MTBiz

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FUTURE OF CREDIT CARDS, PLASTICS

MTB SME
BANKING

MTB লাইট ইঞ্জিনিয়ারিং

হালকা প্রকৌশল, ইলেক্ট্রনিক্স, ইলেকট্রিক্যাল, শিল্পযন্ত্রপাতি ও প্লাস্টিক পণ্য উৎপাদন, বন্টন ও সেবার সাথে সম্পৃক্ত মাইক্রো, কটেজ, এসএমই ও সহায়ক প্রতিষ্ঠানের জন্য একটি ঋণ পণ্য (Loan Product)।

বিস্তারিত তথ্যের জন্য মিউচুয়াল ট্রাস্ট ব্যাংকের যে কোন শাখা অথবা এসএমই বিভাগে যোগাযোগ করুন।
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ঋণের ধরণঃ

- ঘুর্নায়মান ঋণ [Revolving Loan (RL)] - চলতি পুঁজি অর্থায়নের জন্য এক বছর মেয়াদী একটি জমা-উত্তোলন ভিত্তিক ঘুর্নায়মান ঋণ হিসাব, যা প্রতি এক বছর পর পর নবায়নযোগ্য।
- মেয়াদী ঋণ [Term Loan (TL)] - চলতি পুঁজি / স্থায়ী সম্পদ অর্থায়নের জন্য মাসিক/ত্রৈমাসিক/ষান্মাসিক কিস্তিতে সর্বোচ্চ ৫ বছরের মধ্যে পরিশোধযোগ্য ঋণ।

সুদের হার
ব্যাংকের নির্ধারিত সুদ হার প্রযোজ্য।

ঋণের পরিমানঃ
একজন ঋণগ্রহীতা সর্বোচ্চ ১৫.০০ কোটি টাকা পর্যন্ত ঋণ পেতে পারেন।

গ্রেস পিরিয়ড
সুবিধাজনক গ্রেস পিরিয়ড প্রযোজ্য ।

জামানত
৫.০০ লক্ষ টাকা পর্যন্ত ঋণের জন্য কোন অতিরিক্ত জামানত (Collateral Security) প্রয়োজন নেই । ৫.০০ লক্ষ টাকার অধিক ঋণের জন্য অতিরিক্ত জামানত বাধ্যতামূলক।

*শর্ত প্রযোজ্য

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
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you can bank on us

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nymphea

New Executive Director for Bangladesh Bank

Abdur Rahim has recently been promoted to executive director of Bangladesh Bank, the central bank. Prior to the promotion, he was serving the banking regulator as its general manager. Rahim joined BB as assistant director in 1984 and has served at the bank's Sylhet, Rajshahi and Dhaka offices. Rahim is an economics graduate of Dhaka University and attained a master degree from the Institute of Business Administration.

Sonali Bank gets 3 new DMDs

Three officials of Sonali Bank were promoted to deputy managing directors. They are Zahid Hossain, Md Mustafizur Rahman and Ataur Rahman Pradhan. Prior to the new assignment, Zahid was company secretary (Board Division) of the bank's head office while Mustafizur and Ataur were general managers.

Trust Bank gets new DMD

Abu Zafar Hedaytul Islam has recently been promoted to deputy managing director of Trust Bank Limited. Prior to his new assignment, he was senior executive vice-president of the bank.

He joined the bank as senior vice-president in October 2003. He started his banking career as probationary officer at IFIC Bank in 1986.

New GM of Bangladesh Bank

Masum Patwary, DGM, SME Program was promoted to GM of the his current division. He joined Bangladesh bank as Assistant Director in 1988.

Mr. Patwary has been serving BB for a long time and worked in Rajshahi and Sylhet office.

New DMD of Rupali Bank

Kazi Md Neamat Ullah has been appointed as deputy managing director (DMD) of Rupali Bank Limited. Prior to this position he was working as general manager of Rupali Bank. Mr Neamat started his career on April 19, 1982 and served Rajshahi Krishi Bank, Karmasangsthan Bank, Bangladesh Krishi Bank and some other banks. He took part in many seminars and trainings in China, Saudi Arabia, Bahrain, Qatar, UAE and India.

CBC appoints new Country Manager

Ajith Naranpanawe has recently been appointed as the country manager for Bangladesh operations of the Commercial Bank of Ceylon PLC (CBC).

The appointment will come into effect from December 26, the bank said in a statement. Naranpanawe joined the bank in 1981 and has wide experience in all areas of the banking operations, according to the statement.

Management Tips

Follow The 2+1 Rule, Diversify Sponsor Network, Survive & Succeed

Your connection to an influential mentor may support you on the current job or finding a new one. However, having a single mentor may bring you hard time when the mentor goes up. Therefore, it is important to have more than one mentor. Creating multiple mentors is a practice of smart people. Pertinently, creating mentors and maintain the network with all of them, is a kind of investment. Like other investments, you should diversify your portfolio too, as if it's an asset. Be careful to ensure, that the mentors should be independent of each other. If one fails, another can boost you.

It is ideal to have three mentors. If there are 10 people at your organization, one sponsor should be from own organization and two from other organizations. However, in the case of large organization, you should maintain two mentors from inside the organization and one from outside the organization. Between the two insider mentors from the organization, one should be within the department and another from any other department. This 2+1 rule boost you to come through critical situations like economic recession or issues raised inside own organization.

Adapted from:
Harvard Business Review's Management Tips

Beware Starting a Company with Your Business School Pals

Partnership among business schools pals seem to happen. Certainly some business school partnership works, but for every successful starter there are hundreds of examples where it was a failure; and coming from same school makes the reason. Naturally, pals share almost same experience of knowledge and business exposure during their MBA. Having common experience becomes the prime barrier to a startup. For beginners, one should have different kinds of viewpoints and expertise. For example, a technologist needs technical skill to design and develop a technical product. Same way, a person with strong expertise in marketing is required for feeding a product to the market. In startups, when you partner with your pals, you lose the possibility of having different views you lose diversification of thoughts, ideas and expertise.

Furthermore, lack of sharing of values and assuming that, the other one also holds similar value, becomes a factor of potential conflict. Be careful about assuming values of others. Share values explicitly and ask each other very strongly, ask specific and pointed questions so that values of each other get explicitly revealed and shared. Otherwise, lack of explicit sharing of values and implied assumption of having similar values, may lead to a ground fertile for conflict. Mismatch of values is a time-proven factor of conflict.

ARTICLE OF THE MONTH

FUTURE OF CREDIT CARDS, PLASTICS

Charging for products and services, in other words, use of plastics or credit cards or debit or ATM cards is a phenomenon common in developed world as well as the rest. No longer do people bring cash when they buy, they simply charge the card. The credit card or the other cards, altogether referred as "Plastic" allows consumers to "charge" the card instead of paying in cash, is merely a twentieth century product. Since 1950[1] , credit card started its journey to the wallets of the consumers and it can be said that, since inception, PLASTIC has won every market place of the planet, in the whole of the twentieth century.

Twenty First Century has arrived. Its arrival has brought in newer technologies for managing payment methods. Growth of Internet and Cellular network and convergence of the both altogether have pushed the global giants in technology field to dream, think and act in the alignment of this convergence. Similarly, the century-tested product the PLASTIC has faced new competitors around. Wider Internet access has bagged in the consumers on the net and rolling out of e-commerce has converted the retail shopping paradigm from transactions based on cash or plastics to e-money. Different platforms and options of payment method have already grown and are very successful in doing it with a significant consumer base, for example: PayPal, Google Wallet etc. The PLASTICS usually required physical presence of the card and the card owner at the point of sale, where the e-commerce platform, does not ask for physical presence of the consumer and it has no geographic or time barrier. Anyone can do e-shopping round the clock, round the globe, provided the national policy permits. Many market researchers think, PLASTICs won't survive this market for long, while there are strong opposite voice too. How is your Future Card (Credit, Debit or ATM) going to be – is the critical question, global Card Giants are asking themselves, as of now.

Since inception PLASTIC has gone through different product modification and technological up gradation. On entrance to the Twenty First Century, at the beginning of the 2nd Decade, in 2013, two major Giants of PLASTIC market, have offered new-tech products. Now, PLASTIC has a built-in keyboard, a tiny LCD display and it works as a source for OTP (One Time Password) generator for banking transactions.

Facing ever-mounting pressure from the likes of Square, Paypal, Google Wallet, and others, traditional credit card companies like Visa and MasterCard are facing technology-driven challenges unlike any they've seen before. And while the Internet appears to be the primary disruptive element powering those new challenges, MasterCard has decided that its strategy for competing with payment service upstarts lies in creating an innovative new card that is fully interactive, and same did Visa.

MasterCard

MasterCard's next-generation credit card is named as MasterCard Display Card and features a tiny display, a touch-sensitive keyboard, and even an on/off button, all packed into the same familiar thin credit card. The MasterCard Display Card has been recently (Jan 2013) launched for Standard Chartered Bank Singapore; the device was developed in collaboration with Switzerland's NagraID Security.

Future of The MasterCard Display Card:

MasterCard's next-generation interactive card was first launched four years ago (2010) as pilot programs with its MasterCard and Maestro debit cards in Turkey and Great Britain. After two years of the launching, study shows, MasterCard Worldwide is bullish on display cards, which it says will increase both online and offline shopping, reduce call center costs and fight fraud, all without requiring costly changes to existing merchant payment terminals. *What's more, interested cardholders will happily pay the freight for the added functionality, not to mention the social status upgrade.*

Visa

Visa announced a new credit card in Europe, at this fall (2011) that comes with its 48x8 pixel LCD panel on the back, just above where the signature would normally go. It is called the CodeSure Matrix Display Card. The idea is to have a more secure credit card that can be used for online shopping where card is used without swiping at a POS terminal and use of an OTP is required.

The MasterCard Display Card is designed to offer another layer of banking security for users, particularly during instances when remote transactions are made. Using the keyboard and display, the holder of the card can create a one-time password and use it for authentication when purchasing goods and services online, a measure that raises the bar for remote two-factor authentication procedures. MasterCard's new interactive card will work for traditional bank accounts as well as debit and ATM cards. Future versions of the Display Card will allow users to access account balance information, transaction histories, and special promotions such as reward points all via the tiny LCD display -Dynamic ePlate.

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[1]At the beginning of the twentieth century, people had to pay cash for almost all products and services. Although the early part of the century saw an increase in individual store credit accounts, a credit card that could be used at more than one merchant was not invented until 1950. It all started in 1949, when Frank X. McNamara, head of the Hamilton Credit Corporation and two of his friends went out to supper, at Major's Cabin Grill, a famous New York restaurant located next to the Empire State Building. At the end of the meal McNamara reached into his pocket for his wallet only to discover that he had forgotten his wallet. To his embarrassment, he then had to call his wife and have her bring him some money. McNamara vowed never to let this happen again. That was the point when the concept of credit card evolved.

MasterCard PayPass

MasterCard PayPass is an EMV compatible, "contactless" payment feature based on the ISO/IEC 14443 standard that provides cardholders with a simpler way to pay by tapping a payment card or other payment device, such as a phone or key fob, on a point-of-sale terminal reader rather than swiping or inserting a card. PayPass can currently be used on transactions up to and including £20.00 GBP or USD50.00.

To get consumers comfortable with the idea that you can tap an object, like a credit card, key fob or mobile phone, at the point-of-sale, MasterCard introduced PayPass back in December of 2002. In 2003, MasterCard concluded a nine-month PayPass market trial in Orlando, Florida with JPMorgan Chase, Citibank, and MBNA. More than 16,000 cardholders and more than 60 retailer locations participated in the market trial.

This "contactless" payment program was initially trialed in select markets with banking customers like Chase, Citibank, MBNA and others, and then began to slowly roll out via commercial deployments over the years. In 2004, McDonald's began accepting PayPass, for example. MasterCard also worked with Motorola to test NFC technology that year.

In 2005, several football stadiums, convenience stores, and gas stations signed on to the PayPass program. By 2007, there were 28 million PayPass devices accepted by 80,000 merchants - a list that now included KFC, more McDonald's locations, BP and Taco Bell. Another NFC trial with Canada's Bell Mobility began in 2008. And by 2009, more big-name merchants had joined the program, including Hess, Sports Authority, Best Buy and others. Also by this point, PayPass has also been in overseas markets for years.

During 2009 and 2010, MasterCard began a number of new NFC initiatives, including rollouts of various NFC programs in Turkey, Signapore and the U.K. and began working with Bell Mobility in Canada to introduce NFC-enabled phones.

In 2011, Google and MasterCard launched Google Wallet, an Android application which allows a mobile device to send credit/debit card information directly to a Paypass enabled payment terminal, bypassing the need for a physical card.

Today, there are approximately 88 million PayPass cards and devices in use at 276,000 merchant locations, plus trials and rollouts underway in 36 countries.

Having exact change- It's like having exact change wherever you go, so you don't have to worry about carrying around a lot of cash or fishing for coins.

Control- You are in control because your PayPass never leaves your hand at checkout.

Better record keeping- With PayPass you get better record keeping of all your purchases then using cash for those small everyday items.

Fast and ideal- Its fast and ideal at places where speed is essential, like at stadiums, fast food restaurants, gas stations and more.

No accidental payments - your PayPass must be extremely close to the reader at checkout to work.

Not billed twice - even if you tap more than once at checkout, you'll only get billed once for your purchase.

Next Generation Payment Technology - A tiny microchip and radio antenna embedded in your PayPass-enabled device transmit your payment details wirelessly to a high-speed PayPass reader at checkout. The reader then verifies your transaction with your bank through MasterCard's reliable network and indicates approval almost instantly.

Visa payWave

A new trend in payment technology is pushing electronic payments beyond traditional card transactions, making new payment methods faster, more convenient and secure. Now Visa cardholders can experience increased convenience, speed and security with the latest innovation in payment — Visa payWave.

A full-scale Visa payWave program has been in place since 2005 in United States and has expanded to 21 issuers with both debit and credit programs, including U.S. Bank. With continued expansion of contactless acceptance across the country, the convenience of Visa payWave is available at thousands of merchants – from quick service restaurants, convenience stores to taxis.

Increased convenience — Visa payWave reduces the dependency on cash and the need to visit the ATM so often. Small ticket purchases, which are usually paid in cash, are now possible with Visa payWave.

Reduced waiting time — With Visa payWave, cardholders need to just tap or 'wave-and-go' for payment. At the issuing bank's option, there is no signature or PIN required for authorisation. As a result, the payment transaction can be performed very quickly, and is less cumbersome than handling cash. Queuing time can be potentially shortened if other shoppers in the line are also using Visa payWave. Watsons, a major personal care chain in Taiwan, stated that by accepting Visa payWave, they experienced a 77 percent reduction in queuing time within their outlets.

Enhanced security — The cardholder now has full control of the transaction, as the Visa payWave card never leaves the cardholder's hands.

Exciting consumer experience — A contactless application makes mature payment products more interesting to cardholders because of the novelty of contactless payment. Even though the payment product is essentially the same, cardholders perceive it as new and innovative. Visa payWave can eventually integrate into the consumer's lifestyle and build the affinity to pay for small items. Using contactless payment could potentially be an enjoyable experience for consumers even if they are only used at certain locations. Unlike cash, card payment allows consumers to track their spending habits on low-value purchases.

Loyalty rewards — It is possible to reward the cardholder, even for small-value payments, if the use of the Visa payWave card is associated with a loyalty program.

Form factors — Visa payWave provides the opportunity to enable payment using a number of innovative form factors such as mobile phones, key fobs, and other personal devices that suit the cardholder's lifestyle and provide a seamless payment experience.

Launching of V.me by Visa

As consumers embrace new online, mobile and social environments, their payment needs are evolving. V.me brings together the ability to store Visa and other payment card accounts and use them to pay online and eventually wherever consumers shop – at the point-of-sale or on their mobile device. The V.me acceptance mark streamlines online checkout with a few clicks and the eventual integration of Visa payWave will support shopping at retailers with the wave of a mobile device. V.me also offers features beyond payments such as the ability to receive transaction alerts on Visa accounts stored with V.me and in the future will allow the ability to receive personalized offers. V.me also features developer tools to accelerate the pace of Visa's innovation by providing developers with unprecedented access to Visa's global payment platform.

MultiAccount™

The device includes two buttons on the face of a card. Next to each button is a printed account number and a light source. A user can select an account by pressing one of the buttons. The card visually indicates the selection by turning ON the light source associated with the selected account. Additionally, the magnetic-stripe information associated with the account is written to the Electronic Stripe®. The card can then be swiped at any magnetic stripe reader.

MultiOption™

MultiOption™ will work at any merchant where magnetic stripe readers are used. The face of the device is printed with a single credit account number and includes two buttons with associated light sources. A user can choose whether to use points or use credit at the point of sale by pressing the appropriate button. The card will then visually indicate the selection by turning ON the light source associated with the selected option. The magnetic-stripe information associated with the payment option is then written to the Electronic Stripe®.

Security: Hidden®

The device includes five buttons on the face of a card and a paper-thin flexible display. The display hides a portion of a cardholder's payment card number. To turn the device ON, a user must enter a personal unlocking code into the card. If the user enters in the correct unlocking code, the card will then visually display the user's payment card number so that the user can read the number for online transaction. The magnetic stripe is then populated with the correct magnetic data such that the card can also be used with magnetic stripe readers.

Bangladesh Bank Monetary Policy Statement Jan-Jul 2014

Bangladesh Bank (BB) half yearly Monetary Policy Statement (MPS) January-June 2014 issue outlines the monetary policy stance that BB will pursue in H2 FY14 (January-June 2014), based on an assessment of global and domestic macro-economic conditions and outlook. Latest data for H1FY14 shows that reserve money growth and growth of net domestic assets of Bangladesh Bank remained within program targets, despite a surge in Net Foreign Assets (NFA) arising from robust exports and sluggish import growth. Broad money growth of 16.7% in November 2013 was close to program targets. BB's facilitation of private sector trade credit from abroad led to some switching to lower cost overseas financing with overall private sector credit growth, from both local and foreign sources, amounting to 13.8% in November 2013. Domestic retail interest rates declined during these six months with the spread between lending and deposit rates dipping below 5% and its trend indicating that lending rates have declined faster than deposit rates.

The July 2013 MPS sought to strengthen credit and debt markets by taking steps to improve corporate governance, supervisory capacity and stimulate higher demand for government securities, minimizing devolvement. Latest data shows that there was a reduction in devolvement from 34% of all government securities in FY13 to 26% in H1FY14. BB's supervision capacity has been strengthened through greater automation with information from the new e-monitoring system used to take prompt remedial action (e.g recently for Inland Bill recovery). Stringent financial improvement plans have been set with the four SOCBs and Basic Bank which includes differential ceilings on loan growth. However despite these steps, gross NPLs rose in the banking sector from 11.9% at end FY13 to 12.8% at end Q1FY14, due to the 'over-hang' of earlier scams and the difficulties businesses faced in repaying loans during the countrywide shut-downs.

The monetary stance in H2 FY14 takes these recent economic and financial sector developments into account and will target a monetary growth path which aims to bring average inflation down to 7%, while ensuring that credit growth is sufficient to stimulate inclusive economic growth. BB will use both monetary and financial sector policy instruments to achieve these goals. The persisting inflationary pressures over the past few months with the risks ahead related to the inflation outlook imply that achieving the FY14 inflation target will be challenging. As such BB has decided to keep policy rates unchanged. Moreover the ample liquidity in the banking system suggests that an easing of reserve requirement ratios is also unnecessary.

Specifically BB aims to contain reserve money growth to 16.2% and broad money growth to 17% by June 2014. BB will have a ceiling on net domestic assets as a key operating target. The space for private sector credit growth of 16.5% has been kept well in line with output growth targets and is sufficient to accommodate any substantial rise in investment over the next six months. BB views these figures as indicative ceilings – banks continue to be advised to lend only to creditworthy clients for productive purposes. At the same time these ceilings are flexible and the monetary program can be recalibrated should economic growth pick up faster than projected. The monetary stance also assumes government borrowing from the banking sector will remain around the FY14 budgetary figure of 260 billion taka, and the limited borrowing of 46 billion taka in H1FY14 suggests this is realistic.

In parallel various recent initiatives to support economic growth will continue in H2FY14. In order to cushion the impact of recent domestic disruptions on businesses, BB has taken a number of important policy steps which include broadening the scope of the Export Development Fund, and reducing the borrowing costs, as well as instructing banks to offer loan rescheduling facilities to genuine borrowers facing cashflow difficulties, especially SMEs, who are temporarily affected by the recent strikes and disruptions. Moreover in order to stimulate entrepreneurship among low income rural households who have opened ten taka accounts, BB is launching a new 2 billion taka refinancing facility to be implemented by Micro-Finance Institutions.

Effective transmission of monetary policy requires strengthening credit and debt markets and this will remain a key focus for H2FY14. In order to spur secondary market activity BB has recently embarked on secondary trading in Treasury bonds and will continue to do so in H2FY14. Devolvement of these securities has also fallen from 34% in FY13 to 26% in H1FY14 and this trend is expected to continue in H2FY14. A new Islamic bond of 3 months tenure is expected in H2FY14 which will contribute to better liquidity management of Islamic banks. While not directly under the purview of BB, various monetary and financial sector related actions have contributed to stabilizing the capital market and BB will continue to collaborate with BSEC in this regard. BB will continue to encourage larger borrowers to access the capital market as banks will need to comply with the recently revised regulation on single borrower exposure limits for business groups. In order to fill the gaps in the financial landscape, BB intends to facilitate the role of private equity / venture capital sources of finance. Revised performance agreements for SOCBs and specialized banks have set differentiated ceilings on loan growth depending on bank performance – quarterly performance targets will continue to be published on BBs website to promote public accountability. Clear progress on implementing a credible business plan is a precondition for sanctioning the release of additional recapitalization funds.

BB tightens rules for unrated SME loan

Bangladesh Bank (BB) on January 1, 2014 asked scheduled banks to maintain 100% risk-weighted asset for unrated Small and Medium Enterprises (SME) loan amounting to BDT 30 lakh and above. To BB end, it issued a circular to Managing Directors (MDs) and Chief Executive Officers (CFOs) of all banks asking them to maintain 75% Risk Weighted Assets (RWA) for unrated SME loan amounting to BDT 30 lakh. The banks earlier maintained 75% RWA for all amount of unrated SME loan. A BB official told that the banks had to maintain different amount of RWA against their assets to calculate their capital. As per the BB guideline, the banks have to keep at least 10% capital against their RWA to absorb the external and internal financial shock. The BB also set a RWA guideline for the SME financing of the banks.

Under the new provision, the banks will have to maintain 20% RWA for SME loan if their clients attain SME 1 credit rating. The banks will have to maintain 40% RWA for SME 2 credit rating, 60 % for SME 3, 80% for SME 4, 120% for SME 5 and 150% for SME 6 rating. The BB has recently given recognition a new credit rating agency named 'The Bangladesh Rating Agency Ltd' only for rating the SME enterprises. The BB official said that the banks would be encouraged to give loan to the SME clients who accomplished the rating, as banks would have to maintain lower RWA against a well-rated client.

Economic indicators facing challenge: BB

The country's economy remained resilient in 2013 despite political instability, mainly due to the positive growth of the export, import, remittance and foreign reserve as Bangladesh Bank (BB) disclosed through a press release on Dec 30, 2013. Amidst the ongoing world recession and political instability across the country, the national economy and the banking sector were in positive growth in 2013 except for the third quarter of the year. As BB articulated, the positive growth of many economic indicators is still comfortable for the national economy and has also helped the economy remain resilient in 2013.

However, the economic indicators are facing severe challenges in the last quarter (October to December) of 2013 following the ongoing political violence. GDP growth was 6.03% in the last Fiscal Year (FY) 2012-13. According to BB data, the country received USD 14.46 billion in FY 2012-13. Remittance flow in the last four years increased by 49% compared to the last fiscal year. In the last five months (July- November) of the FY 2013-14, the country received a worth of USD 5.55 billion. Import expenditure increased by 51% from FY 2008-09, going from USD 22.51 billion to USD 33.97 billion in FY 2012-13.

On the other hand, export earning of FY 2008-09 was USD 15.65 billion while it was USD 27.03 billion in FY 2012-13. The country's export earnings increased by 72.72% from FY 2008-09. The foreign reserve stood at USD 18.07 billion on December 26, making it the ever highest in the country's history. As a result, the price of BDT also increased. As on December 26, the dollar rate was BDT 77.75 against a dollar.

Per capita income also increased in FY 2012-13 to USD 1044. The total capital of banks was BDT 503.29 billion on October, 2013. As on December 2008, classified loan of banks stood at 10.79% while it was 10.03% on December 2013. In the first quarter of the FY 2013-14, the classification amount of banks increased slightly compared to the end of December 2013 due to the political unrest of the country. As on September of the current FY 2013-14, the classified loan stood at 12.79%.

Supply disruption may risk inflation: BB

Bangladesh Bank (BB) has apprehended a number of risks, including supply disruption, in keeping the inflation within the budgetary target of 7%. It said the wage hike in both the private

and public sectors stemming from the increase in garment worker wages, and the decision to set up a public sector wage commission will create aggregate demand pressure. The central bank expressed the concern in its July-September quarterly report released recently. As BB explained, another risk stems from possible supply-side disruptions due to prolonged nationwide strikes. The recent rise in Indian inflation could also transmit to Bangladesh as shown by historical long term trends. According Bangladesh Bureau of Statistics (BBS), the country's point to point inflation rose to 7.15% in November from 7.03% a month earlier, remaining slightly above the budgetary target. A senior executive of the central bank said that impending wage increases in the public and private sectors, the likelihood of supply disruptions due to prolonged nationwide strikes in the lead-up to parliamentary elections, bad weather and the rising inflation in India, pose as risks.

According to BBS data, overall food inflation rose to 8.5% in November from 8.38% in October. The inflation increased mainly due to supply disruption caused by the blockades. In November 2013, the government-formed wage board finalised BDT 5,300 as minimum wage with a basic pay of BDT 3,000 for entry-level garment workers. The new minimum wage, which is 76.66% higher than the existing BDT 3,000, will be in effect from December 1, 2013 which means the workers will receive the new wages in January 2014. Currently, around 44 lakh worker are in the garment sector and there will be an additional spending worth more than BDT 2,200 crore, which already put pressure on inflation. The government has given a 20% dearness allowance to all the public and autonomous bodies and teachers under the monthly pay order in October with retrospective effect from July this year.

Surplus bank fund soars to BDT 90,073 crore

Bangladesh Bank (BB) officials said that surplus liquidity in the banking sector increased to BDT 90,073.73 crore as of November 28 from BDT 79,663.77 crore as of October 17 in 2013 due to low investment by and credit demand from the businesspeople amid political unrest. They said that surplus liquidity in the banking sector increased rapidly in the last few months as the businesses were now unwilling to make fresh investment in their enterprises by taking credit from banks amid the political turbulence ahead of the upcoming general elections. According to the BB data, surplus liquidity in the scheduled banks stood at BDT 62,121.61 crore as of March 7 and at BDT 83,898.90 crore as of September 26, 2013.

A BB official told that the central bank calculated the surplus money in the scheduled banks by deducting required Statuary Reserve Ratio (SRR) and Cash Reserve Ratio (CRR) from the banks' total deposit figure. The BB data showed that the required SLR and CRR of all banks was BDT 1,01,557.80 crore as of November 28, 2013 while their total liquidity figure stood at BDT 1,91,727.70 crore. Therefore, the surplus liquidity in the banking sector stood at BDT 90,073.73 crore in the period. The BB official argued that banks, however, invested a significant amount of the surplus liquidity in the treasury bills and T-bonds with an interest rate lower than the rate set for banks in the last few month. He also said that the mounting surplus liquidity was an ominous sign for banks as it would decline their profitability.

Loan disbursement by banks in the private sector declined massively in the recent period which ultimately pushed up their surplus liquidity, the central bank's official said. BB official said due to a decreased credit demand from the private sector, the majority of the banks had already cut their lending rates to attract borrowers and the rate would go down further in the coming months. The banks' attempt, however, failed to boost their loan disbursement as the businesspeople is now thinking that the existing political unrest is not suitable for their business. Another BB official said a downward trend in the credit- or advance-deposit ratio in the banking sector in the last few months virtually pushed up the surplus liquidity. The ADR in the banking sector dropped to 71.28% as of November 28, 2013 from 76.59% as of December 31, 2012.

The ADR was 80.33% as of June 7, 2012, the BB data showed. As per the BB rules, the conventional commercial banks are not allowed to invest more than 85% of their deposits while Islamic banks and Islamic wings of the conventional commercial banks can invest up to 90% of their deposits. BB official said that a number of banks had crossed the ADR limit in 2011 and 2012, violating the BB rules but now the situation has changed totally as the credit demand from the private sector continues to decrease due to the ongoing political unrest.

Improve ethical standards of banking: economist

Bankers have to take care of diverse issues to deal with ethical questions in their practices and must work to improve standards, said Sanat Kumar Saha, a director of Bangladesh Bank.

"As we all know, the banks deal in money. The instrument is credit. Deposit accumulation from private beings or social bodies, and, deposit creation through the disbursement of loans from its accumulated account of funds are their basic functions," Saha said.

"There is a time-tag attached to each deal. The greater the time-scale, the more is the risk or liability which demands to be compensated accordingly. This is how the rate of interest—multiple values for multiple levels in time and quantity—enters into the game and keeps it in motion."

The development economist spoke at the 13th Nurul Matin Memorial Lecture on ethics in banking, at the BIBM auditorium .Saha said that the difference between what the bank earns on the loans it creates and what it gives on deposits it accumulates is its profit. The object of the bank is to maximise it in the given circumstances. So long as it remains transparent and consistent with the laws, as enshrined on the basis of the will of the people that is reflected in a democratic choice there is nothing wrong in it. Interest payments, one way or the other, are prices of risks involved. As a practice, they should not be treated as unfair.

In order to implement a policy of inclusive growth, the central bank's initiative gives special emphasis on the member banks giving out loans for small- and medium-scale enterprises to the people belonging to the lower strata in the society, particularly in rural areas with women getting special attention in the arrangement.

The sharecroppers with little means to provide collateral are also brought under the scheme for productive loans with a provision for recycling them for longer term benefits.Apparently these do not maximise 'profit' as usually understood, but they are surely in the direction of optimising social benefit, which, no-doubt, contributes to enhancing long-term profit in a broad sense of the term.

"This, to my mind, is an act in the right direction to raise the ethical standards of our banking system."

Fairness in policies and actions become meaningful only if they are allowed to operate in a congenial atmosphere with little to worry about relating to these basic habits in the development of social relationships on a macro-level in the population. The regulatory authority has, therefore, to work as the watchdog to see that the evils of imperfect competition are contained and the norms of the forward-looking ethical conduct are maintained.

Banking operations, even though impeccable on the surface, could be unfair, like in draining out the surplus of the then East Pakistan peasants earned through their exports and using it to build up the industrial base in West Pakistan. The banking and industrial houses joined the power clique of the state, which cannot be called ethically fair, although it was compliant with all the laws at the time.

Taking a broader view of profit, with the entire society into consideration, the relative good to the less privileged ones as a result of policy initiatives is also counted in the determination of the resultant.

Banking sector challenges in 2013

Banking sector in Bangladesh has come across a turbulent year facing many odds and pitfalls in the macroeconomic fundamentals. The major challenges faced by the banking industry were low credit growth, increasing trend of non-performing loans resulting to higher provisioning requirements, and surplus liquidity. The cumulative effects of these put pressure on the profitability of the banking sector as a whole.

Domestic credit growth (Point to Point) was 10.78 % in October-end, 2013 against that of 16.85 % of the previous period. Private sector credit during the period registered slightly over 11 % growth against 18.38 % over previous period. However, deposit growth (Point to Point) was over 18 % in October-end, 2013 against that of 19 % over the previous year.

Consequently, a considerable gap has been created in sources and uses of fund of the banking sector. As a result, the industry has been burdened with liquidity surplus. Total liquid asset of the banking sector in October-end, 2013 stood at BDT 1860 billion which was more than 1.86 times higher than the required statutory liquidity ratio (SLR). With the same token, Advance Deposit Ratio (ADR) of the sector reduced to 71.70 % in September-end, 2013 against 76.59 % in December-end 2012 where ADR of Private Commercial Banks (PCB) reduced to stand at 77 % against 79.65 % of the same period.

Despite low credit growth, non-performing loan (NPL) had continually been increasing at an increasing rate and reached to a record high of BDT 567 billion in September-end, 2013 registering around 33 % increase over December-end, 2012. Consequently NPL ratio increased to stand at around 13 % in September-end, 2013 against slightly over 10 % of December-end, 2012.

Although State-Owned Commercial Banks (SCB) contribute the major portion in the classified loan portfolio pie (43 % reflecting around 29 % NPL ratio), PCBs had been affected more during the period. Non-performing loan of PCBs increased to BDT 223 billion in September-end, 2013 against BDT 130 billion in December-end, 2012 reflecting more than 70 % increase. The NPL ratio of PCBs, which was within a tolerable limit for more than a decade, reached to record high of 7.30 % in September-end, 2013 against 4.58 % in December-end, 2012. This deterioration of asset quality adversely affected the resilience capacity of the PCBs.

Consequent to increase in NPL, the provisioning requirement increased by 32% to stand at BDT 320 billion in September-end 2013, against December-end, 2012 where required provision of PCBs increased to BDT 117.60 billion registering 40% growth. As a consequence of low credit growth and high non-performing loan, coupled with increased interest/profit expenses for additional mobilised deposit, profitability of the industry has been adversely affected. Many of the banking industry experts agreed that random implementation of the directive would increase 'paper profit' and might put the banks in jeopardy in the long run.

Bangladesh 7th most remittance-earning country in world

According to World Bank (WB), Bangladesh has retained its seventh position among top most 10 remittance-earning countries in the world. As per WB's Migration and Development Brief 2013 released on October 2, the top recipients of officially recorded remittances for 2013 are India (with an estimated USD71 billion), China (USD60 billion), the Philippines (USD26 billion), Mexico (USD22 billion), Nigeria (USD21 billion), and Egypt (USD20 billion). Other large recipients are Bangladesh, Pakistan, Vietnam and Ukraine.

Remittances to the developing world are expected to grow by 6.3 percent this year to USD414 billion and are projected to cross the half-trillion mark by 2016, according to revised estimates and forecasts issued by the World Bank. India and China alone will represent nearly a third of total remittances to the developing world 2013. Remittance volumes to developing countries, as a whole, are projected to continue growing strongly over the medium term, averaging an annual growth rate of 9 percent to reach USD540 billion in 2016.

Global remittances, including those to high-income countries, are estimated to touch USD550 billion this year, and reach a record USD707 billion by 2016, says the Bank's Migration and Development Brief. The estimates reflect recent changes to The World Bank Group's country classifications, with several large remittance recipient countries, such as Russia, Latvia, Lithuania and Uruguay no longer considered developing countries. In addition, the data on remittances also reflects the International Monetary Fund's changes to the definition of remittances that now exclude some capital transfers, affecting numbers for a few large developing countries like Brazil.

Kaushik Basu, Senior Vice President and Chief Economist of the World Bank said, "These latest estimates show the power of remittances. For a country like Tajikistan they constitute half the GDP. For Bangladesh remittances provide vital protection against poverty. In terms of volume, India, with USD71 billion of remittances, tops the global chart. To put this in perspective, this is just short of three times the FDI it received in 2012. Remittances act as a major counter-balance when capital flows weaken as happened in the wake of the US Fed announcing its intention to reign in its liquidity injection program. Also, when a nation`s currency weakens, inward remittances rise and, as such, they act as an automatic stabilizer".

As a percentage of GDP, the top recipients of remittances, in 2012, were Tajikistan (48 percent), Kyrgyz Republic (31 percent), Lesotho and Nepal (25 percent each), and Moldova (24 percent). Growth of remittances has been robust in all regions of the world, except for Latin America and the Caribbean, where growth decelerated due to economic weakness in the United States.

"Remittances are the most tangible and least controversial link between migration and development," said Dilip Ratha, Manager of the Migration and Remittances Team at the Bank's Development Prospects Group. "Policymakers can do much more to maximize the positive impact of remittances by making them less costly and more productive for both the individual and the recipient country."

The high cost of sending money through official channels continues to be an obstacle to the utilization of remittances for development purposes, as people seek out informal channels as their preferred means for sending money home. The global average cost for sending remittances is 9 percent, broadly unchanged from 2012.

The Brief points out that while remittance costs seem to have stabilized, banks in many countries have begun imposing additional 'lifting' fees on incoming remittances. Such fees can be as high as 5 percent of the transaction value. Some international banks are also closing down the accounts of money transfer operators because of money laundering and terrorism financing concerns.

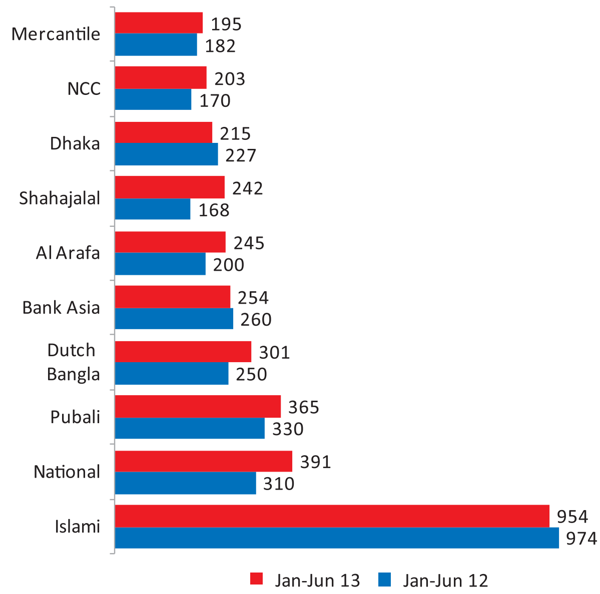
These developments mark an unwelcome reversal of recent gains in the facilitation of cross-border remittances by migrants.

Banks' profits fall in 2013

Private banks saw a fall in their operating profit in the first six months this year due to an increase in default loans, sluggish import and political unrest.

Of the 30 private banks except the new ones, 14 marked a decline in operating profit, while four witnessed a slight rise, according to provisional data. The data of the rest was not immediately available. The private sector credit growth was 12.7 percent in April 2013, down from 16.6 percent in December last year, according to BB data. Imports in the July-April period fell by 5.63 percent compared to the same period a year ago. The following graph is a glimpse of profit short fall of randomly selected ten banks from the industry.

Banks Net Operation Profit

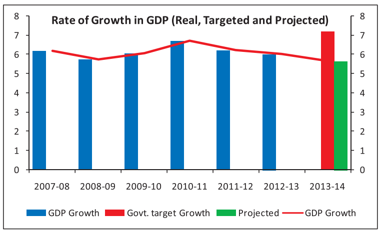


GDP (gross domestic product) growth was more than 6 percent, while remittance inflow and export growth were also good. The impact of loan defaults, which shot up last year following a series of banking scams, continued this year too, the bankers said. According to BB statistics, classified loans were 11.90 percent compared to total outstanding loans in March 2013, which was 10.03 percent in December last year.

Inflation moves further up

Country's food inflation jumped to its highest level at 9.0% in 23 months in December last, according to official statistics. Economic analysts believe food inflation remained at its highest level in nearly two years due to disruption in supply of goods caused by ongoing political turmoil. This rise in food inflation, however, contributed to the overall national inflation, measured on point-to-point basis, reaching four months high at 7.35% in December. It surpassed the annual average target of 7.0% set for fiscal year 2014. The overall inflation was 7.15% in November last. Bangladesh had experienced 10.90% food inflation in January, 2012 at a time when prices of both local and international markets registered rise on the ground of poor production. Ahsan H Mansur, a renowned economist and executive director of the Policy Research Institute of Bangladesh (PRI) said: "This rise in inflation especially in food inflation is due to supply disruption." The month of December usually experiences lower food inflation as the prices of vegetables and rice do not record rise following harvest.

Replying to a question, whether the inflation could touch double-digit in the months ahead, the BBS Director General said: "I hope the food reserve is sufficient. It shouldn't touch double-digit unless there is a serious crisis of transportation." Explaining the reasons behind the high inflation, Mr Zia Uddin Ahmed, a joint director at the BBS, said food inflation rose due to the supply disruption while non-food items dropped amid the poor demand for the same products. BBS which compiles and disseminates inflation based on consumer price index (CPI) by using new base year of 2005-06. It has been using revised CPI since July, 2012..



Economy to grow by 5.65%

Unnayan Onneshan, an independent think-tank, forecast a lower GDP growth of 5.65 percent for the current fiscal year, much lower than 7.2 percent estimated by the government. The research organisation's half-yearly assessment of the economy states that GDP growth could fall below the decade-average of six percent because of fiscal and monetary management trap, functioned by lack of policy farsightedness and political conestations. In FY 2010-11, the GDP growth rate was 6.71 percent, which declined to 6.23 percent in FY 2011-12, and further fell to 6.03 percent in FY 2012-13, it said.

According to the projection, several policy-induced macroeconomic challenges have severely restricted the maintenance of upward mobility of rate of growth in the recent fiscal years and the continuation of progress in different social sectors. The major reasons of failing to achieve the targeted level of growth of the current fiscal year are the increased gap between savings-investment, mismatch between investment demand and growth of credit to the private sector, poor rate of ADP implementation, failure to achieve the targeted level of revenue, reduction in public spending in physical infrastructure and social sectors. These have been accompanied with political contestations. The measures proposed in the budget, coupled with a contractionary monetary policy and orthodox exchange-rate management agreed as part of a three-year programme between the government and the International Monetary Fund (IMF) have led to slide in the rate of growth. The Unnayan Onneshan points out that the lower collection of revenue is likely to reduce public investment, especially in infrastructure and social sectors, causing economic growth to decline. To finance this increase in revenue expenditure, the government may have to go for further borrowing and thus trapping the country in a vicious circle of spiraling debt and deficit.

The organisation observes that the narrow tax base along with structural weakness and the wide opportunities of evading and avoiding tax have added difficulties to collection of revenue in the present fiscal year. The research organisation projects that at the current rate of revenue realisation, the gap between targeted and actualised revenue may increase to BDT 8.18 billion, which is likely to reduce public expenditure in real and social sectors. Public expenditure has already been suffering from either lower allocation or lower rate of growth. Referring to the linkage between expansion of credit and growth in investment, the Unnayan Onneshan notes that the decline in the rate of growth in credit will drag down investment and consequentially slide down the GDP. The organisation recommends for adjustment of monetary policy with fiscal policy since reductionist policies only cut down investment demand, creates unemployment and in turn hampers growth.

Remittance flow decreased after 37-yr

Remittance flow in the country decreased after 37 years, showed a recent research by Refugee and Migratory Movements Research Unit (RAMRU). The reason of declining was, not sending efficient workers and lack of strong lobbying, according to the RAMRU research. Teacher of Political Science department of Dhaka University Dr Tasnim Siddiqui came up with the disclosure in a press briefing titled 'International Labour Migration from Bangladesh-2013: Achievement and Challenge' at the National Press Club recently. Highlighting the results of the research Dr Tasnim Siddiqui said for the first time since 1976, the remittance flow has decreased in 2013. Till December 24, 2013 the remittance was USD13.47 billion and if the same rate continues, the amount of remittance would be USD13.79 billion which would be 2.76 percent less then the previous year. Dr Tasnim added that another apprehending side is gradual decline of efficient workers. The workers' amount decreased to 40.34 percent in 2011 and 34.45 percent in 2012. He also said that government failed totally in government to government system. He also said that government has to form partnership with non-government recruiting agencies to be successful in this method. During the time, RAMRU chairperson Dr Shahdin Malik and Shahin Anam, executive director of Manusher Jonno Foundation Shahin Anam were present in the briefing.

Foreign aid flow higher at USD987.34m in July-Nov '13

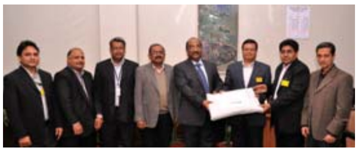
Foreign aid flow to Bangladesh during the July-November period of the current fiscal (2013-14) was somewhat higher at USD 987.34 million as against USD 969.26 million fetched during the same period of the last fiscal (2012-13). Of the amount disbursed during the five-month period, loans amounted to USD 740.72 million while the grants USD 246.62 million, said an official at the Economic Relations Division (ERD).

The official said that the overall commitment for the July-November period of the current fiscal (FY14) was USD 1,437.37 million USD 1,262.50 million as loans and USD 174.87 million as grants.

During the five-month period, the repayment stood at USD 403.97 million USD 329.50 million against principal amount and USD 74.47 million as interest. However, the repayment for the same period of the last fiscal (FY13) was USD 394.50 million USD 315.56 million against principal amount and USD 78.94 million as interest.

Of the major multilateral and bilateral donors, the World Bank provided the highest amount of USD 287.17 million as loans while around USD 55 million as grants. Talking to UNB, another official at the ERD said that utilization of foreign aid has been affected to some extent since the country is passing through political turmoil over the last couple of months. He said that the implementation rate of the foreign-financed development projects was lower this time, which resulted in moderate aid disbursement. According to ERD, although the foreign aid flow to Bangladesh in the last fiscal (FY13) was around USD 3,140 million lower than its commitment, the aid disbursement was higher at USD 2,786.13 million compared to USD 2,126.47 million in the previous fiscal (FY12). The commitment for the FY13 was much higher at USD 5,926.05 million compared to USD 4,764.52 million during the same period of the previous foscal (FY12). Of the disbursed amount of USD 2,786.13 million for the FY13, Bangladesh received USD 2134.3 million in loans and USD 651.7 million as grants. Of the disbursed amount for the last fiscal (FY13), the IDA of the World Bank provided the highest amount of USD 901.9 million. This was followed by Asian Development Bank (ADB) USD 670.4 million, JICA USD 630.4 million, the UN system's USD 203.9 million, IDB USD 10.2 million, and the EU USD 68.0 million.

IFIC Bank handed over blankets to Bangladesh Bank



Managing Director & Chief Executive Officer (CEO) of IFIC Bank Mr. Shah A Sarwar handed over blankets to Deputy Governor of Bangladesh Bank Mr. S.K. Sur Chowdhury at latter's office on Monday.

The blankets will be distributed among the distressed people in cold-hit areas across the country. In response to the call of Bangladesh Bank authorities, IFIC Bank is distributing over 5000 blankets during this season in 24 districts through 34 branches. The bank carries out such activity every year under its CSR initiatives.

Top officials of the Green Banking & CSR Department of Bangladesh Bank and Deputy Managing Director & Chief Financial Officer (CFO) of IFIC Bank Mr. S.M. Abdul Hamid were, among others, present during the handing over program.

Jamuna Bank Foundation Organised an art competition

Jamuna Bank Foundation (JBF) organised an art competition at Bangladesh Shishu Academy, Dhaka on the occasion of Victory Day 2013. Chairman of Jamuna Bank Limited Kanutosh Majumder was present as the chief guest. Chairman, Jamuna Bank Foundation Al-Haj Nur Mohammed presided over the ceremony.

SCB hands over blankets to BB for distribution among poor

Standard Chartered Bank (SCB) has handed over blankets to Bangladesh Bank (BB) for distribution among the poor and cold-affected people in different parts of the country.

Bitopi Das Chowdhury, Head of Corporate Affairs, SCB, handed over the blankets to A.F.M. Asaduzzaman, General Manager of BB. Governor of Bangladesh Bank Dr. Atiur Rahman appreciated SCB and explained it as one of the finest ways of making the banking sector more humane; and contributing to the communities in which the banks operate. Bitopi Das Chowdhury articulated, at Standard Chartered, SCB is committed to support deprived children and their immediate families and keep them warm during winter.

UCBL hands over blankets to BB

United Commercial Bank Limited (UCBL) handed over blankets to Bangladesh Bank for distributing among the poor and distressed people suffering from sweeping massive cold wave. Javed Iqbal, Head of Corporate Affairs of the bank handed over the blankets to AFM Asaduzzaman, General Manager of Governor's Secretariat of the Bangladesh Bank.

AIBL to distribute blankets to coldhit people

Al-Arafah Islami Bank Limited distributed blankets among the cold-affected people across the country. Md. Habibur Rahman, Managing Director of the bank inaugurated the blanket distribution programme at AIBL Khilkhet Branch in Dhaka. Among others, Deputy Managing Director of Asian Group Saiful Islam Bhuiyan, Managing Director of Mission Group SM Alauddin, Managing

Director of Manjil Group Jahirul Alam Chowdhury, Chairman of Noor Group Najir Ahmed, Head Master of Amirjan High School Tariqul Islam, Proprietor of Nafis Traders Abdur Rauf, prominent philanthropist Malek Matabbor, Senior Vice President of AIBL Md. Nazmus Saadat were present.

NBL distributes scholarships

National Bank Limited (NBL) distributed scholarship, certificate of appreciation and crest among the children's of the employees of the bank under 'NBL Employees Welfare Scheme' at the bank's training institute National Bank Training Institute (NBTI), New Eskaton. Some 66 students were awarded the scholarship for their outstanding result in the HSC & SSC Examinations held in 2013.

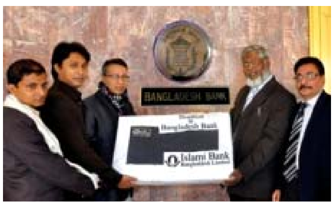
A K M Shafiqur Rahman, Additional Managing Director of the bank attended the function as chief guest. Shamsul Huda Khan and Abdul Hamid Mia, Deputy Managing Directors, Syed Mohammad Bariqullah, Senior Executive Vice President of the bank addressed the meeting. Mohammad Salim, EVP and head of system and operations division, Md Abdul Wahab, VP and head of GBD, senior executives, officers and staffs of the bank and parents of students were present at the function.

FSIBL Distributed Blankets among Cold Hit People

First Security Islami Bank Limited distributed blankets among the cold hit people at Mohammadpur Town Hall Bazar, Dhaka recently. On the blanket distribution ceremony Mr. Azam Khan, Head of Marketing & Development Division, Mr. Abdul Halim, Manager, Mohammadpur Branch, Mr. M. M. Mostafizur Rahman, Manger, Ringroad Branch of First Security Islami Bank Limited were present on the occasion. Among others Mr. Mohammed Ruhul Quddus, Manager Operations, Ringroad Branch, Mr. Md. Mizanur Rahman, Manager Operations, Mohammadpur Branch and other officials of the bank were also present on the occasion.

First Security Islami Bank Limited take plan to mitigate the sufferings of cold hit people of the country by distributing massive number of blankets in Rangpur, Nilphamary, ponchogor, Bagerhat, Dhaka, Chittagong, Barisal, Munshigonj, Jamalpur, Mymensingh, Lakxmipur, Chandpur, Noakhali, Gaibandha, Khulna, Sirajganj, Shariatpur, Natore, Chuadanga, Pabna, Naogaon, Dinajpur, Rajshahi, Jessore, SaBDThira & Magura through its branches.

IBBL hands over blankets to BB for cold-hit people



Islami Bank Bangladesh Limited (IBBL) has handed over blankets to Bangladesh Bank (BB) for distributing among the cold-affected people across the country. AFM Asaduzzaman, General Manager of Governor's secretariat of Bangladesh Bank, received the blankets on behalf of the Governor from AKM Abdul Malek Chowdhury, Deputy Managing Director of the bank.

AHM Latif Uddin Chowdhury, Senior Vice President of the bank, attended the function. The bank took an initiative to distribute 2 lac 10 thousand pieces of winter clothes among the cold hit people of the country.

WE MOURN: THE PASSING AWAY OF MR. MOSHARRAF HOSSAIN MTB'S 1ST MANAGING DIRECTOR

We mourn, with great sadness, the passing away of Mr. Mosharraf Hossain, MTB's Founding and First Managing Director on January 14, 2014.

As an accomplished banker, he had long and great experience in banking and was extremely well known in his generation of venerable and respected bankers. He was an amiable gentleman with wonderful disposition. May Allah rest his soul in peace and grant strength to his family to bear the colossal loss.

MTB MANAGING DIRECTOR & CEO ANIS A KHAN ELECTED AS VICE CHAIRMAN OF ABB

Mr. Anis A Khan, Managing Director & CEO, MTB has been elected as the Vice Chairman of the Association of Bankers, Bangladesh (ABB) for 2013-2015, at its 16th Annual General Meeting (AGM) and biennial election held recently.

MTB CSR: WARM CLOTHING DISTRIBUTION

Date: 08/01/2014
Venue: Bangladesh Bank, Dhaka 1000

Date: 09/01/2014
Venue: Dinajpur 5200

FOUNDATION COURSE ON LAW AND PRACTICE OF BANKING

Participants:
MTB Management Trainees (MMT) 2013

Md. Nurul Islam Sarker, Acting Principal, MTB Training Institute (MTBTI) and Mr. Mehboobur Rehman, HR Consultant are seen with MMT 2013 in a group photo after the final session.

Date: 12/01/2014
Venue: MTBTI, MTB Square, Dhaka 1208

MTB ANNUAL BUSINESS CONFERENCE 2014: PUSHING BOUNDARIES

PUSHING
BOUNDARIES

THEME FOR ANNUAL BUSINESS CONFERENCE 2014

Date: 25/01/2014
Venue: Pan Pacific Sonargaon, Dhaka 1215

MTB MANAGING DIRECTOR & CEO ANIS A KHAN ELECTED AS VICE PRESIDENT OF MCCI

Metropolitan Chamber of Commerce and Industry (MCCI), the Leading Trade Body, elected Anis A Khan, Managing Director & Chief Executive Officer, MTB as the chamber's Vice-president for 2014. The election took place at the first meeting of the MCCI Committee on November 18, 2013.

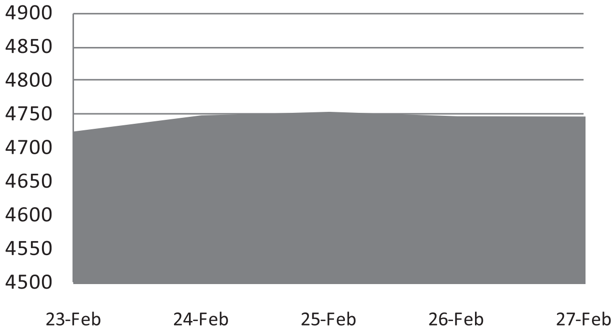
MTB BRANCH EXPANSION: INAUGURATION CEREMONY OF MTB SIRAJGANJ BRANCH

MTB Network : 94th Branch
Date : January 13, 2014
Venue : Jan Bux Bhaban, 452 Station Road, Sirajganj 6700

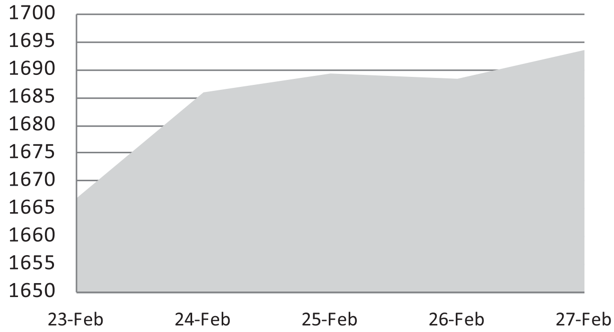
Chief Guest:
Md. Billal Hossain, Deputy Commissioner, Sirajganj

Sami Al Hafiz, Group Chief Communications Officer of MTB, along with senior officials of MTB, managers of nearby MTB branches and local elite attended the inauguration program.

DSEX Index



DS 30 Index



The market returned to the stable position in this week particularly the last four consecutive sessions where index fluctuations were very nominal. DSEX ended flat to 4,749.87 by decreasing 11.31 points comparing to the last week, on the other hand DS30 index boomed by 5.89 points and closed at 1,693.91 points.

Market turnover for this week was 25.36 billion, up 35.92 percent from last week. Weighted average price earnings ratio stood at 16.91 by increasing 0.73 over the last week. Total weekly market trade value amounted 24.8 billion where only four sectors dominated by 41.61%.

Top 10 Companies By Trade Value (February 23-27)	Weekly Trade VALUE (BDT in mn)
Olympic Industries	1266.8574
BSC	1204.4532
Square Pharmaceuticals Ltd.	943.7874
Singer Bangladesh	888.0457
Bangladesh Submarine Cable Company Ltd.	738.7272
Grameenphone Ltd.	696.4501
Meghna Petroleum Ltd.	691.8924
IDLC Finance Ltd.	595.4018
Confidence Cement	547.1408
Delta Life Insurance	543.1044

Bottom 10 Companies By Trade Value (February 23-27)	Weekly Trade VALUE (BDT in mn)
EBL NRB Mutual Fund	0.2543
4th ICB M.F.	0.2032
Dulamia Cotton	0.1847
Modern Dyeing & Screen Printing Ltd.	0.1054
Savar Refractoriess	0.1039
First Bangladesh Fixed Income Fund	0.0774
MIDAS Financing Ltd.	0.0439
Zeal Bangla Sugar Mills Ltd.	0.0407
3rd ICB M.F.	0.0324
Shyampur Sugar Mills Ltd.	0.0162

Advance-Decline (No. of Issues)		
	Feb 16-20	Feb 23-27
Advanced	158	92
Declined	119	192
Unchanged	22	13
Not Traded	3	5

Market Capitalization (BDT in Billion)		
	Feb 16-20	Feb 23-27
Opening of week	2,557.32	2,902.35
Closing of week	2,530.44	2,923.12
Change within week	-1.05%	0.72%

2014: A challenging year for stock market

Outlook of 2014 for the investors is a positive one, riding on the back of the newly build confidence from the demutualisation along with BSEC (Bangladesh Security Exchange Commission) promotion to A-category membership of International Organisation of Securities.

There were lots of achievements in 2013, among which, market stability could be considered as the number one success as investors were relieved to some extent, especially those who were hit had from the devastating market crash in the year 2010. Secondly, the market players are now more confident than we have ever seen in the past couple of years and this was mainly because of the upgradation of BSEC to A-category membership of IOSCO. The change in the category has upgraded the status of the bourses to an international level, which will also pave the way for attracting more foreign investors in the upcoming months as well.

Besides, capital market gets Advisory Regulation by January 2014, which would also be helpful for the investors to make worthy investment based on the meaningful fundamental analysis and advices from any of the advisory regulation body. In addition to the changes occurred in BSEC status and demutualisation of DSE, stock market has already got the benefits from the surveillance software, which could also play even more effective role in bringing further discipline to the stock market.

Moreover, further precautionary steps were established to check stock price manipulation based on surveillance software output. If there was any gap in utilising the software at its utmost level, it is mainly because of lacking in skilled and trained manpower. We have to address these problems seriously in 2014. With maintaining the present stability, the market will march forward to a sustainable situation and growth as still we have lot of things to achieve for the stock market in 2014.

Overseas investment at DSE rises by 145% in 2013

The net foreign investment at the Dhaka Stock Exchange rose by 145. 13% in the just-concluded year 2013 from that in the previous year as record fall in the stock prices on the bourse lured overseas investors. It increased to BDT 1,942.89 crore from BDT 792.59 crore in 2012. Bangladesh Merchant Bankers Association former president Mohammad A Hafiz told that share prices were wipedoff by the market crash in 2010-2011 and a prolonged downtrendin the subsequent years. The plunge in stock prices attracted foreign investors to come to the capital market. Foreign investorsare expecting rise in stock prices in the coming days, according to an expert.

Bangladesh outpaces India

Bangladesh outpaced India in readymade garment (RMG) exports despite setbacks like a building collapse and a factory fire in the apparel sector.

Between January and October 2013, RMG shipments by India to the US market grew 6.3% to USD 3.2 billion while the same by Bangladesh jumped by 11.4% to USD 4.9 billion, the reports said citing a study of the Exim Bank of India.

The leading Indian dailies carried the report of the Press Trust of India (PTI). Though the latest data was not available, the US imports were a very good benchmark of understanding the latest trends. “Bangladesh has been aggressively pushing the garment exports and has made a slew of policy changes to facilitate those,” Exim Bank Chief General Manager Prahalathan Iyer told the Indian news agency. It said Bangladesh’s apparel exports increased from USD 6.8 billion in 2005 to USD 19.9 billion in 2012, recording a compounded annual growth rate (CAGR) of 16.6%. During the same period, India’s outward shipments rose from USD 8.7 billion to USD 13.8 billion, a CAGR of just 6.8%.

Asked if recent events like a spate of fires and collapse of garment factories, which led to some anxiety over safety standard at the units among the Western retailers sourcing goods from the country’s eastern neighbour, was favourable for India, Iyer replied in the negative.

Bangladesh’s RMG industry had witnessed the country’s worst ever industrial disaster on April 24 2013, when a nine-storied commercial building - Rana Plaza, which housed five apparel units, collapsed leaving at least 1128 people killed and hundreds of others critically wounded.The incident had sent a shock wave to all including garment manufacturers and international buyers who expressed their fear repeatedly in the past of diverting their work orders elsewhere.

Higher growth in exports buoys BDT up vs. dollar

Bangladesh Taka (BDT) appreciated by more than 2.50% against the US dollar in the just-concluded calendar year 2013, thanks to a higher growth in exports despite the domestic adversities. The US dollar was quoted at BDT 77.75-BDT 77.77 in the interbank foreign exchange (forex) market on December 30, the last working day of 2013 against BDT 79.75 on January 1, 2013. The US dollar’s weighted average came down to BDT 77.7512 in the forex market on December 30 last from BDT 79.7500 on January 1, 2013, according to the central bank statistics. “The local currency appreciated against the greenback in 2013 due mainly to the higher growth in exports and the less demand for the US dollars

for settling import payments,” a senior official of the Bangladesh Bank (BB) told recently. The BDT started regaining its strength, mainly because of the higher flow of the foreign currency into the market. The flow started going up in February, 2012, market operators said.

The central bank continued to purchase the US dollar from the commercial banks directly aiming to keep the inter-bank forex market stable by offsetting its increased supply in the market. As part of the move, the central bank bought USD 2.35 billion from the commercial banks so far in the current fiscal year (FY) 2013-14, according to the BB official. The country’s forex reserve reached USD 18.145 billion Thursday from USD 18.096 billion of the previous day, following the US dollar purchase. Total exports from Bangladesh, the second-biggest clothing manufacturer in the world after China, grew by 18.02% to a record USD 11.96 billion during the July-November period of the FY 14 despite the ongoing political turmoil, labour unrest and factory safety concerns. The government has set an export target of USD 30.50 billion for the FY 14, which began on July 1 last.

Flower export exceeds target

Exports of cut flower and foliage have exceeded its target by 15.2% as the emerging industry’s high potentials widen the export basket. According to Export Promotion Bureau (EPB) export data, the country exported cut flowers and foliage worth USD16.58m during July-November 2013, an amount that is 15.2% more than that of the export target, reports BSS.

An EPB official said that Export of flowers and floral products has seen an impressive growth at these months contributing to the GDP as the entrepreneurs are trying to tap a strong demand for the non- conventional product in global market. Horticulture experts said the country has competitive advantage due to its favourable climatic, topography. He added, other factors such as lower labour cost and relatively low capital investment are also helping the industry to increase exports.

Tube rose, rose, orchid and marry gold are among the major flowers that make up Bangladesh’s floral basket for exports. Most of the tube rose and rose supplies come from Jhikargachha of Jessore and Savar of Dhaka, marry gold from Chuadanga and orchid from Mymensingh and Manikganj. Bangladesh exports flowers and floral products to India, Pakistan, Italy, Portugal, Saudi Arabia, the United States, South Korea, the Philippines, Singapore, Japan, Germany, Britain, Denmark and France. Kenya, Israel, Zimbabwe, Ecuador, Uganda appeared as major flower exporting countries as the cut flower trade is a multibillion dollar world industry with the United States, Germany, the Netherlands, the United Kingdom, Switzerland, Italy, France, and Japan being major world consumers.

Power, Energy and Development: Bangladesh Review

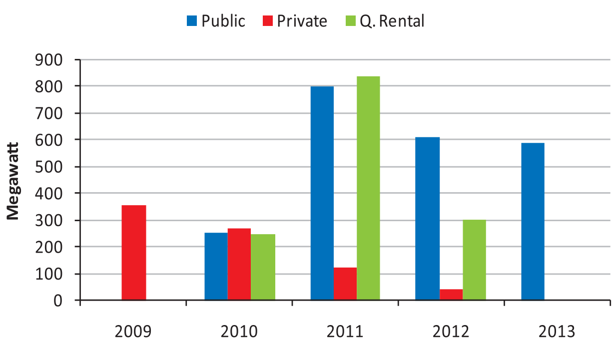
While the power sector in Bangladesh has witnessed many success stories in the last couple of years, the road that lies ahead is dotted with innumerable challenges that result from the gaps that exist between what's planned versus what the power sector has been able to deliver. There is no doubt that the demand for electricity is increasing rapidly with the improvement of living standard, increase of agricultural production, progress of industries as well as overall development of the country.

Severe power crisis compelled the Government to enter into contractual agreements for high-cost temporary solution, such as oil based rental and public sector peaking power plants on an emergency basis. This has resulted tremendous fiscal pressure. With a power sector which is almost dependent on natural-gas fired generation (89.22%), the country is confronting a simultaneous shortage of natural gas and electricity. Nearly 800 MW of power could not be availed from the power plants due to shortage of gas supply. Other fuels for generating low-cost, base-load electricity, such as coal, or large hydropower, are not readily available and Government has no option but to go for fuel diversity option for power generation.

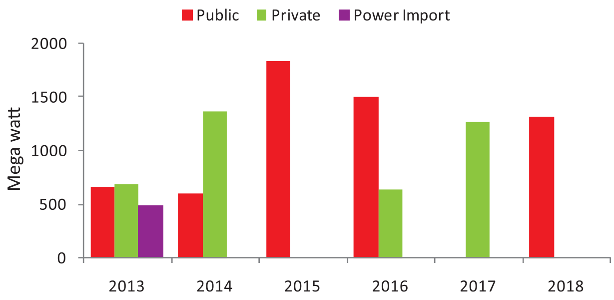
When the present Government assumed the charge, the power generation was 3200 - 3400 MW against national demand of 5200 MW. In the election manifesto, government had declared specific power generation commitment of 5000 MW by 2011 and 7000 MW by 2013.

To achieve this commitment, in spite of the major deterrents energy crisis and gas supply shortage, government has taken several initiatives to generate 7,000 MW by 2013 and 13,000 MW by 2018, which are close to the commitment in the election manifesto. 4432 MW of power (as of September, 2013) has already been added to the grid within three years time. The government has already developed Power system Master Plan 2010. According to the Master Plan the forecasted demand would be 19,000 MW in 2021 and 34,000 MW in 2030. To meet this demand the generation capacity should be 39,000 MW in 2030. The plan suggested to go for fuel-mixed option, which should be domestic coal 30%, imported coal 20 %, natural gas (including LNG) 25%, liquid fuel 5%, nuclear, renewable energy and power import 20%. In line with the Power system Master Plan 2010, an interim generation addition plan up to 2018 has been prepared, which is as follows:

Plants Commissioned During 2009 – September 2013



Calendar Year wise Generation Addition program, 2013-2018



Government has taken short, medium and long term plan. Under the short term plan, Rental Power Plants will be installed using liquid fuels/gas and capable to produce electricity within 12-24 months. Total 1653 MW was installed by this time from rental power plants.

Under the medium term plan, initiatives have been taken to set up power plants with a total generation capacity of 11,497 MW. The plants are mainly coal based, some are gas and oil based. In the long term plan, some big coal fired plants will be set up, one will be in Khulna and other will be in Chittagong, each of having the capacity of 1300 MW. Some 300-450 MW gas based power plants will be set up in Bibiana, Meghnaghat, Ashugonj, Sirangonj and in Ghorashal. If the implementation of the plan goes smoothly, it will be possible to minimize the demand-supply gap at the end of 2015.

FDI in the Power Sector (USD mil)

Indicators	FY01	FY05	FY09	FY10	FY11	FY12
Inward flow	174.6	29.7	23.4	36.8	52.6	64.2
Share in total flow (%)	31	3.7	2.4	4	6.8	5.4
Inward stock as of June	218.4	284.2	256.9	288.2	331.9	294.7
Share in total stock (%)	10.4	8.4	5	4.8	5.3	4.7

Source: Bangladesh Bank

Government has already started implementation of this plan. Total 38,229 Million-kilowatt hour (MkWh) net energy was generated during 2012-13. Public sector power plant generated 47% while private sector generated 53% of total net generation. The share of gas, hydro, coal and oil based energy generation was - 78.12%, 2.34%, 3.02% and 16.51% respectively. On the other hand, in FY 2011-12 35,118 million-kilowatt hour (MkWh) net energy was generated i.e. electricity growth rate in FY 2013 was 8.86%.

Investment

According to the CPD report, at present the respective share of the publicand private sectors in power generation is almost equal (51 percent and 49 % respectively). Although both local and foreign investments have been made in IPPs and QRRs, the inflow of FDI in the power sector has decelerated in recent times. Unlike the early 2000, FDI inflow has dropped in recent years which led to a decline in the share of FDI stock in the power sector.

With a view to increase power generation within a short period of time, the government planned to set up costly QRR power plants along with PDB's and IPP power plants. At present, the share of QRRs is about one-third of total generation capacity. "Because of very high purchasing price of electricity from QRRs (BDT 18-21 visà- vis BDT 3.5-4.5 from BPDB) the BPDB has to bear a huge burden of subsidy. Taking into account such financial burden, the government has planned to reduce the share of electricity generation through QRR power plants by exiting those plants once their contract periods are over, mostly by FY2013.

Primary Fuel Sourcing

Coal: Coal will be the main source of Primary fuel under Long Term plan as it is the cheapest fuel next to indigenous natural gas. Out of 39GW generation capacity requirement by 2030, about half of it will be coal based. For fuel security, half of about 20,000MW coal-fired plant will be based on indigenous coal. In five coal mines in Bangladesh, reserve is about 3.2 billion tons. From country's development perspective and energy security, extraction of coal

from these mines be given top priority. Using latest technology and efficient computer software, robust socio-economic & techno-environmental studies need to be undertaken immediately. Coal extraction plan will be prepared taking care of all aspects of the social and environmental issues along with motivational campaign. As this will take some time, in medium term imported coal based plan to be setup to provide cheap electricity to customers.

Natural Gas & LNG: Gas will continue to play most important cheaper source of primary fuel in the long term also. Though share of gas based generation will reduce in long term, but quantity of gas required will be more than double by 2030 than present requirement.

Extensive exploration and production plan to be taken on priority basis in increasing the gas production in future. Most efficient use of gas is to use it as primary fuel for grid connected electricity generation. Govt. should allocate at least 60% of gas for grid power.

LPG for domestic cooking and long-term contract for fertilizer import may be considered. Along with this program, import of LNG for power generation and industrial use should have to be considered seriously. A long-term strategy and implementation plan to be undertaken immediately with time bound action and target.

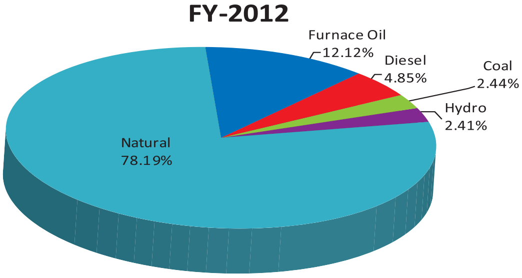
Liquid Fuel: In long term also necessity of liquid fuel based power generation will remain. By 2030 about 2000MW will come from liquid fuel, which will be about 5% of total generation at that time. Pragmatic strategy to be taken for import of quality liquid fuel to supply to generation plants in most efficient manner. In this regard, private sector may play a very important role along with public sector. The government has already allowed private sector to import liquid fuel for power generation. BPDB has invited bids for setting up a public - private joint venture fuel company for import and supply of fuel to power generators along with BPC.

Nuclear Energy: Today around 11% of the world's energy needs produced from nuclear energy. As the continuous rise in the price of oil and as far as the global warming is concerns, clean burning properties of nuclear power are becoming much more attractive day by day. Nowadays Small modular reactors (SMRs) have become much popular in all over the world. The objective of these SMRs is to provide a flexible, cost-effective energy alternative. Small reactors defined by the International Atomic Energy Agency as those with an electricity output of less than 300 MW. They increase containment efficiency, and heighten nuclear materials security. In future, feasibility can be done to establish large and regular nuclear power plants and fourth generation 'Small Modular Reactor (SMR)' Nuclear Technology as SMR can be considered as future potential energy solution.

Bangladesh is going to contract with Russia finalizing arrangements to install two nuclear power plants (NPPs) to produce 2,000-megawatt electricity at Rooppur in northwestern Pabna district. The 1000MW capacity of unit1will be commissioned by the year 2018. The Russian government will give support for necessary infrastructure development for setting up the power plants. The Russian government will also provide necessary nuclear fuel on long-term basis & will provide necessary training for human resource development at different levels in the project.

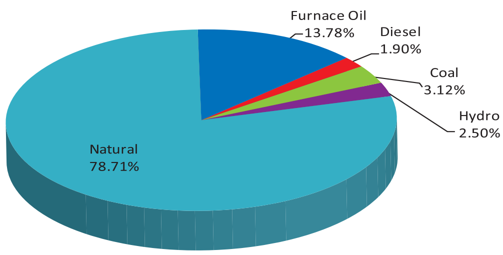
Fuel Mix : July-Apr FY- 2012 & 2013

FY-2012



Total Net Generation : 28,738 MkWh

FY- 2013



Total Net Generation : 31,185 MkWh

New Born

Nusaiba Mahnoor
January 16, 2014

Faruk Abdullah becomes a proude father

Mr. Md. K.E.M Faruk Abdullah, Assistant Officer of our Retail Finance Center (RFC), Collection Department has recently become proud father of a bonny child (Girl) on 16th January, 2014. We wish her a very prosperous life.

Ramissa Jahan
January 21, 2014

Md. Anower Parvez becomes a proude father

Md. Anower Parvez,(FAVP) of our Treasury Department has recently become proud father of a bonny child (Girl) on 21st January, 2014. We wish her a very prosperous life.

Academic Excellence

Little Scholar

Humaira Sultana (Humaira), daughter of Ayesha Sultana, Officer, Foreign Exchange Department of Uttara Model Town Branch got GPA 5.00 in PSC Examination. We all are very delighted with the result and congratulate her for this success.

Dr. Nayeema Sadia becomes an FCPS

Dr. Nayeema Sadia, wife of Mr. Mohammad Rajib Hossain, VP, Wholesale Banking Division was awarded the Fellowship of the college of physicians and surgeons(FCPS) from Bangladesh college of physicians and surgeons (BCPS) in January 2014. Her Specialization is in Paediatrics. Congratulations to Dr. Nayeema Sadia.

New to MTB Family

Md. Khirkil Nowaz
SVP, Head of Retail Banking Division, CHO

Md. Zahurul Karim Chowdhury
FAVP, Treasury Department

Md. Mustafizur Rahman
SO, Special Asset Management Division, CHO

Md. Alamgir Hossain
Officer, Laksham SME/Agri Branch

Md. A. Muttalib
Officer, Savar Branch

Mohammad Fazlul Hoque
AO (Cash), Cash Department Belkuchi SME/Agri Branch

Ashis Kumer Dey
AO (Cash), Cash Department, Jessore Branch

Samir Sarker
AO (General), Credit Administration Dept, CHO

Top business story in 2013: Booming stock markets

In 2013 US stocks rocketed to new heights, and markets in Japan and Europe jumped. It was an easy year to emulate Warren Buffett even as Congress almost wrecked the US economy. US stocks rocketed to new heights, and markets in Japan and Europe jumped, too. The gains enriched investors and defied a still-subpar economic rebound from the Great Recession. Budget fights closed much of the US government for 16 days. Leaked classified documents showed that the National Security Agency collected private online communications via Internet companies. The disastrous rollout of President Barack Obama's health care law confirmed fears of a bureaucratic train wreck. Central banks embarked on a shopping spree. JPMorgan Chase paid a record USD13bn for its role in the housing bust. General Motors flashed signs of its old horsepower. A colossal merger for American Airlines and US Airways took flight. Twitter's IPO recalled the dizzy dot.com era. And the heartbreaking deaths of 1,100 garment workers in Bangladesh showed that some overseas factories serving US companies remain unsafe. The stock market boom was chosen as the top business story of 2013 by business editors at The Associated Press. Washington's gridlock and dysfunction came in second, followed by revelations involving the NSA.

1. Stock markets surge

The Dow Jones industrial average set a record in March and hardly stopped to celebrate. The blue chip average has soared roughly 25 percent so far, its best performance in a decade. Stocks stand out as among the few areas of the economy to fully recover from the 2008 financial crisis. The Federal Reserve's bond purchases helped cut long-term interest rates, making stocks more alluring than bonds. Also, companies boosted share prices through an unusually large USD751 billion in stock buybacks. And corporate profits achieved a record share of the US economy. The explosiveness of the stock rally prompted fears of a bubble because economic growth has been tepid by historical standards.

2. Federal chaos

Congress nearly derailed the economy not once but several times. Lawmakers allowed a Social Security tax cut to lapse after January 1, which shrank Americans' paychecks. Then they let deep federal spending cuts take effect in March because they couldn't agree on a budget. The dysfunction peaked in October: Unable to pass a 2014 budget, Congress shut down part of the government for 16 days. National parks were closed. Federal employees stayed home. The government even risked a default on its debt until, with just hours to spare, Congress reopened the government and by December forged a two-year budget deal.

3. Tech companies and NSA

Big Brother has logged on. The US government gathered data on online messages through a program that's intended to stop terrorism but that touches the communications of ordinary Americans. Internet companies already track users and then sell customized digital advertising. But they reacted indignantly after documents leaked by a former NSA contractor said the agency had backdoors at Google, Yahoo, Facebook, Apple and Microsoft. The companies said they provided data only as required by federal courts. They tried to mend any public fallout by pressing the Obama administration to curb electronic snooping and to let the companies disclose more information about government requests for their users' online activities.

4. Jpmorgan Chase

The biggest US bank agreed to pay USD13bn for its part in the housing frenzy that sparked the financial crisis. The agreement

dwarfed the previous record settlement with the government: USD4bn against BP for its 2010 oil spill. JPMorgan Chase and banks it had acquired had misled Fannie Mae and Freddie Mac about mortgage bonds it sold them that later went belly up. The settlement represented 60% of JPMorgan's 2012 net income. On the bright side for the bank: Most of the penalty is tax-deductible.

5. Health care law

The medicine didn't go down smoothly when the new health care law launched in November. It was almost impossible for uninsured individuals and small businesses to sign up on the glitch-ridden federal website. The Obama administration swung into emergency mode to fix the site. But businesses would need to enroll with paper applications until November 2014. The insurance plans offered online also drew sour reviews. Premiums rose for some small businesses. Others were unhappy with the limited plans and doctor networks. But some businesses were spared the mess. Before the launch, the government delayed until 2015 the mandate that companies with more than 50 employees provide health coverage or pay penalties

6. Central banks go low

The Fed and other central banks supported growth by keeping rates ultra-low. Investors, home buyers and corporations benefited. But many who depend on income from savings accounts suffered. Chairman Ben Bernanke kept the Fed's key short-term rate near zero and abandoned previous guidance about when a rate increase might eventually occur. The Fed finally decided in December to pare its bond buying program but will do so very gradually. The Bank of Japan has held rates near zero and pledged to double that country's money supply by buying bonds. And the European Central Bank cut its rate twice to 0.25%.

7. Bangladesh factory

Cheap jeans and T-shirts can impose a human cost. That was driven home in April, when a building in Bangladesh that housed garment factories collapsed and killed more than 1,100 people. The tragedy put pressure on clothiers and retailers such as Wal-Mart, the Gap and H&M to upgrade their working conditions in that nation. The building had cracked from the weight of industrial machines.

8. Airlines merge

American Airlines emerged from bankruptcy with a bang merging with US Airways to form the world's biggest airline. The new American Airlines Group handles 6,700 flights a day to 339 destinations. Despite closing the merger in December, the combined company will have to operate as two carriers until their fleets get approval to combine, likely within two years. Just four airlines now control 80% of the US market. Less competition has returned airlines to profitability, but tickets are getting pricier as carriers limit seats. Analysts said fewer competitors and a more concentrated control of routes will likely mean higher fares.

9. Twitter ipo

The business of 140-character blast communiques thrilled Wall Street. Twitter went public in November at USD26 a share; the price has since more than doubled. It was among 222 IPOs this year, the most since 2000. But Twitter is trading at an extremely high 50 times its projected annual revenue. That's evidence of both hype and the expectations being imposed on social media companies to deliver growth. Facebook's shares rebounded after its IPO flop last year. LinkedIn and Yelp also gained. But there were losers in the social media world: Shares of Groupon and game-maker Zynga tanked.

10. GM comeback

Just six years ago, General Motors and, by extension, much of the US manufacturing base needed taxpayer life support. But the automaker behind Chevy, Cadillac, Buick and GMC has roared back. The Treasury Department unwound its stake in GM this year at a USD10.5bn loss. But the government rescue saved more than 1 million jobs and helped return once-dominant GM to profitable health. It boasts USD26.8bn in cash, USD1.3bn to upgrade five Midwest factories and a new CEO: Mary Barra, the first female head of a major US car company.

This year has seen a series of relatively sunny earnings reports for General Motors, the only major automaker with its headquarters still in Detroit. GM's 2009 government-funded bankruptcy seems to have worked out about as well it possibly could have for the company, which posted better-than-expected profits of $1.18 billion in the first quarter of 2013.

Maruti gains momentum in weak market

Shares of four-wheeler major Maruti Suzuki gained momentum in a weak market after foreign brokerages such as Bank of America Merrill Lynch and HSBC raised their target price on the stock. BofA-ML maintained its 'buy' on the stock and raised its target price to Rs 2,250 from Rs 1,800 earlier. According to the brokerage, launch of new products and demand from the rural market will lead to recovery. The company is likely to launch 4-5 models to plug product launch gaps. Analysts expect consensus upgrades for the stock as volumes rebound. They also expect margins to increase 110 bps to 12.9%. The company remains top pick in the auto sector for BofA-ML. Meanwhile, HSBC maintained 'overweight' rating on the stock and raised its target price to Rs 2,100 from Rs 1,780 earlier.

The brokerage is of the view that margin resilience will protect earnings downside for the stock. It expects product pipeline to support valuations. It has raised FY15e EPS by 5% on account of Yen depreciation. Recovery in auto market will drive the stock upwards, the report said. Maruti Suzuki surprised with its December sales figures. It reported 5.5% growth in domestic volumes led by the mini segment, which posted robust 17% Y-o-Y growth, indicating a slow return of first-time buyers in the entry-level petrol segment.

Toyota to launch 'car of future' in US in 2015

Toyota said that it planned to launch a fuel-cell car in the United States next year, declaring the hydrogen vehicle with zero emissions 'the car of the future.' Toyota Motor Sales vice president Bob Carter said the initial market will be California, together with an initiative to establish hydrogen refuelling stations in key regions of the state. 'In 2015, we will bring this car to market,' Carter said in the announcement at the Consumer Electronics Show in Las Vegas. The vehicle, yet to be named, would be a 'zero-emission, electric-drive, mid-size, four-door sedan.' 'Functionally, this is a regular car,' he added.

The streamlined design is to maximize oxygen intake for the fuel-cell process. It will be able to travel 300 miles (480 kilometres) on a single fuelling, which would take three to five minutes. While carmakers have long touted the advantages of fuel cells, high production costs and a lack of fuel stations have held back the technology. Carter said however that Toyota had been getting results from its major investments and added that 'we believe we can bring it in at a very reasonable price for a lot of people.' Government initiatives in California were making progress in getting hydrogen fuelling stations in needed areas, he added. 'The issue of infrastructure is not so much about how many, but rather location, location, location,' he said. 'Fuel cells will be in our future sooner than many people believe... and in much greater numbers than anyone expected.' Toyota unveiled a prototype last year at the Tokyo auto show, but on Monday offered more details for its plans for the US market. Honda is also expected to roll out a fuel-cell car in the US market in 2015, and other automakers are working on the technology, which emits only water vapour as exhaust.

Honda already has a fuel-cell car, the FCX Clarity, available on a small scale in a limited number of markets. Carter said that Toyota and California officials plan to add 20 new fuel stations by 2015 to the 10 existing ones. The goal is to have about 100 in the state, and to have a station within a six-minute drive of an owner's home or business. 'This infrastructure thing is going to happen,' he said. 'I believe this vehicle will be the car of the future.' It is expected to launch in Japan at about the same time.

China may miss 2013 foreign trade growth target

China's foreign trade is likely to grow by more than 7.0% from the previous year to reach USD 4.14 trillion in 2013, slightly lower than the official target of 8.0s%. Minister of Commerce Gao Hucheng said the country will continue efforts to maintain steady trade growth in 2014 and speed up the adjustment of foreign trade structure by increasing the import of technology, equipment, energy and raw materials. The country's exports have picked up in recent months amid signs of a gradual recovery in external demand. In the first 11 months, foreign trade climbed 7.7% from one year earlier, with the growth of exports outperforming market expectations by rising 8.3%. Retail sales of consumer goods will increase by more than 13% this year to 23.8 trillion yuan (USD3.9 trillion) while foreign direct investment inflow is expected to rise by around 5.0%, Gao said at a two-day national conference that opened recently. He added that the country's non-financial outbound investment is set to expand by around 15% this year to reach USD88 billion.

In 2014, the country will speed up efforts to foster new sectors to boost consumption, such as information equipment, health care, fuel-efficient autos and electronic products, Gao said.

The country also vowed to push forward free trade negotiations with trade partners and broaden foreign capital access to service industries.

ADB confident Asia can weather Fed tapering

Asian Development Bank President Takehiko Nakao said he's confident emerging Asian economies will weather the impact of reduced US monetary stimulus, predicting growth of about 6 percent this year and next. "I would like to give a more sanguine view" about the impact of tapering of US Federal Reserve asset purchases, Nakao, a former Japanese vice-finance minister, said in an interview at the ADB's Tokyo office. "The market has already incorporated elements of the tapering-off to some extent and there was a certain overreaction on the side of the market." Strengthening US and Japanese economies should help emerging Asian nations in 2014, Nakao said.

At the same time, it's important that policy makers in the region use the period of stability to address domestic policy needs, he said. The US Federal Reserve said earlier in December it is trimming its monthly bond purchases to USD75 billion from USD 85 billion, taking the first step toward unwinding its unprecedented stimulus program.

Emerging-market stocks plunged after May 22, when Fed Chairman Ben S. Bernanke said for the first time it could withdraw stimulus, and then rebounded after the Fed decided in September to maintain its quantitative-easing program. "The risk is that the market is not convinced about the stability of the economies so the policy makers should be mindful that their policies should be very strong," said Nakao. For example, Indonesia and India should take care of their fiscal deficits, and Indonesia "must pursue needed structural reforms, especially liberalization of the retail market and financial market," he said.

Nakao also indicated that diplomatic tensions between Japan and China aren't yet at a level that would require altering the ADB's economic projections. Thailand's political unrest leaves it risking lost opportunities in attracting investment from abroad, with many other options now in Southeast Asia, Nakao said. The ADB chief, who took office in April, said he's broadening the Manila-based lender's agenda beyond a focus on the provision of credit.

IFC, a member of the World Bank Group, and the People's Bank of China signed an agreement for IFC to invest 12 billion yuan (around USD 2 billion) in China's interbank bond market. The agreement enables IFC to diversify its financial assets and enhance liquidity management, while increasing the ability to offer renminbi-denominated loans for private sector development in China. Under the agreement, IFC will invest 12 billion yuan in fixed income instruments in China's interbank bond market. IFC supports the development of China's financial sector by working with the government to create a regulatory and legal environment that supports the growth of financial services, promote the microfinance industry, strengthen China's commercial banks, and develop the country's financial markets.

"This agreement will significantly expand our ability to offer local-currency financing to support private sector development in China," said IFC EVP and CEO Jin-Yong Cai. "It complements our ongoing efforts to deepen China's domestic capital markets, a strategic priority for IFC." IFC participates in China's domestic capital markets in a variety of ways, including direct market interventions, for example as the first non-resident issuer of renminbi-denominated bonds, so-called Panda bonds, in 2005. IFC has also issued renminbi-denominated bonds in Hong Kong SAR, so called Dim Sum bonds. Proceeds of IFC Panda and Dim Sum bonds were invested in companies that focus on health, financial, and other key services. To increase its ability to offer long-term, renminbi-denominated loans, IFC has also signed Master Swap Agreements with China Development Bank and China's Export-Import Bank.

In China, IFC also focuses on private sector investments that help fight climate change, enable rural development, and promote sustainable Chinese investments overseas. Since 1985, IFC has invested about USD 6 billion (around 36 billion yuan) in more than 200 projects in the country, including nearly 3 billion yuan in local-currency investments.

British pound rises to two-year high on economic recovery

The exchange rate of British pound against U.S. dollar once climbed to 1.6578 in London market recently, hitting a two-year high, amid growing market confidence on the country's economic recovery.

The price of Britain's government bonds, however, declined, pushing the benchmark 10-year yields to 3.07 percent, the highest level since July 2011, since the better outlook of economy boosted the speculation of the tapering of the Bank of England (BoE).

In a daily note, Geoffrey Yu, a senior currency strategist at UBS AG in London, expected Britain's economic recovery to continue at a solid pace next year, driven by fixed investment and underlying domestic demand.

According the data compiled by Bloomberg, the pound has increased 6.7 percent against the green back over the past six month. The dollar depreciated 2.5 percent over the same period, and the euro appreciated 4.4 percent, data also showed. BoE warned in its monthly meeting minute released last week that a further appreciation of the pound could hamper Britain's economic recovery.

Capital Economics, a London-based economic forecaster, said that the pound is now above levels at which BoE policy makers have warned in the past would impede the re- balancing of the economy.

WTO Bali Package and Bangladesh perspective

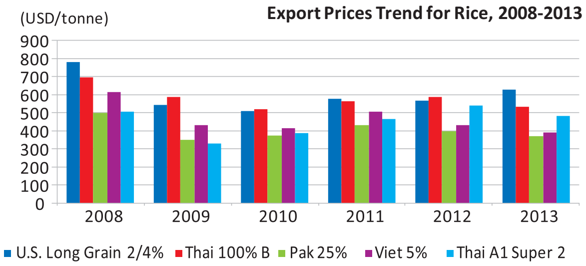
Following several months' intense negotiations in Geneva and last minute exciting deal in Bali, Indonesia, the 9th WTO Ministerial Conference was eventually able to deliver the Bali Package containing few crucial issues of Doha Round negotiations. Doha Round was launched in the 4th WTO Ministerial Conference held in Doha in 2001. This is the first negotiating round under the WTO and was scheduled to be concluded in 2005. However, it was not possible to conclude the negotiations by 2005 and even not by many other set deadlines. The round is still under negotiations without any specific deadline for conclusion. In fact, there was no forward movement in the negotiations since the mini-Ministerial held in 2008 in Geneva.

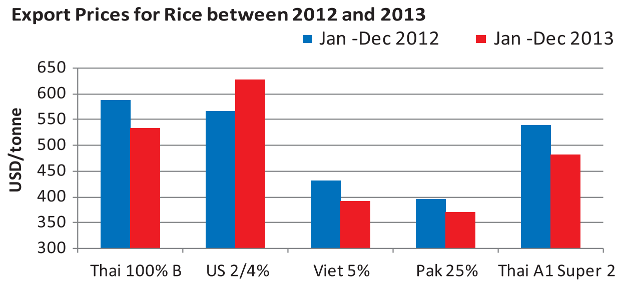
The Bali Package consists of three pillars, namely development issues, trade facilitation and few agriculture issues. Development issues again consist of four LDC issues - duty-free & quota-free (DFQF) issue, rules of origin, operationalisation of Services Waiver for LDCs and Cotton issue - and Monitoring Mechanism. Bangladesh has direct relevance to the LDC issues and the Trade Facilitation Agreement. Again, among the four LDC issues first three issues mentioned above are of interests to Bangladesh.

DFQF ISSUE: The most important issue for Bangladesh is the DFQF market access. In the 5th WTO Ministerial Conference held in Hong Kong in 2005, it was decided that all developed countries would provide DFQF market access to at least 97% products, by tariff lines, of LDCs. Almost all the developed countries have already provided such market access to LDCs in almost all products. USA, the largest export market of Bangladesh, is the only exception.

USA also provides DFQF market access under its GSP scheme for LDCs. But, readymade garments (RMG) products, the main export product of Bangladesh, are excluded from the US-GSP scheme. Even providing DFQF market access to 97 per cent tariff lines by the USA does not guarantee real or commercially meaningful market access for Bangladesh. Because Bangladesh's export to USA is confined to such a small number of tariff lines, exclusion of only 1-2% of tariff lines from the DFQF scheme can virtually exclude all the potential products of Bangladesh.

FAO Export Prices for Rice

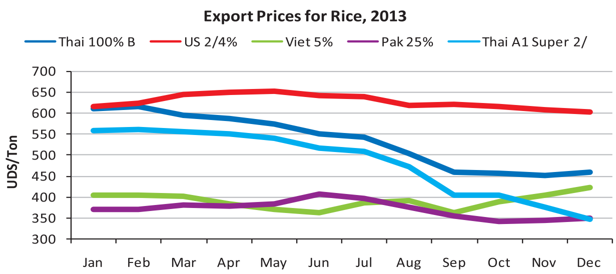




Since 2008, export prices for rice has been experiencing a somewhat stable trend for almost all dominant origins while US Long grain 2/4% remained the most dominant. According to the FAO Rice Price Update, the global trend for export prices of rice was roughly above 300 USD/Ton in between 2008 and 2013. Despite the economic crisis all over the world in recent past, the rice market could keep its pace in control and exporters could move around a comfortable range of export prices for rice. Thai 100% was one of the most consistent origins that showed a stable trend throughout this timeline. Viet 5% was another origin that also maintained a linear trend of export price and showed a good growth compared to the other competitors. Pak 25% kept a slow but steady pace in the export price indices and developing tough competition for close competitors. Thai A1 super experienced a tough time in 2009 and 2010 but overcome gradually with the market trend.

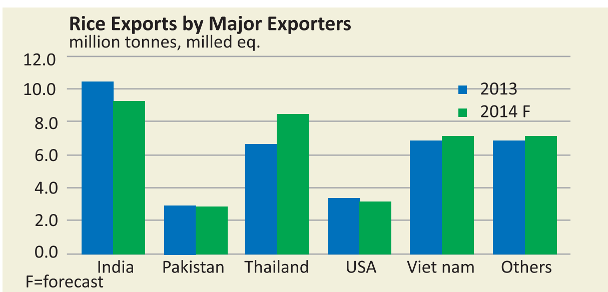
In 2013, export prices for rice travelled a long way with a linear growth while all competitors, except Thai origins, started from a similar start point in January compared to its end point in December. As graph (below) shows, two Thai origins (Thai 100% and Thai A1 super) experienced a downward trend all over the year. Thai 100% and Thai A1 super started the year from somewhere near USD 600/Ton while ended up with somewhere near USD 400/Ton and USD350/Ton respectively. Viet 5% and Pak 25% were almost consistent up to mid-2013 though had some ups and downs at the end.

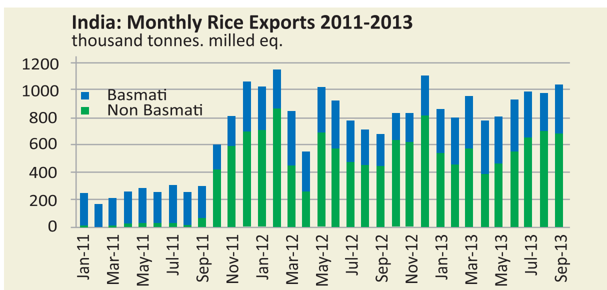
Between 2012 and 2013, all but US2/4% experienced a negative change and had good rise while other competitors were struggling to hold the downward change. Among the rest, Pak 25% was in a controlled pace compared to the other market competitors. Unlike Pak 25%, both Thai origins were consistent in experiencing downward change all over the time. Other than US 2/4%, all competitors went below in December from where they started in January.



FAO's forecast of world trade in rice in calendar 2013 has not changed since July, remaining at 37.5 million tonnes (milled basis), implying a 2 percent contraction from the 2012 record. The retrenchment is expected to be demand-led, and mostly imputable to import cuts in the Far East (Indonesia, the Philippines) and in Western Africa (Nigeria, Senegal), a reflection of good crops, but also of the restrictive policies instituted as part of self-sufficiency programmes. Poor production results, combined with strong domestic demand, are, instead, foreseen to lift purchases in Europe (EU), Latin America and the Caribbean (Brazil, Colombia) and North America (United States). Among exporters, the faltering import demand is foreseen to curb shipments from Viet Nam the most, although supply constraints and high prices are also expected to depress sales by Argentina, Brazil, and Uruguay. Given a poor delivery record so far, Thailand appears unlikely to boost its exports beyond the relatively low level of last year. Expectations have, instead, improved for India, which may replicate the 2012 record performance, with Australia, Cambodia, China (Mainland), Egypt, Pakistan, Paraguay and the United States also forecast to export more.

Global trade in rice in 2014 is currently forecast at 38.3 million tonnes, 2 percent above the 2013 current trade estimate and only fractionally short of the 2012 record. On the export side, much of the trade growth is forecast to be captured by Thailand, where government releases of supplies from stocks have resulted in prices falling in recent months, helping the country regain its competitive edge. Ample supplies may also enable Brazil, China (Mainland), Egypt, Guyana and Paraguay to step-up deliveries. However, a return in force of Thailand as an exporter is seen to affect negatively sales from most of the other suppliers, in particular India, which may, nonetheless, retain its dominant position in the global rice market. Shipments by Argentina, Pakistan, Uruguay and the United States are also anticipated to fall.





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ঋণের ধরণঃ

- ঘুর্নায়মান ঋণ [Revolving Loan (RL)] - চলতি পুঁজি অর্থায়নের জন্য এক বছর মেয়াদী একটি জমা-উত্তোলন ভিত্তিক ঘুর্নায়মান ঋণ হিসাব, যা প্রতি এক বছর পর পর নবায়নযোগ্য।
- মেয়াদী ঋণ [Term Loan (TL)] - চলতি পুঁজি / স্থায়ী সম্পদ অর্থায়নের জন্য মাসিক/ত্রৈমাসিক/ষান্মাসিক কিস্তিতে সর্বোচ্চ ৫ বছরের মধ্যে পরিশোধযোগ্য ঋণ।

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গ্রেস পিরিয়ড
সুবিধাজনক গ্রেস প্রিরিয়ড প্রযোজ্য ।

জামানত
৫.০০ লক্ষ টাকা পর্যন্ত ঋণের জন্য কোন অতিরিক্ত জামানত (Collateral Security) প্রয়োজন নেই। ৫.০০ লক্ষ টাকার অধিক ঋণের জন্য অতিরিক্ত জামানত বাধ্যতামূলক।

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