

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 up despite relaxed loan classification

- The amount of classified loans in the banking sector increased slightly in the first quarter (Q1) of the current calendar year despite providing policy support by the central bank in relation to loan classification. The volume of non-performing loans (NPLs) grew by more than 7.0% or BDT 63.51 billion to BDT 950.85 billion during the January-March period of 2021 from BDT 887.34 billion in the preceding quarter. The share of NPLs also rose to 8.07% of the total outstanding loans in the Q1 of 2021 from 7.66% in the previous quarter - as per consolidated statement of classified loans covering both domestic and offshore banking units. It was 9.03% as on March 31, 2020.
- The amount of classified loans increased by nearly 3.0% or BDT 25.74 billion to BDT 950.85 billion in the Q1 of 2021 compared to the same period of the previous calendar year. The amount of NPLs was BDT 925.11 billion as on March 31, 2020. The classified loans cover substandard, doubtful and bad/loss portions of the total outstanding credit, which reached BDT 11,776.58 billion as on March 31 on a consolidated basis. It was BDT 11,587.75 billion three months before. The central bank spokesperson said that the amount of classified loans would decrease in the second quarter (Q2) of this year, if the banks strengthen their recovery drives.

<https://today.thefinancialexpress.com.bd/first-page/npls-up-despite-relaxed-loan-classification-1623780995>
<https://www.dhakatribune.com/business/banks/2021/06/15/npls-rise-by-6-351c-in-q1-21>
http://www.newagebd.net/article/140874/defaulted-loans-surge-by-BDT_-6802cr
<https://www.thedailystar.net/business/news/bad-loans-rise-payment-holiday-ends-partially-2111873>

Private banks overtake state-owned banks in defaulted loans

- Private banks have been overburdened with defaulted loans and the amount of such loans in these banks is higher than that of state-owned banks this year. At the end of March, the rate was 20.91% in government banks and 5.13% in private banks. However, in proportion to the total loans disbursed, the rate of default is much higher in government banks. According to data provided by central bank sources on Tuesday, the default in private banks stood at BDT 450.90 billion while in state-owned banks it stood at BDT 434.50 billion at the end of March.
- At the end of December last year, the default rate of private banks was less than that of government banks. At that time, the default in private banks was BDT 403.61 billion and in state-owned banks, it was BDT 422.73 billion. Meanwhile, non-performing loans of private banks increased by BDT 47.28 billion and those of state-owned banks increased by BDT 30.69 billion from January to March. A former chairman of the Association of Bankers Bangladesh said that since the amount of loans disbursed by private banks is higher than that of government ones, the number of defaulters is also increasing.

Dhaka Chamber President said that when an organisation declares a dividend, it is based on the previous year's performance. In this case, too, the effect of Covid-19 is visible this year. It may increase further. He added that traders are continuing production only to keep the business running. But due to the overall sluggishness in demand, just as sales of goods have declined, so has the collection of sales. As a result, banks are having problems paying the instalments.

<https://www.tbsnews.net/economy/banking/private-banks-overtake-state-owned-banks-defaulted-loans-261469>

No floor price facility for newly listed companies: Bangladesh Securities and Exchange Commission (BSEC)

- The Bangladesh Securities and Exchange Commission has decided not to offer the floor price facility to newly listed companies. Previously, floor prices for newly listed companies were face value for companies coming through fixed price method or cut-off price for companies coming through book building method and last trading price for companies coming from the over-the-counter market as per the BSEC instruction, DSE officials said. In lieu of the floor price mechanism, regular circuit breaker will be imposed on the new and relisted companies, they said.

<http://www.newagebd.net/article/140870/no-floor-price-facility-for-newly-listed-companies-bsec>

Intech restructures board to revive business

- Poorly performing IT firm Intech Limited has restructured its board by electing a new chairman and a vice chairman to revive its business. According to the Dhaka Stock Exchange (DSE) website, the new board has elected Barrister Khandaker Reza-E-Raquib, a current sponsor shareholder of Modhumoti Bank, as the chairman and Atiqul Alam Chowdhury, director of S Alam Group, as the vice chairman. Early this year, people involved in Chattogram-based conglomerate S Alam Group and KDS Group joined the Intech board as part of complying with the regulatory provision

of jointly holding 30% of the company's shares by the shareholder directors.

<https://www.tbsnews.net/economy/corporates/intech-restructures-board-revive-business-261457>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$72.76	\$24.24	49.96%
Crude Oil (Brent)*	\$74.65	\$22.85	44.11%
Gold Spot*	\$1,854.48	(\$40.62)	-2.14%
DSEX	6,022.31	620.24	11.48%
S&P 500	4,246.59	490.52	13.06%
FTSE 100	7,172.48	711.96	11.02%
BSE SENSEX	52,773.05	5,021.72	10.52%
KSE-100	48,632.56	4,877.18	11.15%
CSEALL	7,605.53	831.31	12.27%

Exchange Rates

USD 1 = BDT 84.81*

GBP 1 = BDT 119.41*

EUR 1 = BDT 102.81*

INR 1 = BDT 1.16*

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

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