25.91%
DSEX	4,917.25	464.32	10.43%
S&P 500	3,443.12	212.34	6.57%
FTSE 100	5,889.22	(1,697.83)	-22.38%
BSE SENSEX	40,544.37	(1,097.77)	-2.64%
KSE-100	40,956.58	221.50	0.54%
CSEALL	5,934.23	(194.98)	-3.18%

Exchange Rates

USD 1 = BDT 84.69*

GBP 1 = BDT 109.79*

EUR 1 = BDT 100.19*

INR 1 = BDT 1.15*

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

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