

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.

NPLs down by BDT 219.57 billion in 3 months

- Defaulted loans crept up last year despite the government's attempts to subdue them. A record BDT 501.86 billion was rescheduled last year, often by breaching banking norms, and yet defaulted loans hit BDT 943.13 billion at the end of 2019, up 0.42% year-on-year, according to data from the Bangladesh Bank.
- Defaulted loans, however, decreased last year in proportion to total outstanding loans: it stood at 9.32%, down from 10.30% at the close of 2018. Of the sum regularized in 2019, BDT 185.84 billion was done under the central bank's relaxed loan rescheduling policy that was announced on May 16 last year. The policy allowed defaulters to reschedule their classified loans with a down payment of just 2% of the outstanding amount instead of the existing 10-50%. The banks recovered only BDT 4.79 billion as down payment from the loans rescheduled under the relaxed policy.
- BB data showed more than 50% of the defaulted loans were with the eight state-run banks. As of December, the eight banks had BDT 480.57 billion of defaulted loans, down 10.14% year-on-year. The 41 private banks together had defaulted loans amounting to BDT 441.74 billion, up 16% from a year earlier.

<https://www.thedailystar.net/frontpage/news/defaulted-loans-still-going-1869460>
<https://thefinancialexpress.com.bd/trade/troubled-loans-slump-in-q4-1581998346>

Square Pharma to set up subsidiary worth BDT 3.50 billion

- Square Pharmaceuticals decided to establish a subsidiary company named - Square Lifesciences Ltd- to manufacture pharmaceuticals oral solid dosage products. Initial estimated total project cost will be BDT 3.50 billion to be financed by internally generated funds by the Square Pharmaceuticals and sponsors of Square Lifesciences Ltd. The company is expected that the project would be completed by June 2023.

<https://today.thefinancialexpress.com.bd/stock-corporate/square-pharma-to-set-up-subsiadiary-worth-BDT-350b-1581962215>

Government extends tenure of Fazle Kabir as Bangladesh Bank governor

- The government has extended the tenure of Bangladesh Bank (BB) Governor Dr Fazle Kabir for three months, according to a circular of the Public Administration Ministry issued on Sunday. As per the circular, the government approved the contractual appointment of the governor until he reaches the age limit for retirement at 65.
- Fazle Kabir started his professional career in 1980 in the Railway Transportation and Commercial cadre of Bangladesh Civil Service. In 1983, he joined the BCS Administration cadre. During his 34 years of civil service, Kabir held various key positions in different ministries and also in the field administration.

<https://www.today.thefinancialexpress.com.bd/last-page/govt-extends-tenure-of-fazle-kabir-as-bb-governor-1581961892>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$51.67	-0.38	-0.73%
Crude Oil (Brent)*	\$57.06	-0.61	-1.06%
Gold Spot*	\$1,586.76	+5.63	+0.36%
DSEX	4768.14	+33.98	+0.72%
Dow Jones Industrial Average	29,398.08	-25.23	-0.09%
FTSE 100	7,433.25	+24.12	+0.33%
Nikkei 225	23,237.44	-285.80	-1.22%
BSE SENSEX	41,055.69	-202.05	-0.49%

Exchange Rates**USD 1 = BDT 85.01*****GBP 1 = BDT 110.55*****EUR 1 = BDT 92.09*****INR 1 = BDT 1.19***

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

IMPORTANT DISCLOSURES

Analyst Certification: Each research analyst and research associate who authored this document and whose name appears herein certifies that the recommendations and opinions expressed in the research report accurately reflect their personal views about any and all of the securities or issuers discussed therein that are within the coverage universe.

Disclaimer: Estimates and projections herein are our own and are based on assumptions that we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation of the purchase or sale of any security. As it acts for public companies from time to time, BRAC-EPL may have a relationship with the above mentioned company(s). This report is intended for distribution in only those jurisdictions in which BRAC-EPL is registered and any distribution outside those jurisdictions is strictly prohibited.

Compensation of Analysts: The compensation of research analysts is intended to reflect the value of the services they provide to the clients of BRAC-EPL. As with most other employees, the compensation of research analysts is impacted by the overall profitability of the firm, which may include revenues from corporate finance activities of the firm's Corporate Finance department. However, Research analysts' compensation is not directly related to specific corporate finance transaction.

General Risk Factors: BRAC-EPL will conduct a comprehensive risk assessment for each company under coverage at the time of initiating research coverage and also revisit this assessment when subsequent update reports are published or material company events occur. Following are some general risks that can impact future operational and financial performance: (1) Industry fundamentals with respect to customer demand or product / service pricing could change expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes; (3) Unforeseen developments with respect to the management, financial condition or accounting policies alter the prospective valuation; or (4) Interest rates, currency or major segments of the economy could alter investor confidence and investment prospects.

BRAC EPL Stock Brokerage Limited

Research

Ayaz Mahmud, CFA	Head of Research	ayaz.mahmud@bracepl.com	01708 805 221
Sadman Sakib	Research Associate	sadman.sakib@bracepl.com	01730 727 939
Md. Rafiqul Islam	Research Associate	mrafiqulislam@bracepl.com	01708 805 229
Md. Mahirul Quddus	Research Associate	mmahirul.quddus@bracepl.com	01709 636 546

International Trade and Sales

Ahsanur Rahman Bappi	Head of International Trade & Sales	bappi@bracepl.com	01730 357 991
----------------------	-------------------------------------	--	---------------

BRAC EPL Research www.bracepl.com

121/B Gulshan Avenue
Gulshan-2, Dhaka
Phone: +880 2 881 9421-5
Fax: +880 2 881 9426
E-Mail: research@bracepl.com