

*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.*

### **Banks' capital base strengthens**

- The banking sector's capital base strengthened on paper in the second quarter of the year after some banks were allowed to keep their provisioning against default loans in phases. Besides, some lenders also recovered a good amount of fund from defaulted loans, which has made their capital base stronger than a quarter earlier. As of June this year, banks' capital adequacy ratio (CAR), which determines the adequacy of banks' capital in keeping with their risk exposure, stood at 11.74%, up from 11.41% three months earlier and 10.11% a year earlier, according to data from the central bank.
- The country's banking sector has failed to maintain CAR as per the roadmap set by the central bank for implementation of Basel III this year, said a central bank official with strong knowledge on the matter. From the first quarter of the year, banks were asked to maintain CAR at 12.50% in line with the global best practices. But the banking sector has failed to achieve the global benchmark for CAR thanks to 11 banks, including seven state-owned lenders.

<https://www.thedailystar.net/business/news/banks-capital-base-strengthens-1798189>

### **Bangladesh Bank (BB) rejects telcos' inclusion in agent banking service**

- Bangladesh Bank has rejected a plea of Bank Asia, a private commercial bank, to run its agent banking service through outlets of two mobile phone operators — Grameenphone and Robi. A BB official said that the decision was made based on a policy of the central bank regarding the telecom operators. Ensuring safety and security of banking information was another reason for the rejection, he said. Apart from these, allowing GP and Robi to tie up with Bank Asia in running agent banking could create a state of uneven competition for the other agent banking operators in the country, he said.
- Facilities like cash deposit and withdrawal, remittance and small-scale loan disbursement, recovery of loans and cash payments under the government's social safety net programme were proposed to be offered through the agent banking wings if GP and Robi were allowed to operate the service. Earlier, the telecom operators had expressed their eagerness to run mobile financial service but the central bank issued the MFS guidelines, barring the telecom operators from becoming part of MFS. A customer can send BDT 1,000 with BDT 2.5 as charge through agent banking whereas transferring same amount of money through mobile financial service costs up to BDT 18.
- Due to the cost-effectiveness, deposits in agent banking accounts and number of the accounts have been growing rapidly. The amount of deposits by agent banking account holders increased by 162.54% to BDT 52.84 billion at the end of June of FY19 from BDT 20.13 billion a year ago. Besides, the number of accounts rose by 92.22%, or 1.64 million, to 3.42 million in FY19 from 1.78 million in the previous fiscal year. The BB has so far allowed 21 banks to run agent banking service under the agent banking guidelines in 2013. Of them, 19 banks have already started running the service.

<http://www.newagebd.net/article/84114/bangladesh-bank-rejects-telcos-inclusion-in-agent-banking-service>

### **Germany plans to set up Mercedes, BMW assembling plant in Bangladesh**

- Finance minister said that Germany had proposed setting up a plant for assembling BMW or Mercedes-Benz cars in the country. The largest economy of Europe also expressed willingness to work on jute with Bangladesh. The minister said that Germany had assured that it would help Bangladesh retain generalised system of preference facility in the European Union market. He said the German businesses wanted to establish car assembling plant and follow progressive method like their plant in Thailand to assemble cars.
- He noted that the proposal for the assembling plant was good since the price of BMW and Mercedes-Benz would come down in the country. He also said that the German businesses delegation would have a meeting with prime minister to win a green signal to their proposal on establishing the car assembling plant. He said that Germany's other proposal of working on jute was welcome news for the government since the management of jute industry had become difficult. He said the German auto giants were utilising environment-friendly jute in car's interior.

<http://www.newagebd.net/article/84112/germany-plans-to-set-up-mercedes-bmw-assembling-plant-in-bangladesh>  
<https://www.thedailystar.net/business/news/germany-set-bmw-assembly-plant-kamal-1798171>

### **Teletalk adds 0.4 million, Robi loses 0.2 million users in July**

- Robi Axiata, the country's second largest mobile phone operator, lost 0.2 million subscribers while state-owned

Teletalk added 0.39 million subscribers in July this year. A Bangladesh Telecommunication Regulatory Commission report showed that the number of mobile phone subscribers increased by 0.35 million to 162.1 million at the end of July this year from 161.8 million a month ago. Out of the four active mobile phone operators, the number of subscribers of three operators — Teletalk, Grameenphone and Banglalink — increased in July and the rest one, Robi, lost subscribers in the month. As a result, the subscriber base of Robi dropped to 47.7 million from 47.9 million.

- Teletalk's subscriber base, however, remained the smallest among the four operators despite the gain in July. The number of subscribers of the operator increased to 4.23 million at the end of July this year from 3.84 million a month ago. With addition of 0.10 million subscribers in July, the subscriber base of Grameenphone, the largest operator, increased to 75.4 million from 75.3 million. Banglalink's subscriber base increased by 49,000 to 34.7 million from 34.6 million. Another BTRC report showed that the number of country's internet subscribers dropped by 23,000 in July, bringing down the number to 96.1 million. The number of active internet subscribers of mobile phone operators remained almost static at 90.4 million due to a fall in subscriber base by 7,000 the BTRC report showed.

<http://www.newagebd.net/article/84116/teletalk-adds-4-lakh-robi-loses-2-lakh-users-in-july>

#### World Stock and Commodities\*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$57.86	+0.46	+0.80%
Crude Oil (Brent)*	\$62.81	+0.43	+0.69%
Gold Spot*	\$1,491.21	+5.43	+0.37%
DSEX	5,008.97	-24.83	-0.49%
Dow Jones Industrial Average	26,909.43	+73.92	+0.28%
FTSE 100	7,267.95	+32.14	+0.44%
Nikkei 225	21,514.14	+122.04	+0.57%
BSE SENSEX	37,233.58	+88.13	+0.24%

#### Exchange Rates

USD 1 = BDT 84.60\*

GBP 1 = BDT 104.49\*

EUR 1 = BDT 93.48\*

INR 1 = BDT 1.18\*

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

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