

## Economy

### Forex reserve inches up \$30b mark after receiving World Bank support

Bangladesh's foreign exchange reserve has increased to \$30.36 billion which was \$29.78 billion just a day ago. "Currently the country's reserves amount to \$30.36 billion. Which was \$29.78 billion a day ago. Bangladesh received \$507 million as budget support from the World Bank," said Bangladesh Bank spokesperson Mezbaul Haque on Wednesday (10 May).

<https://www.tbsnews.net/economy/forex-reserve-increases-3036-billion-629278>

### Cenbank gains BDT 277.61 Bn from taka devaluation in 9 months FY23

The Bangladesh Bank earned BDT 277.61 Bn in foreign currency revaluation gain in the first nine months (July to March) of FY23 – the highest ever in a single fiscal year – as taka has been depreciated largely against the dollar. The revaluation gain was BDT 263 Bn in FY22, riding on which the central bank's profit amounted to BDT 292.47 Bn that year. The trend has been continuing amid rising greenback prices.

The central bank built up the country's foreign exchange reserves by buying dollars from banks at the rate of BDT 86-BDT 93 previously, which has been being sold at BDT 100-104 to banks in this fiscal year amid a dollar scarcity, causing huge exchange gains for the authorities. Although the profit from the taka devaluation came at the cost of the entire country's sufferings, the earning has no use as the exchange gain is not distributable profit and the Bangladesh Bank keeps the earnings in its permanent account.

<https://www.tbsnews.net/economy/banking/cenbank-gains-tk27761cr-taka-devaluation-9-months-fy23-629118>

### Next budget business as usual, to see higher interest, subsidy spending

Interest payments for foreign loans, subsidies, and social safety nets are set to increase in the upcoming budget despite the IMF's conditions to reduce them for better fiscal management. The total budget outlay is projected to be BDT 7.64 Tn. While there will be a 14% increase in overall budget allocations, it does not resemble an election-year budget as the allocation for the Annual Development Programme (ADP) is expected to grow by only 11%.

Of the 122 programmes running under the social safety net, the allocation for the next fiscal year will only increase by BDT 50 Bn, a portion of which will be used to pay pensions to government employees. Even so, there will be no new measures in the financial policy to combat high inflation, except for providing assistance to the poor through existing programmes of the social safety net. The finance ministry is fully relying on monetary policy to keep inflation under control.

<https://www.tbsnews.net/economy/next-budget-business-usual-see-higher-interest-subsidy-spending-629134>

### Sugar price may go up by Tk16 per kg

Bangladesh Trade and Tariff Commission has advised the commerce ministry to increase refined sugar prices by Tk16 per kilogram. The recommendation was made considering the continuous price hike of raw sugar in the global market, which affects the national sugar refineries. The hike also aims to facilitate the

opening of Letters of Credit (LCs) for sugar import, according to the trade commission's report collected by The Business Standard from the commerce ministry.

<https://www.tbsnews.net/economy/sugar-price-may-go-tk16-kg-629270>

## Bank

### Bad loans pile up at state banks, eating away profits

Four state-run commercial banks registered 29% year-on-year spike in bad loans in 2022 as the central bank's relaxed classification rules introduced in the wake of the Covid-19 outbreak ended and their inefficient lending persisted. This forced Sonali, Janata, Agrani and Rupali banks to set aside higher provisions. As a result, their collective profits declined more than 24% to BDT 7.03 Bn last year.

The bad loans at the four banks surged to BDT 421.61 Bn last year from BDT 326.18 Bn a year ago, according to financial statements. The loan loss provision, an income statement expense set aside as an allowance for uncollected loans and loan payments, rocketed 35% to BDT 35.43 Bn.

<https://www.thedailystar.net/business/economy/news/bad-loans-pile-state-banks-eating-away-profits-3314761>

## Stock-Specific News

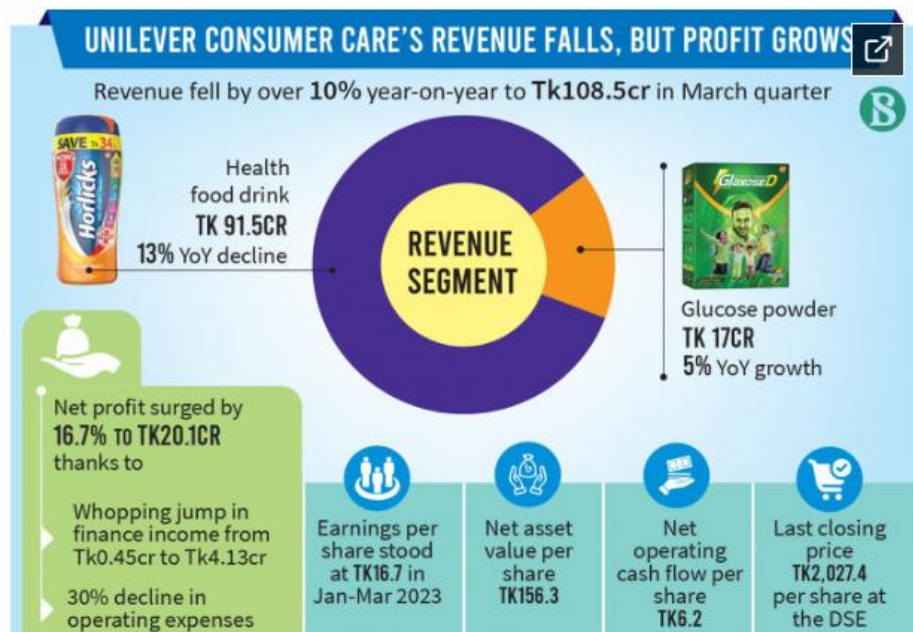
### Eastern Bank's profit declined 10% in Jan-Mar

Eastern Bank Ltd (RBL) posted a 10% year-on-year profit decline in the January to March quarter of 2023. The private sector lender made a consolidated net profit of Tk107.31 crore for the first three months of this year, which was Tk119.11 crore in the same period of the previous year. From January to March quarter, its consolidated earnings per share was Tk1, which was Tk1.11 one year ago.

<https://www.tbsnews.net/economy/stocks/eastern-banks-profit-declined-10-jan-mar-629234>

### Lower Horlicks sales, yet Unilever profit rises 17%

Sales of Horlicks – the most popular health food drink product in the country – dropped in the first quarter of this year owing to high inflation, but the company's profit rose by 16.66%, riding on increased financial income and reduced operating expenses.



In the January-March quarter, the multinational company's net profit increased to Tk20.13 crore from Tk17.26 crore in the same period of the previous year. Its revenue declined by 10% during the same period. The company's operating expense was Tk23.30 crore in the first quarter this year – 23% less than Tk30.42 crore during the same period a year ago.

<https://www.tbsnews.net/economy/stocks/lower-horlicks-sales-yet-unilever-profit-rises-17-629098>

### **IPDC Finance's profit plunges 93% in Q1**

IPDC Finance Limited reported a 93% year-on-year fall in profit to BDT 14.8 Mn in the first quarter of the current financial year. The non-bank financial institution made BDT 222.6 Mn profit in January-March of 2022. So, IPDC Finance's earnings per share plummeted to BDT0.04 in the first three months of 2023 from BDT 0.60 posted in the same period of 2022, according to a filing on the Dhaka Stock Exchange. The net operating cash flow per share stood at BDT 13.25 negative in January-March against BDT 13.28 negative in the identical period last year.

<https://www.thedailystar.net/business/economy/news/ipdc-finance-profit-plunges-93-q1-3315706>