

## Economy

### Dollar rates for remittance, export proceeds raised by BDT 1

The exchange rate of dollars for both remitters and exporters has been increased by BDT 1. Banks will offer BDT 108 per dollar for remittance and BDT 106 for export proceeds from Tuesday when the new rate will come into effect.

"It was also decided at the meeting that from now on, a difference of BDT 2 will be maintained in the dollar rate for export proceeds and remittances. That means, if the rate of export proceeds increases, the price of remittance will also increase," said the source.

<https://www.tbsnews.net/economy/banking/dollar-rates-remittance-export-proceeds-raised-tk1-624354>

### Money supply up 9.13% to BDT 17.79 Tn

The total broad money supply (M2) in the banking sector was recorded at about BDT 17.79 Tn in March 2023, showing an annual increase of 9.13%. It was BDT 16.29 Tn in March 2022. The growth was 8.77% in February 2023. The BB officials told the FE that this surge took place due to a rise in net domestic assets. There are two types of assets: net domestic assets (NDA) and net foreign assets (NFA), and money growth comes from the sources.

Government's borrowing through treasury bills and bonds contributed much to the growth of broad money. Dr. Ahsan H. Mansur, executive director of the Policy Research Institute of Bangladesh (PRI), told that the broad money growth is mainly hailing from the NDA. This should have been good once it used to expand based on the NFA. He said this type of growth may affect the balance of payment and destabilise the foreign exchange market. Bangladesh's NDA is now positive, rising by 15.4% in March 2023.

<https://thefinancialexpress.com.bd/economy/bangladesh/money-supply-up-913pc-to-tk-1779-trillion>

### Bangladesh, World Bank sign \$2.25 billion loan agreement for 5 projects

The World Bank will provide \$2.25 billion as a loan to Bangladesh to develop various sectors, including regional trade and connectivity, disaster preparedness and environmental management.

Prime Minister Sheikh Hasina and World Bank President David Malpass were present during the exchanges of the financing agreement.

#### This loan agreement comprises five projects:

- Accelerating transport and trade connectivity in Eastern South Asia (ACCESS) – Bangladesh Phase-1 Project worth \$753.45 million.
- The \$500 million Resilient Infrastructure Building Project (RIVER) for resilience, adaptation and vulnerability reduction that will be the first major investment to support Bangladesh's Delta Plan 2100. It will help improve disaster preparedness against inland flooding.
- The \$500 million First Bangladesh Green and Climate Resilient Development (GCRD) project
- The \$250 million Sustainable Microenterprise and Resilient Transformation (SMART) project
- The \$250 million Bangladesh Environmental Sustainability and Transformation (BEST) project

<https://www.tbsnews.net/economy/bangladesh-world-bank-sign-225-billion-loan-agreement-5-projects-624898>

### **More devaluation this month**

The Bangladesh Bank will devalue the taka again this month in an effort to narrow the gap between the dollar selling rate from reserves and the market rate as a visiting IMF review team has stressed faster implementation of a unified exchange rate to ease pressure on foreign exchange reserves. According to a source within the central bank, the rate at which US dollars are sold from reserves is expected to be raised by BDT 1 to BDT 104 this week, with a further increase to BDT 106 scheduled for June. This will align the central bank's selling rate with the current market average rate.

The taka has already been devalued by 19% over the last year, which has led to an increase in the dollar rate from BDT 86.20 to BDT 103, according to Bangladesh Bank data. Meanwhile, the Bangladesh Foreign Exchange Dealers Association (Bafeda) raised the dollar rate by BDT 1 for both remitters and exporters to BDT 108 and BDT 106, respectively, in a meeting on Sunday, according to sources present at the meeting.

<https://www.tbsnews.net/economy/banking/more-devaluation-month-624458>

## **Banks and NBFIs**

### **Demand for loans falls to 12-month low**

Private sector credit growth in Bangladesh slipped to a 12-month low of 12.03% in March, a development that may hurt GDP growth and job creation. This was the fourth consecutive monthly decline, data from the Bangladesh Bank showed. The credit growth stood at 12.14% in February.

Bankers blamed the liquidity stress in the banking system and banks' cautious approach in disbursing loans amid rising non-performing loans for the deceleration in credit growth. "In addition, non-performing loans in banks are on the rise, so banks are cautious about disbursing loans. This has affected the credit growth."

<https://www.thedailystar.net/business/economy/news/demand-loans-falls-12-month-low-3308511>

### **Mercantile Bank's profit drops by 34% in 2022**

Mercantile Bank's earnings per share (EPS) dropped by 34% in 2022 compared to the previous year. The bank also declared a lower dividend for last year than the previous. According to the bank's price sensitive statement, during last year its EPS was BDT 2.17, which was BDT 3.29 a year ago. The bank also recommended a 10% cash and 2% stock dividends to its shareholders for the last year. It paid a 12.50% cash and 5% stock dividends in 2021.

<https://www.tbsnews.net/economy/stocks/mercantile-banks-profit-drops-34-2022-624342>

### **National Bank incurs BDT 32.60 Bn loss in 2022**

National Bank Limited incurred a huge loss of BDT 32.60 Bn in 2022 as its borrowers could not repay their instalments in time and became classified. In its price sensitive financial statement, the bank said its earnings per share (EPS) was BDT 10.13 negative in the previous year. Its net profit was BDT 380 Mn and EPS was BDT 0.12 in 2021. Due to the high loss, the bank failed to recommend any dividend to its shareholders for the year 2022. Earlier, in 2021, it did not pay any dividend to the shareholders. Besides,

it suffered a severe net operating cash crisis as it reported a net operating cash flow per share of BDT 17.21 negative.

<https://www.tbsnews.net/economy/banking/national-bank-incurs-tk3260cr-loss-2022-624346>

### **Dhaka Bank's EPS decline by 22% in 2022**

Dhaka Bank's earnings per share (EPS) dropped by 22% in 2022 compared to the previous year. According to the bank's price sensitive statement, last year its consolidated earnings per share was BDT 1.76, which was BDT 2.25 a year ago. The bank also recommended 6% cash and 6% stock dividends to its shareholders for the last year. It paid a 12% cash dividend in 2021. To approve the dividends and audited financial statements, the bank will conduct its annual general meeting (AGM) on 18 June. It also set the record date on 22 May for the AGM.

<https://www.tbsnews.net/economy/stocks/dhaka-banks-eps-decline-22-2022-624366>

### **Islami Bank registers dip in profit**

Islami Bank Bangladesh Limited's profit slumped 32.70% year-on-year to BDT 563.5 Mn in the first quarter of 2023. The country's largest Shariah-based bank in terms of deposits made a profit of BDT 837.2 Mn in the January-March quarter of 2022. The bank, thus, recorded BDT 0.35 earnings per share in January-March, down from BDT 0.52 in the same period a year ago, according to a disclosure on the Dhaka Stock Exchange. The net operating cash flow per share became negative in the first quarter. IBBL said its net operating cash flow per share decreased significantly due to an increase in net cash outflows against investments to customers and lower deposits mobilization from customers.

<https://www.thedailystar.net/business/economy/banks/news/islami-bank-registers-dip-profit-3308456>

### **ICB's profit plunges 98pc on market gloom, investments in scam-hit MFs**

Investment Corporation of Bangladesh's profit plunged 98 per cent year-on-year to Tk 2.73 million in the third quarter through March of FY23 for its failure to generate capital gains due to the imposition of floor price. Thus, the consolidated earnings per share were only Tk 0.03 in January-March against Tk 0.26 in the same quarter a year ago, according to a regulatory filing on the Dhaka Stock Exchange on Sunday.

<https://thefinancialexpress.com.bd/stock/bangladesh/icbs-profit-plunges-98pc-on-market-gloom-investments-in-scam-hit-mfs>

## **Stock-Specific News**

### **Crown Cement earnings per share jumps**

Registering a moderate recovery of profitability in the October-December quarter, Crown Cement PLC posted a significant improvement in its profits in the January-March quarter. According to a price sensitive information disclosure, the cement maker's earnings per share (EPS) jumped to BDT 1.52 in the January-March period or the third quarter of the fiscal year, which was BDT 0.16 in the same period last year. For the first nine months of the fiscal year, the EPS improved to BDT 2.16, from BDT 0.91 a year ago.

In the October to December quarter, its EPS was BDT 0.99, while it incurred a loss of BDT 0.36 for the previous three months through September. Its annual loss in the 2021-22 fiscal year was BDT 1.54 per share. In the October to December quarter, its EPS was BDT 0.99, while it incurred a loss of BDT 0.36 for

the previous three months through September. Its annual loss in the 2021-22 fiscal year was BDT 1.54 per share.

<https://www.tbsnews.net/economy/stocks/crown-cement-earnings-share-jumps-623894>

### **S Alam Cold Rolled Steels profit drops 23% in Jan-Mar quarter**

S Alam Cold Rolled Steels Limited's net profit dropped by 23% in the January- March quarter of the fiscal year 2022-23. According to the company's unaudited financial statement filed on the stock exchanges, its earnings per share (EPS) stood at BDT 0.31 during the corresponding quarter, which was BDT 0.40 a year ago at the same time.

At the end of the first nine months of FY2023, its EPS stood at BDT 0.60, which was 3% lower than the previous year over the corresponding period. Besides, S Alam Cold Rolled suffered a severe net operating cash crisis as it reported the net operating cash flow per share was BDT 43.45 negative during the July-March period of FY2023.

<https://www.tbsnews.net/economy/stocks/s-alam-cold-rolled-steels-profit-drops-23-jan-mar-quarter-624110>

### **SQRPHARMA | Square Pharma's profit drops 6.21% in January-March**

Despite more than 8% growth in sales, Square Pharmaceuticals posted a 6.21% year-on-year decline in its net profits for the January-March quarter. The pharmaceuticals market leader posted a quarterly earnings per share (EPS) of BDT 4.83, down from BDT 5.15 over the same period a year ago, according to a price sensitive information statement.

However, due to the earnings growth over the first half, its EPS inched up to BDT 16.82 for the first nine months of the fiscal year, from BDT 16.03 a year ago. However, due to the earnings growth over the first half, its EPS inched up to BDT 16.82 for the first nine months of the fiscal year, from BDT 16.03 a year ago.

<https://www.tbsnews.net/economy/stocks/square-pharmas-profit-drops-621-january-march-624306>

### **ACI profit drops 21% due to high production costs**

The consolidated earnings per share (EPS) of ACI Limited decreased by 21% year on year in the third quarter of the fiscal year due to high production costs. From January to March quarter, its consolidated earnings per share (EPS) was Tk 0.33, which was Tk 0.42 in the same period of the previous year. From July to March period, its consolidated per share loss was Tk 1.45, which was a profit of Tk 5.67 from one year ago.

<https://www.tbsnews.net/economy/stocks/aci-profit-drops-21-due-high-production-costs-624914>