

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 raises dividend payment limit for banks

- The central bank has decided to increase by 5.0% points the maximum ceiling of dividend offered by banks to the shareholders. If implemented, the banks would be able to declare maximum 35% dividend from the existing level of 30%, officials said. Under the existing provision, the banks having capacity to keep 15% or more in capital reserve against all risk-weighted assets, including 2.5% capital conservation buffers, will be allowed to provide 30% dividend, including 15% cash dividend, according to a notification, issued by the BB, on February 07.
- We may issue another notification soon to clarify the maximum limit of dividend, announced by non-banking financial institutions (NBFIs), a central banker said without elaborating. The circular issued earlier allowed the listed banks to pay a maximum of 30% dividend. He said the listed non-bank financial institutions (NBFIs) could pay a maximum of 15% cash dividend as per another circular issued by the central bank on February 24.

<https://today.thefinancialexpress.com.bd/first-page/bb-raises-div-payment-limit-for-banks-1615830045>
<https://www.thedailystar.net/business/news/bb-let-banks-nbfis-pay-higher-dividends-2061289>
<https://www.tbsnews.net/economy/banking/banks-highest-dividend-ceiling-be-revised-35-216940>
<https://www.dhakatribune.com/business/stock/2021/03/16/banks-allowed-35-cash-dividend>

Government bank borrowing turns negative in July-February

- The government's borrowing from the banking sector turned negative in the July-February period of the current fiscal year 2020-2021 amid heavy sales of national savings certificates and low spending on implementation of the annual development programme amid the COVID-19 outbreak. Bangladesh Bank data showed that the government repaid BDT 119.40 billion in bank loans in the eight months of FY21. For FY21, the government's budgetary projection was to borrow BDT 849.80 billion from the banking sector for deficit financing. The government's record BDT 802.38 billion borrowing in the FY 2019-20 was the reason for setting high bank borrowing target, officials said.
- The government also anticipated that NSC sales, another source for the government to borrow fund, would remain low, they said. In FY20, the net sales of NSC dropped to BDT 144.28 billion from BDT 499.39 billion in FY19. National Savings Directorate showed that the net sales of NSCs reached BDT 257.02 billion in July-January of the current fiscal year as investors found no other high-yielding investment product than the NSC. NSC sales in the first seven months of FY21 were higher by BDT 57.02 billion than the government's budgetary target of BDT 200.00 billion.
- With the government's repayment in July-February of FY21, the government's outstanding bank borrowing dropped to BDT 1.65 trillion at the end of February 28, 2021 from BDT 1.77 trillion at the end of June, 2020. Scheduled banks issued BDT 310.93 billion in credit to the government in the July-February period.

<https://www.newagebd.net/article/132825/government-bank-borrowing-turns-negative-in-july-february>

Reserve use for development funding begins

- The first ever loan from the country's foreign exchange reserves was made available to a state agency for implementation of its development project on Monday. In the maiden allocation, a project for capital and maintenance dredging of Rabnabad channel of Payra seaport received money from the central bank's reserves through a newly-formed facility known as 'Bangladesh Infrastructure Development Fund' (BIDF). A trilateral agreement was signed between the finance division, Payra Port Authority (PPA), and Sonali Bank Ltd at the Bangladesh secretariat for the allocation of money from the fund.
- Under the agreement, the Payra port will get 524.56 million euros at 2.0% interest rate with a grace period of three years. It will repay the loan in seven years in six monthly installments. Port and power sector projects will primarily be financed from the fund where the government plans to provide USD 2.0 billion or equivalent in foreign currency.
- Foreign currency reserve went up even during the Covid-19 pandemic, the PM said, adding the government has thought about the potential use of this foreign currency to move out from loan dependency rather make instances of own financing or loan. She said the government has framed the BIDF keeping the foreign currency reserve to meet the country's import cost of six months considering frequent natural calamities in the country and utilise the surplus reserves for 'profitable' development work.

<https://today.thefinancialexpress.com.bd/first-page/reserve-use-for-dev-funding-begins-1615829899>

Public hearing on telecom services on March 30

- Bangladesh Telecommunication Regulatory Commission (BTRC) is going to hold a public hearing on March 30 to understand users' experiences on quality of telecom services, according to an announcement published on its website on Monday. Due to the Covid-19, the commission had to cancel the third public hearing on service quality of telecom operators scheduled for 30 March 2020 - the same date last year. BTRC Deputy Director said that the commission had decided to host the event to learn directly from the users about their experiences over the quality of services of telecom operators and also to know users' perception of BTRC.

- Mobile phone subscribers increased by 4.5 million and internet subscribers by 11 million during this time period, said the BTRC. In the past one and a half years, around 3.5 million phones were manufactured locally in the country and a total of 12 mobile phone factories were approved to run operations.

<https://today.thefinancialexpress.com.bd/trade-market/public-hearing-on-telecom-services-on-march-30-1615825932>

BTRC to set up QoS benchmarking system

- The Bangladesh Tele-communication Regulatory Commission (BTRC) is set to install a state-of-the-art benchmarking system to strengthen the commission's capacity to monitor service quality of its licensees. The BTRC, on January 21, started conducting a six-month drive test in 300 upazilas across the country to measure the quality of services of the mobile operators.

- According to the BTRC policy, an operator's call success rate should be 97% or more, call drop should be less than 2.0%, and call setup time should be completed within seven seconds. Besides, the minimum speed of 3G data should be 2.0 Megabits per second (Mbps) and that of 4G data should be 7.0 Mbps. The test will produce monthly reports, and the companies concerned will be notified if they cannot meet the service quality standard set by the commission. In Dhaka, Grameenphone and Robi met the benchmark, while Banglalink was providing service at 6.49 Mbps, and Teletalk at 4.85 Mbps. In Barishal, all the four failed to meet the 4G internet speed.

<https://today.thefinancialexpress.com.bd/trade-market/btrc-to-set-up-qos-benchmarking-system-1615825898>

Agrani Bank sole supplier of forex for Padma bridge

- Agrani bank is the sole supplier of foreign currencies to the Padma bridge project and made payments of USD 1.2 billion to international contractors and consultancy firms as of December last year. It came up with the greenbacks from its own earnings over the last seven years. It did not have to buy any foreign currency from the reserve of the Bangladesh Bank to finance one of the largest infrastructure projects in the country, said Agrani Bank officials. The bank will pay a further USD 700 million in foreign currency by this June. The rest of the payments will gradually be made until June 2022. The government pays back Agrani in local currency for the dollars.

- The total cost for the 6.15km bridge is BDT 301.93 billion, or USD 3.56 billion. Of this, USD 2.4 billion needs to be paid in foreign currency and the rest in the local currency, according to the Bridges Division, the implementing authority of the project. Starting with USD 6.26 million in 2013, Agrani Bank has so far paid out USD 1.2 billion. Last year, it contributed USD 126 million, according to the bank's data.

<https://www.thedailystar.net/business/news/agrani-bank-sole-supplier-forex-padma-bridge-2061309>

Listing of perpetual bonds must by 30 days of subscription closure

- Perpetual bonds issued by banks must be listed on the stock exchanges within 30 days of their subscription closure, as decided by the Bangladesh Bank and the Securities and Exchange Commission (BSEC) in a meeting on Monday. The capital market regulator is set to come up with detailed instructions in this regard, said the BSEC executive director and the spokesperson. The deadline for making the bonds tradable in the secondary market will be set on a case-to-case basis, but the commission is convinced that 30 days are grossly enough for listing, he said. The move comes to offer investors the freedom to exit with ease any day.

- Earlier, in July last year, BSEC decided all the perpetual bonds issued by banks must be tradable in the main board of a local bourse. Since mid-2020, commercial banks have begun to get regulatory approval for perpetual bonds and eight banks are collecting BDT 36.00 billion in total through the newly popularised instrument. The City Bank Ltd is going to arrange the closure ceremony of the first-ever Basel-III complying perpetual bond in the country on Tuesday. And, the others are set to follow through while many more such bonds are in the pipeline.

- The BSEC on Monday also said the money and capital market regulators decided to work together on making the treasury bills and bonds tradeable in the bourses so that different types of investors can invest in the government securities. The meeting also decided in principle to welcome banks' investment in special purpose vehicles, asset-backed securities, diversified debt securities out of their BDT 2.00 billion capital market investment funds the central bank instructed for in early 2020.

<https://www.tbsnews.net/economy/stock/listing-perpetual-bonds-must-30-days-subscription-closure-217003>

World Stock and Commodities*

Index Name	Close Value	Value Change YTD	% Change YTD
Crude Oil (WTI)*	\$64.74	\$16.22	33.43%
Crude Oil (Brent)*	\$68.18	\$16.38	31.62%
Gold Spot*	\$1,732.19	(\$162.91)	-8.60%
DSEX	5,532.97	130.90	2.42%
S&P 500	3,968.94	212.87	5.67%
FTSE 100	6,749.70	289.18	4.48%
BSE SENSEX	50,395.08	2,643.75	5.54%
KSE-100	44,766.59	1,011.21	2.31%
CSEALL	7,160.41	386.19	5.70%

Exchange Rates

USD 1 = BDT 84.62*

GBP 1 = BDT 117.41*

EUR 1 = BDT 100.91*

INR 1 = BDT 1.17*

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

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