

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.

Chinese state co shows interest in building longest ever bridge

- A leading state-owned construction company of China has submitted its 'Letter of Interest' to build what will be the longest ever bridge of the country to connect Bhola with Barisal. The government has initiated a USD 3.0-billion bridge construction project to connect the island district of Bhola, surrounded by river and sea, with the mainland. The name of the project is 'Construction of Bhola Bridge on Barisal Bhola Road over the rivers Tetulia and Kalabador.' Once built, the 9.2-kilometre bridge will dwarf the one being built over the Padma River.

<http://today.thefinancialexpress.com.bd/last-page/chinese-state-co-shows-interest-in-building-longest-ever-bridge-1563212687>

Sharp rise in public bank bad loans

- Bad loan in half a dozen state-owned banks including scam hit Sonali, Janata and BASIC increased by 51.82 billion in January-March period as the recovery efforts were slowed down due to an impending new loan restructuring policy adopted in May, experts said. Five state-owned commercial banks Sonali, Janata, Agrani, Rupali, BASIC and the specialized Bangladesh Development Bank Ltd, however, showed unwillingness by the borrowers to clear debts and stay order from the High Court as the reasons for the recent sharp rise in bad loans in their portfolios.

- A former Bangladesh Bank governor said that the sharp rise in defaulted loan in the state-owned banks was not surprising as the overall loan recovery was slowed down against the impending new loan rescheduling policy. The new loan rescheduling policy allowing errant borrowers to pay only 2% down payment of outstanding loan against the previous 11 to 12% has been made effective by the Bangladesh Bank last week. But much before the new policy, which was adopted by Bangladesh Bank in May, borrowers stopped making payment on debts, he said.

<http://www.newagebd.net/article/78624/sharp-rise-in-public-bank-bad-loans>

Banks, NBFIs, other agencies asked to freeze accounts of 11

- The government has asked scheduled banks, non-banking financial institutions (NBFIs) and other financial reporting agencies to freeze the accounts of nine former directors and two other high officials of People's Leasing and Financial Services Limited (PLFSL). The order would apply to former directors, who had been on the PLFSL's board until 2015, officials said.

- The former directors are restrained by an order of injunction from withdrawing any money or security from the accounts maintained by them with any bank, financial institution, brokerage house, merchant banks, central depository, cooperative society or other similar institutions. They are also restrained from disposing of any property as assets, movable or immovable. The HC also approved a BB plea to appoint a liquidator for the PLFSL. The newly-appointed liquidator for the PLFSL is now taking preparations for starting his work within this week formally, according to another BB official.

<http://today.thefinancialexpress.com.bd/first-page/banks-nbfis-other-agencies-asked-to-freeze-accounts-of-11-1563212308>

<https://www.dhakatribune.com/business/banks/2019/07/15/bangladesh-bank-freezes-all-people-s-leasing-accounts>

<https://www.thedailystar.net/business/news/order-issued-freeze-accounts-11-former-directors-officials-1772095>

<http://www.newagebd.net/article/78611/bfiu-bars-banks-nbfis-from-transactions-with-plfs>

Prospects of paint industry

- Manufacturing in the binuclear paint industry of Bangladesh mainly takes place in megacities like Dhaka and Chattogram. This industry has virtually doubled in size over the last 10 years, creating direct employment opportunities for thousands of people while indirectly providing livelihoods to many. In Bangladesh, the annual consumption of paints currently stands at about 180,000 tonnes. The sector recorded an over 6% year-on-year growth in recent times thanks to the rapid urbanisation in a country of around 167.8 million people. The market blessed with high growth potential and congenial atmosphere has helped paint manufacturers strengthen their foothold in the south Asian country with innovative solutions and services, according to Bangladesh Paint Manufacturers' Association.

- The experts and real estate sector leaders believe local and foreign investments have enabled the paint industry to achieve an annual growth of around 7-8% on average. The BDT 37 billion industry in Bangladesh remains highly competitive with the presence of over 45 operational entities. In 2017 alone, the industry contributed over BDT 5.5 billion to the national exchequer in the form of taxes. The sector is expected to grow by 8 to 10% per annum as there is

scope for increase in consumption backed by economic growth.

<https://www.thedailystar.net/business/news/prospects-paint-industry-1772083>

Bangladesh Bank finds irregularities in sanctioning BDT 4 billion in loans by Islami Bank Bangladesh Limited (IBBL)

- A Bangladesh Bank investigation has found irregularities in sanctioning loans worth BDT 4 billion by Islami Bank Bangladesh Limited (IBBL) to an entity and one individual for purchasing commercial floor space worth around BDT 4 billion at the Jamuna Future Park in capital Dhaka. The central bank (BB) has found that the investment decision made by IBBL was a complete deviation from banking rules and due diligence, BB sources said. The irregularities came to the BB's knowledge when Islami Bank sanctioned BDT 4 billion in loans for Rongdhanu Builders Private Limited, which is owned a former director of scam-hit Farmers Bank (renamed as Padma Bank), and for his brother this year.

- In late 2016 and early 2017, S Alam Group bought a significant amount of shares of IBBL through a number of companies and virtually took control of the bank. The bank has been mired in crisis and controversies since the takeover by the Group. Apart from IBBL, S Alam Group has control over Social Islami Bank, First Security Islami Bank, Al-Arafah Islami Bank, Union Bank, Bangladesh Commerce Bank and NRB Global Bank.

<http://www.newagebd.net/article/78605/bb-finds-irregularities-in-sanctioning-BDT-400cr-in-loans-by-ibbl>

Sea Pearl Beach makes trading debut today

- Sea Pearl Beach Resort & Spa Ltd. makes its share trading debut under 'N' category on both the bourses today (Tuesday). The Sea Pearl Beach, the owner of "Royal Tulip Sea Pearl Beach Resort & Spa in Cox's Bazar", is a luxury hotel in Bangladesh, which started commercial operation on September 17, 2015. The Sea Pearl Beach Resort raised a fund worth BDT 150 million from the capital market by floating 15 million ordinary shares at a face value of BDT 10 each using the fixed-price method.

- The company's pre-IPO paid-up capital is BDT 1.0 billion and authorised capital is BDT 2.0 billion. The company will use the IPO fund for interior, finishing, furniture & fixture (157 rooms), acquisition of land, and bearing the IPO expenses. As per un-audited financial reports, the company's profit after tax was BDT 61.06 million and basic EPS of BDT 0.61 for the nine months (July 2018- March 2019) against profit after tax of BDT 39.65 million and basic EPS of BDT 0.67 for the same period of the previous year.

- However, Post-IPO EPS would be BDT 0.53 for nine months (July 2018-March 2019) period ending on 31 March 2019. Pre-IPO net asset value (NAV) per share (considering Pre-IPO paid-up shares) would be BDT 11.09 as on 31 March 2019 and the same would be BDT 10.95 (considering Post-IPO paid-up shares). Banco Finance and Investment Ltd and Prime Bank Investment Ltd are jointly working as the issue manager for the IPO process.

<http://today.thefinancialexpress.com.bd/stock-corporate/sea-pearl-beach-makes-trading-debut-today-1563210305>

<https://www.dhakatribune.com/business/stock/2019/07/15/sea-pearl-beach-resort-starts-share-trading-on-bourses-on-tuesday>

World Stock and Commodities*

Index Name	Close Value	Value Change	% Change
Crude Oil (WTI)*	\$59.56	-0.02	-0.03%
Crude Oil (Brent)*	\$66.53	+0.05	+0.08%
Gold Spot*	\$1,413.47	-0.66	-0.05%
DSEX	5,091.48	-88.01	-1.70%
Dow Jones Industrial Average	27,359.16	+27.13	+0.10%
FTSE 100	7,531.72	+25.75	+0.34%
Nikkei 225	21,549.06	-136.84	-0.63%

Exchange Rates

USD 1 = BDT 84.45*

GBP 1 = BDT 105.69*

EUR 1 = BDT 95.09*

INR 1 = BDT 1.23*

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

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