

MTBiz

Monthly Business Review, Volume: 06, Issue: 03, March 2015



Statistics of Digital Transactions in Bangladesh



SME Bank of the Year & Women Entrepreneurs' Friendly Bank of the Year

Mutual Trust Bank Ltd. (MTB) rejoices along with its customers, shareholders, stakeholders, regulators, patrons and well-wishers, on receiving the **SME Bank of the Year** and **Women Entrepreneurs' Friendly Bank of the Year** Awards.

The recognition was made at the '**SME Banking Award 2014**' ceremony jointly organized by Bangladesh Bank and the SME Foundation. With this achievement, MTB becomes the first-ever best SME bank of the year for its contribution to the development of small and medium enterprises (SMEs).



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Article of the Month page 02

**Statistics of Digital Transactions
in Bangladesh**



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Statistics of Digital Transactions in Bangladesh

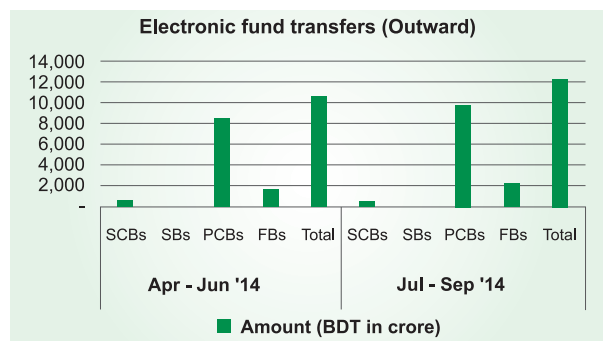
1.0 Introduction

From ancient time till date money has been in a modification, from coins to paper currencies, from banknotes to plastics and finally there rise the digital money. Development of technology has paved the way forward for money so far. Bangladesh has its paper currency circulating at the market while new entrants at the market are: plastic money (debit / credit cards) and m-money. Plastic money got its way into the Bangladesh market almost three decades back while the m-money is a recent phenomenon. However, with the rise of purchase through internet plastics are recently having newer usage through internet payment gateway for online transactions.

This write-up has focused on the scenario of the plastic and mobile money (money transaction through mobile banking) in usage at the market of Bangladesh especially the trend in transactions of plastic cards (Debit, Credit, Prepaid), E-banking and E-commerce within Bangladesh. Deployment of Electronic Fund Transfer Network (EFTN), Electronic Money Transfer Service (EMTS) and National Payment Switch (NPS) is a major push on the commercial banks in the country to get their own digital payments. Therefore, the article will first describe the development of digital payment network and switch by the central bank and then would focus on the figures of market transactions.

2.0 BB's Payment Network & Switch

2.1 Electronic Fund Transfer Network



Bangladesh Electronic Fund Transfer Network (BEFTN) is an important component of a modern payments system infrastructure among the present initiatives. BEFTN starts its live operation on February 28, 2011. A wide variety of credit transfer applications such as payroll, foreign and domestic remittances, company dividends, retirement, bill payments, corporate payments, tax payments, government license fees are settled under the network. It also deals with person to person payments as well as debit transfer applications such as mortgage payments, membership dues, loan payments, insurance premiums, utility bill payments, etc. (Bangladesh Bank).

According to Bangladesh Bank, electronic fund transfer (EFT) showed 17% growth in third quarter (Jul-Sep, 2014), compared to the previous quarter (Apr – Jun, 2014). Private Commercial Banks (PCBs) are the most vibrant in electronic fund transfer where it possesses 81% and 79% of the total transaction in quarter two and quarter three of 2014 respectively. Foreign Banks (FBs), the second in EFT, possesses 16% and 18% in quarter two and quarter three respectively.

2.2 Electronic Money Transfer Service in Bangladesh Post Office

Bangladesh Post Office launched a money order service named Electronic Money Transfer Service (EMTS), commonly known as Mobile Money Order Service. People can remit the desired amount of money to their families. The remittance service, mobile as well as web based, is available in all important post offices of the country. Presently, 2750 post offices provide the EMTS which covers all district, upazilla/thana and important/busy rural post office locations.

2.3 National Payment Switch

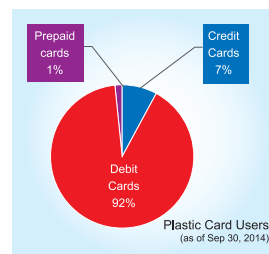
Bangladesh Bank has started to implement the National Payment Switch (NPS) since March, 2012. The payment system is associated with sending, receiving and processing of orders of payment or transfers of money in domestic or foreign currencies. It also associated with the issuance and management of payment instruments, payment, clearing and settlement systems. NPS supports transactions made through cards or account numbers, clears and settles these electronic transactions through the settlement accounts of all the scheduled banks maintained with Bangladesh Bank. NPS has interfaces with all the major international payment schemes i.e. VISA, MasterCard, AMEX (The Financial Express, Oct 27, 2014).

3.0 Electronic Money: Plastics & Mobile Money

Plastic has replaced the paper currency on a large scale in most of the developed countries. It is stepping forward gradually in developing nations. Plastic includes different cards, both debit and credit in nature, used as a means of transaction. Bangladesh presently has about 56 scheduled banks working at the market. Almost all the banks have ATM network to facilitate 24-hour money withdrawal service through plastic cards (The Financial Express, Oct 27, 2014). Since long VISA & Master have been the famous international brands marketed in Bangladesh. Afterwards, the City Bank introduced American Express (Amex) brand in the country. AMEX (established in 1850), VISA (1958) and Master (1966) are US-origin brands. Prime Bank Ltd has launched JCB brand, which is a Japanese brand - Japan Credit Bureau, established in 1961. Dutch-Bangla Bank (DBBL) has started acquiring UnionPay card at its ATM and POS terminals which is a Chinese brand established in 2002. VISA is the market leader in Bangladesh (The Financial Express, Oct 27, 2014).

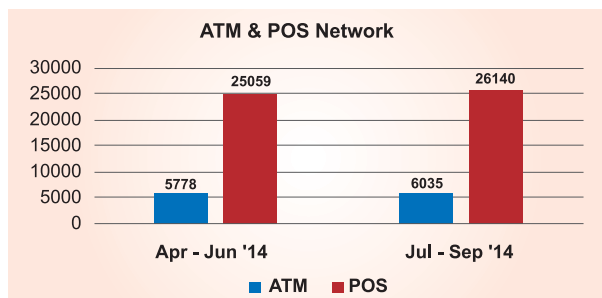
3.1 Status of Plastic Money in Bangladesh

The mode of money transaction has changed over the years with the arrival of plastic cards in Bangladesh. Bangladesh Bank recently published e-banking and e-commerce statistics. It shows how transaction via plastic cards grows day by day. The volume of total transaction in Q3 of 2014 is noted as BDT 24,853.7 crore, which



is 12.73% higher than the previous quarter (BDT 22,045.6 crore in Apr- Jun, 2014) As of Sep 30, 2014, among the 7.96 million plastic card users, 92% uses debit cards, 9% use credit cards and 2% use prepaid cards. The number of plastic card users grows 8% from the second to the third quarter of 2014. These plastic card users can use a wide network of ATM & POS all over Bangladesh.

ARTICLE OF THE MONTH



According to Bangladesh Bank, the number of ATM, as of Sep 30, 2014 is 6035 and the number POS is 26140. Both ATM & POS network has grown by 4% the third quarter of 2014, compared to previous quarter.

3.2 Usage of Debit Cards

Debit Card Transactions	Usage at ATM (BDT in crore)	
	Local Transactions (Issuing)	Abroad Transactions (Issuing)
Apr - Jun '14	17981.7	13.4
Jul - Sep '14	21075.9	15.9
Growth	17%	19%

According to Bangladesh Bank, transactions of Debit Cards both at home and abroad increased between the second and third quarter of 2014. Local transaction (through ATM) recorded BDT 21075.9 crore in Jul-Sep 2014, which is 17% higher than that of the previous quarter. On the other hand, abroad transaction (through ATM) recorded BDT 15.9 crore in Jul-Sep quarter in 2014, which is 19% greater than that of previous quarter.

Credit Card Transaction (BDT in crore)		
	POS	e-commerce
Apr - Jun '14	1451.5	10.4
Jul - Sep '14	1214.8	19.6

Debit cards transactions through Point-of-Sale (POS) recorded BDT 1451.5 crore in the second quarter of 2014 while BDT 1214.8 crore was recorded in the third quarter. BDT 10.4 crore was transacted through e-commerce (online transaction) in Apr- Jul 2014 and BDT 19.6 crore was transacted in Jul-Sep 2014. Transaction through e-commerce increased 88% between the second and third quarters of 2014. This figure shows a smart increase in online transaction which paves a new economic platform in Bangladesh.

3.3 Usage of Credit Cards

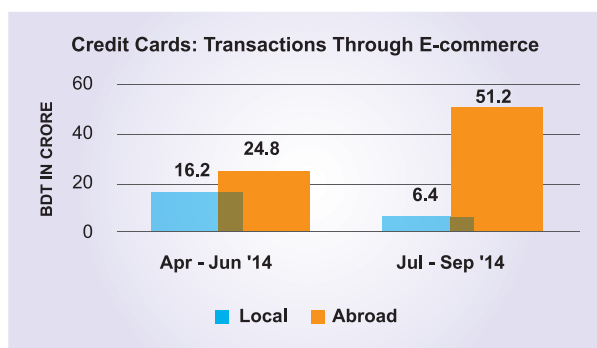
Debit Card Transactions	Usage at ATM (BDT in crore)	
	Local Transactions (Issuing)	Abroad Transactions (Issuing)
Apr - Jun '14	149.2	11.4
Jul - Sep '14	134.3	24.6

According to the Central Bank data, the ratio of local and abroad transaction of credit is quite different from that of debit cards. That ratio of credit cards is much smaller than that of debit cards. The local transaction through ATM was recorded BDT 149.2 crore in Apr- Jun 2014 while it was about BDT 134.3 crore in Jul-Sep 2014. For abroad transaction through ATM Apr- Jun 2014 recorded BDT 11.4 crore while Jul-Sep 2014 recorded BDT 24.6 crore.

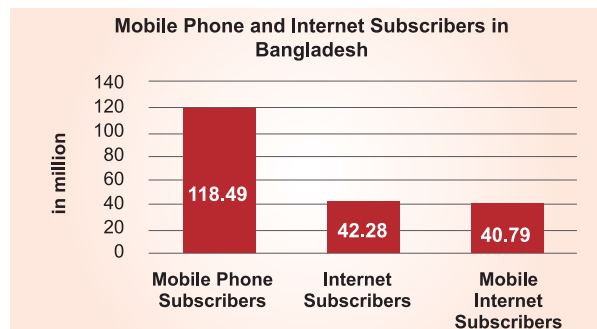
POS transaction through credit card amounted BDT 1541 crore in the second quarter of 2014 and BDT 1319 crore was amounted in the third quarter of 2014. E-commerce transaction through credit cards was BDT 41 crore in Apr-Jun 2014 and it was BDT 57.6 crore in Jul- Sep 2014, which shows about 40% growth between the second and third quarter of 2014.

Credit Card Transaction (BDT in crore)		
	POS	e-commerce
Apr - Jun '14	1541	41
Jul - Sep '14	1319.4	57.6

Abroad transaction through credit cards in e-commerce showed a higher frequency and growth compared to local transaction. The growth is about 106%, which is an indication of new business platform.



3.4 MFS & Mobile Banking



With a view to expedite mobile financial services (MFS), Bangladesh Bank has instructed the commercial banks launching Mobile Banking. By now already 25.18 million mobile bank accounts have been opened. This mobile banking segment has created an employment of about 5 lakh and 41 thousand agents across country. As of Sep 2014, the number of mobile phone subscribers is 118.49 million while the number of internet subscribers is 42.28 million and the number of mobile internet subscribers is 40.79 million. This data shows that almost every third mobile phone subscriber is a mobile internet subscriber (Source: BTRC). Mobile banking registered 57.81% year-on-year growth in cash transactions in December 2014, bolstered by the rapid expansion of financial outlets in rural areas. Mobile banking transactions worth BDT 10,483.04 crore were completed in December 2014, up from BDT 6,642.61 crore in the same month of 2013, according to Bangladesh Bank data. On average, BDT 349.43 crore is transacted through mobile banking a day. Mobile banking customers grew 91.6% between January to December 2014, taking the total number to 2.51 crore, with

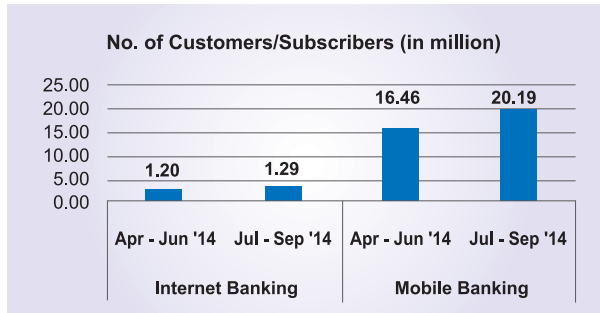
ARTICLE OF THE MONTH

48.25% of the accounts remaining active (The Daily Star, Jan 22, 2015). The number mobile banking subscribers was 16.46 million in the second quarter of 2014 and it increased to 20.19 million in the third quarter of 2014. It showed a 23% growth between the

quarters. The number of customers of internet banking was 1.20 million in Apr- Jun 2014 and it was 1.29 million in Jul – Sep 2014. It showed 8% growth between the quarters.

4.0 Conclusion

From the above discussion it is noted that, subscription to plastic cards at the country is growing. Usage of mobile money has showed up its face on the horizon with a positive growth trend. Both the plastics and mobile money have positive potential growth. However, plastics require POS terminals or ATMs and their networks to be in operation. On the other hand, mobile money needs simply a mobile phone (even without being a smart phone) and its cellular network. From this perspective, Mobile money is expected to grow faster and grab a much bigger market compared to plastics. Those days have begun.



Md Saiful Islam
Group R&D, MTB



Pleasure of Privilege

Privileged Benefits

- Reduced lending rates
- Waiver of fees on various products and services
- Higher ATM withdrawal limit
- Free internet banking
- Free debit card
- Discount on locker services
- Special debit card & cheque books
- Composite statements
- International credit card

Privileged Service

- Dedicated lounges
- Preferential and fast track service for loan application
- Dedicated relationship manager
- 24/7 contact centre

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- Resorts
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BB governor receives 'Central Banker of the Year' award



Bangladesh Bank (BB) Governor Dr. Atiur Rahman received 'Central Banker of the Year 2015' award at House of Lords in London recently. London-based Financial Times-owned magazine 'The Banker' awarded him the 'Best Governor' from the Asia-Pacific region for his role in stimulating growth and stabilizing economy. The BB governor was conferred the award by Brian Caplen, the Editor of The Banker, at a function at House of Lords in London with Lord Sheikh. Receiving the award, the Dr. Atiur said the award has been a big recognition to the advancement of Bangladesh in a crucial global economic situation. Mr. Rahman said that the credit should go to each and every members of Bangladesh Bank who work jointly for the advancement of economy despite global economic meltdown. The Banker's Editor Brian Caplen said Atiur has done the basic things like containing inflation and bringing stability in economy.

BB increases SME loan disbursement target

Bangladesh Bank (BB) recently set a BDT 1,03,591.59 crore SME loan disbursement target for 2015 which is 16.35 % higher than the target set for the previous year. The BB had set annual SME loan disbursement target at BDT 89,030.94 crore for 2014, BDT 74,187 crore for 2013 and BDT 59,012.78 crore for 2012. According to the BB data, the state-owned banks set a BDT 7,058.50 crore SME loan disbursement target for 2015, that of specialised banks BDT 5,600 crore, that of foreign commercial banks BDT 803.64 crore, that of private commercial banks BDT 86,503.84 crore and that of NBFIs BDT 3,625.61 crore. The central bank's SME and Special Programmes Department General Manager Swapan Kumar Roy told that the entrepreneurs would be able to get available SME loans from the banks and NBFIs as the financial sector were now enjoying sufficient liquidity. The BB will give special attention to available SME loan flow to woman entrepreneurs.



BB sets easy terms for large borrowers



Bangladesh Bank (BB) recently said the large borrowers facing financial crisis would get a maximum of 12 years to repay their overdue and defaulted loans for term credits with a lower rate of interest under a restructuring policy of the central bank. The large borrowers, however, will get a maximum of six years to repay their overdue and defaulted loans for working capital under the policy. The BB's Board of Directors approved the policy at its

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regular meeting at the central bank's headquarters in the capital, offering the facility to the large borrowers who received loans of minimum BDT 500 crore. Under the framework, if a borrower has multiple loans with multiple banks, one bank may approach the central bank on its own for consent for loan restructuring or all banks can come together and seek approval.

For restructuring, a large borrower will have to pay minimum one per cent down payment if he/she borrowed more than BDT 1,000 crore from the banking sector while he/she will have to pay 2% down payment for a loan of BDT 500 crore or less than BDT 1,000 crore. The large borrowers will have to enjoy the facility only for one time and they must apply to get the restructuring scope by June 30, 2015.

Quality corporate governance a must for banks: Atiur



Bangladesh Bank (BB) Governor Dr. Atiur Rahman said that attaining high quality of corporate governance is imperative for creating and maintaining investors' confidence in corporate businesses and banks. The governor attached high importance

to improving corporate governance, particularly for banks, saying that the banks are highly engaged in risk bearing investments with depositors' funds in a fiduciary role. He was speaking at a seminar on "Revisiting Corporate Governance Regulations for Banks in Bangladesh" at hotel in the capital. Referring to the financial crisis in 2009, Rahman held responsible the corporate governance failure in banks for 'collapses in chains of contagion across institutions and markets with linked exposures'.

Looking forward, he also asked banks to improve quality of corporate governance so they would not only be capable of avoiding a 2009 like financial crisis, but also be strong enough to fence off rising challenges from diverse aspects.

Banks to remain alert against money laundering, terror financing : BB

Bangladesh Bank (BB) recently asked all the commercial banks to remain alert about any money laundering and terror financing through the banking sector. Bangladesh Bank Deputy Governor



Abu Hena Md. Razi Hasan told top Executives and Anti-money Laundering Officers of the bank that banks must always remain alert and take extra-cautionary measures against any sort of money laundering and terror financing in banks. Chief Executives of different banks briefed the meeting about their measures taken in their respective banks against money laundering and terror financing activities. Explaining different rules and regulations of the Anti-terror Financing Act 2009, Abu Hena Razi Hassan said every bank must take measures in light of the relevant law.

He asked the top bankers to take maximum preventive measures so that no terrorist group can use the banking channel to utilize money for terror financing. Mr. Hasan also directed them to review the operations and transaction report of last six months of their clients at the bank branches located in the risk zone areas.

BB officials asked to be committed, forward-looking

Bangladesh Bank (BB) Governor Dr. Atiur Rahman recently called upon the newly recruited central bank officials to keep themselves away from any type of corruption and partiality, upholding its image home and abroad. Mr. Rahman was speaking as the Chief Guest at a function of Foundation Training Course (FTC) for the BB's newly appointed Assistant Directors (ADs) at the Bangladesh Bank Training Academy (BBTA) in the city. BBTA arranged the function on the occasion of conclusion of AD second batch's six-month FTC-2014 and inauguration of AD first batch FTC-2015. Welcoming the new officials to the lucrative job at the central bank, Dr. Rahman also urged them to bear humanity and inclusivity in their minds while carrying out their duties and responsibilities. Citing different opportunities of the new officials like technology and higher education, he advised them to exploit those and employ their creative minds to contribute to the financial sector.

Mr. Rahman further said that the economic recession was at the peak when he took over the charge of the BB. By stressing on financial inclusion, which leads to enhancement of domestic demand, the situation was overcome and the BB is now an ideal in many other countries especially regarding inclusivity, stability and green banking.

BB includes BASIC Bank as SoCB



The central bank included the name of BASIC Bank as State-owned Commercial Bank (SoCB) instead of specialized one or development-finance institution (DFI) in its latest classified loan statement. According to a senior official of the Bangladesh Bank (BB), BB has included the name of BASIC Bank as SoCB in line with our Board of Directors' decision. He

also said the change does not influence in the overall classified loans position. During the October-December 2014 period, the total amount of classified loans with five SoCBs came down to BDT 227.63 billion from BDT 269.45 billion in the previous quarter. The non-performing loans (NPLs) with three DFIs rose to 72.60 billion in the Q4 from BDT 65.14 billion in the previous quarter after deduction the name of BASIC Bank from the DFIs list.

BB, NBR start executing electronic import LCs



Bangladesh Bank (BB) and National Board of Revenue (NBR) have established an integrated automated system to check capital flight and tax evasion through strengthening monitoring and supervision on foreign trade. Both the government agencies started implementation of electronic letters of credit (e-LCs) for imports initially recently to facilitate the country's overall foreign trade. Under the system, BB is providing information on LCs to NBR, using its foreign-exchange transactions and monitoring

system, generally known as 'dashboard'. The automated integrated system was run at Kamalpur ICD (Inland Container Depot) in the capital successfully. C&F (clearing and forwarding) agents, as representatives of importers, are allowed to receive their goods after clearing duties and taxes through 'e-payment'. The C&F agents will be able to self-assess their duties and taxes using ASYCUDA (Automated systems for Customs Data) World system of NBR. Customs officials are empowered to reassess the duties and taxes, if necessary.

BB launches software to safeguard bank depositors



BANGLADESH BANK

Central Bank of Bangladesh

Bangladesh Bank (BB) recently launched software for receiving online premium for Deposit Insurance Trust Fund (DITF) under the Deposit Insurance System (DIS). Governor Dr. Atiur Rahman officially launched the software at a program in city. He termed the event as another step forward of the country's banking sector towards digitization. Developed by the software engineering team of the central bank, the software, Information for Deposit Insurance Premium Assessment (IDIPA), aims to protect bank's depositors, assuring them of insurance benefit in case of any 'unlikely event' such as closure of any bank. Dr. Rahman said the affected depositors would get a certain amount of money from the Trust Fund in case of collapse or closure of any bank, though none of the banks operating in Bangladesh faced closure since the independence of the country.

The key elements of IDPA also include maintaining public confidence and promoting financial sector's resilience through increasing savings. Introduced in August 1984, all scheduled banks including the branches of foreign banks functioning in Bangladesh are insured by the DIS covering all deposits such as savings, fixed and current.

Bangladesh far ahead of neighbors: BB governor

Bangladesh Bank (BB) Governor Dr. Atiur Rahman recently claimed that Bangladesh is far ahead of its neighbors in financial inclusion movement, mentioning that in the global financial inclusion index of the World Bank it ranks 'second' in South Asia. He was addressing the launching ceremony of the 'Business Finance for the Poor in Bangladesh (BFP-B)' program at the Westin Hotel in Gulshan of the capital. According to BB Governor, till November, 2014 a total of 14.72 million 10-taka accounts have been opened where farmers' 10-taka accounts have numbered 9.72 million. As of December, 2014 around 8.50 lakh school banking accounts have been opened with outstanding savings of BDT 717.49 crore. Some 834 street children have already opened bank accounts by September, 2014 and their outstanding balance amounted to BDT 7.4 lakh. To expedite mobile financial services, the central bank has permitted 28 banks by December 2014 and already 25.18 million mobile bank accounts have been opened creating employment of about 5.41 lakh agents across country.

BB directs banks to set up units for women entrepreneurs

Bangladesh Bank (BB) recently asked all banks and financial institutions to set up separate units at their head offices to serve women entrepreneurs effectively. The banks face a 15-day deadline to form the new units. The BB advised the banks and financial institutions to deploy women officials at these units on a priority basis. The central bank has taken lots of initiatives since 2010 to develop small businesses and women entrepreneurship in the country. It created a separate department, SME and Special Program Department.

Bangladesh's classified loans fall by 12.45% in Q4

According to the central bank statistics, the amount of classified loans in the country's banking system dropped significantly following rescheduling, write off and recovery. The volume of non-performing loans (NPLs) fell by 12.45 % to BDT 501.56 billion in the fourth quarter (Q4) of the last calendar year (2014) from 572.91 billion in the Q3 of 2014. During the Q4, the share of NPLs in the total outstanding loans of the banking system came down to 9.69 % from a rise to 11.60 % in the previous quarter. A senior banker told the amount of classified loans has decreased during the October-December period of 2014 following rescheduling, write off and recovery.

EBL introduces Smart Card



Eastern Bank Ltd. (EBL) has introduced smart card to make authentication more secure and minimizing risks of fraud. A micro-processor chip embedded in the card will make it more secured and personalized. This EMV 'Chip and PIN' card will replace present magnetic stripe cards. EBL teamed up with X INFOTECH, a leading

systems integrator and MultiPerso personalization software developer to implement the smart card. MultiPerso solution, provided by X INFOTECH's includes features like - chip data preparation, secure card personalization, card instant issuing, as well as complex integration service. MultiPerso solution also provides complete support for personalization of MasterCard and VISA EMV cards.

Prime Bank signs MoU with Korea Exchange Bank

Prime Bank Ltd. has entered into a Memorandum of Understanding (MoU) with Korea Exchange Bank, a leading commercial bank in South Korea, with the purpose of providing 'Easy-One' account/remittance services to non-resident Bangladeshis in South Korea. Habibur Rahman, Deputy Managing Director, Prime Bank Limited and Jong Yeong Park, Managing Director, Korea Exchange Bank signed the MoU from respective sides at KEB, Head Office in Seoul.



SEBL launches 'Telecash'



Southeast Bank Ltd. (SEBL) launched its Mobile Financial Services, named 'TeleCash' at the board room of the Bank at Banani in the city recently. Chairman of the bank Mr. Alamgir Kabir FCA accompanied by others Directors of the Bank inaugurated the new service. Advisor, Managing Director, Additional Managing Director, Deputy Managing Directors of the bank were also present at the launching ceremony. According to the guidelines of Bangladesh Bank, 'TeleCash' Mobile Financial Services (MFS) is committed to providing secured and fast mobile banking facilities

to the customers. Through 'TeleCash' MFS customers will be able to enjoy facilities like cash-in, cash-out, fund transfer, utility bill payment, salary and remittance disbursement and mobile top-up service etc. 'TeleCash' MFS is committed to adding new services in Mobile Banking Service for its customers for making their life easier and simpler.

SIBL and DESCO sign an agreement



Social Islami Bank Ltd. (SIBL) and Dhaka Electric Supply Company Ltd. (DESCO) recently signed an agreement regarding collection of electricity bill of DESCO through the bank. Deputy Managing Director of SIBL AMM Farhad and Company Secretary of DESCO Md. Shofiqul Islam signed the agreement on behalf of their respective organizations. Senior Executive Vice President of SIBL Md. Shafiqul Islam and Managing Director of DESCO Brig Gen Md. Shahid Sarwar were present at the signing ceremony.

NRB Bank opens the bank's DESCO bill collection booth



Zeeshan Hasib, Deputy Managing Director, NRB Bank, and Mohammad Abu Yousuf, Manager (Banking), DESCO, with other high officials of both of the organizations inaugurated the bank's DESCO bill collection booth at Baridhara in the city recently.

Sonali Bank launches Visa debit card



Sonali Bank Ltd. recently introduced Visa debit card for its one crore customers to support the modern and update facilities and services. Visa card holders can use it to get money from more than 5 thousand ATM booths in the country as well as buying their goods from more than 22 thousands POS (Point of sales). Sonali Bank Ltd., the largest state-owned commercial bank, takes the necessary steps for customers to provide modern services by its more than 1,200 branches.

Prime Bank and Rahimafrooz Superstores sign an agreement

Managing Director of Prime Bank Ltd. Ahmed Kamal Khan Chowdhury and Managing Director of Rahimafrooz Superstores Ltd. Niaz Rahim signed an agreement for introducing 'Cash Back Service' at Agora on behalf of their respective organizations. Head of Finance of Agora Harunur Rashid, Head of Retail Banking Division of the bank Mohd. Jamil Hossain and other high officials of both organizations were present at the signing ceremony.



Dhaka Bank donated BDT 0.6 million to SEID Trust



Dhaka Bank Ltd. recently donated a cheque of BDT 0.6 million to SEID Trust as part of its CSR activities. SEID Trust is a school for physical and mental development of the special children. Ambassador-designate of the Republic of Poland in Bangladesh Tomasz Lukaszuk handed over the cheque to Managing Trustee of SEID Trust Dilara Sattar Nitu and Director & Former Chairman of the bank Rashadur Rahman. Among others, First Counsellor, Head of Economic Section, Embassy of the Republic of Poland in India Madam Maria Lukaszuk, delegates from Republic of Poland, Dhaka Bank's former chairman ATM Hayatuzzaman Khan and Managing Director Niaz Habib were present.

RAKUB disburses BDT 797.70 crore agricultural loan



রাজশাহী কৃষি উন্নয়ন ব্যাংক

Rajshahi Krishi Unnayan Bank (RAKUB) has disbursed BDT 797.70 crore as loan for boosting rural economy besides creating employment through enhancing agricultural and non-agricultural production in the country's north-western region during the first seven months of this current 2014-15 fiscal year. Side by side with the disbursement, the bank has also realized BDT 969.43 crore including BDT 201.91 crore classified and other outstanding loans and mobilized deposit worth BDT 3,263 crore through 376 branches in all the 16 districts under Rajshahi and Rangpur divisions. RAKUB Deputy Managing Director Abdul Khaleque Khan told that the bank had set a target of disbursing BDT 1,6000 crore as loan, recovery of BDT 1,800 crore including BDT 750.00 crore classified loan and deposit collection of BDT 3,800 crore during the current fiscal. He said the bank had enhanced its lending activities in multipurpose potential fields for boosting agriculture production, intensifying food security and flourishing poultry and dairy sectors to reduce protein deficiency.

BASIC Bank and Victoria Healthcare sign MoU



BASIC Bank Ltd. and Victoria Healthcare Ltd. signed a Memorandum of Understanding (MoU) in the city recently. Under this agreement the members of the bank will enjoy 35 per cent discount from Victoria Healthcare Ltd. Managing Director of BASIC Bank Md. Iqbal, and MD of Victoria healthcare Md. Aktaruzzaman were present on the occasion.

BKB disburses BDT 162.52 billion among 3.5 million borrowers



বাংলাদেশ কৃষি ব্যাংক

Bangladesh Krishi Bank

দারিদ্র বিমোচনে দেশের সর্ববৃহৎ রাষ্ট্রীয় প্রতিষ্ঠান

Bangladesh Krishi Bank (BKB) has so far disbursed BDT 162.52 billion among 3.5 million borrowers. The bank has already disbursed BDT 20.57 billion among 1.8 million small and marginal farmers along with extremely poor sharecroppers. A total of 0.9 million beneficiaries are getting financial supports under the schemes of the bank titled 'allowance for elders, allowance for widows and allowance for disabled'. On the other hand, 7.1 million depositors are getting banking services through BKB of which 3.5 million are 10- taka account holders. The bank has collected 1400 million dollar as foreign remittance and distributed properly within shortest possible time. BKB receives all types of utility bills from customers and is operating off line banking through its largest network of 1,029 branches. Presently 52 branches are operating banking services through online banking.

PBL, ACI Logistics ink business deal



Prime Bank Ltd. (PBL) and ACI Logistics Ltd. (ALL) has recently signed an agreement to introduce 'Cash Back Service' at Shwapno. PBL Managing Director Ahmed Kamal Khan Chowdhury and ALL Executive Director Sabbir Hasan Nasir signed the agreement on behalf of their respective organizations. PBL Head of Retail Banking Division Mohammad Jamil Hossain, ALL Executive Director (Finance and Planning) Pradip Kar Chowdhury and other high officials of both the organizations were also present in the ceremony. 'Cash Back Service' is completely a new concept in banking to its debit card holders. Customers can simultaneously use his/her debit card for purchase and cash withdrawal from the selective merchants.

EBL, GP ink merchant service deal



Eastern Bank Ltd. (EBL) and Grameenphone Ltd. (GP) signed a merchant service agreement in the capital recently. EBL Head of Consumer Banking Nazeem A Choudhury and GP Chief Financial Officer Dilip Pal signed the agreement on behalf of their respective organizations. Other senior officials of both the organizations were also present in the signing ceremony. Under the agreement, customers of the mobile phone operator will be able to pay all type of bills by using their credit or debit card through the bank's Point of Sales (POS), set up at all GP centers.

AB Bank Ltd donated BDT 5.0 million to NIBPS of DMCH



AB Bank Ltd. donated BDT 5.0 million for development of the National Institute of Burn and Plastic Surgery (NIBPS) of Dhaka Medical College Hospital through Bangladesh Bank (BB). President & Managing Director of the bank Shamim Ahmed Chaudhury handed over the cheque to Prof Dr. Md. Abul Kalam, Head of the Dept. of Plastic & Reconstructive Surgery, DMCH in a ceremony at BB Head Office recently. BB Governor Dr. Atiur Rahman, Deputy Governor SK Sur Chowdhury, Chief Financial Officer of AB Bank Mahadev Sarker and other high officials of both the banks were present on the occasion.

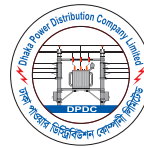
Money Transfer Booth of IFIC Bank subsidiary opened at North London

A money transfer booth of IFIC Money Transfer UK Ltd., a subsidiary company fully owned by IFIC Bank Ltd., was inaugurated recently at North London in the United Kingdom. Chairman of IFIC Money

Transfer UK Ltd. and Chairman of Executive Committee of IFIC Bank Ltd. Mr. Mohammad Lutfar Rahman and IFIC Bank's Managing Director & CEO Mr. M Shah A Sarwar inaugurated the booth on February 05, 2015 at 97 Turnpike Lane in London at a simple ceremony. They expressed the hope that the money transfer booth will help Non-Resident Bangladeshis (NRBs) remit their hard earned money to their homeland in easier and secured way.



NCC Bank Ltd inks agreement with DPDC



NCC Bank Ltd. recently inked an agreement with Dhaka Power Distribution Company (DPDC) Ltd. for collection of electric bills through online. Managing Director of NCC Bank Ltd. Golam Hafiz Ahmed and Secretary of DPDC Muhammad Munir Chowdhury signed the agreement on behalf of their respective organizations. Under the agreement, NCC Bank Ltd. will collect bills on behalf of DPDC through bank's branches. Managing Director of DPDC Brig. General (Retd.) Md. Nazrul Hasan was present on the occasion.

MTB

Gift Cheque

MTB RETAIL BANKING
pleasure in life

MTB Gift Cheque users have the unique opportunity to choose their gift whenever they wish. Purchasers save time and receivers have the option to buy something they require.

MTB GIFT CHEQUE can be exchanged for money anytime, at any MTB branch in Bangladesh.

Benefits:

- Purchasers do not have to be account-holders of MTB to purchase MTB Gift Cheque
- No document is required for purchase of MTB Gift Cheque
- No service charge is applicable
- Attractive rate of interest
- Other conditions may apply



MTB CONTACT CENTRE

16219 or 09604016219

DSE for reduction of CDBL fee, tax holiday facility



The country's premier bourse recently placed a number of proposals including the reduction of fee charged by Central Depository Bangladesh Ltd. (CDBL) and tax holiday facility for the exchange to the securities regulator. Dhaka Stock Exchange (DSE) made the proposals at a meeting held with the Bangladesh

Securities and Exchange Commission (BSEC). Mohammad Saifur Rahman, a BSEC Executive Director and spokesperson, said at the meeting the issue of calculating the bank's exposure to the capital market was also discussed along with other proposals made by the premier bourse. According to the meeting participants, the other proposals which were discussed at the meeting are: the implementation of new IPO (initial public offering) application process, the opening of new branches of brokerage firms and quota facility for stock dealers in the IPO.

At the meeting both the DSE and the securities regulator have discussed the possible investment scopes for merchant banks and stock brokers. The premier bourse has proposed to reduce the fee charged by CDBL as the cost of business of stock brokers increased. In this regard, the securities regulator said the charge of CDBL can be reduced following the fees charged in the sub-continent.

Applications for IPO through merchant banks, brokers mandatory from April

The securities regulator has made the submission of application for IPO (initial public offering) shares through merchant banks and brokerage firms mandatory from April 1 this year (2015) instead of applying through banks. The Bangladesh Securities



and Exchange Commission (BSEC) recently took the decision while approving the revised IPO application process. The securities regulator has also approved the conversion of ICB AMCL Islamic Mutual Fund (MF), a closed-end MF, into open-end scheme, ICB AMCL Islamic Unit Fund. Dhaka Stock Exchange (DSE) started to receive IPO applications through merchant banks and merchant banks on the basis of pilot project from July 15, 2011. From April 1 next no application for IPO shares will be received by banks.

For completing the investors' IPO application process, merchant bankers and stock brokers will charge BDT 5.0 per application and the service charge will have to be paid by applicants while submitting application. For the purpose of new IPO application process, the merchant bankers and stock brokers will have to maintain separate bank account namely 'Public Issue Application Account'.

Within the subscription period, the applicants, other than NRBs and foreign applicants, will submit application/instruction for the public issue of the securities to stock broker and merchant banker where they maintain BO (beneficiary owner's) accounts. Application/instruction for public issue may be submitted in prescribed paper or electronic paper containing Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of Applicant.

C&A Textiles to give 11% stock dividend



The Board of Directors of C&A Textiles Ltd. has recommended 11% stock dividend for the year ended on June 30, 2014. The annual general meeting (AGM) of the company is announced to be held on March 15, 2015 at Chittagong Boat Club, Gate-14, Near Old Airport, Patenga in Chittagong, according to DSE. The Record Date is 15.02.2015. The Company has also reported EPS of BDT 2.01, NAV per share of BDT 19.31 and NOCFPS of BDT 1.35 for the year that ended on June 30, 2014.

BSEC gives priority to clearing corporation, venture financing



A committee of the securities regulator has recommended formation of a Clearing Corporation like a demutualized organization, having majority number of independent directors in its board for the sake of ensuring transparency and accountability. The Bangladesh Securities and Exchange Commission

(BSEC) is working to formulate the rules on formation of the Clearing Corporation by reviewing recommendations made by the concern committee. A Clearing Corporation is an institution that provides clearing and settlement services for financial and commodities derivatives and securities transactions. Presently, the clearing and settlement department of the bourses are performing the job of settlement of daily transaction executed in the capital markets. Arif Khan, a commissioner of the securities regulator, said the regulator has given first priority to the formulation of rules on venture capital and equity finance and Clearing Corporation.

BSRM IPO offer hits 12 times



The Initial Public Offering (IPO) subscription of Bangladesh Steel Re-Rolling Mills (BSRM) hit around 12 times higher against its public issue, according to Chittagong Stock Exchange (CSE). The Chittagong-based steel manufacturing conglomerate received over BDT 7.50 billion through IPO against public issue of BDT 612.50 million, which is oversubscribed around 12 times. Among the total subscription received, BDT 7.34 billion from resident Bangladeshis and BDT 164.50 million from non-resident Bangladeshis, according to primary data from CSE. IPO subscription of the company was taken place February 1 to February 5, 2015 for resident Bangladeshi and it was continued till February 14, 2015 for non-resident Bangladeshi (NRB).

MTB SIGNS PRE-FINANCING LOAN AGREEMENT WITH SME FOUNDATION



Mutual Trust Bank Ltd. (MTB) recently signed a bilateral agreement with SME Foundation. Managing Director of SME Foundation, Dr. Syed Md. Ihsanul Karim and MTB Managing Director & CEO, Anis A. Khan signed the agreement on behalf of their respective organizations.

Under the agreement, SME Foundation will provide BDT 50 million to MTB for lending to women entrepreneurs working in the manufacturing and service sectors to facilitate their business expansions, through 'MTB Gunabati', a loan product specially designed for women entrepreneurs.

MTB launched 'MTB Gunabati' back in 2010 and to date the bank has facilitated 112 women entrepreneurs with a loan amount of BDT 57.5 million.

Date : February 15, 2015
Venue : SME Foundation, 4 Panthapath, Dhaka 1215

MTB SIGNS AGREEMENT WITH BENGAL GROUP OF INDUSTRIES

Mutual Trust Bank Ltd. (MTB) recently signed an agreement with Bengal Group of Industries for online bill collections. Under this agreement, distributors of Bengal Plastic Pipes Ltd. & Romania Food and Beverage Ltd. can pay their bills through all MTB branches.

Humayun Kabir, Director, Bengal Group and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB signed the agreement on behalf of their respective organizations.

Date : February 04, 2015
Venue : MTB Centre, Gulshan 1, Dhaka 1212



MTB INKS DEAL WITH CNS LTD



Mutual Trust Bank Ltd. (MTB) recently signed an agreement with Computer Network Systems Ltd. (CNS Ltd.) for collection of all types of BRTA Fees including Advance Income Tax (AIT) and Value Added Tax (VAT).

MTB Deputy Managing Director & Chief Business Officer Syed Rafiqul Haq and CNS Director Md. Ikram Iqbal signed the agreement on behalf of their respective organizations.

Initially, MTB will receive BRTA fees through its Tejgaon, Dhanmondi, Bashundhara R/A and Mirpur branches. This service will be gradually rolled out to other MTB branches.

Date : January 15, 2015
Venue : Lalmatia, Dhaka 1207

MTB NEWS & EVENTS

MTB AND FAR EAST KNITTING & DYEING INDUSTRIES LTD SIGN PAYROLL BANKING AGREEMENT

Mutual Trust Bank Ltd. (MTB) recently signed an agreement with Fareast Knitting and Dyeing Industries Ltd. for providing exclusive payroll banking solution to its employees at MTB Centre.

Syed Rafiqul Haq, MTB Deputy Managing Director & Chief Business Officer and Syed Mazharul Haq, Director, Fareast Knitting and Dyeing Industries Ltd. signed the agreement on behalf of their respective organizations.



Date : February 11, 2015
Venue : MTB Centre, Gulshan 1, Dhaka 1212

MTB INKS DEAL WITH ROKOMARI.COM



Mutual Trust Bank Ltd. (MTB) recently signed an agreement with Rokomari.com. Under this agreement, MTB customers will be able to purchase books online from Rokomari.com and pay bills through MTB internet banking.

MTB Deputy Managing Director & Chief Business Officer Syed Rafiqul Haq and Mahmudul Hasan, CEO, Rokomari.com signed the agreement on behalf of their respective organizations.

Date : February 17, 2015
Venue : MTB Centre, Gulshan 1, Dhaka 1212

MTB CAPITAL SIGNS DEAL WITH OIMEX ELECTRODE LTD

M A Maleque, Managing Director, Oimex Electrode Ltd. and Khairul Bashar Abu Taher Mohammed, CEO, MTB Capital Ltd. signed a deal to appoint MTB Capital Ltd. as the issue manager and corporate advisor for raising capital of BDT 25 crores and for issuing IPO of BDT 12 crores for Oimex Electrode Ltd.



Date : October 27, 2014
Venue : MTB Tower, 111 Kazi Nazrul Islam Avenue
Dhaka 1000

MTB Gets New Additional Managing Director



Md. Hashem Chowdhury has been promoted to Additional Managing Director of Mutual Trust Bank Ltd. (MTB) recently. Prior to this position, he was the Deputy Managing Director, Chief Operating Officer and CAMLCO of the bank. He was responsible for MTB Dhaka Division Branches, Banking Operations Division, Infrastructure Division, Engineering

Department, Special Asset Management Division, Credit Monitoring Department, and Legal Department. A career banker, having almost three decades of experience in every arena of banking, Hashem started his journey with Janata Bank Ltd. in 1981 and worked there till 1999. He joined MTB as a member of its founding team in April 21, 1999, before it commenced commercial operation on October 24, 1999, and over the past over 15 years has made considerable contributions to the bank. Hashem is a founder member of Bangladesh Money Market Dealers' Association (BAMDA). He completed his graduation from University of Dhaka and has an MBA in Human Resources Management. He has received and attended numerous training courses and workshops on foreign trade, risk management, credit, investment, leadership management, marketing, mediation and other fields of banking, both at home and abroad. He frequently delivers lectures on banking at various institutions. He is passionately engaged in various social works specially promoting education and health services to the disadvantaged people.

Agrani Bank gets new DMD

Md. Kazi Sanaul Hoq has been appointed as the Deputy Managing Director (DMD) of Agrani Bank Ltd. He joined ICB as a Senior Officer 1984, after completing Masters Degree in Accounting from Dhaka University. He passed the SSC examination in 1978 and stood 3rd in commerce group from Rajshahi Board.



During his long banking career he worked in different division in ICB and demonstrated on outstanding performance in the respective area of operation. He served as the secretary to the Board of ICB and was also the chief executive officer (CEO) of Securities Trading Company Ltd. (ISTCL). As a General Manager, he worked in Rajshahi Krishi Unnayan Bank (RAKUB) and Bangladesh Development Bank Ltd. (BDBL).

A.K.M. Monirul Hoque Re-elected Chairman of Nitol Insurance



Mr. A K M Monirul Hoque and Mr. Anowar Hussaine has been unanimously re-elected as the Chairman and Vice Chairman for the next 03 (three) year term. The election was held at the 123rd Board Meeting of Nitol Insurance Company Limited held on February 03, 2015. Mr. A.K.M. Monirul Hoque was the Founder Chairman & Sponsor Shareholder of the Company. He is

also the Executive Committee (EC) Member of the Bangladesh Insurance Association (BIA) for the last three terms (2011-2012, 2013-2014 & 2015-2016).

ICMAB elects new President



Abu Sayed Md. Shaykhul Islam has been elected President of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He was elected in a meeting of the institute in the city recently. Besides, Arif Khan and Jamal Ahmed Choudhury were elected as Vice Presidents, Md. Abdur Rahman Khan as Secretary and Prof Dr. Swapan Kumar Bala as the Treasurer of the institute.

Abu Sayed Md. Shaykhul Islam was the Vice President of ICMAB for two terms. He was also the Secretary as well as Chairman of the Dhaka Branch Council of ICMAB. He is now working as Director (Operation and Finance) at Radiance Group.

New MD of Premier Bank

Khondker Fazle Rashid joined the Premier Bank Ltd. as Managing Director recently. Prior to this, he served the Premier Bank Ltd. as Advisor from June, 2014 to January, 2015. Fazle Rashid also worked for Dhaka Bank Ltd. as its Managing Director for two terms consecutively during 2009-2014. Rashid, a professional banker and an MBA from IBA, Dhaka University started his banking career in Sonali Bank Ltd. as Probationary Officer in 1978. He joined Arab Bangladesh Bank Ltd. in 1982 and worked up to 1999 in different branches/divisions in senior level/management positions in home and abroad. He also worked as senior executive vice president and head of credit division of Southeast Bank Ltd. during the period 2000-2003.



New DMD of AIBL



Md. Fazlul Karim has been promoted as Deputy Managing Director (DMD) of Al-Arafah Islami Bank Ltd. (AIBL). Prior to his new assignment, he was Executive Vice President of the bank. Mr. Karim started his career as a banker in 1983 joining the Bangladesh Krishi Bank Ltd. as a Probationary Officer. In 1984, he joined the Agrani Bank Ltd. as Assistant Engineer (Senior Office). He worked in

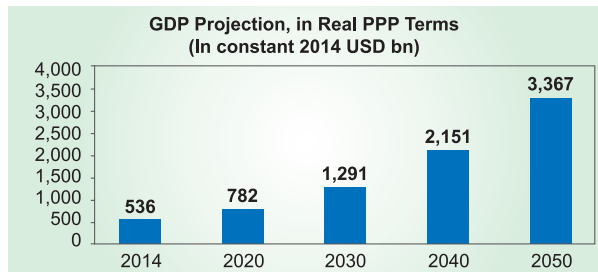
international division, personnel division and other important divisions and zonal offices of Agrani Bank Ltd. Moreover, he worked as Manager of Laldighirpar Branch of Sylhet, Agrabad Jahan Bhabhan Branch of Chittagong, Amin Court and Ramna branches of Dhaka.

New DMD of Al-Arafah Islami Bank

Muhammad Mahmoodul Haque has been promoted as Deputy Managing Director (DMD) of Al-Arafah Islami Bank Ltd. Prior to his new assignment, he was positioned as Executive Vice President of the Bank. Muhammad Mahmoodul Haque started his career as a banker in 1983 by joining Agrani Bank Ltd. as Senior Officer. He gathered experience working in Head Office, Training Institute, Zonal Office and in various branches of Agrani Bank Ltd.



PwC projects BD to be 23rd largest economy in 2050



Source: PwC

Bangladesh will become the world's 23rd largest economy in terms of purchasing power parity (PPP) by 2050, says the PricewaterhouseCoopers (PwC) in its latest report on global economy. The PwC projection showed that Bangladesh would outnumber developed countries like Australia and advanced developing countries like Malaysia within next 35 years. The report titled 'The World in 2050', revealed recently showed that Bangladesh's gross domestic product (GDP) was USD 536 billion (53,600 crore) in 2014 in PPP terms. According to the PwC projection, the GDP size will be USD 1,291 billion in 2030 and increase further to USD 3,367 billion in 2050. PwC's latest report is an updated version of the long-term economic growth projection of the multinational professional service network. Bangladesh is included in the latest update along with Colombia, Egypt, Iran, the Netherlands, Pakistan, the Philippines and Thailand.

Canada plans to invest more in Bangladesh



According to Benoit Pierre Laramee, High Commissioner of Canada in Dhaka, Canada looks to boost its Foreign Direct Investment (FDI) in Bangladesh to explore

opportunities in the steadily growing economy. Moving forward, the next step is to increase Canadian foreign direct investment in Bangladesh, Laramee said on the concluding day of Showcase Canada 2015 at Sonargaon Hotel. Canada has identified ICT and garment sectors in Bangladesh to lend its expertise to. According to Masud Rahman, President of Canada Bangladesh Chamber of Commerce and Industry (CanCham) Investment from Canadian investors stands at about USD 300 million. He also said Canadian manufacturers can think about bringing technology and advanced management instruments to Bangladesh. This will create a win-win situation for both Canadian businesses and the Bangladeshi people. Canada has been a development partner for Bangladesh for more than 40 years, while the North American country has provided more than USD 4 billion in development assistance.

TVS Auto brings new bike



TVS Auto Bangladesh, an assembler of India's TVS motorcycles, launched a new model recently to cater to the growing demand of motorcycle. The vehicle, TVS Metro Plus, has 109.7 cubic centimetre engine with

cost saving fuel capacity of 86 kilometres per litre, said J Ekram Hossain, Managing Director of the company. The bike will be available at TVS-approved dealer points with BDT 135,500 in three colours: scarlet, black and blue. The new Ecothrust engine

that has a four-speed gearbox with an electric start in any gear delivers a solid four-stroke performance. Its high torque ensures more power and pickup with the motorcycle racing from zero to sixty in just 7.6 seconds with a top speed of 90 kilometres per hour. The motorcycle has a comprehensive digital dashboard with an analogue speedometer and an advanced digital information display monitor. It also features a service indicator meter, which indicates when the bike is due for service and when for fuel. TVS Auto Bangladesh plans to raise its market share in 100cc segment from 12% to 25% by 2016, said Biplob Kumar Roy, business head of the company.

ECNEC approves 6 projects worth BDT 13.47 billion



The Executive Committee of National Economic Council (ECNEC) recently approved six projects worth BDT 1,347 crore (13.47 billion), including Higher Secondary Stipend Project involving

BDT 513 crore (5.130 billion) under which the government will provide stipend to some 17.03 lakh poor students at the higher secondary level aimed at averting dropouts as well encouraging them in science education. Prime Minister Sheikh Hasina chaired the meeting at NEC Conference Room at Planning Commission at the city's Sher-e-Bangla Nagar. After the meeting Planning Minister AHM Mustafa Kamal told that a total of six development projects five are new while one is revised project. He said under the Higher Secondary Stipend Project among the total students studying at higher secondary level across the country, around 40% female students and 10% male students will be given the stipend. About 17.03 lakh students will be given stipend in two categories in science and other sections. A student from science section would get a monthly stipend of BDT 175 and tuition fee of BDT 50 along with BDT 1,600 at a time for procuring books and bearing examination fee, he said.

BD-Saudi deal on manpower



The governments of Bangladesh and Saudi Arabia inked an agreement recently, paving the way for resuming export of manpower from Bangladesh to the Middle East (ME) country. Expatriates' Welfare and Overseas Employment (EWOE) secretary Khandakar Iftekhhar Haidar and Deputy Minister of labour of the Kingdom of Saudi Arabia (KSA) Ahmed Al Fahaid signed the MoU on behalf of their respective sides at the city's Probashi Kallyan Bhaban. After signing the MoU, the secretary told that though Saudi Arabia would hire 12 categories of workers in the housekeeping sector from Bangladesh, of them, the minimum wage for housemaid has been fixed at 800 Saudi Riyals (equivalent to BDT 16,564). Accommodation and meal will be provided by the employers. The remaining categories of workers would get wages on the basis of their skills and qualifications, he mentioned.

DCCI for exploring new global markets, diversifying products



ঢাকা চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি

Dhaka Chamber of Commerce and Industry (DCCI) recently placed some recommendations to the government including exploration of new global markets and diversification of products for increasing export with a view to turning the country into a middle-income one by 2021. The Board of Directors of the trade body put forward their recommendations to Commerce Minister Tofail Ahmed when he visited the DCCI office on the day. The role of businesses is imperative to elevate gross domestic product (GDP) growth to double digit, set up 120,000 small and medium enterprises (SMEs) and create six million employments, according to the recommendation. The other recommendations of the DCCI are: reducing the cost of doing business, smooth supply of gas and power to the industries, protecting local industries, developing infrastructure and increasing logistic supports, developing communication network, building deep sea port, modernizing land ports, enhancing regional cooperation and increasing investment, removing non-tariff barriers, availing the opportunity of regional market access, developing SMEs, taking combined and effective plan for increasing the growth of agriculture, ensuring effective roles of country's missions abroad and strengthening the Trading Corporation of Bangladesh (TCB).

RMG export hits USD 24.58 billion in 2014



According to Commerce Minister Tofail Ahmed, country earned USD 24.58 billion from the Ready Made Garment (RMG) sector in 2014. The commerce minister said, a number of initiatives have been undertaken to increase export earnings from the RMG sector. About the strategy for increasing the RMG export Tofail said the government is following export friendly monetary policy duty policy and promotional policy. He further said the government organize RMG trade fair, home textile fair and theme based different fair to expand the market. The government is providing incentive to the RMG exporters against export earning who export their product out of the EU and USA market. He further said the government is giving importance for compliance in the factories for the goodwill of RMG sector.

Beximco Pharma to spend BDT 700 crore on expansion

Beximco Pharma plans to invest another BDT 300 crore as part of an expansion plan to set up two new units and upgrade two others. The new units, one for producing cephalosporin and the other for insulin, will start production by 2017, said Ali Nawaz, Chief Financial Officer of the company. As part of the expansion plan, the sister concern of Beximco Group has earlier struck a deal with Frankfurt-based BHF-Bank Aktiengesellschaft to take a loan of USD 51.6 million or about BDT 400 crore. The factories



which produce oral solid dosages, and liquid, cream and ointment will be modified to comply with good manufacturing practices recommended by the World Health Organization. The firm will also set up a research and development unit to improve products following global standards, Nawaz said. The cephalosporin unit will produce three crore tablets and capsules, 50 lakh vial and 30 lakh bottles of antibiotic medicines a year. Production capacity of the oral solid dosages unit that produces tablets, capsules and suspensions will double to 800 crore pieces a year, he said. The existing production capacity of the liquid, cream and ointment unit is six crore pieces a year, which will reach 10 crore pieces.

GenEx acquires G&R Ad to invest more in Bangladesh



Green and Red Technologies Ltd. (G&R) has been acquired by GenEx Infosys Ltd., currently the largest Business Process Outsourcing (BPO) services provider in Bangladesh. G&R who is the only Consulting Partner for Amazon Web Services in Bangladesh recently announced its acquisition.

It is also the only company to be both a Certified AdSense and AdWords Partner for Google. G&R Ad Network has successfully served over 1 billion ads on Bangla language websites since launching 3 years ago and its ad serving ability is projected to grow bigger than the Google's display network in Bangladesh within this year. GenEx currently employs more than 1200 people in Bangladesh to run its global BPO and IT operations. The company plans to invest more than USD 15 Million in the next 2 years to expand its line of businesses.

Walton gets best VAT payer's award at DITF

Walton, the country's one of the leading electronics, automobile and home appliances manufacturing companies, has received the best VAT payer's award at the month-long Dhaka International Trade Fair (DITF) 2015. In addition,



Walton Pavilion at the DITF 2015 received the second prize under the premium pavilion category for its beautiful construction, outstanding exterior design, attractive interior decoration and choice of visitors and customers. Commerce Minister Tofail Ahmed handed over the two awards to the local brand at the closing ceremony of the month-long trade extravaganza on the fair premises at Sher-e-Bangla Nagar in the city recently. Walton pavilion contributed BDT 12 lakh as VAT to the national exchequer while Walton Plaza paid a total of BDT 1,63,282 from its total sales at the fair.

Grameenphone crosses BDT 10,000 crore mark in annual revenue in 2014



Mobile phone operator Grameenphone has achieved its targeted revenue of BDT 10,000 in 2014. Data showed the total revenue in the year amounted to BDT 10,270 crore, which was 6.3% higher than the last year. The market leader has disclosed annual financial figures recently at a press conference in the city, where its newly appointed Chief Executive Officer Rajeev Sethi said, "Last year (2014) we have touched several milestones and out of them the most significant one is crossing the hundred billion taka revenue mark. Rajeev Sethi also said they had now 50 million active subscribers after introducing "some attractive services." Grameenphone had targeted to earn BDT 10,000 crore revenue in 2014 as its revenue was BDT 9,662 crore in 2013 and BDT 9,190 crore in 2012. During the year, Grameenphone won 4.4 million new subscriptions, taking the year-end subscription base to 51.5 million. With this 9.3% growth in subscribers against industry growth of 5.8%, the operator managed to improve its market share by 1.4% to 42.8%. The market leader also reported a net profit after taxes of BDT 1,980 crore last year with 19.3% margin compared to BDT 1,470 crore with 15.2% margin of 2013. The operator's earnings per share (EPS) for 2014 stood at BDT 14.67 compared to BDT 10.89 in 2013. This prompted a 34.7% growth in earnings, however, normalising GPIT sale gain on 1 September, 2013 and increasing corporate tax rate by 5% and the revised rate standing at a healthy 12%. Grameenphone board has recommended final dividend at 160% for the concluded year (BDT 16 per share from BDT 10).

BD to benefit from S Korea's newly launched ODA scheme



According to officials at the Economic Relations Division (ERD) and Foreign Ministry, South Korea has introduced a new type of Official Development Assistance (ODA) opening a bright scope for Bangladesh to avail of the opportunity in the areas of

technology and finance. The country has already invited project proposals from partner countries, including Bangladesh under the new ODA program titled 'Industrial Technology ODA' offered by Ministry of Trade Industry and Energy. Counsellor and CDA of the Bangladesh Embassy in Seoul, Khandker Masudul Alam has written to the Ministry of Foreign Affairs over the matter to disseminate the information among the relevant ministries and industry stakeholders, including business bodies.

Beacon Pharma to invest BDT 290 crore for expansion

Beacon Pharmaceuticals, a leading medicine exporter, will invest BDT 160 crore to set up a new unit to expand the production of anti-cancer drugs. The company is putting in an additional BDT 130 crore to start two new units, oral liquid and cephalosporin (antibiotics). The oral-liquid unit will begin production in July and the cephalosporin unit in December. Mohammad Ebadul Karim, Managing Director of the company said the oncology unit will come on stream by the end of 2016 with an annual capacity of producing medicines worth BDT 250 crore. With the three new units, the company will have five units with a total capacity of producing medicines worth BDT 750 crore a year. Beacon, the



first local anti-cancer medicine exporter, sells products to Sri Lanka, Myanmar, Nepal, the Philippines, Uzbekistan and Ghana, Karim said. The company exported more than BDT 9 crore of medicines last year, registering around 100% growth, compared to the previous year. Of the exported products, 85% were oncology items. Beacon that began exports in 2012 produces 62 oncology products.

Prawn, milk production to get priority in EEF loan

According to the officials, the government has decided to extend prioritized loan facility from Equity and Entrepreneurship Fund (EEF) to prawn farming in fresh water and milk production aiming to patronize the sectors. It has also decided to increase loan facility from state-owned commercial and specialized banks for the two sectors to boost their production. A senior official at the Ministry of Finance said the two sectors need patronization considering their importance and growing demand. So, it is decided to help extend loan facility for them. He said both the state-owned banks and Investment Corporation of Bangladesh (ICB), the operational in-charge of the EEF have been asked to extend loan facility as much as possible to prawn farming and milk production sectors. The official said, in the recent years, demand of milk has increased manifold for which a large number of farmers have set up farms for milk production. These farmers need money as working capital and to establish more farms to meet local demands of milk. He also said shrimp farming in sweet water has started to be popular in Bangladesh. Farmers grow shrimp and paddy together at the same field in this case. The sector also needs support for thriving.

Dhaka keen to sign trade deal with Kabul



The government is keen to sign a trade deal with Afghanistan for exporting the demandable Bangladeshi products to the country. According to an official of the commerce ministry, as part of its bid to explore new

market across the world, Bangladesh government plans to sign an agreement with Afghanistan within this year. According to Export Promotion Bureau (EPB), Bangladesh exports frozen foods, agriculture commodities, chemical products, leather, raw jute, jute products, knitwear, woven and other export items. Bangladeshi businessmen, however, imports fruits, spices and readymade products. Bangladesh had returned to a positive trade balance in the fiscal year 2003-04. During the fiscal year 2008-09, Bangladeshi business exported products worth USD 360 million to Afghanistan while businessmen from Afghanistan exported products of USD 118 million to Bangladesh market. Export Promotion Bureau (EPB) figures, however, showed that Bangladesh had trade deficit with Afghanistan in the fiscal years 2004-05 and 2007-08. Trade analysis revealed the amount of trade volume between Bangladesh and Afghanistan is more or less same compared to the trade volume of Bangladesh and SAARC country Sri Lanka.

China seeks MoU to boost trade ties with Bangladesh



China wants to sign a memorandum of understanding (MoU) on joint promotion for construction of the “Silk Road Economic Belt” and “Maritime Silk Road of the 21st Century” under the framework of the China-Bangladesh Joint Committee for Economic and Trade Cooperation on the occasion of the 40th anniversary of diplomatic relations between the two countries. China is seeking to enhance and further develop economic and trade relations between Dhaka and Beijing. The Economic and Commercial Counselor’s Office of the Chinese Embassy in Dhaka sent the proposal to the Economic Relations Division (ERD), with the MoU enclosed, on January 16, 2015. However, the proposal said the MoU will come into effect only after it is signed and will remain valid for five years. It can be extended or amended by the Joint Committee. According to the proposal, the Chinese side will provide aide and assistance to Bangladesh within its capacity, and encourage Chinese financial institutions to provide funds for development of infrastructure of Bangladesh for the well-being of the people and economic and social development.

EPZ investments up 12% in H1

Investment in the country’s eight Export Processing Zones (EPZ) has increased by 12.17% while export jumped by 11.72% in the first six months of 2014-15 fiscal year compare to the same period of the previous fiscal year. Some USD 213.39 million actual investment has been added during July-December period of the current fiscal year by the 437 operational and 123 under implementation enterprises of eight EPZs. This figure was USD 190.23 million during the same period of 2013-14 FY. Among the total investment, USD 72.99 million has been made in Chittagong EPZ followed by Dhaka EPZ USD 48.80 million, Karnaphuli EPZ USD 30.69 million, Adamjee EPZ USD 32.17 million, Comilla EPZ USD 10.17 million, Uttara EPZ USD 10.71 million, Ishwardi EPZ USD 4.46 million and Mongla EPZ USD 3.42 million. The cumulative investment stands at USD 3401.46 million up to December 2014. Meanwhile, goods worth USD 2902.68 million have been exported by the operational industries of EPZs under BEPZA in the first half of the fiscal year 2014-15. It was USD 2598.56 million during the same period of the previous FY, which shows an increase of 11.72%.



Major US investors keen to invest in Bangladesh

Major US investors have shown their interest to invest in Bangladesh, Dhaka’s New York mission says. The investors expressed their keenness at a luncheon meeting with the Bangladesh Ambassador to US Mohammad Ziauddin in New York recently. Representatives from Citigroup, MasterCard International, Ellicott Dredgers, Coca-Cola Co, Fontheim International, American Eagle, and Sikorsky Aircraft, among others, participated in the meeting. Some of the participants



have already invested in Bangladesh. The New York Consulate General of Bangladesh, however, says their “renewed interest indicates their readiness to benefit from the liberal investment climate prevailing in the country”. Ziauddin briefed them about Bangladesh’s potential as a regional hub connecting South Asia and South East Asia due to strategic location. He also highlighted Bangladesh’s strong economic indicators and drew attention to the “thrust sectors” for investments such as power, energy, shipbuilding, agro-processing, pharmaceuticals, ceramics, ICT and telecommunication.

Japan keen to invest in printing industry



Japan is keen to invest in Bangladesh, particularly in printing and publications sector. A-15 member Japanese delegation led by CEO of a Japanese printing industry IDA Co. Ltd. Isao Inoue expressed this during a meeting with Major General Mohd. Habibur Rahman Khan, Executive Chairman, the Bangladesh Export Processing Zones Authority (BEPZA). The delegation recently visited the office of the Bangladesh Export Processing Zones Authority (BEPZA) office in Dhaka. Bangladeshi printers group Robin Printers and Orchid Printers accompanied the delegation. Major General Mohd. Habibur Rahman Khan, Executive Chairman, BEPZA briefed the delegation regarding overall scenario of BEPZA. He said that BEPZA is offering a very attractive package of incentives to the investors. Referring to the MoU signed between BEPZA and Japan External Trade Organization (JETRO) during the visit of Bangladesh Prime Minister Sheikh Hasina in Japan last May (2014), General Habib said that BEPZA has reserved 40 plots in Uttara, Ishwardi and Mongla EPZ and one factory building each in Comilla and Adamjee EPZ for Japanese investors. BEPZA has already allotted two factory building space for two Japanese companies - one in Comilla EPZ and another in Adamjee EPZ. Mentioning Japan as one of the most important investing countries in the EPZs of Bangladesh, BEPZA chief invited the delegation to invest more in the EPZs as well as in Bangladesh.

BDT 3.70 billion project taken for maritime safety

The government has taken up a project involving over BDT 3.70 billion (370 crore) for safety of maritime system, officials said. The project titled “Global Maritime Distress and Safety System (GMDSS) and Integrated Maritime Navigation System (EGIMNS)” initiated by the Ministry of Shipping (MoS) in 2014, will be completed in December, 2016. The objectives of the project include establishment of seven light houses and coastal radio stations through ‘key-turn method’ in the coastal areas of the country. Besides, one command and control centre will be built in Dhaka to maintain 24-hour communication with the ships that will ensure maritime security and strengthen surveillance. Earlier on March 11, 2014 the ECNEC approved the project.

European stocks climb amid airbus earnings, U.S. confidence data

European stocks advanced, extending their highest level since 2007, amid better-than-expected financial results from companies including Airbus Group NV, and U.S. consumer sentiment data. The Stoxx Europe 600 Index rose 0.4% to 392.21 at the close of trading. Shares earlier fell as much as 0.3%, before advancing as a report showed the University of Michigan final index of sentiment fell this month less than analysts estimated. The Stoxx 600 rallied 6.9% in February, pushing gains this year to 15%, as Greece reached a bailout deal and the European Central Bank announced quantitative easing. "Investors are still on the hunt for yield," said Alessandro Bee, a strategist at Bank J Safra Sarasin AG in Zurich. Airbus advanced 7.2%. The European aerospace company reported a 15% gain in annual profit after increasing commercial plane deliveries. It also said it would boost monthly production of its A320 single-aisle aircraft to 50 a month by 2017. Sika AG climbed 2.4%. The Swiss adhesives maker resisting a takeover by Cie. de Saint-Gobain SA reported full-year earnings that beat analyst estimates, helped by sales growth in all regions and demand for its mortar business.

Gold exports lead Turkey to smallest trade gap since 2010

Turkey's rocketing gold exports helped narrow the trade deficit to its lowest level since 2010. The gap shrank 38% from a year ago in January to USD 4.31 billion, beating the median forecast of USD 4.6 billion

in a Bloomberg survey of seven analysts. Gold exports increased nearly six-fold to USD 1.3 billion during the same period, data by Turkey's state statistics institute in Ankara showed recently. The surge in gold sales limited the annual drop in exports to 0.6% while imports fell by 13.7% to USD 16.6 billion. Switzerland was the top destination for exports of the precious metal, accounting for sales worth USD 982 million. Turkey has in the past seen occasional spikes in the metal's exports and the January jump in shipments will prove to be a temporary phenomenon, according to Deniz Cicek, an economist at Finansbank in Istanbul. Excluding gold sales, Turkey's exports last month fell by 9.5% from a year ago to USD 11 billion, according to a Bloomberg calculation based on the official data. Shipments to the European Union, Turkey's biggest trading partner, fell 3.4% to USD 5.3 billion.

Federal Reserve paves way for earlier-than-expected increase in interest rates

The Federal Reserve appeared to be paving the way for an earlier-than-expected increase in interest rates recently, as it highlighted the recent strength of the US economy. After its two-day meeting, the



Fed announced that borrowing costs would remain unchanged, at 0-0.25%; but seasoned Fed-watchers pointed out that in the accompanying statement, it had upgraded its assessment of the strength of the world's largest economy. "Economic activity has been expanding at a solid pace," the Fed said. "Labour market conditions have improved further, with strong job gains and a lower unemployment rate." Janet Yellen, who took over as Fed chair a year ago, has stressed that with oil prices plunging, she wants to see evidence that inflation is returning to its 2%

target before she agrees to a shift in rates. But markets saw the relatively upbeat language about growth and jobs as a sign that opinion at the Fed is shifting towards an increase in borrowing costs. Economists are bitterly divided about when monetary policy should be tightened. Some Fed policymakers are nervous that falling unemployment could soon spark inflation.

Bankia profit rises as higher revenue offset provisions for IPO

Bankia SA, the nationalized Spanish lender, said fourth-quarter profit jumped as higher revenue offset charges to cover compensation claims for its 2011 initial public offering. Bankia posted net income of 268 million euros (USD

300 million), up 79% from 150 million euros a year earlier, the lender said in a filing to regulators recently. The Valencia-based bank will pay 202 million euros in a cash dividend. Spanish banks including Bankia are relying on declining funding costs to bolster margins as demand for loans remains subdued amid slow economic growth. Bankia's fourth-quarter earnings were hit by a 312 million-euro provision to cover claims for a share sale four years ago that is under court scrutiny. Bankia shares rose 4.9% this year, less than the 9.5% gain in the benchmark STOXX Europe 600 Banks Price Index. Net interest income, or revenue generated from the difference between what banks charge for loans and pay for funding, rose to 765 million euros from 690 million euros a year ago. Bankia will cover the first 40% of costs related to the IPO compensations, and its state-owned parent BFA the rest. The group estimates the costs of claims will be 780 million euros.

Fed stimulus 'only now being fully felt'

The full effect of the Federal Reserve's extraordinary stimulus programme is only now being felt in the US, a leading official has said, as he spelt out the support the central bank is continuing to deliver to the US economy. Stanley Fischer, the vice chair of the board of governors of the Fed, cited research from its staff that shows the peak impact of the central bank's quantitative easing and forward guidance on the unemployment rate will only happen in early 2015, while the upward push on inflation will reach its zenith in 2016. Mr. Fischer said the Fed's decision to swell its balance sheet to USD 4.5tn and hold rates low for six years carried financial stability risks, but he defended its actions. The research suggests the effects "are only now manifesting themselves in full, reflecting the inherent lags in the monetary transmission mechanism", he told a conference in New York. The Fed is attempting to pave the way for a gradual tightening of monetary policy in the face of scepticism among some market participants who believe it needs to do more to ward off dangerously low inflation. Officials have stressed that policy will continue to be supportive even after a rate hike.

Sliced and diced loans take off in China

Call it déjà vu with Chinese characteristics: collateralised loan obligations, the sliced and diced loan bundles that helped tip the world into financial crisis in 2008, are surging in China. While CLOs fell into disrepute in the US and Europe after the crisis, China is promoting issuance of asset-backed securities as a means of weaning investors away from riskier shadow bank products while also ensuring enough credit flows to the slowing economy. Issuers appear to be heeding the message. Following years of delays and false starts, CLOs are now the fastest growing asset class in China's financial system, with issuance of asset-backed securities up more than tenfold to Rmb326bn last year. A senior China Banking Regulatory Commission official predicted last month that China's CLO market would "grow by leaps and bounds" this year, adding that Rmb90tn in outstanding bank loans could theoretically be eligible for securitisation.

OPEC's February oil supply hits lowest since June on Iraq-survey



OPEC's oil supply has fallen recently as bad weather delayed exports from Iraq's southern ports, a Reuters survey found, slowing an expansion of supplies in the group's second-largest producer. The

survey also found slightly higher output in Saudi Arabia, a sign that the largest producer in the Organization of the Petroleum Exporting Countries is sticking to its strategy of focusing on market share rather than cutting output. Still, actual OPEC supply has fallen in February to 29.92 million barrels per day (bpd) from a revised 30.27 million bpd in January, according to the survey based on shipping data and information from sources at oil companies, OPEC and consultants. The main reasons for the decline are involuntary - poor weather slowing Iraq's exports and unrest in Libya. OPEC at a meeting in November decided to retain its output target of 30 million bpd, despite collapsing prices and concerns from members such as Iran and Venezuela about falling oil revenue.

Despite Greece, euro zone is turning the corner

The latest episode of Greece's debt crisis has revived doubts about the long-term survival of the euro, nowhere more so than in London, Europe's main financial center and a hotbed of Euroskepticism. The heightened risk of a



Greek default and/or exit comes just as there are signs that the euro zone is turning the corner after seven years of financial and economic crisis and that its perilous internal imbalances may be starting to diminish. To skeptics, the election of a radical leftist-led government in Athens committed to tearing up Greece's bailout looks like the start of an unraveling of the 19-nation currency area, with southern countries rebelling against austerity while EU paymaster Germany rebels against further aid. A last-ditch deal to extend Greece's bailout for four months after much kicking and screaming between Athens and Berlin did little to ease fears that the euro zone's weakest link may end up defaulting on its official European creditors.

Dudley, top U.S. economists urge later Fed rate hike

Raising interest rates too late is safer than acting too early, an influential Federal Reserve official said recently, endorsing a high-profile research paper that argues the U.S. economy, given time, can rebound to the strong growth rate



to which Americans are accustomed. The paper by four top U.S. economists, presented recently to a roomful of powerful central bankers in New York, argues the Fed would be wise to keep rates at rock bottom for longer than planned and then tighten monetary policy more aggressively. New York Fed President William Dudley, who offered a critique of the paper, cited currently low inflation and warned against being too anxious to tighten monetary policy. The risks of hiking rates "a bit early are higher than the risks of lifting off a bit late," he told a forum hosted by the University of Chicago's Booth School of Business. "This argues for a more inertial approach to policy."

The U.S. central bank is in the global spotlight as it weighs when to lift rates after more than six years near zero, and how quickly to tighten policy thereafter. Some policymakers, like Cleveland Fed President Loretta Mester, caution against waiting too long, given concerns about potential financial stability and an erosion of public confidence in the economy.

Alibaba and Tencent battle over Chinese New Year 'red envelopes'



The cash-stuffed "red envelopes" that Chinese traditionally exchange during lunar New Year have emerged as the latest battleground in the high-stakes mobile payments war between internet groups Alibaba and Tencent. After Tencent's launch last year of an app-linked payment system that allows users to send virtual red envelopes to friends and family, Alibaba has recently launched a rival version using its Alipay system. Mobile payments are central to both groups' efforts to leverage their respective dominance in ecommerce and social networking to seize market share in internet finance, which is fast emerging as the dominant area. Last year, the two groups focused on rival taxi-hailing apps as a way to draw users into their services. Alibaba and Tencent are to merge the taxi app-makers they own stakes in, reflecting their desire to reduce spending on the subsidies they have used to compete for users. The two companies are spending billions of renminbi over the New Year period on prizes to lure users into sending animated digital envelopes through their respective payment systems.

Big Abu Dhabi industrial group Senaat considers IPO for unit

Abu Dhabi's General Holding Corp (Senaat), a major state-owned investor in the emirate's industrial sector, has shelved plans to go public but instead is considering options to sell shares in one of its subsidiaries, its chairman said recently. State-owned Senaat had in the past said it planned to go public. It has taken two of its subsidiaries public, food and beverage company Agthia and building materials firm Arkaan, both listed in Abu Dhabi. Senaat plans to invest 5 billion dirhams (USD 1.4 billion) in industry over the next two years as Abu Dhabi diversifies its economy away from oil, he told the forum earlier. In the past five years, it invested 16 billion dirhams in Abu Dhabi. The company will focus on basic downstream industries whose products can be used locally, such as pipe manufacturing. Abu Dhabi, capital of the United Arab Emirates, aims for industry to contribute 25% of its gross domestic product by 2030. Currently, industry accounts for 15%.

ECB braces for QE as others shift rates



Greek funding and quantitative easing in Europe, an expected rate cut in Australia and the buoyant U.S. labor market are set to be the focus of an economic week dominated by a host of central bank

meetings. Greece may have secured an extension of its bailout last week, but it remains reliant on emergency funding. The European Central Bank's (ECB) Governing Council convenes in Cyprus recently and may take a decision on whether to accept Greek government bonds as collateral for its direct ECB funding, which it stopped doing at the start of February. If the ECB does not - and it most likely will not - it could be forced to prolong the provision of Emergency Liquidity Assistance (ELA) to the Greek central bank.

Standard Chartered cuts 2015 Brent price forecast by USD 9



Standard Chartered Bank recently cut its oil price forecast for 2015, mainly on the price undershoot in the first quarter and expectations of a slightly more cautious policy stance by Saudi Arabia. The bank slashed its 2015 average Brent price forecast by USD 9 to USD 76 per barrel, but kept its 2016 price outlook unchanged at USD 100. OPEC (Organization of the Petroleum Exporting Countries) producer Saudi Arabia, a key driver of the 12-country producer group's policy, has moved away from short-term price defense, unlike its response to low price cycles in the past, the bank said. Production from Saudi Arabia is rising, and demand has pushed it up to about 10 million barrels per day, according to energy consultancy PIRA. The bank saw

WTI averaging USD 67 per barrel in 2015 and USD 93 in 2016. Oversupply is likely to keep a lid on oil over the next few months, and prices could retreat a little in the short term, a Reuters poll showed. Brent crude rose recently by USD 2.53 to USD 62.58 a barrel, while U.S. crude rose USD 1.59 to settle at USD 49.76 per barrel.

Regulators increase scrutiny on banks over tax-avoidance derivatives

Financial regulators are heightening their focus on banks involved in complex international trades designed to skirt taxes, the Wall Street Journal reports. The Commodity Futures Trading Commission sent letters to five firms reportedly



involved in the exotic transactions, which have already drawn scrutiny from the Federal Reserve and international authorities. Banks defend the so-called dividend-arbitrage trades, arguing that they are perfectly legal and beneficial to clients. Banks reportedly made over USD 1 billion last year offering the transactions, which take advantage of international tax policy quirks to ease the tax burden for hedge funds and other investors. The CFTC sent inquiries to Bank of America, Goldman Sachs, Citigroup, Deutsche Bank and Morgan Stanley, according to the Journal. Banks have centered the practice in their London divisions, which have access to European markets where tax policies vary widely. Bank of America reportedly pioneered dividend-arbitrage trades in 2011 in an effort to draw hedge funds to its European investment banking arm. Clients enjoy a reduction in taxes from around 30% to 10%, savings which are shared with the bank and other participants.

U.S. economy slowed in fourth quarter, but growth outlook still favorable



U.S. economic growth braked more sharply than initially thought in the fourth quarter amid a moderate increase in business inventories and a wider trade deficit, but strong domestic demand brightened the outlook. Gross domestic product expanded at a 2.2%

annual pace, revised down from the 2.6% pace estimated last month, the Commerce Department said recently. The economy grew at a 5% rate in the third quarter. Growth is poised to pick up in the first quarter now that the threat of an inventory overhang has diminished. However, an exceptionally cold and snowy February, as well as reductions in oil and gas drilling, could limit the pace of expansion. Businesses accumulated USD 88.4 billion worth of inventory in the fourth quarter, far less than the USD 113.1 billion the government had estimated last month. That resulted in the GDP growth contribution from inventories being cut to one-tenth of a percentage point from 0.8 percentage point previously. The moderate stock accumulation came as consumer spending grew at its quickest pace since early 2006. With households bullish about the economy's prospects, thanks to a tightening labor market and lower gasoline prices, consumer spending is likely to remain at lofty levels this year.

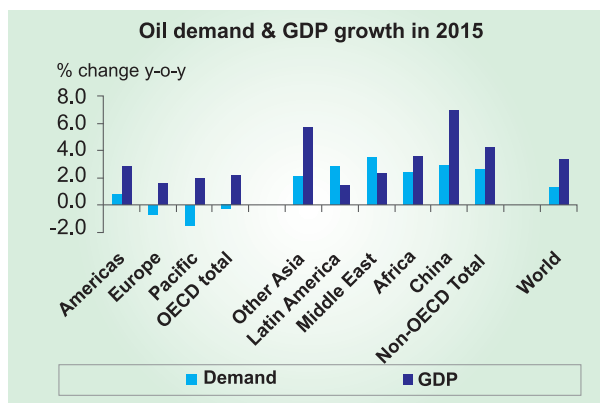
Oil Demand Outlook for 2015: OPEC

Global oil demand in 2015 is currently anticipated to rise by 1.17 mb/d; however, developments need to be monitored closely, particularly following the sharp drop in crude oil prices seen in recent months. As prices drop, oil requirements are likely to respond positively, although this can be impacted by other factors. For example, in 2008, prices fell sharply starting in the summer with the onset of the financial crisis and the global economic recession, which also led to a deterioration in demand. This time the sharp fall in prices has been mainly driven by excess supply. As a result, lower prices are likely to help to accelerate the pace of oil demand growth this time.

Other factors can also impact the degree to which any acceleration in demand takes place. In addition to economic growth, the adoption of energy policies and regulations can also influence oil requirements greatly. These factors tend to vary considerably from one economy to another and, as a result, their impact will also differ.

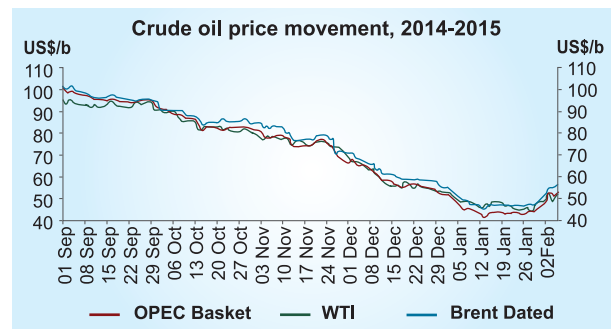
A review of oil demand patterns going into 2015 bears this out. Preliminary data for US oil demand shows a continuation of the positive momentum started in 4Q14. Gasoline, in particular, remains a key driver behind the growth in US oil demand, largely a result of lower oil prices. Gasoline pump prices in the US currently average USD 2.07/gal, down USD 1.22/gal from a year earlier. Preliminary data for January shows another significant rise in gasoline demand of 0.70 mb/d, continuing the general positive trend seen in the previous three months. Over this period, middle distillates have largely experienced the opposite trend, with preliminary data showing y-o-y growth falling for two-consecutive months. Overall, US oil consumption has seen a noticeable rise and is expected to stay firm in the near term amid lower oil prices and as economic activities improve. US oil demand growth is forecast to be around 0.18 mb/d and could see further upward revisions as the situation continues to improve.

In OECD Europe, the factors contributing to better oil demand in 2015 include the extremely low base line relative to past years, along with the slight improvement in the overall economy. Meanwhile, OECD Asia Pacific is also expected to see a contraction in 2015. A higher degree of fuel substitution in Japan, resulting from the expected re-start of some nuclear power plants, along with slower economic growth in that country, does not imply an optimistic outlook for oil demand in the region. Compared with in the OECD Americas, the positive impact of lower oil prices is expected to be minimal in the OECD Europe and Asia Pacific. As a result, total OECD is anticipated to see only a slight contraction in its oil demand growth, following a 0.28 mb/d decline last year. Among the regions, only OECD Americas is expected to see positive growth figures.

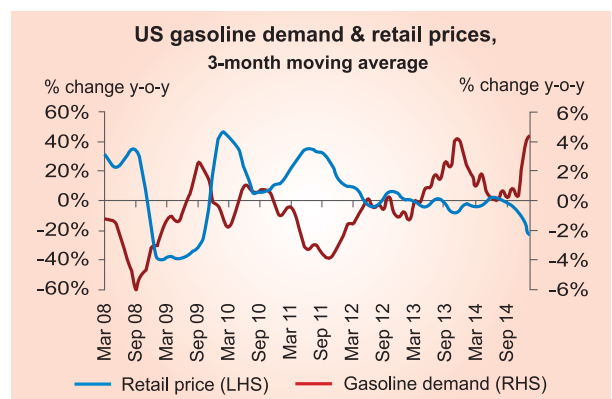


In the non-OECD countries, any potential for higher oil demand growth due to lower prices is expected to come from China, India and some countries in Other Asia. Recent data from these countries suggests remarkable oil demand figures compared to a year earlier. Looking ahead, in China and India, transportation fuels are the main contributors to forecast oil demand growth. However, some downside risks exist due to rising taxes in China, as well as subsidy cuts in India and in some non-OECD Asian countries. Additionally, African oil demand is seen having some upside potential, while the outlook for FSU oil demand growth is skewed to the downside. With growth of 1.18 mb/d, non-OECD is expected to continue to contribute the highest share of oil demand growth in 2015. In light of the improvement in economic growth as well as crude oil market developments, the forecast for global oil demand growth may be subject to further upward revisions as the year progresses.

Crude Oil Price Movements



The OPEC Reference Basket (ORB) ended January down over 25% m-o-m to its lowest value in six years as global markets continued to be oversupplied and demand had yet to pick up. The ORB dropped USD 15.08 to USD 44.38/b, down USD 60.33 or 57.6% from a year ago. Crude oil futures continued their downward curve over the month, with both Nymex WTI and ICE Brent ending below USD 50/b for the first time in over five-and-a-half years. In addition to a supply glut, a record crude inventory build in the US, a strong US dollar, slowing Chinese oil demand growth and downwardly revised global economic growth have all pressured oil futures. The ICE Brent contract declined USD 13.51 m-o-m to USD 49.76/b, compared with the USD 107.11/b it registered in January 2014. The Nymex WTI contract lost USD 11.96 to reach USD 47.33/b, while its year-to-date value dropped by USD 47.43 from USD 94.86/b. Meanwhile, speculative bets on a rebound in oil prices increased net lengths further over the month. The Brent-WTI spread narrowed, as excess storage capacity in the US supported Nymex WTI figures. The Brent-WTI spread dropped to average USD 2.43/b for January.



Retail Trends 2015

Since 2000, fully three-quarters of retail sales growth has occurred through online channels. That's an eye-catching statistic, yet not quite the whole story. The online channel now accounts for about 8% of total retail sales. But three sectors have been largely untouched by e-commerce: cars, gasoline stations, and groceries. Because these categories are significant, responsible for almost half of total retail sales, online's penetration of its "addressable market", in other words, its available pool of revenue, is close to 16%. And it is expanding rapidly, at an annual pace of about 15%, well beyond the traditional retail, "GDP-like" growth rate. Instead of sounding the death knell for bricks-and-mortar stores, the steady growth of online sales is breathing new life into the physical stores of some retailers. These companies understand that even as e-commerce thrives, it is becoming increasingly difficult to distinguish an online sale from an offline one. Consider these hypothetical scenarios:



A consumer browses Amazon's website looking for a TV, relying heavily on user-generated reviews to make a choice. Checking prices elsewhere on the Web, he discovers that the model he wants is being deeply discounted at a local John Lewis in Aberdeen, United Kingdom. He completes the purchase at the store and carries the TV home.

A multitasking Parisian professional on her way home from work pulls into a suburban Carrefour hypermarket to pick up groceries, a few household items, and a birthday present for her nephew. Using the retailer's app to find the best deals, she discovers that a particular toy is not available in store but can be purchased online. She buys the item from the app while still in the store and elects to have it shipped there for pickup over the weekend.

A shopper on Asos's fashion apparel website finds a blouse she likes but is unsure of her size. She visits a local store that carries the same item to try it on. She completes her purchase there, but later decides she would also like the blouse in a different color. She goes to the store's website to purchase the blouse and at the same time signs up for an annual membership for free two-day shipping on all future orders.

The ubiquitous consumer



Viewed broadly, these anecdotes depict various activities of today's global consumers, who want to move easily across channels, have many retail and product options at their fingertips, and demand full visibility into inventory and pricing. Omni-channel shopping is

here to stay, and it is expected that over the next 12 months and the years to follow, it will evolve in unpredictable, organic ways as consumers increasingly create their own paths to purchase. In fact, shoppers are moving so effortlessly among channels that it will soon become a futile exercise to pinpoint the share of online sales in total retail revenue; before long, that number may be of interest only to the accounting department, not to the retailer's buyers, senior executives, and stockholders.

To win the complex: Three critical steps

1. Invest in digital technologies. Some retailers know that today's digital tools are restoring the lost art of personalized customer service. Supermarkets now have to compete with online subscription models, such as Amazon Mom and Target Subscriptions, which allow customers to conveniently stock up on recurring purchases while the retailer builds a loyal customer base. But the same principles can be applied in physical stores — in a way that encourages consumers browsing in person to “top off” their regular needs with a few high-end purchases. Here, retailers have the opportunity to partner with large brands.

2. Offer a convenient one-stop-shopping experience. One-stop-shopping convenience is no longer about selling everything from a single supercenter or website. It's more profitably targeted at giving the right Omni-channel experience to shoppers who are budgeting for both time and money. That's why department stores in the U.S. such as Macy's and Nordstrom, and superstore Tesco in the U.K., among others, are offering services that combine their in-store and digital capabilities.

3. Rigorously examine resource allocation. As online sales grow, many retailers will be compelled to spend heavily on new digital capabilities, including website design and functionality,

user-friendly interfaces, enhanced content, data collection and analytics, price modeling, and advanced customer communications. Perhaps less glamorous but no less critical, they must also invest in efficient and seamless logistical and inventory management. These types of new initiatives will increasingly become a strategic imperative. But if they occur while retailers simultaneously maintain the large fixed outlays to manage the traditional store network, the shift to Omni-channel shopping may result in higher costs and falling net margins. To avoid this outcome, retailers need to be unrelenting in identifying their strengths, weaknesses, and opportunities in their physical and online target markets to determine the capabilities that are critical to success in both and in the new retail landscape — and to pare back expenses in less valuable areas.

The meaning has changed



In the early 2000s, the phrase “channel blurring” was overused to describe the rise of new formats like supercenters and clubs that were invading the traditional, supermarket-dominated grocery market. But the blurring that's happening today is not about “allocating” sales between different formats. Rather, it centers on encouraging consumers to participate in different channels sequentially and simultaneously along the path to a single purchase. This will become more and more common, even within retail categories that have until now been relatively isolated from e-commerce. The evidence from the data and anecdotes is simple: Consumers now have multiple touch points with brands (online, mobile, and in-store) and use all of them to inform their purchases. They don't care to draw the dividing line — and neither should retailers.

(This feature is extracted from 2015 Industry Perspectives of PwC/Strategy&.)

WELLS FARGO SECURITIES ECONOMICS GROUP REPORT



U.S. Overview

Global Weakness Presents a Threat to U.S. Growth

While most key economic reports have continued to show strength, commodity prices and the financial markets have clearly felt the sting from the cold winds blowing in from overseas. The first part of this year (2015) has been characterized by plummeting oil prices, sharply lower long-term bond yields, and the return of volatility in the equity markets. The dollar has also continued to strengthen against most other currencies as investors, businesses, and individuals around the world recognize the better risk-reward relationship in holding U.S. assets at this tumultuous time. Shifts in the global economy and the recent plunge in oil prices have caused us to sharply reduce Wells Fargo's forecast for first quarter real GDP growth. Wells Fargo now expects real GDP to rise at just a 1.5% pace in the first quarter, as oil companies slash their capital spending budgets and slower economic growth around the world constrains U.S. exports. Wells Fargo's forecast for the year as a whole, however, is less affected. The benefits from lower gasoline prices will eventually show up in the form of stronger consumer spending and improved corporate profits.

The slow start to GDP growth may present new challenges to the Fed. Much of what is slowing in the economy is occurring in capital-intensive industries, which means the hit to GDP is far greater than to employment, which has actually been quite strong in recent months. Headline inflation figures have also fallen faster than expected. Wells Fargo still sees the Fed on course to raise interest rates toward the middle of this year, when it believes circumstances will have improved considerably.

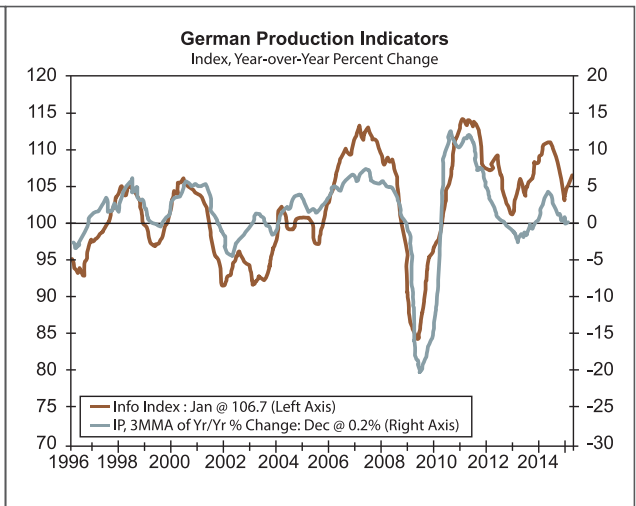
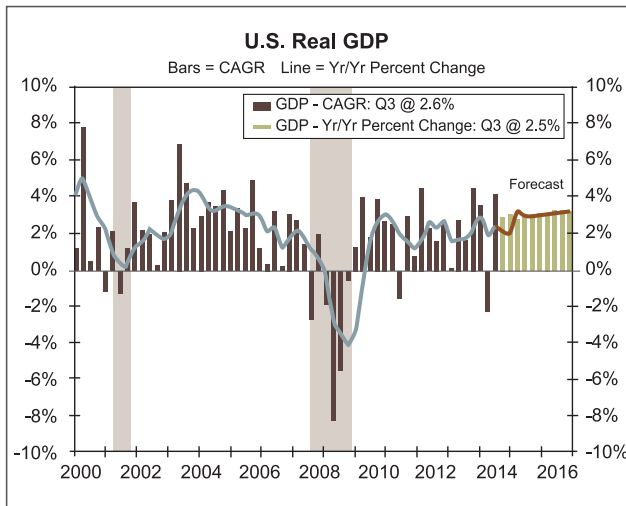
International Overview

Good and Not-So-Good News in Foreign Economies

The good news is that there are some incipient signs of economic acceleration in the Eurozone. A widely followed index of German business sentiment has risen for three consecutive months, suggesting that growth in production should soon strengthen. The combination of lower petroleum prices, euro depreciation and accommodative monetary policy should help boost economic activity in the euro area over the course of this year and next.

The not-so-good news is that economic growth in China, the world's second-largest individual economy continues to slow. The Chinese economy grew 7.4% last year, its slowest growth rate since 1990, and Wells Fargo forecasts that real GDP growth in China will fall short of 7% in 2015 and 2016. That said, the growth rates that Wells Fargo forecasts for the Chinese economy in the next two years would be the envy of the vast majority of countries in the world. Globally, Wells Fargo sees GDP rising close to its long-run average of 3.6% in 2015 and a bit above that rate next year.

There are some downside risks to the global economic outlook to keep firmly in mind. Financial markets could encounter volatility again if Greece were to exit the Eurozone. The renewed conflict in Ukraine could lead to a complete breakdown in relations between Russia and the West. In addition, some corporations and banks in Russia could encounter debt-servicing difficulties that could have negative implications for some European financial institutions.



Source: IHS Global Insight, U.S. Department of Commerce and Wells Fargo Securities, LLC

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