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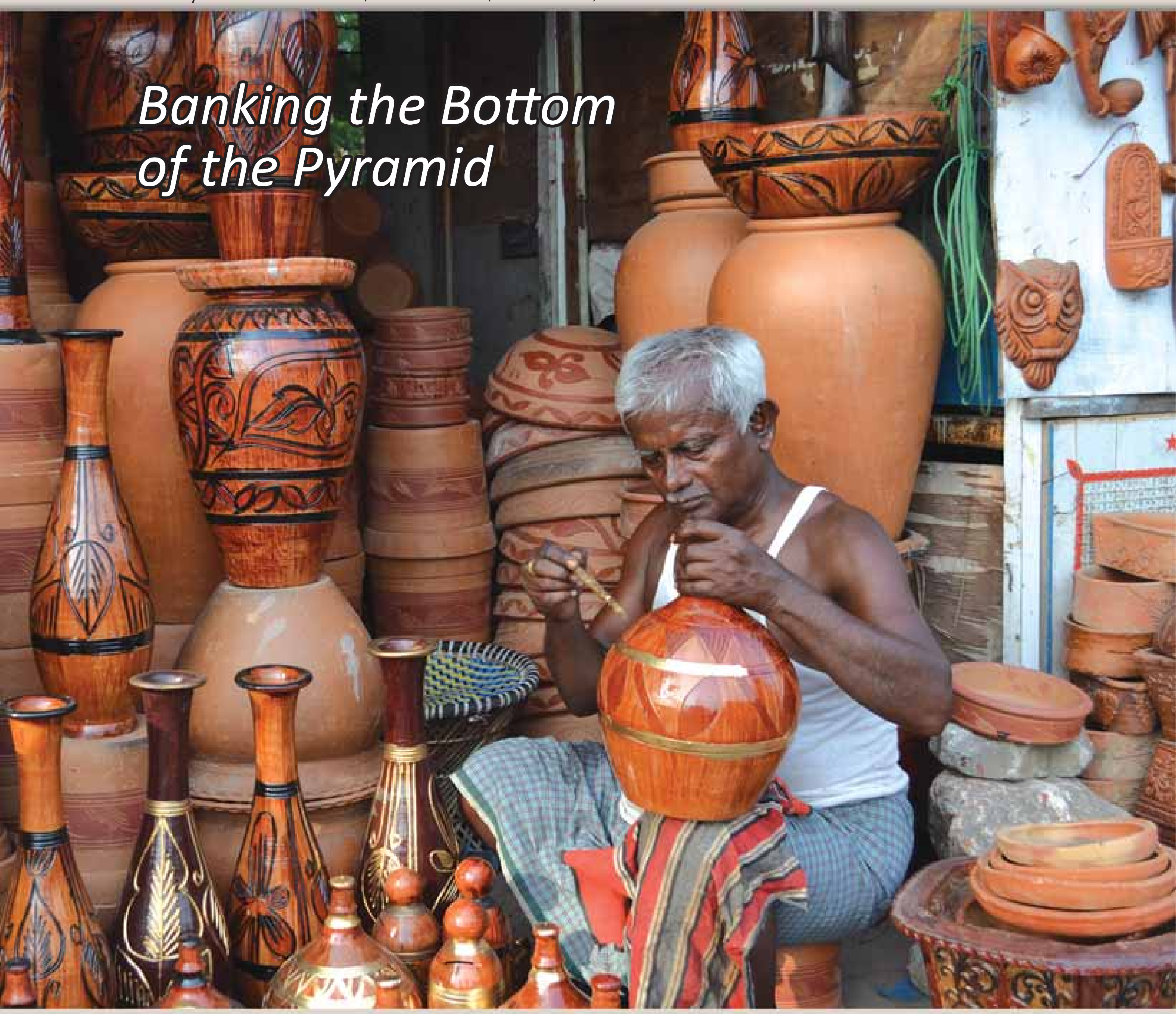

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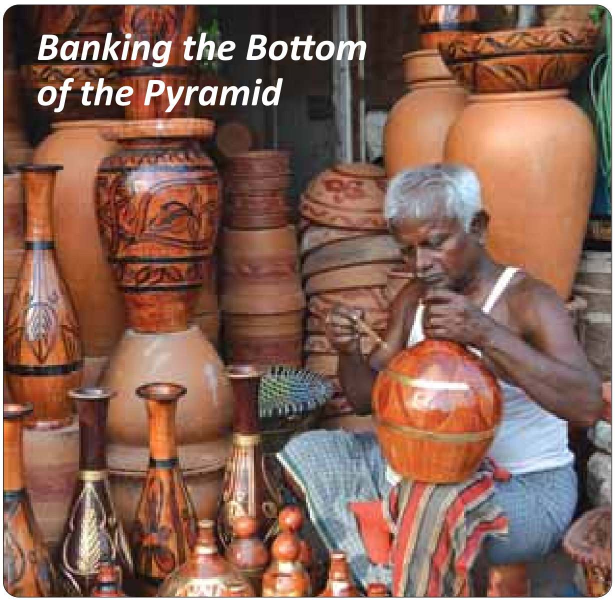

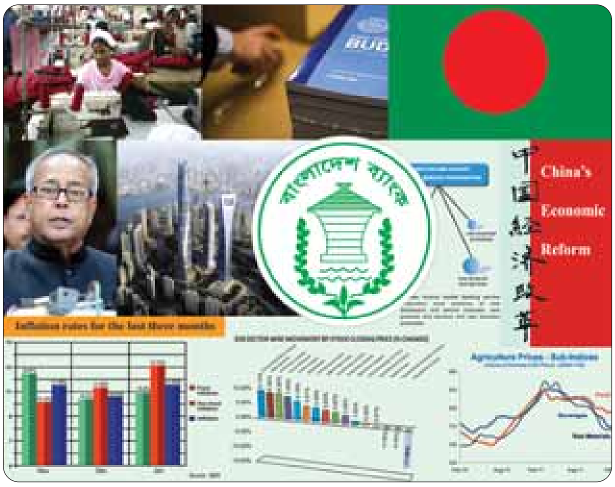

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Banking the Bottom of the Pyramid

The bottom of the economic pyramid presents a significant growth area for banks in emerging markets. Many attempts at cracking this opportunity have failed due to a lack of appreciation for the full breath of innovation that is required across the critical banking areas of product, distribution and process. At the same time, mobile network operators and retail corporate in particular have been aggressively moving in on this space. The use of retailer stores and mobile phones as new distribution channels as well as the deployment of a set of basic transactional, insurance, savings and lending products supported by business processes applicable to lower income markets is one means of unlocking the banking opportunities that have for so long been laying trapped at the bottom of the pyramid.

Banking Service Proposition for Bottom of the Pyramid

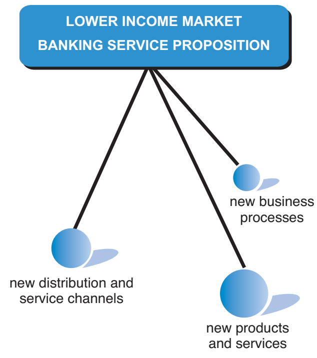


Exhibit A: A lower income market banking service proposition must comprise of new distribution and service channels. new products and services and new business processes.

A full-fledged service proposition for lower income markets is needed. The term "service proposition" is used to describe a complete banking offering analogous to the concepts of retail banking, private banking, business banking and corporate banking. In essence, a service proposition encompasses product, distribution and process. The code to unlocking value at the bottom of the pyramid will not be cracked through product innovation alone. What is needed is a fully-fledged service proposition dedicated to lower income markets that encompasses the critical components of new products and services, new distribution and service channels and new business processes. The schematic in exhibit A depicts the three critical components to a lower income market banking service proposition as the three legs of a tri-pod. If any of these components are not firmly in place, the service proposition itself will topple. The three core elements to a lower income market service proposition are discussed further below:

New Products and Services

The banking of lower income markets should involve a limited set of simple customer offerings that comprise transactional, savings, insurance and loan products. A good initial product blend is one type of transactional account, a home loan, a small business loan, an unsecured consumer loan, a funeral plan and a basic savings pocket. The economics of transactional products need to be realised through low fees and high utilisation volumes. On the other hand, the economics of credit and insurance products need to be driven by high sales volumes through increased customer access and by keeping default and credit impairment rates down through innovative credit distribution models.

New Distribution and Service Channels

Product distribution and product service channels should be built on the principles of customer accessibility, ubiquity and cost effectiveness. Two such channels are mobile phones and retailers. The use of mobile phones is emerging globally as a channel to facilitate convenient payments. The benefits of using mobile phones as banking channels in lower income markets are obvious:

1. Mobile phones are pervasive in Bangladesh with there being 85.45 million at the end of December 2011 (Source: BTRC) mobile phones in a population of around 145 million people, this provides ubiquity.
2. Unlike other banking channels such as point-of-sale terminal devices and ATM's, which have to be registered as part of the National Payments System, it is the customer who registers and maintains the "transactional" point in the case of mobile phones. This means that mobile phones actually become a viral distribution network.

It is important to appreciate the key requirements for using mobile phones as a banking channel in the lower income markets. These include:

1. Phone-to-phone transactions must be cleared in real-time so that both the sender and recipient have an immediate notification of an informed transaction. In this way, the phone-to-phone capability can be seen to replace an equivalent card-swipe transaction that would have been made on a point-of-sale terminal device.
2. The product must be backed by a banking license to allow for deposit taking. In other words, the mobile phone account can be topped up directly from a cash source. This is in contrast to mobile wallets, which can only be topped up from a bank account or another wallet.
3. The solution must be network agnostic to allow for interoperability across various networks and in so doing enable ubiquitous distribution.
4. The user interface must be user friendly and easy to access.

Due to the pervasiveness of mobile phones and retail stores in lower income markets, the combined use of these channels gives a ubiquitous network for the distribution of banking products and services.

The use of retailers to facilitate product origination and customer service on behalf of the bank is also emerging as a viable distribution option for lower income markets. The applicability of retailers as banking agencies can produce several benefits:

1. There are far more retailers than there will ever be banking branches. The most informed views suggest that there are probably thousands of retailers in Bangladesh (including corporate chains, franchises and independents) of which realistically 10% could qualify as viable banking agencies (depending on the retailer selection criteria).
2. Retailers provide significantly better access to lower income customers than any traditional banking infrastructure. Retailers spread from central business districts to deep rural areas, where it is often not viable for banks to erect and maintain traditional infrastructure.
3. Instead of bank staff servicing customers directly, bank staff should be focused on servicing retailers as the points of representation for the bank. As such, the bank will be able to achieve economies of scale and better cost efficiencies compared to a branch network.

The key requirements for using retailers as banking agencies include:

1. Customer outreach – Retailer stores must have sufficient foot traffic to justify the investment in store recruitment and activation. The size of store, proximity to other economic activity and flexibility in business hours are proxies for the quantum of banking business that the retailer is expected to yield.

2. Store stability – The bank needs a level of comfort that the store is unlikely to cease trading. The time that the retailer has been in operation and well as the commercial terms of a property lease are reasonable indicators of the stability of the retailer.

3. Probity – Retailers must have a certain level of integrity. Criminal and credit checks on the store owners are recommended to gauge the integrity of the retailer. The outcomes of the probity tests should be considered on a case-by-case basis and the underlying circumstances for credit defaults and criminal judgments need to be understood.

New Business Processes

Banking at the bottom of the pyramid requires separate IT systems that can adequately support the unique business processes needed to bank lower income markets such as third party distribution, real-time transaction clearing, remote product origination, intermediated lending and so forth. As banking is a highly regulated sector, the risk and compliance function has become a critical element of downside management. Notwithstanding this, risk and compliance at the bottom of the pyramid needs to be more “creative”. A case in point is the issue of deposit taking. Only institutions with banking licenses are permitted to take deposits, defined as the process of accepting deposits from the general public as a regular feature of the business. Whilst retailers may not take deposits, it is imperative for the purposes of lower income banking that the stores become points where customers can top up their accounts directly. If not, customers will be forced back to more costly infrastructure such as branches to make deposits. The use of real-time phone-to-phone transactions means that at no stage does the retailer actually hold money on behalf of the customer.

The customer gives the retailer cash and the retailer’s account is immediately debited and the customer’s account immediately credited with the cash amount. If one were to view this transaction through the conventional risk and compliance lens of big banks, it could easily be misconstrued as illegitimate deposit taking. Credit vetting processes need to assess affordability of loan applicants as well as the willingness of applicants to make repayments. New lending models should be explored and implemented.

Banking at the bottom of the pyramid cannot be operationalised successfully by overlaying the same business processes of traditional banking offerings. New business processes are needed to realise client centricity and cost effectiveness.

Banking the Bottom of the Pyramid - Bangladesh Scenario

The approach to ‘Banking the Poor’ in developing countries such as Bangladesh is somewhat different from the developed countries. In case of developed countries, the focus is on the relatively small share of population not having access to banks or the formal payment system. Whereas in Bangladesh, the core focus is on almost half of the total population (45 percent of total population: Bangladesh Bank) who are excluded from banking system. In this regard, Dr. Atiur Rahman, Governor, Bangladesh Bank has reiterated, “Financial Inclusion is a high Policy Priority in Bangladesh, for faster and more inclusive growth (Bangladesh Bank Quarterly, October – December, 2009).

In last one decade the Bangladesh economy has grown manifold, with consequent increase in financial service needs. Within last one decade (2000-2001 to 2010-2011) nominal GDP increased more than threefold from BDT 2535.5 billion to BDT 7875.0 billion. In 2010-2011 per capita income was USD 818 which was USD 374 in 2000-2001. Despite these achievements, more than 50% of those people survive on less than USD2 per day. On the other hand though the banking system has become more competitive over the years, 45 percent of the population still remains unbanked. The population per branch (21,065) and the ratio of loan accounts per 1000 adults (42) suggests that the outreach of the formal financial sector is lower than in India (14,485 and 124 respectively) and Pakistan (20,340 population per branch and 47 loan accounts per 1000).

Status of Financial Inclusion in Bangladesh

In terms of below table, despite substantial bank branch expansion and increase of membership of MFIs (Microfinance Institutions) and other institutions, high percentage of adult population is still excluded formal financial system. In terms of

Year	Adult Population (millions)	Population per bank branch (millions)	Number of bank deposit A/Cs (millions)	Deposit A/Cs as % of adult population	Number of members in MFIs (millions)	MFI members as % of adult population	Number of members in cooperatives (millions)	Cooperative members as % of adult population
1999	73.16	18669	27.30	37.32				
2000	75.16	18347	28.40	37.79				
2001	77.18	19886	30.10	39.00			7.65	9.91
2002	79.59	20753	30.90	38.82			7.67	9.64
2003	80.80	21406	31.30	38.73	14.63	18.11	7.57	9.37
2004	82.25	21443	31.60	38.42	14.40	17.51	7.76	9.43
2005	83.80	21420	33.10	39.50	18.82	22.46	7.92	9.45
2006	84.60	21171	34.50	40.78	22.89	26.95	8.03	9.45
2007	84.95	20920	35.70	42.02	20.83	24.52	8.22	9.68
2008	85.78	20566	37.60	43.83	20.90	24.36	8.44	9.84

Source: Inclusive Financing - Access to Banking Services, Dr. Toufic A. Choudhury.

banking credit related indicators, the state of financial inclusion is also not encouraging. However, in Bangladesh, the access of people who mostly live in rural areas to the banking services is not sufficient with respect to their contribution to GDP.

Bangladesh has achieved the capacity to attain around 5-6 percent economic growth at different circumstance over the last decade, while it has the potential for adding another 5 percent through a little extra effort, which would enable the country to enter the highway of developed world. And the key to enter to this Elite Club and growing manifold remain how we capitalize the bottom of the pyramid.

Final Thoughts

Banking at the bottom of the pyramid is not a trivial exercise. The primary challenge lies in having to address the customer needs of affordability and accessibility whilst still being able to meet the arduous return on capital requirements of a banking institution. Importantly, the service proposition must be sponsored from the top of the organization. Without this political backing, the implementation team will inevitably divert its focus at fighting corporate antibodies instead on focusing on the development of the new business.

Reference

[1] *FinScope Survey 2009*

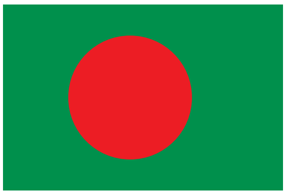
[2] *www.sassa.gov.za*

[3] *www.capitec.co.za*

FINANCE AND ECONOMY

BANGLADESH KEEPS UP STABLE OUTLOOK

S&P Rates the Country BB- in Jan Update



Standard & Poor's, a leading rating agency in the world, has affirmed Bangladesh's sovereign credit rating with a stable outlook, which would give a much-needed boost to the country's under-pressure economy.

The US-based financial services company gave Bangladesh a “BB-”, thanks to its strong growth prospects, adequate external liquidity and substantial donor commitment to improve its debt ratios, according to its latest update as of January 13.

Bangladesh received the same rating and outlook from the firm in 2011 and 2010.

The rating came a few days after another international rating agency, Moody's Investors Service, reassessed Bangladesh and left its rating unchanged at “Ba3”, which the central bank believes would help the country float its first ever sovereign bonds.

The outlook reflects an unchanged rating based on their quarterly desk review of the economy, sad Hassan Zaman, senior economic adviser to the governor of BB.

The rating agencies will visit Bangladesh for a more in-depth assessment of macroeconomic developments in April-May this year and will review the rating at that stage, he told The Daily Star.

Both ratings are expected to give Finance Minister AMA Muhith "a sigh of relief", who only said a black shadow came over the economy due to uncertain trends on the global economic front.

In its report in November last year, Standard and Poor's said Bangladesh's limited fiscal flexibility due to a low revenue-generation capacity against, relatively high public and external debt and significant physical and human capital development needs constrain the sovereign ratings.

"Strong and stable economic growth and ongoing substantial donor engagement, which support continued improvements in debt ratios, underpin the ratings. Adequate central bank reserve coverage is another supporting factor for the ratings," it said.

Sovereign credit rating is an important tool to position a country in the global financial arena by providing information on the overall economic situation.

Standard and Poor's said the stable outlook reflects Bangladesh's strong growth prospects and ongoing donor support, which ensures low-cost and long maturity external debt that minimises refinancing risk. These factors are balanced against emerging balance of payments (BoP) pressures as remittance growth slows and imports expand, and the risks from rising inflation and a weakened banking sector. (2 February, The Daily Star)

SUSTAINABLE DEV POSSIBLE THRU' INCLUSIVE GROWTH: DR. ATIUR

Bangladesh Bank Governor Dr. Atiur Rahman said sustainable development is possible when growth process is inclusive and fruits of the economic and social development are enjoyed by all population.

"And in the inclusive growth, all population segments of a society have equal opportunities to participate in the growth process," he said while speaking at a conference on "Alternative Financial System for Inclusive Growth and Sustainable Development" organised by Institute of Chartered Accounts of Bangladesh (ICAB) at its office in the city.

The BB Governor said the present government has taken a number of plans to achieve economic growth.

"By inclusiveness, we understand a growth strategy that embraces all population of Bangladesh rather than big chunk of money in the hands of a number of elites which is the case in many developed economies," he said.

He said for this inclusive policy around 87.0 percent of adult population of Bangladesh has access to formal financial services which was around 78.0 percent three years back.

The Governor said Bangladesh Bank has been promoting financial inclusion by undertaking a number of initiatives to bring the unserved and under-served within the umbrella of financial system. These initiatives include sharecropper financing scheme, Ten Taka accounts for farmers, students, and freedom fighters, online and mobile banking, directing banks to open bank branches in rural areas, green banking, banking automation, and so forth.

Dr. Atiur Rahman said financial inclusion combats poverty by opening up blocked advancement opportunities for the disadvantaged poor; unleashing their creative energies for lifting themselves out of poverty in terms of both income and other measures of human development like health and education.

Besides, BB has been promoting green banking by exercising in-house environment friendly practices as well as encouraging banks to follow similar practices. Installation of automated clearing house, commencement of online CIB, e-recruitment and e-tendering are the examples of BB's drives towards automation of banking services, he added.

Sonali Bank MD Humayun Kabir differed with keynote speaker’s opinion that conventional banking does not share risks with clients. He said microfinancing and a good number of programmes including Taka 10 account for farmers are clearly taking risks of the clients and being operated only in view of their welfare. (7 February, The Financial Express)

NO LENDING RATE CAP IN FORCE: BB

The central bank has ruled out any possibility of re-imposing the lending cap in the near future, saying that it has strengthened monitoring only to bring down the interest rate spread to less than 5.0 percent.

"No cap on lending rate has been imposed. Nor it will be imposed in the near future," a top official of the Bangladesh Bank (BB) told the FE.

He also said the BB has already strengthened its monitoring and supervision to ensure implementation of the interest rate spread by the commercial banks.

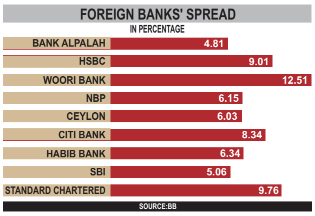
On January 22, the central bank asked the commercial banks to fix the limit of difference between the lending rate and the weighted average of rates of interest on deposit, or the intermediation spread, below 5.0 percent, other than high-risk consumer credit, including credit card and small and medium enterprises (SME) loans.

"We've taken the measure following the business community's complaints regarding fixation of interest rate on lending by the commercial banks," the BB official said while explaining the background of the instruction.

"Our close monitoring will continue to ensure stability in the country's money market through brining down the spread to less than 5.0 percent," the central banker said. (8 February, The Financial Express)

BB SLAMS FOREIGN BANKS FOR HIGHER SPREAD

Asks All Banks to Keep the Interest Rate Gap at 5 Percent



The central bank came down heavily on foreign banks having operations in Bangladesh for a high interest rate spread, which is depriving both depositors and borrowers.

Bangladesh Bank (BB) asked all commercial banks, including foreign banks, to keep the interest rate spread at 5 percent. The average interest rate spread for foreign banks is around 9 percent, which is below 6 percent for the local commercial banks.

The suggestion came at a meeting on implementation of the monetary policy, which was announced last month, at the central bank office in Dhaka with its Governor Dr. Atiur Rahman in the chair.

A participant in the meeting quoted Rahman as saying the BB will closely monitor the interest rate spread to keep it below 5 percent, except for small and medium enterprises and consumer loans.

BB statistics showed the weighted average deposit rate of the foreign banks was 4.51 percent in November 2011, while the weighted average credit rate was 13.34 percent at the same time.

In case of private banks, the weighted average deposit rate was 8.53 percent in November 2011, while the weighted average lending rate was 13.87 percent, BB data showed.

On one hand, the foreign banks are paying less interest to the depositors and on the other, they are making huge profits from a high interest on loans, the BB official said.

The foreign banks have made substantial profits over the years, although they have a limited scale of operations in Dhaka and Chittagong alone.

In 2009, the foreign banks made a net profit of BDT 930 crore, which was BDT 915 crore in 2010, according to BB data.

In addition, the primary dealer banks are currently facing a liquidity crisis as they cannot cash the excess investment in bonds at around BDT 16,000 crore. (10 February, The Daily Star)

MUHITH ASKS BANKS TO SHUN PROFITEERING

Finance Minister AMA Muhith asked bank owners to focus on the interests of the country and not to be profiteers.

In a free market economy, the government cannot control bank interest rates, he said. But for the development of the industry, the government imposed a cap on the interest rate to make it investment-friendly, he said. Muhith spoke at the launch of the Dhaka International Plastic, Packaging, and Printing Industrial Fair at Bangabandhu International Conference Centre.

Muhith said some 'greedy' industrialists desperate to earn more than 20 percent return imposed high interest rates.

The recent lending rate hike to 21 percent from 14 percent imposed by commercial banks has hindered growth of the industry, said AK Azad, president of Federation of Bangladesh Chambers of Commerce and Industry.

Most banks are not following the lending and deposits rates imposed by the Association of Bankers Bangladesh (ABB), said Azad. ABB took a decision to offer an interest rate of 12.5 percent on deposits and charge 15.5 percent for industrial term loans and working capital.

At the four-day plastic fair, around 350 local and foreign firms will display their plastic products.

Exhibitors from 15 countries will also showcase their latest machine and technologies on the public sector in the fair.

Muhith described the plastic industry as a rising industry with a bright future. As a result, an institute on the plastic industry will be established under public private partnership, he added. (17 February, The Daily Star)

BB AGAIN DOUBTS 7pc GDP GROWTH ACHIEVEMENT

The Bangladesh Bank in its annual report for financial year 2010-11 again expressed doubt about achieving gross domestic product growth of 7 percent in the current FY2011-2012.

Besides, the export and import growth would come down to 15 percent this year from 40 percent in last FY if the global financial risks turn severe.

The BB annual report said that it was difficult to decrease the annual average inflation in 7.5 percent for FY2011-12 from 8.8 percent in last FY due to increasing the non-food inflation.

It said that the non food inflation would increase because of cutting the government subsidy for gas, electricity and fuel oil.

The central bank annual report reviewed in details the country's and global economic situation, GDP growth, the projection of agriculture and industrial growth, export and import conditions, monetary policy, balance of payment and including the various economic sector of the country.

The report said that the government targeted GDP growth of 7 percent in FY2012 might be achieved, but the expected growth would decline if the global financial crisis turned in a worse condition.

Before that, the Bangladesh Bank on 26 January, 2012 in its monetary policy statement said that the GDP growth would stand at 6.5 percent to 7 percent in the FY.

The country's both export and import growth in last FY attained 40 percent but the both growth will come down to 15 percent in the current FY, as the high growth in FY2010-11 cannot sustain because of downtrend of the global economical condition, the report said.

The growth of remittance in FY2012 is being unchanged in one digit like as the last FY because of the decreasing the labor market in North America, Europe and Middle East. It suggested that government should be taken attempts to explore new labor market. (7 February, The New Age)

ENTREPRENEURS SCARED OF BUSINESS EXPANSION: DCCI

DCCI leaders said they were scared of expanding their business because of high interest rate, limited credit flow and high inflationary pressure at home and stiff competition abroad.

They urged the government to set interest rate on industrial loan at a reasonable limit for maintaining growth in industrial production and exports.

'The interest rate on borrowing from the schedule banks has increased upto 18 percent since the Bangladesh Bank withdrew the cap on lending rate. The increased interest rate has made doing business much costlier,' said Dhaka Chamber of Commerce and Industry president Asif Ibrahim at a meeting with the industries minister, Dilip Barua, at the latter's office in the capital.

Asif led a delegation of the new DCCI executive committee.

DCCI president said, 'The central bank, in its new monetary policy, has reduced the credit growth to 16 percent for the second half of the current financial year after bringing it down to 21 percent at the end of September last year.'

He urged the industries minister to give all necessary supports for expansion of business amid such a situation.

He proposed to initiate an alternative arrangement for giving gas connections to the industries which had already invested money and imported capital machinery but could not start operations for lack of gas supply.

Asif also proposed to set up a chemical village for the chemical enterprises located at Old Dhaka in a convenient place as the enterprises located in the area had to limit their business operations due to some serious fire accidents.

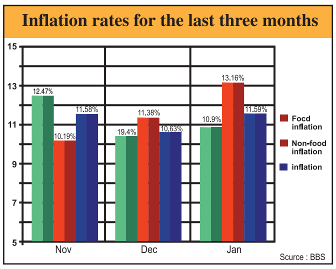
DCCI senior vice-president Haider Ahmed Khan, and directors M Bashir Ullah Bhuiyan, Mahbub Anam, TIM Nurul Kabir, Waqar Ahmed Chowdhury and Osman Gani were also present, among others, in the meeting.

The DCCI leaders requested the government to consult the businesses before finalising the proposed Economic Zone Act 2010.

Dilip Barua said the government was offering all sorts of supports to have a strong and sustainable private sector.

Industries minister said the government would introduce an intelligent property law to facilitate knowledge-based industry and would finalise the industrial law within the next six months after discussing with all stakeholders. (8 February, The New Age)

ECONOMISTS SEE NO EARLY RESPITE FROM INFLATION



Bringing down inflation to a single digit level will not be possible in near future as inflationary expectations remain high in the face of increased money supply and depreciation of the taka, said economists.

One monetary policy will not allow inflation to decline from double digit, said Zaidi Sattar, chairman of Policy Research Institute of Bangladesh, at a discussion titled, 'Will a tighter monetary policy help?' at BRAC University in Dhaka.

The Business & Economics Forum of the university organised the dialogue, which came after Bangladesh Bank launched monetary policy with an aim to curb credit supply.

Sattar said inflation has been on the rise for last few years. In spite of that BB allowed money supply to grow.

Imposition of cap on interest rate for loans earlier also buoyed the demand for credit, he added.

Former Finance Adviser Akbar Ali Khan said inflation expectations run high in the economy.

"The monetary policy will alone not be able to curb inflation; it will require fiscal policy."

He said the dynamism that has been created in the economy will be halted unless inflation is controlled.

Khan also expressed doubt about attaining a 7 percent growth for the current fiscal. It may be 6 percent, he said.

He criticised the government for generating electricity through rental power plants. "The decisions are very expensive," he said.

MA Taslim, professor of economics at Dhaka University, said: "In the short term, there will be some pains because we have allowed inflation to rise."

"I doubt that we will be able to attain a 6.5 percent growth. Probably we will have a 6 percent growth." said Taslim.

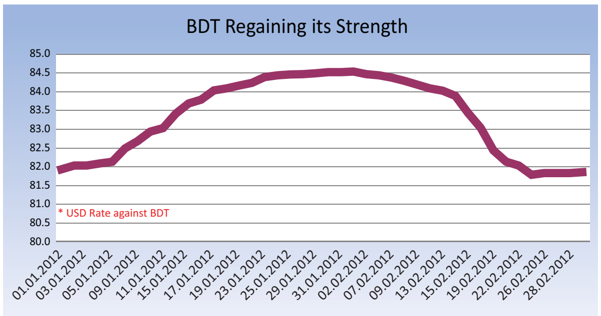
Former finance adviser to a caretaker government Mirza Azizul Islam said the monetary policy aims to cut the growth of government borrowing from banks.

But there is no reflection how it will be done, he said, adding that BB will not be able to implement its monetary policy properly as the government maintains an expansionary fiscal policy.

Mamun Rashid, director at BRAC Business School, said inflation could not be brought down to 9 percent in the current fiscal year.

"The government is doing a lot of things. But we do not see any drastic change in fiscal discipline," he said. (8 February, The Daily Star)

BDT REGAINING ITS STRENGTH



Bangladesh Taka (BDT) has appreciated by 2.68 percent against US dollar over the last two weeks, reversing the earlier trend of its depreciation. The BDT depreciated by 15.5 percent in calendar year, 2011, against the US dollar. This trend continued, al beit on a modest scale, in the first month of the current calendar year.

The BDT has now started regaining its strength, mainly because of higher inflow of the foreign currency to the market during the last fortnight. No responsible circles in the banking sector would like to make any venture to predict about how long this trend about appreciation of BDT will continue. Much here will depend on the remittance flows, export receipts, external aid disbursements, openings of new letters of credit (LCs) for import etc, the sources said.

The US dollar was quoted at BDT 82.00-BDT 82.40 in the inter-bank Foreign Exchange (forex) market against BDT 84.45-BDT 84.48 on January 29 last. "The local currency has appreciated substantially against the US dollar due mainly to an increase in the flow of inward remittances and lower demand for the greenback to settle import payments," a senior official of the Bangladesh Bank (BB) told the FE.

The BDT may strengthen further against the greenback as supply of the US dollar is increasing in the forex market, he said, adding that the central bank is watching closely the forex market to keep it in a stable condition.

The country received a total of USD 417.21 million in remittances during the period between February 1 and February 10 and the flow is likely to cross USD 1.20 billion by the end of the month, another BB official said.

The country's remittance earnings from the Bangladeshi overseas workforce were estimated at USD 1.215 billion last month, up by USD 68.58 million than that of December, 2011 when the amount of remittance stood at USD 1.147 billion, the BB data showed. (19 February, The Financial Express)

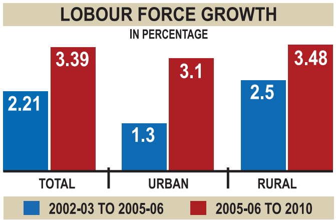
FOREX RESERVE OVER USD 10b NOW

The foreign currency reserve crossed the USD 10 billion mark for the first time in four months. The foreign currency reserve was USD 10.01 billion. Earlier in October last year, the reserve was USD 10.33 billion while it fell down to USD 9.28 billion in November.

With the increase in foreign currency reserve, the taka has been gaining against the dollar by the day. The exchange rate was BDT 81.80 on an average in the inter-bank market, which was BDT 84.44 on January 31.

A Bangladesh Bank official said slowing down of import and increase in remittance inflow caused the increase in forex reserve. (29 February, The Daily Star)

BD WILL NEED TO CREATE 1.5M JOBS EACH YEAR FOR NEXT TWO DECADES: WB



Power, Transportation, Access to Utilities Cited as Bar to Job Creating Firms Bangladesh will need to create up to 1.5 million new jobs each year for the next two decades where electricity, transportation, access to utilities are the major constraints for both urban and rural job creating firms, said a recent World Bank (WB) report.

Economic growth, which has been second only in East Asia, needs to be sustained to create more and better jobs and reduce poverty, says the report launched in Dhaka. The demographic transition will result in more than 350 million people to enter the working age population over the next two decades, the release said.

Released at a function at Brac Centre Inn in the city, the WB report titled 'More and Better Jobs in South Asia' also said the number of new job is 0.1 million per month in Bangladesh and an estimated 1.0 to 1.2 million new entrants will join the labor market every month in South Asia over the next few decades.

This is an increase of 25 to 30 percent over the average number of entrants between 1990 and 2010 where the main challenge for this region is to absorb these new entrants into jobs at rising level of productivity.

Agriculture will continue to be the largest employer in much of South Asia for the foreseeable future. Boosting total factor productivity (TFP) growth in the sector through accelerated diversification of cash crops and high-value activities will require investment in key public goods, agricultural research and development more than making investment in fertilizer, power and credit subsidies, the report said.

Although poverty among all categories has fallen, the hierarchy of poverty rates among the three employment types from the highest (casual laborers) to the lowest (regular wage or salaried workers), with the self-employed being in-between, has endured for some time. For example, the poverty rate for casual laborers in Bangladesh is estimated at 47 percent in 2010 while that for regular wage workers is 21 percent.

The report suggests that, among other things, sustained attention to the three Es -- electricity, education, and encashing the demographic dividend can make an important difference.

The report also recommended investment in reliable power supply and to develop an early childhood development program for the physical and human capital accumulation in meeting Bangladesh's employment challenge of absorbing a growing labor force at rising levels of productivity.

"The power sector needs to become financially and commercially viable. Improving the governance of power utilities will be equally important. Another priority will be improving the quality of learning -- in primary and secondary schools, universities and training institutions -- to raise the quality of skills among the workforce," the report suggested. (29 February, The Financial Express)

DITF CLOCKS UP BDT 43cr IN EXPORT ORDERS

Export orders at the Dhaka International Trade Fair grew 72 percent this year from a year ago, organisers said. Bangladesh received spot export orders worth USD 5.14 million or BDT 43 crore this year, Commerce Minister GM Quader said at the concluding ceremony of the 17th annual fair at Sher-e-Bangla Nagar in Dhaka.

The spot export orders from the biggest trade fair in the country are on the rise as participants bagged orders worth BDT 25 crore last year and BDT 30 crore in 2010.

Over the years, the largest exposition in the country has not only become a largest trade fair, but also a popular place to visit, he said.

On the concluding day of the month-long exposition, thousands of visitors thronged the fair to pick the best bargains of products, as many participants offered discounts to sell their stocks.

At the concluding ceremony, Ghulam Hossain, the commerce secretary, said they gave priority to the local manufacturers this year. "As a result, the spot export orders have gone up."

AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the government should speed up efforts to give new gas and electricity connections to industries. "The crisis has been persisting for long."

Azad said the high cost of funds has added another dimension to the piles of barriers. "Under these circumstances, it is not possible to create jobs and industrialise the country."

The FBCCI chief also urged the government to erect a permanent fair venue.

The commerce secretary said they earlier wrote to the concerned ministries to give priority to export-oriented industries while providing new gas and electricity connection.

He said Rajuk plans to give a piece of land to the government in Purbachal. "Once we get the land we will start constructing the fair venue."

ABM Abul Kashem, president of parliamentary standing committee on the commerce ministry and Shubhashish Bose, vice chairman of Export Promotion Bureau, also spoke. (1 February, The Daily Star)

BB Circulars/Circular Letters

Publish Date	Name of Department	Reference	Title
6-Feb-12	Department of Financial Institutions and Markets	DFIM Circular Letter No. 03	Submission of statement on large loan/lease
6-Feb-12	Foreign Exchange Policy Department	FEPD Circular No. 02	Usance interest rate for deferred payment imports
15-Feb-12	Department of Financial Institutions and Markets	DFIM Circular No. 03	Exemption of BIFFL from Article 25(3) of FI Act-1993
15-Feb-12	Department of Off-Site Supervision	DOS Circular No. 02	Risk Management Guidelines for Banks
22-Feb-12	Foreign Exchange Policy Department	FEPD Circular No. 03	Inward remittance against export of services in non-physical form
22-Feb-12	Debt Management Department	DMD Circular Letter No. 01	Liquidity Support for Primary Dealers
23-Feb-12	Debt Management Department	DMD Circular No. 01	Discontinuation of Issuing Treasury bill Scrips
29-Feb-12	Banking Regulation and Policy Department	BRPD Circular Letter No. 02	Rate of Interest/Profit on Fixed/Term Deposit

INTERNATIONAL NEWS

FINANCE AND ECONOMY

WB FOCUSES ON HOW TO TACKLE FUTURE CRISIS

The Global Lender Publishes Independent Evaluation Report

THE WORLD BANK
Working for a World Free of Poverty

The World Bank Group has responded to the global economic crisis effectively, but it will face difficulties to address similar levels of crisis response in future, said a report sponsored by the global lender.

The group, therefore, has to develop a roadmap for future crisis preparedness, said the World Bank's Independent Evaluation Group Report.

According to the report, the roadmap should contain a systemic analysis of stress factors and a decision-making process for blending country-level responses within a global strategy.

The World Bank responded to the crisis that started in 2008 with an unprecedented volume of lending and with accelerated disbursements, the report said.

It said financially, the response was unprecedented. Average new commitments of the bank and International Finance Corporation (IFC) combined were USD 63.7 billion a year in fiscal 2009-10, compared with less than half that amount each year over the pre-crisis period in 2005-07.

Of this amount, the bulk (USD 45.4 billion, compared with USD 18.7 billion pre-crisis) represented IBRD and IFC financing in middle-income countries.

Partly as a result of the magnitude of its lending response, the International Bank for Reconstruction and Development (IBRD) -- the part of the World Bank that works with middle-income and creditworthy poorer countries -- now has less headroom to accommodate similar levels of expanded crisis response were it to become necessary in future.

The rapid increase in lending with a limited increase in capital and reserves has led to a decline in the bank's equity-to-loan ratio, from a peak of more than 37.5 percent before the crisis -- well above the long-term target -- to around 28.5 percent at the end of FY10.

The Independent Evaluation Group of The Breton Woods institution carried out the study on "The World Bank Group's response to the global economic crisis: phase II" to evaluate performance of the group.

The report said IFC kept the overall volume of its investments constant as it focused on protecting the portfolio. It launched several innovative crisis initiatives, although the implementation of some of them was delayed.

The report also found that the bulk of crisis support was focused on countries that turned out to be moderately affected. In some cases, the policy content of crisis-response operations was limited in addressing both short-term crisis impact and medium-term development goals. (28 February, The Daily Star)

US BUDGET DEFICIT TO DIP TO USD 1.1t

A new budget report released predicts the US government will run a USD 1.1 trillion deficit in the fiscal year that ends in September, a slight dip from last year but still very high by any measure.

The Congressional Budget Office report also says that annual deficits will remain in the USD 1 trillion ranges for the next several years if Bush-era tax cuts slated to expire in December are extended, as commonly assumed.

The report is yet another reminder of the perilous fiscal situation the government is in, but it is commonly assumed that President Barack Obama and lawmakers in Congress that little will be accomplished on the deficit issue during an election year.

The first wave of statements from lawmakers had a familiar ring as each party cast blame on the other.

"Four straight years of trillion-dollar deficits, no credible plan to lift the crushing burden of debt," said House Budget Committee Chairman Paul Ryan, a Republican. "The president and his party's leaders have fallen short in their duty to tackle our generation's most pressing fiscal and economic challenges." (2 February, The Financial Express)

NO PLANS TO GIVE IMF MORE MONEY: US

The US Treasury reiterated that Washington has no plans to provide more money to the International Monetary Fund as the eurozone crisis drives the Fund to raise more emergency resources.

Treasury undersecretary for international affairs Lael Brainard told a congressional hearing that the US economy could be damaged by a further deterioration of conditions in Europe.

But with the IMF seeking to boost the funds it has for intervention and support against eurozone crisis contagion by some USD 500 billion, Brainard said the US was not planning on chipping in.

"We believe that the IMF has adequate resources, and we don't see any need for the US to provide additional resources to the IMF at this time," she told the Senate Banking Committee.

"The euro area is currently confronting difficult challenges of fiscal sustainability, or liquidity, and of structural imbalances," she said. "We believe Europe has the will and the capacity to manage these challenges effectively."

The IMF said in January it was seeking to increase its lending capacity by up to USD 500 billion to confront the debt crisis in Europe.

Fund Managing Director Christine Lagarde and her top staff have been polling G20 leaders around the world to see if they will contribute to the new funding.

Only the euro area so far has committed to contributing, while Washington has stood out in refusing to take part.

"We have welcomed the IMF's role in helping to contain the crisis and its impact on the US recovery and global economy," Brainard said.

"However, while the IMF should continue to play a constructive role in Europe, IMF resources cannot substitute for a strong and credible European firewall and response. (18 February, The Financial Express)

BOOST FOR TOP MANUFACTURING NATIONS

The world's leading manufacturing nations started the year with tentative steps towards recovery, according to a survey of purchasing managers in 30 countries.

"Data suggest that the global economy is faring much better than many had feared at the start of 2012," said Chris Williamson, chief economist at Markit, which compiles the survey with JPMorgan.

The survey index rose to 51.2 in January from 50.2 in December, with figures above 50 indicating expansion. The strong data cheered markets, as the FTSE All-World equity index rose by 1.4 percent.

The US manufacturing sector grew at its fastest rate since June. "Manufacturing is starting out the year on a positive note, with new orders, production and employment all growing in January," said Bradley J Holcomb, who chairs the Institute for Supply Management, which conducts the US survey.

Indian factory output recorded its biggest surge on record. The rise follows December's decision by India's central bank to end aggressive monetary tightening and a raft of positive economic data.

However, some analysts warned that the strong numbers did not reflect the broader state of the economy.

In China, the official purchasing managers' index rose only fractionally to 50.5, but confounded forecasts for a decline. The figure relied on estimates to take account of the effect of the lunar New Year holiday. The eurozone Market index remained below 50, indicating that business conditions had worsened for the sixth consecutive month.

The European figures broadly mirrored unemployment figures, which highlighted the growing gap between members of the 17-country eurozone. The German index reached a six-month high of 51 , while Greece's fell to 41. The Greek manufacturing sector has recorded only one month-on-month expansion since October 2008. (1 February, The Financial Times)

EUROPE CRISIS MAY SLASH CHINA'S GROWTH: IMF

An escalation of Europe's debt crisis could slash China's economic growth in half this year, the International Monetary Fund said, urging Beijing to prepare stimulus measures in response.

The IMF, in an economic outlook report on the world's second-largest economy, highlighted China's vulnerability to global demand.

"The global economy is at a precarious stage and downside risks have risen sharply," the IMF said, citing the possible deep crunch in the financial sector in Europe that would be felt around the globe.

"Should such a tail risk of financial volatility emanating from Europe be realized, it would drag China's growth lower."

The IMF outlined the negative impact if the eurozone crisis tipped Europe into a deep recession, dragging China's growth lower mainly due to shocks through trade.

In that "downside scenario" China's growth would fall by around 4.0 percentage points this year from the 8.2 percent rate the IMF projected in January.

China's exposure to financial spillovers is limited, it said, noting foreign assets, including sovereign debt, represent only 2.0 percent of Chinese bank assets.

However, the export-dependent economy is highly exposed through trade linkages. Nearly half of China's exports go to Europe and the United States.

Lower global demand would further reduce investment and employment and may trigger a decline in China's property market.

The IMF recalled that China's vulnerability was revealed in the 2008-2009 global financial crisis, when global growth plunged.

China launched a huge credit and fiscal stimulus in response, limiting the sharp impact on the domestic economy- and yet growth still sank by five percentage points.

"However, a track record of fiscal discipline has given China ample room to respond to such an external shock," the IMF said. (8 February, The Daily Sun)

MANY BANKS FACE DOWNGRADING OF CREDIT RATINGS BY MOODY'S

More than 17 global banking behemoths face the prospect of possible downgrading of their credit ratings by the Moody's Investors Services. This will dampen the optimism caused by rally in which the too big to fall banks were on way to recovery.

The big banks in the list of Moody's downgrading of their credit ratings are: Bank of America, Citigroup, Morgan Stanley Goldman Sachs and Credit Suisse. Moody's said it was weighing the risks of the institution's investment banking models and exposures to its capital markets businesses, the New York Times (NYT) in a recent report said.

European banks will not escape the scrutiny of the credit agency. Lingering debt crisis and risks linked to large capital markers businesses could cause further damage to the banks. Sea changes in the operating conditions and increased regulatory requirements have diminished bank's long term profitability and growth prospects, NYT said quoting Moody's.

Morgan Stanley, Credit Suisse and UBS will be the worst affected and could face cut up to three notches downgrading. Barclays, Goldman Sachs, JP Morgan Chase, Citigroup and Deutsche Bank are among banks that could face up to lowering by two notches. All these banks have suffered heavily in the recent global economic crisis. Moody's had reviewed more than 114 banks in 16 countries because of deteriorating credit worthiness of the euro zone countries.

Societe Generale, the French bank reported a drop of 89 percent in its income. The bank had expected to record a profit of 300 million euros where as it could earn 130 million euros. (19 February, The Financial Express)

OPPORTUNITIES FOR ASIA IN EUROPE BANK CRISIS

Fears of a credit crisis in Asia are abating as funding pressures on European banks ease. That in turn eases the pressure on those banks to shrink their balance sheets by selling assets far from their home markets on the continent.

That is good news for Asia as a whole given its dependence on credit to fuel economic growth, especially since debt capital markets remain under-developed throughout the region.

Instead of big asset sales at fire sale prices, the European banks are creating vehicles against which they can borrow cheaply from their peers at rates that are attractive. By putting their highest quality loans in these vehicles as collateral, they can borrow from Asian banks – especially the Japanese banks – at lower rates than they would otherwise pay.

But while the short-term funding situation of the banks is no longer quite as dire, long-term capital challenges remain. The essential choice of raising capital or shrinking their balance sheets remains for many continental European banks. There are sectors that will feel the pullback especially harshly, including cash-strapped airlines, shipping businesses and very long-term infrastructure projects.

Thus, this week in Hong Kong, a USD 1.2bn portfolio of loans from Crédit Agricole was being dissected by potential buyers including Japanese and Chinese banks, Singaporean insurers and local hedge funds, among others. About a quarter of the portfolio consists of loans to troubled companies which require labour-intensive financial restructurings in which the debt may well turn into equity. Such loans have attracted attention from credit and distressed hedge funds, who say the assets are attractive in a low-yield world. They could be so lucrative in fact that they don't need to use borrowed money, or the kind of vendor financing provided by the selling banks a few years ago.

Meanwhile, the Japanese banks are at the opposite end of the spectrum, looking mostly at the highest-quality stuff. It is easy to see why. They have plenty of liquidity – and the net interest margin for Mitsubishi UFJ on its loan portfolio in Japan is a mere 0.09 percent, according to its financial statements. By contrast, it can make at least a full percentage point more on lending in Asia outside Japan.

Indeed, all three of the big Japanese banks profess to have big ambitions for the region. Local banks, including Maybank in Malaysia and DBS in Singapore are also on the prowl while the Australian banks are sometimes buyers and sometimes sellers. HSBC and Standard Chartered are likely to pick up the slack, especially in areas like trade finance.

The Chinese remain the biggest unknown, in part because they don't report to the Bank of International Settlements, which tracks cross-border lending. The Chinese banks have been largely discouraged from ambitious acquisitions in the US, though ICBC did buy Bank of East Asia's American branches last year. Whether the Chinese ultimately take advantage of the troubles of the European banks or not, they are doubtless pondering the opportunity. Asia is, after all, a more welcoming terrain and still the fastest-growing region in the world. It is far more attractive to Asian banks than either the US or Europe. (1 February, www.ft.com)

CHINA'S ECONOMY AT 'TURNING POINT': WORLD BANK

China has reached a "turning point" in its economic development, with the pace of growth likely to nearly halve in the next two decades, World Bank and Chinese government researchers said.

The Asian giant must implement deep reforms to avoid a sudden slowdown in growth, such as scaling back its vast and powerful state-owned enterprises and breaking up monopolies in strategic sectors, the analysts said in a report.

After averaging 10 percent annual growth for the past 30 years, China's export and investment-driven economic model was no longer sustainable, World Bank President Robert Zoellick said at the launch of the "China: 2030" study.

The report was backed by Vice President Xi Jinping and Vice Premier Li Keqiang, who are expected to succeed President Hu Jintao and Premier Wen Jiabao during a major transition of power that begins at the end of this year. Despite this high-level support, the report prepared by the World Bank and the Development Research Centre under the State Council, China's cabinet, is likely to face resistance from people with "vested interests" in the current model, Zoellick said.

The report makes a number of recommendations, including curbing the influence of state-owned enterprises, breaking up monopolies and making it easier for small and medium-sized enterprises to access funding. The report also urges Beijing to commercialise the country's banking system and gradually remove interest rate controls as it seeks to "complete its transition to a market economy".

Other recommendations called for greater innovation, further social welfare reforms, better protection for farmers' land rights and market incentives to encourage companies and households to adopt green technology.

Despite the ongoing eurozone crisis and weakness in the United States, Zoellick played down fears of an economic disaster in China.

There are "stress points that will expand over time rather than (turn into) a crisis," Zoellick said, forecasting a soft landing for the Asian powerhouse.

But he acknowledged that the "devil will be in the implementation" of the reforms. (28 February, The Financial Express)

CHINA BANKS' 2011 PROFITS HIT NEW HIGH

Profits of Chinese banks reached a record high of 1.04 trillion yuan (USD 165.10 billion) in 2011, marking an increase of 15.8 percent from 2010, and China's banking regulator said.

That growth, however, was slower than 34.5 percent in 2010, but it was still higher than the 14.6 percent recorded in 2009.

According to official data published over the weekend, the non-performing loan ratio fell to 1.0 percent by the end of 2011 from 1.1 percent a year ago, the average gap between lending and borrowing rates widened to 2.7 percent from 2.5 percent, and capital adequacy ratios were boosted to 12.7 percent from 12.2 percent.

The China Banking Regulatory Commission published the raw numbers on its website (www.cbrc.gov.cn), without providing any comment. The numbers cover all commercial banks in China, including the world's most profitable banks such as Industrial and Commercial Bank of China and China Construction Bank.

The surge in profits comes amid complaints from many small businesses about a starving of bank credit. China's central bank cut the amount of cash banks must hold in reserves, boosting lending capacity by an estimated 350 billion-400 billion yuan in a bid to crank up credit creation as the world's second-biggest economy faces a fifth successive quarter of slowing growth.

The government has also recently drafted special rules preventing banks from charging excessive fees.

Analysts say strong demand for loans and high charges and fees levied on clients are the main underlying factors for the growth in banks' bottom lines. (20 February, The Financial Express)

GLOBAL SLOWDOWN, HIGH INTERESTS HIT GROWTH: PRANAB

High interest rates, coupled with adverse global situation, are impacting investment and economic growth, Indian Finance Minister Pranab Mukherjee said recently.

In a globalised world where major developed economies are going through a turbulent time, growth cannot be taken for granted, the Finance Minister said at the Assocham annual general meeting here. However, the slowdown should be a temporary phenomenon, he said.

"This continuing global uncertainty is also affecting India (besides) a tight monetary policy has impacted investment and consumption growth through higher cost of credit. Growth has consequently slowed," he said.

The Reserve Bank has increased the interest rates by 375 basis points since March 2010 to tame rising inflation. Mukherjee appeared confident that the country would be able to sail through tough times and get back on the high growth path.

"I expect this slowdown to be temporary and the economy would soon revert to the high growth trajectory," he said adding "India has to target a double digit growth in the not too distant future. We have shown that we can grow fast but we must learn to sustain it over extended period of time". The Finance Minister is expected to announce steps to boost growth in the budget for 2012-13 on March 16 in the Lok Sabha.

India was growing at over 9 percent before the global financial crisis of 2008 pulled down its growth rate to 6.7 percent in 2008-09.

On opening up the retail sector, the Finance Minister, said, "We have liberalised FDI in single brand retail and a consensus for operationalise the decision on opening FDI in multi-brand retail is being pursued." (23 February, The New Nation)

PAKISTAN CENTRAL BANK KEEPS KEY POLICY RATE FLAT AT 12PC

Pakistan's central bank announced it would keep its key policy rate unchanged at 12 percent for the next two months in a bid to contain expected inflation in the second half of the 2011-12 fiscal year.

Since the start of the fiscal year last July, the central bank has cut interest rates by 200 basis points, but has kept its policy rat unchanged since October. The State Bank of Pakistan (SBP) faces greater-than-expected drawdowns in its foreign exchange reserves and higher government deficit financing from domestic markets.

"Against this backdrop, the central board of directors of the State Bank consider the 200 basis points reduction of policy rate already introduced in fiscal year 2012 to be appropriate and has decided to keep the policy rate unchanged at 12 percent," central bank governor Yaseen Anwar said at a news conference.

Mainly because of debt repayments, Pakistan's foreign exchange reserves fell to USD 16.69 billion in the week ending February 3, compared with a record USD 18.31 billion in July.

The current account deficit widened to a provisional deficit of USD 2.154 billion in the first six months of the 2011/12 fiscal year, compared with a surplus of USD 8 million in the same period last year.

Analysts have expressed concern about a possible balance of payments crisis in Pakistan amid a growing current account deficit, which is likely to worsen in coming months as repayments on International Monetary Fund loans begin in February. (12 February, The Financial Express)

FROM DORM ROOM TO NASDAQ: FACEBOOK'S METEORIC ASCENT

Facebook filed to raise USD 5 billion in an initial public offering. Here are a few highlights of its meteoric rise, several of which were chronicled in David Fincher's seminal Oscar-winning 2010 movie, "The Social Network":

October 28 2003 - Mark Zuckerberg, a Harvard psychology sophomore, writes "Facemash," a website that asked users to judge students' attractiveness based on their dorm-directory photos. The authorities -- and many students -- were not amused.

February 4 2004 - Zuckerberg launches Thefacebook.com, a social network that allows users to create basic profiles including personal information and photos.

June 2004 - Peter Thiel, PayPal co-founder and venture capitalist, invests USD 500,000 in Facebook.

May 26, 2005 - Accel Partners, the venture capital firm headed by investor Jim Breyer, invests USD 12.7 million in Facebook, valuing the company at roughly USD 100 million.

October 24, 2007 - Microsoft Corp announces that it purchased a 1.6 percent share of Facebook for USD 240 million, giving the company a total implied value of around USD 15 billion.

April 7, 2008 - Facebook settles with the founders of "ConnectU", the Winklevoss twins and Divya Narendra, for a purported USD 65 million, according to promotional material later published by ConnectU's lawyers.

May 26, 2009 - Russian investor Yuri Milner's Digital Sky Technologies invests USD 200 million for a 1.96 percent stake, bringing Facebook's value down to USD 10 billion.

June 3, 2010 - Zuckerberg sweats profusely as he takes questions about Facebook's privacy policy while onstage at the All Things Digital conference. The episode, which the Twittering classes dubbed a "Nixon Moment," renewed questions about Zuckerberg's viability as the CEO of a company rumored to go public soon.

October 10, 2010 - Columbia Pictures releases "The Social Network," a film about Facebook's beginning, directed by David Fincher and written by Aaron Sorkin.

January 2, 2011 - Facebook raises USD 500 million from Goldman Sachs and Digital Sky Technologies in a deal that valued the company at USD 50 billion.

January 2011 - Goldman controversially markets as much as USD 1.5 billion worth of Facebook shares to its private investors, but withdraws the offer from American clients on January 18 following intense media coverage and scrutiny from the US Securities and Exchange Commission.

November 29, 2011 - Facebook agrees to settle Federal Trade Commission charges that it deceived users on what information it would keep private. The incident underscored how user concerns about privacy were spurring top-level government scrutiny of Silicon Valley.

January 25, 2012 - Trading of Facebook shares is halted on the secondary market as rumors of an impending IPO gain steam.

February 1, 2012 - Facebook files its Form S-1 with the Securities and Exchange Commission seeking to raise USD 5 billion in a highly anticipated IPO. (3 February, The Daily Star)

NOVO NORDISK: MOST SUSTAINABLE GLOBAL COMPANY

Novo Nordisk was ranked number one in the Global 100 Most Sustainable Corporations in the World Index by Corporate Knights, a Canadian and North American business magazine.

The magazine published the index at World Economic Forum at Davos in Switzerland on January 25.

"We are very proud of the acknowledgment and emphasis Novo Nordisk's commitment to continue the sustainable growth path that the company has pursued for more than two decades," said A Rajan Kumar, managing director of Novo Nordisk.

It is a wonderful recognition of our Triple Bottom Line approach and a clear indication that Novo Nordisk is poised for long-term business success, Kumar said.

Out of the 11 key performance indicators, Novo Nordisk is rated among the best in energy productivity, greenhouse gas productivity, CEO to Average Employee Pay ratio, employee turnover and linking the remuneration of senior executives with the achievement of sustainability targets.

Corporate Knights selects the Global 100 from a base of 4,000 developed and emerging market stocks, based on their sustainability ratings from The Global Sustainability Research Alliance which integrates research from 10 leading firms across the globe including Goldman Sachs | GS SUSTAIN, Société Générale, EIRIS, and RiskMetrics Group. (8 February, The Financial Express)

MTB NEWS & EVENTS

FIRST BANK BOOTH & ATM OPENED AT SAIA, CHITTAGONG BY MTB

Date : February 01, 2012

Venue : Shah Amanat International Airport (SAIA), Chittagong 4205

Inaugurated by: Md. Atharul Islam, Secretary, Ministry of Civil Aviation & Tourism (CAT)

Special Guest : Air Commodore Mahmud Hussain ndc, psc, Chairman of the Civil Aviation Authority of Bangladesh (CAAB)

"MTB - DHAKA UNIVERSITY ALUMNI ASSOCIATION SCHOLARSHIP" AWARD CEREMONY 2012

Date : February 06, 2012

Venue : Alumni Floor, Nabab Nawab Ali Chowdhury Senate Building, University of Dhaka, Dhaka 1000

Chief Guest : Prof. Dr. AAMS Arefin Siddique, Vice Chancellor of the University of Dhaka

Guest of Honor: A.K. Azad, President, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)

INAUGURATION OF JESSORE BRANCH ATM BOOTH

Date : February 20, 2012

Venue : 10 R N Road, Jessore 7422

Special Guests: Md. Liaquat Ali, Land Lord of MTBL Jessore Branch & Proprietor of M/S Jessore Motors; Md. Selim Reza Bappi, Proprietor of M/S New Jessore Motors; Md. Amiruzzaman, Proprietor of M/S Zaman Auto; Md. Badruzzaman Bablu, Proprietor of Zaman Motors & Secretary, Motor Parts Association, Jessore and other prominent personnel were present.

MTB CAPITAL AND CRYSTAL INSURANCE AGREEMENT SIGNING

Date : March 25, 2012

Venue : Lal Bhaban, 18, Rajuk Avenue Motijheel C/A, Dhaka 1000

Signed by : M. A. Latif Miah, Managing Director, Crystal Insurance Company Ltd. and Khairul Bashar A.T. Mohammed, CEO, MTB Capital Ltd.

Crystal Insurance Company Ltd. appointed MTB Capital as the issue manager.

MTB SECURITIES LTD. (MTBSL) HOLDS ANNUAL BUSINESS CONFERENCE 2012

Date : February 25, 2012

Venue : MTB Square, Tejgaon, Dhaka 1208

Anis A. Khan, Vice Chairman, Quamrul Islam Chowdhury & Meer Sajed-Ul- Basher, Directors and Md. Nazrul Islam Mazumder, CEO of MTBSL with Khairul Bashar A.T. Mohammed, CEO, MTBCL, were present.

MTB CAPITAL LTD. (MTBCL) HOLDS ANNUAL BUSINESS CONFERENCE 2012

Date : February 25, 2012

Venue : MTB Square, Tejgaon, Dhaka 1208

Anis A. Khan, Vice Chairman, Quamrul Islam Chowdhury & Meer Sajed-Ul- Basher, Directors and Khairul Bashar A.T. Mohammed, CEO, MTBCL with Md. Nazrul Islam Mazumder, CEO of MTBSL, were present.

MTBSL ORGANIZES INVESTOR AWARENESS PROGRAM

Date : February 20, 2012

Venue : EFES Restaurant, 13-C, Gulshan Avenue, Gulshan 1, Dhaka 1212

Dr. Mohammad Musa, Professor, School of Business, United International University; Mohammad Abdul Hannan Zoarder, Executive President, Bangladesh Institute of Capital Market, Dhaka; Ahmad Rashid, Director, Dhaka Stock Exchange Ltd. and Wali-Ul-Maroof Matin, Chairman & Managing Director, Alliance Capital Asset Management Ltd., were present.

5th TRAINING PROGRAM ON SERVICE QUALITY

Date : February 13, 2012

Venue : MTB Training Institute, MTB Square, Tejgaon, Dhaka 1208

• Total Tax Revenue

Total tax revenue collection in December, 2011 increased by BDT 959.90 crore or 14.09 percent to BDT 7770.12 crore, against BDT 6810.22 crore in December, 2010. The NBR and Non-NBR tax revenue collection during July-December, 2011-12 were BDT 38938.98 crore and BDT 1594.89 crore respectively, against BDT 33584.48 crore and BDT 1471.96 crore respectively during July-December, 2010-11.

NBR tax revenue collection in January, 2012 stood higher by BDT 110.15 crore or 1.47 percent to BDT 7591.39 crore against BDT 7481.24 crore collected in December, 2011. This was also higher by BDT 1171.68 crore or 18.25 percent against collection of BDT 6419.71 crore in January, 2011. Total NBR tax revenue collection during July-January, 2011-12 increased by BDT 6345.69 crore or 15.86 percent to BDT 46349.88 crore against collection of BDT 40004.19 crore during July-January, 2010-11. Target for NBR tax revenue collection for FY 2011-12 is fixed at BDT 91870.00 crore.

• Liquidity Position of the Scheduled Banks

Total liquid assets of the scheduled banks stands higher at BDT 108450.48 crore as of end January, 2012 against BDT 100564.96 crore as of end June, 2011. Required liquidity of the scheduled banks also stands higher at BDT 75113.32 crore as of end January, 2012 against BDT 66493.75 crore as of end June, 2011.

Scheduled banks holding of liquid assets as of January, 2012 in the form of cash in tills & balances with Sonali bank, balances with Bangladesh Bank and unencumbered approved securities are 5.45 percent, 30.91 percent and 63.64 percent respectively of total liquid assets.

Bank Group	As on end June, 2011 (BDT in crore)		As of end January, 2012P	
	Total Liquid Asset	Required Liquidity (SLR)	Total Liquid Asset	Required Liquidity (SLR)
State Owned Banks	30146.85	19228.08	35438.72	21010.02
Private Banks	47857.65	34591.75	50150.30	37589.08
Private Islamic Banks	13418.07	6386.33	10230.71	8364.34
Foreign Banks	7969.63	5273.29	9911.60	5874.80
Specialized Banks	1172.76	1014.30	2719.15	2275.08
Total	100564.96	66493.75	108450.48	75113.32

• Imports

Import payments in December, 2011 stood lower by USD 251.40 million or 8.70 percent to USD 2889.90 million, against USD 3141.30 million in November, 2011. This was also lower by USD 94.60 million or 3.27 percent than USD 2984.50 million in December, 2010.

Of the total import payments during July-December, 2011-12 imports under Cash and for EPZ stood at USD 16936.10 million, import under Loans/Grants USD 197.10 million, import under direct investment USD 54.70 million and short term loan by BPC USD 609.00 million.

• Exports

Merchandise export shipments in January, 2012 stood higher by USD 85.02 million or 4.12 percent at USD 2149.87 million as compared to USD 2064.85 million in December, 2011 according to EPB data. This was also higher than USD 1920.55 million of January, 2011. The year-on-year growth stood at 11.94 percent in January, 2012.

• Remittances

Remittances in February, 2012 stood lower at USD 1130.90 million against USD 1221.41 million of January, 2012. However, this was higher by USD143.93 million against USD 986.97 million of February, 2011.

Total remittances receipts during July-February, 2011-12 increased by USD 912.57 million or 12.15 percent to USD 8420.61 million against USD 7508.04 million during July-February, 2010-11.

• Foreign Exchange Reserve (Gross)

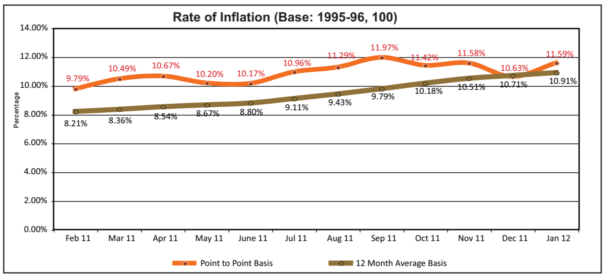
The gross foreign exchange reserves of the BB stood higher at USD 10066.77 million (with ACU liability of USD 893.69 million) as of end February, 2012, against USD 9386.46 million (with ACU liability of USD 463.36 million) by end January, 2012. The gross foreign exchange reserves, without ACU liability is equivalent to import payments of 3.02 months according to imports of USD 3042.80 million per month based on the previous 12 months average (February-January, 2011-12).

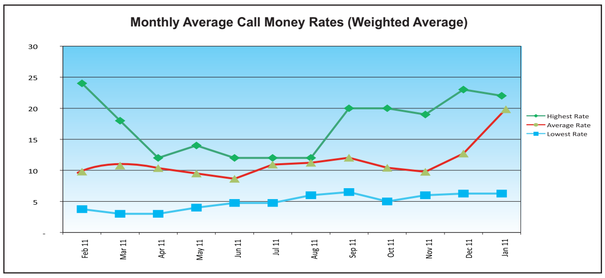
The gross foreign exchange balances held abroad by commercial banks stood higher at USD 1076.46 million by end February, 2012 against USD 964.22 million by end January, 2012. This was also higher than the balance of USD 565.10 million by end February, 2011.

• Exchange Rate Movements

Exchange rate of Taka per USD depreciated by 12.20 percent to BDT 84.44 at the end of January, 2012 from BDT 74.15 at the end of June, 2011. BDT depreciated by 12.19 percent as of end January, 2012 over end June, 2011. However it has appreciated again and by end February the inter-bank rate averaged at BDT 81.85.

(Source: Major Economic Indicators: Monthly Update, February 2012)





Rate of Inflation on CPI for National (Base:1995-96,100)	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	June 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12
Point to Point Basis	7.26%	7.52%	7.61%	6.86%	7.54%	8.28%	9.04%	9.79%	10.49%	10.67%	10.20%	10.17%	10.96%	11.29%	11.97%	11.42%	11.58%	10.63%	11.59%
12 Month Average Basis	7.63%	7.87%	8.12%	8.12%	8.14%	8.13%	8.14%	8.21%	8.36%	8.54%	8.67%	8.80%	9.11%	9.43%	9.79%	10.18%	10.51%	10.71%	10.91%

Source: Major Economic Indicators

Monthly Average Call Money Market Rates (wt avg)	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	June 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12
Highest Rate	7.50	12.00	15.00	9.50	37.00	190.00	24.00	18.00	12.00	14.00	12.00	12.00	12.00	20.00	20.00	19.00	23.00	22.00	22.00
Lowest Rate	2.50	2.50	3.50	2.00	3.50	5.00	3.75	3.00	3.00	4.00	4.75	4.75	6.00	6.50	5.00	6.00	6.25	6.25	8.00
Average Rate	3.33	6.36	6.97	6.19	11.38	33.54	11.64	9.54	10.35	9.50	8.64	10.93	11.21	12.03	10.41	9.77	12.70	17.15	19.66

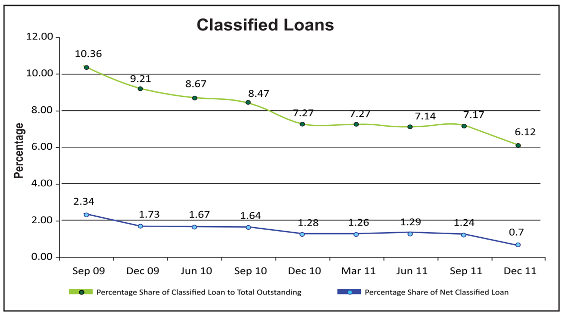
Source: Economic Trends Table XVIII (Call Money)

Banking and Financial Indicators

Classified Loans	Jun 08	Dec 08	Jun 09	Sep 09	Dec 09	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11
Percentage Share of Classified Loan to Total Outstanding	13.96	13.23	13.2	10.79	10.50	10.36	9.21	8.67	8.47	7.27	7.14
Percentage Share of Net Classified Loan	5.41	5.13	3.99	2.79	2.45	2.34	1.73	1.67	1.64	1.29	1.29

Monetary Survey	January, 2011	June, 2011	January, 2012p	Percentage Change (%) Jan,12 over Jan.11	Percentage Change (%) FY 2010-2011p
Reserve Money (BDT crore)	84052.20	97500.90	98026.40	16.63%	21.09%
Broad Money (BDT crore)	401840.50	440,520.00	473703.60	17.88%	21.34%
Net Credit to Government Sector (BDT crore)	54809.80	73436.10	89019.10	62.41%	34.89%
Credit to Other Public Sector (BDT crore)	19866.80	19377.10	17923.90	-9.78%	28.72%
Credit to Private Sector (BDT crore)	315165.10	340712.70	374855.60	18.94%	25.84%
Total Domestic Credit (BDT crore)	389841.70	433525.90	481798.60	23.59%	27.41%

L/C Opening and Settlement Statement (USD million)					Percentage Change (%)
	July-January, 2010-11		July-January, 2011-12		Year over Year
	Open	Sett.	Open	Sett.	Open
Food Grains (Rice & Wheat)	1816.51	882.68	487.06	611.86	-73.19%
Capital Machinery	1828.12	1182.09	1220.81	1415.41	-33.22%
Petroleum	1420.52	1804.93	2745.27	2682.35	93.26%
Industrial Raw Materials	9373.79	7164.95	8500.43	7947.96	-9.32%
Others	8616.49	7022.5	8181.69	7860.03	-5.05%
Total	23055.43	18057.15	21135.26	20517.61	-8.33%



YEARLY INTEREST RATES

End of Period	Bank Rate	Call Money Market's Weighted Average Interest Rates on Borrowing	Call Money Market's Weighted Average Interest Rates on Lending	Scheduled Banks' Weighted Average Interest Rates on Deposits	Scheduled Banks' Weighted Average Interest Rates on Advances
2012*	5.00	19.66	19.66	….	….
2011	5.00	17.15	17.15	….	….
2010	5.00	8.06	8.06	6.08	11.34
2009	5.00	4.39	4.39	6.29	11.51
2008	5.00	10.24	10.24	7.09	12.40
2007	5.00	7.37	7.37	6.84	12.78
2006	5.00	11.11	11.11	6.99	12.60
2005	5.00	9.57	9.57	5.90	11.25
2004	5.00	4.93	5.74	5.56	10.83
2003	5.00	6.88	8.17	6.25	12.36

* data upto month of February, 2012.

Interest Rate Development *1/

Period	Treasury Bills			BGTB				Repo	Rev. Repo	Call Rate	Lending Rate	Deposit Rate
	91-Day	182-Day	364-Day	5-Year	10-Year	15-Year	20-Year	1-3 Day	1-3 Day			
2009-10												
May	2.37	3.52	4.20	….	8.77	8.77	9.19	4.50	2.50	5.18	12.30	7.13
June	2.42	3.51	4.24	7.87	8.78	8.80	9.15	4.50	2.50	6.46	12.37	7.40
2010-11 *r												
July	2.43	3.51	4.24	7.88	8.79	8.84	9.20	4.50	2.50	3.33	12.58	7.25
August	…	…	…	7.88	8.82	8.86	9.23	5.50	3.50	6.58	12.29	7.21
September	…	…	…	7.93	8.85	8.91	9.24	5.50	3.50	7.15	11.76	7.22
October	2.94	3.75	4.45	7.96	8.85	8.94	9.25	5.50	3.50	6.19	11.81	7.22
November	3.72	4.16	4.65	8.00	8.89	9.05	9.41	5.50	3.50	11.38	11.78	7.25
December	4.58	4.85	5.50	8.10	9.45	9.11	9.56	5.50	3.50	33.54	12.20	7.32
January	5.11	5.39	5.94	8.25	9.50	….	9.60	5.50	3.50	11.64	12.64	7.59
February	5.25	5.5	6.00	8.25	9.45	9.12	9.60	5.50	3.50	9.54	12.51	7.55
March	5.48	5.63	6.20	8.26	9.36	9.20	9.63	6.00	4.00	10.59	12.82	7.67
April	5.98	6.03	6.67	8.26	9.45	9.30	9.65	6.25	4.25	9.50	12.83	7.98
May	6.45	6.63	6.97	8.26	9.45	9.35	9.65	6.25	4.25	8.64	12.85	8.45
June	6.75	7.00	7.30	8.26	9.45	9.35	9.65	6.75	4.75	10.93	13.39	8.85
2011-12 *p												
July	7.04	7.28	7.60	8.26	9.45	….	10.00	6.75	4.75	11.21	13.74	9.09
August	7.40	7.65	7.90	8.30	9.50	9.65	10.25	6.75	4.75	12.02	13.61	9.33
September	7.73	8.30	8.65	8.35	9.53	10.30	10.85	7.75	5.25	10.41	13.71	9.45
October	8.12	8.40	8.65	8.50	9.55	10.99	11.50	7.75	5.25	9.77	13.94	9.35
September	8.73	8.90	9.13	8.50	9.55	11.00	11.50	7.75	5.25	12.70	14.00	10.32
December	9.50	9.18	10.00	8.50	9.55	11.00	11.50	7.25	5.25	17.75	13.87	10.56
January	10.50	10.63	10.88	9.00	11.25	11.50	11.95	7.75	5.75	19.67	14.56	10.28
February	11.00	11.23	11.31	11.25	11.35	11.60	12.00	7.75	5.75	18.18	….	….
March @	11.00	11.20	11.25	11.30	11.40	….	….	7.75	5.75	18.18	….	….

Source : MRP, DMD, Statistics Dept., Bangladesh Bank, *1/ Weighted Average Rate, *p Provisional,
*r Revised, @ = upto 15 th March, 2012,…. Data Unavailable

DOMESTIC CAPITAL MARKETS

CAPITAL MARKET - DSE
(For the Month February, 2012)

Weekly Summary Comparison

	Jan 29 - Feb 02, 2012	Feb 26 - Mar 01, 2012	% Change
Total Turnover			
in mn BDT	12,057	34,598	108.45
Daily Average			
Turnover in mn BDT	2,411	6,920	108.45

Category-Wise Turnover

Category	Jan 29 - Feb 02, 2012	Feb 26 - Mar 01, 2012	% Change
A	93.67%	95.70%	0.020
B	2.65%	1.70%	(0.010)
G	0.00%	0.00%	0.000
N	1.89%	1.58%	(0.003)
Z	1.79%	1.03%	(0.008)

Scrip Performance in the Week

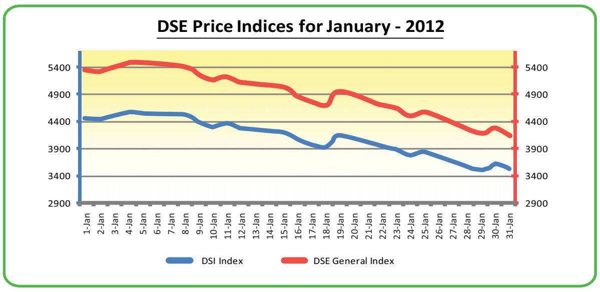
	Jan 29 - Feb 02, 2012	Feb 26 - Mar 01, 2012	% Change
Advanced	5	189	3680.00
Declined	261	71	(72.80)
Unchanged	0	9	-
Not Traded	7	5	(28.57)
Total No. of Issues	273	274	0.37

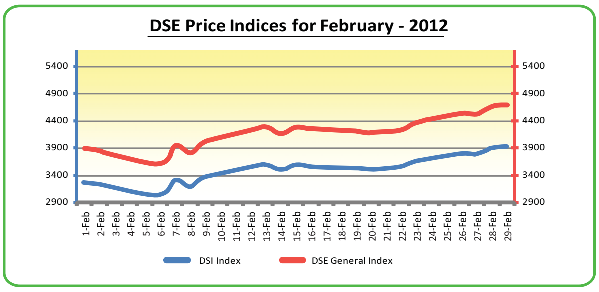
Top 10 Gainer Companies by Closing Prices, February, 2012

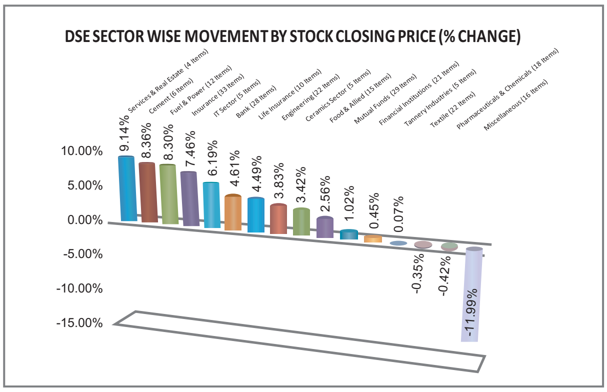
Sl	Names	Category	% of Change	Deviation % (High & Low)
1.	Peoples Leasing & Fin Services	A	18.63	33.62
2.	Premier Leasing	A	16.73	26.27
3.	M.I. Cement Factory Ltd.	A	15.83	26.63
4.	Summit Power	A	15.79	21.54
5.	ILFSL	A	15.73	28.85
6.	MJL Bangladesh Ltd.	A	15.30	25.51
7.	National Housing Finance and Investments Ltd.	A	15.16	35.20
8.	Uttara Finance	A	15.05	23.66
9.	Prime Insurance	A	14.86	21.25
10.	Bay Leasing & Investment Ltd.	A	12.88	23.51

Top 10 Loser Companies by Closing Prices, February, 2012

Sl	Names	Category	% of Change	Deviation % (High & Low)
1.	LankaBangla Finance	A	(32.10)	66.13
2.	Dhaka Bank	A	(23.86)	34.43
3.	Bank Asia	A	(16.04)	28.41
4.	Rupali Insurance	A	(13.12)	11.75
5.	Southeast Bank	A	(11.88)	16.16
6.	Anwar Galvanizing	Z	(10.03)	16.10
7.	Pragati life Insurance	A	(8.41)	12.69
8.	Northern Jute Manufacturing Co. Ltd.	Z	(7.26)	10.70
9.	Saiham Textile	A	(6.50)	14.38
10.	Beximco Synthetics	A	(5.82)	15.43







Dhaka stocks chalked up their fourth straight weekly rise last month (Feb'12) as retail investors, encouraged by a number of positive corporate results and brightening prospects of getting compensation for the market-crash losses, increased their participation. The DGEN had gained 18.4 percent, or 708.11 points, in the month's Bull Run after shedding 1,572 points in the previous month (Jan'12).

The bourse's average daily turnover posted a 92.40-per cent rise to BDT 480.07 crore in last week (Feb 26 - Mar 01, 2012) from the previous week's (Feb 19 - Mar 23, 2012) BDT 249.52 crore.

Market operators said a number of positive dividend declarations and improving Macroeconomic scenario boosted the investors' confidence. Investors' hope of getting compensation from the government for the capital they lost during the stock market crash in 2011 also put a positive impact on the market, they said.

The Bangladesh Bank announced that it would enforce interest rate of 12.5 per cent to 15.5 per cent set by Association of Bankers, Bangladesh as the businesses claimed that banks were charging higher than the rate. Meanwhile, the foreign currency reserve crossed the USD 10.0-billion mark for the first time in four months, standing at USD 10.01 billion. Non-bank financial institutions led the last week's gain as the sector advanced by 10.23 per cent. A number of NBFIs including IDLC, Prime Finance and Lankabangla Finance declared their earnings and dividends last week (Feb 26 - Mar 01, 2012).

DOMESTIC CAPITAL MARKETS

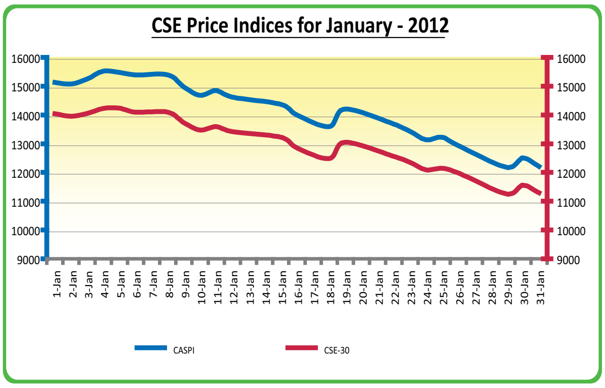
CAPITAL MARKET - CSE
(For the Month February 2012)

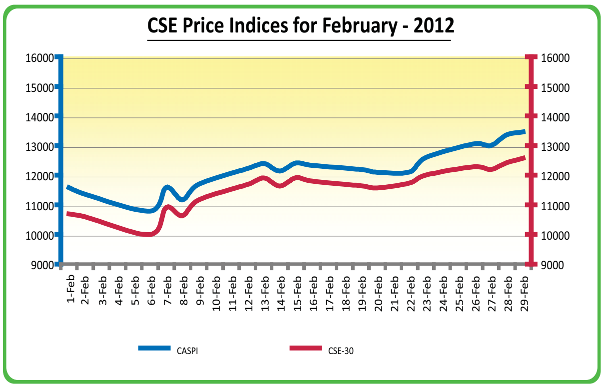
Top 10 Gainer Companies by Closing Price, February, 2012

Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
National Housing Finance and Investment Ltd.	A	129.81	79.50	103.20	441,710.00
People's Leasing & Financial Services Ltd.	A	19.48	46.70	55.80	88,473,588.00
MJL Bangladesh Ltd.	A	17.03	71.60	83.80	28,465,346.50
International Leasing and Financial Services Ltd.	N	15.68	35.70	41.30	20,258,800.00
Uttara Finance & Investment Ltd.	A	15.52	95.30	110.10	3,401,210.00
M.I. Cement Factory Ltd.	A	15.33	73.70	85.00	50,340,289.50
Premier Leasing International Ltd.	A	15.23	25.60	29.50	18,221,070.00
National Life Insurance Co.Ltd.	A	15.15	330.00	380.00	54,000.00
Summit Power Ltd.	B	14.90	65310	74.80	42,220,588.00
Rangpur Foundry Ltd.	A	14.48	58.00	66.40	659,650.00

Top 10 Loser Companies by Closing Price, February, 2012

Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
Lankabangla Finance Ltd.	A	-31.32	126.10	86.60	53,452,200.00
Eastern Bank Ltd.	A	-25.58	55.10	41.00	15,463,632.00
Dhaka Bank Ltd.	A	-24.03	44.10	33.50	13,893,751.50
Bank Asia Ltd.	A	-14.77	31.80	27.10	4,315,115.00
AB Bank Ltd.	A	-13.85	49.80	42.90	38,938,800.00
Southeast Bank Ltd.	A	-11.49	26.10	23.10	54,670,268.00
Anwar Galvanizing Ltd.	A	-9.53	30.40	27.50	39,050.00
IBN Sina Pharmaceuticals	A	-9.24	119.00	108.00	32,400.00
Siaham Textile Mills Ltd.	A	-8.58	32.60	29.80	17,050,520.00
Usmania Glass Sheet Fac Ltd.	A	-5.84	101.00	95.10	10,055.00





INTERNATIONAL CAPITAL MARKETS

SELECTED GLOBAL INDICES

GLOBAL INDICES ROUND-UP FOR THE MONTH FEBRUARY

Stocks ended February 2012 with a whimper, despite modest losses at the end of the month, all major indexes closed out the month and year with significant gains. Biggest market moves were in the bond, commodity and currency markets - with 10-year Treasury yields surging higher and the price of gold, silver and the euro dropping dramatically. All three indexes (DJIA, S&P 500 & Nasdaq) moved down modestly as investors weighed a mix of positive U.S. economic reports and testimony from Federal Reserve chairman Ben Bernanke hinting at the end of intervention to boost the market. The Dow Jones Industrial Average is up 2.5% in February and 6% for the year. The S&P added 4.1% in February and 8.6% in 2012. The Nasdaq, which briefly crested above the 3,000 mark, moved up 5.4% for the month and 14% for the year. The Federal Reserve also released its outlook report, which said that overall economic activity continued to increase at a modest to moderate pace in January and early February.

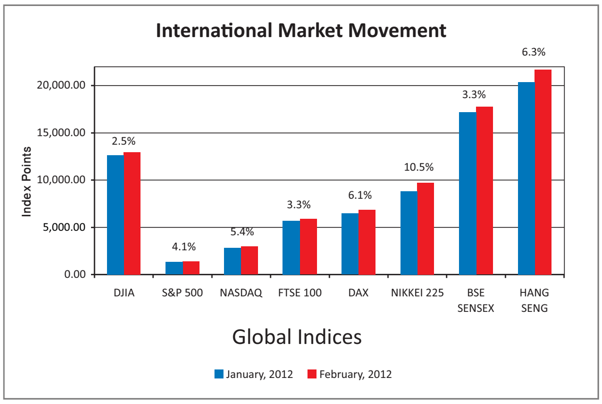
European stocks also had a Bull Run. Britain's FTSE 100 rose 3.3%, while the DAX in Germany gained 6.1%. Asian markets ended significantly higher as well. The HANG SENG rose 6.3%, Japan's Nikkei (NIKKEI 225) jumped 10.5% and BSE Sensex soared 3.3%.

INTERNATIONAL MARKET MOVEMENTS

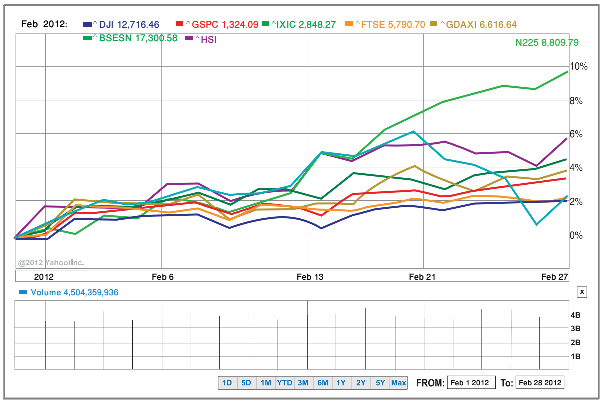
INDEX	VALUE (As of Feb 29, 2012)	VALUE (As of Jan 31, 2012)	CHANGE	% CHANGE
DJIA	12,952.07	12,632.91	319.16	2.5%
S&P 500	1,365.68	1,312.41	53.270	4.1%
NASDAQ	2,966.89	2,813.84	153.05	5.4%
FTSE 100	5,871.50	5,681.60	189.90	3.3%
DAX	6,856.08	6,458.91	397.17	6.1%
NIKKEI 225	9,723.24	8,802.51	920.73	10.5%
BSE SENSEX	17,752.68	17,193.55	559.13	3.3%
HANG SENG	21,680.08	20,390.49	1289.59	6.3%
Arithmetic Mean				**5.2%**

DOUBLE VIEW

Month to Month Percentage (%) Change



February 2012



(Compiled from Yahoo! Finance)

WELLS FARGO SECURITIES ECONOMICS GROUP™ REPORT

WELLS FARGO SECURITIES

US OVERVIEW

Resiliency but Now Much More Strength

Most economic indicators continue to show the recovery gaining momentum. Real GDP grew at a solid 3 percent annualized rate during the fourth quarter of last year, and 2012 has gotten off to a solid start. Nonfarm employment has raised an average of 244,000 jobs per month over the past three months, layoffs have slowed and consumer confidence has rebounded. Despite the improvement in the labor market, income growth remains relatively sluggish and consumer spending has started the year in a fairly weak position. Business fixed investment also looks to be a soft spot for the early part of the year, as shipments were likely accelerated into late 2011 to take advantage of more generous tax treatment.

Our current forecast calls for real GDP to grow at a 1.5 percent annual rate during the first quarter and for growth to average 1.9 percent over all of 2012. While those gains are exceptionally modest, the economy continues to show a great deal of resiliency to the continuing uncertainty surrounding the European sovereign debt crisis and domestic economic policy. Net exports are expected to be a drag on real GDP during the first half of the year and government outlays are expected to subtract from growth for at least the next two years. Private domestic demand is expected to grow a bit more rapidly, climbing at a 2.9 percent pace in the first quarter and 2.8 percent for all of 2012.

The resiliency in the private sector means the Federal Reserve will continue to walk softly. We believe we could see some additional mortgage backed securities purchases this spring but look for progressively tougher talk from the Fed after that.

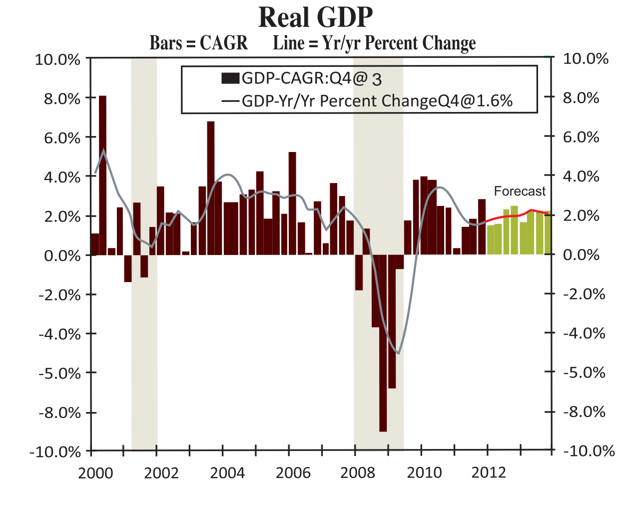
INTERNATIONAL OVERVIEW

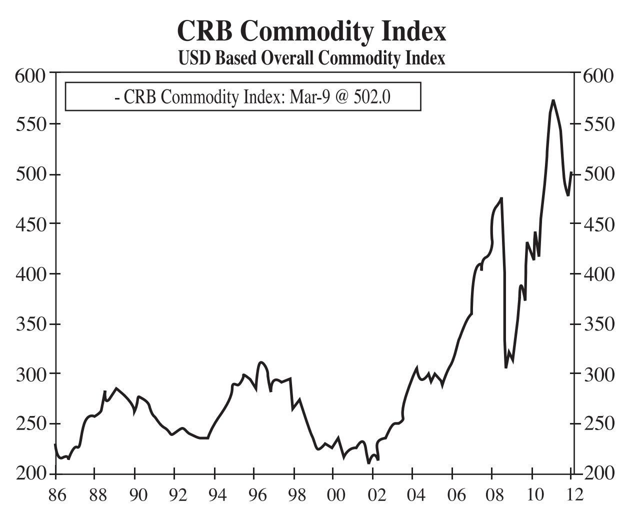
Global Economy: How Deep and Pronounced?

While it was not so obvious a decade ago, the importance of Chinese economic growth for the world economy is, today, almost undisputed. This is especially true for those economies for which production of commodities is important. That is, many of the high growth emerging markets depend on a strong performance of the Chinese economy to continue to achieve a strong economic performance of their own. This is the reason why last week's announcement by the Chinese government that it was bringing down its target economic growth for the Chinese economy to 7.5 percent from 8 percent wreaked havoc on the commodity markets and its expectations on economic growth.

Thus, expect the global economy to follow the path the Chinese economy is following now that it is clear that the European economies are in recession or close to recession and the global economy will not be able to count on European growth to contribute to overall economic growth.

Furthermore, while the Greek sovereign debt deal seems to have closed a door that was threatening to increase instability in the world and financial markets, growth prospects for Greece are still not very positive. When Argentina defaulted on its debt in 2001-2002 the country had two advantages working for it to support a strong recovery in economic activity. First, the country's currency depreciated by almost 80 percent, while commodity prices, which were depressed during the 1990s, started a process of price appreciation that remains almost intact today. Greece does not have either of these.





Source : US Department of Commerce, Bloomberg LP and Wells Fargo Secruities, LLC

Commodity Markets Review

Non-energy commodities rose by 2.9 percent in February 2012—a second straight monthly increase—on various supply shortfalls and, in part, due to depreciation of the US dollar (down 1.7 percent against a broad group of major trading partners). Agriculture and metals prices increased as weather-related supply losses affected tin output in Indonesia and soybean crops in Latin America, but there were also supply constraints elsewhere. Crude oil prices surged higher on supply losses and geopolitical tensions over Iran's nuclear program.

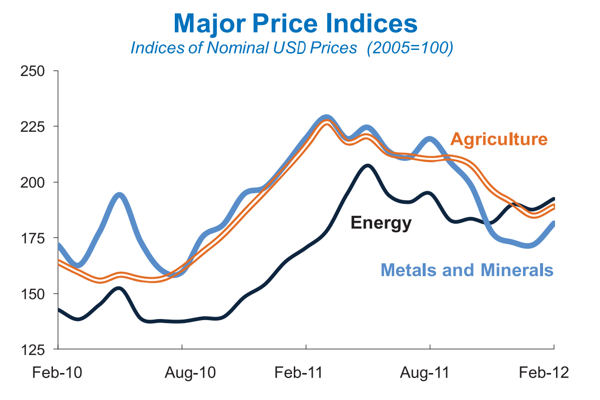
Crude oil prices (World Bank average) jumped 5.2 percent in February to USD 112.7/bbl on rising supply concerns, notably from Iran, but also in South Sudan, Syria, Yemen, the North Sea and elsewhere. Brent prices have surged above USD126/bbl in early March due to low stocks and tight market conditions in Europe. The EU embargo on Iran's exports and U.S. sanctions penalizing companies doing business with Iranian banks do not come into full force until July, but European and Asian buyers are already curtailing Iranian imports. EU buyers need to replace 0.6 mb/d of Iranian imports. In addition, geopolitical problems have left nearly 0.9 mb/d off the market from Yemen, South Sudan and Syria, and technical difficulties are limiting production in the North Sea. OPEC has said that it will make up for losses from Iran, but this raises the concern of reducing spare capacity. Meanwhile the spread between Brent and WTI stands at USD20/bbl in early March, as stocks at Cushing OK are again rising rapidly.

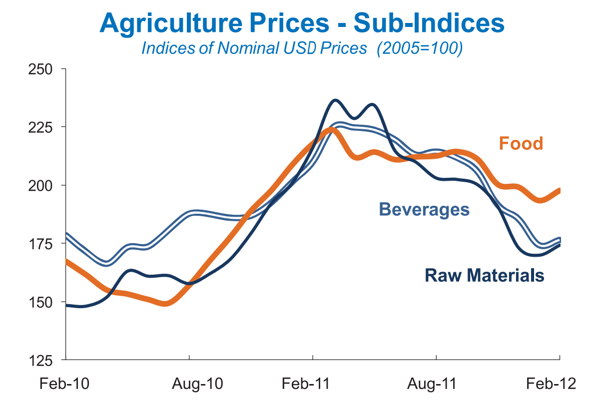
Natural gas prices in the U.S. plunged 6.0 percent in February to USD 2.5/mmbtu—the eighth consecutive monthly drop. Prices are substantially below those in Europe and Asia where contracted gas is still linked to oil prices. Mild weather and burgeoning stocks have contributed to the current weakness, but the relatively low price is primarily due to the large growth in shale gas production in recent years.

Natural gas prices in Europe fell 2.9 percent in February on milder temperatures and easing demand.

Agricultural prices rose by 2.3 percent in February —a second monthly gain—on various supply shortfalls. Rubber prices posted the strongest increase, up 10 percent, due to strong import demand by China for tire manufacture and stock rebuilding. Robusta coffee prices rose 5 percent as Vietnamese growers held back beans on expectation of higher prices. The soybean complex was up 3-5 percent due to further deterioration in prospects for South American soybean output, while palm oil prices rose 4 percent on weaker production in East Asia. Partly offsetting these increases were a 6 percent decline in arabica coffee prices due a larger than expected Brazilian crop, while tea prices fell 3 percent due to a sharp drop in Indian prices because of the seasonal decline in tea quality. Logs (Malaysian) prices decreased 3 percent on weak demand in Asia.

Metals and minerals prices rose 3.6 percent in February—a second straight monthly increase—on supply disruptions and falling stocks (and in the case of aluminum and zinc, limited access to exchange inventories). Tin prices surged 13 percent due to falling stocks and a sharp drop in Indonesia's tin exports because of wet weather that affected both offshore and on-land production. Zinc and aluminum prices rose 3-4 percent—despite rising stocks—as a significant portion of inventories are tied up in warehouse financing arrangements. Silver and gold prices rose 11 and 5 percent, respectively, on strong investment demand but dropped in early March in part because of the expected slowdown in China's economic growth.





Prepared by Shane Streifel, John Baffes and Betty Dow

Source: The World Bank

Anwar Group of Industries

ANWARS 1834 ANWAR GROUP

Anwar Group of Industries (AGI) has a glorious business heritage, a glittering present and a sparkling future. Established during the year 1834 by Late Lakku Mia, when he started his business career with the trade of 'Hides & Skins', it remains a family owned business. Since its inception its mission has been very clear "Satisfying consumers by providing the best possible goods & services, pursuing appropriate business ethics and ambition to reach the top". Overtime it grew to become an industrial giant of the country and succeeded in creating a national & international network that comprises of many subsidiaries and affiliates. The Group (including the associating companies) employs over 12,000 dedicated people, whom it considers the backbone of all the success. The Group takes pride in the success of its associating companies that includes composite textile, jute, financial service like banks & insurance, building materials, real estate, home décor, engineering, trading, and automobiles. Presently, the Group is chaired by Mr. Anwar Hossain.

Anwar Hossain
Chairman, AGI

Vision

21st Century - The New Frontier - Anwar Group of Industries has been working as a development associate in building up the homeland for almost two centuries. Now at the outset of the twenty-first century, the Group is ever more prepared for heeding the challenging demands of the new millennium. Highly qualified management team, modern management techniques and R&D have empowered the Group to be the forerunner in economic progress of the country. As part of its 'Vision 20-20' the Group envisions to make at least one product of Anwar Group available at every home in Bangladesh. The Group shall be at the forefront to herald the millennium on the horizon.

Values

Anwar Group has built its strength on more than a century of experience. The cornerstone of the group's success is sharing knowledge to create relevant solutions – shaping the best thinking to reflect the ideas of a new age. Our corporate strategy emphasizes speed, efficiency, flexibility and innovation in every facet of the Company's operation – from product development to manufacturing, and from procurement to distribution, Anwar Group strives to achieve the ultimate goal of satisfying its customers. Honesty, integrity and respect for people are our core values and are the basis on which they do business. Through a nation-wide commitment to advancing this objective, Anwar Group and its many partners who share this commitment, have succeeded in creating a national and international network that comprises of many subsidiaries and affiliates. They are paving the path of our journey into a new millennium for the next generation.

Major Businesses

Textiles Division

• Anwar Silk Mils Ltd. • Anwar Yarn Dyeing Ltd. • Hossain Dyeing and Printing Ltd. • Mehmud Industries (Pvt.) Ltd.

Jute Division

• Anwar Jute Spinning Mills Ltd.
• Anwar Specialized Jute Goods Ltd.

Building Materials

• Anwar Cement Ltd.
• Anwar Ispat Ltd.
• Anwar Galvanizing Ltd.
• A-One Polymer Ltd.
• Sun Shine Cables Ltd.
• Rubber Works Ltd.
• Khaled Iron & Steels Ltd.

AG Automobiles

AG Automobiles Ltd. (AG Auto) was incorporated in August 2004 with a view to rejuvenating the country's transport sector. Ford, the third largest automaker of the world with production of 6.553 million vehicles in 2007, has partnered with AG Auto with the promise to bring new dimension in the automobiles industry of the country.

Information & Communication Technology (ICT)

With the economy opening up and Information & Communication Technology (ICT) creating possibilities of conducting business in a more effective and profitable way, a whole new era of lucrative opportunities is being heralded in corporate Bangladesh. In2it Interactive is founded to guide the Bangladeshi entrepreneurs in this new ICT revolution.

Finance Division

Independent institutions, where AGI owns shares and currently holds directorship in the Board of Directors of the respective institutions.

• The City Bank Ltd. • The City General Insurance Co. Ltd.
• Bangladesh Finance & Investment Co. Ltd. • Bangladesh Commerce Bank Ltd.

Anwar Landmark Ltd.

In 2001, Anwar Group of Industries launched Anwar Landmark Ltd. as its Real Estate Development Wing. In recognition of its commitment to quality & management efficiency, Anwar Landmark has been awarded with internationally renowned ISO 9001:2000 certificate.

Achievements

First Privately Owned Silk Mill in Bangladesh, First Cable & Wire Manufacturing Company of Bangladesh, Second Cutlery Manufacturer of the country, First Jute Goods Exporter, First Kitchen Towel Exporter, First Electronics assembly in Bangladesh, First, Rayon Yarn processing unit, Numerous awards & honors for outstanding performance in Sales, First Real Estate company to achieve ISO certification in Bangladesh, Jute ISO Certificate, Fabric Oeko-Tex Certification.

Corporate Social Responsibility (CSR)

Anwar Group of Industries is committed to proper business ethics and is operated following stringent code of honor. In this regards the Group is operating a maternity center, orphanage, eye-hospital, charitable dispensary, vocational training for the poor & challenged, general culture & educational activities, stipend for the poor & meritorious students, financial aid for poor women, small savings & cooperative activities, tree plantation, etc. With as many as 18 industrial units and several more trading & service sector units functioning smoothly, the Group is firmly set in the global business arena. Now they are on their way to fulfilling their dream of development of the country through industrialization and creating jobs for 20,000 Bangladeshis by the year 2020.

Contact

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27 Dilkusha Commercial Area,Dhaka - 1000, Bangladesh
Phone: + 88 02 9564033, Fax: + 88 02 9564020
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Web: www.anwargroup.com

Credit Rating Agency of the Month

ARGUS Credit Rating Services Ltd.

ARGUS Credit Rating Services Ltd. (ACRSL), is one of the five accredited Credit Rating Agencies of Bangladesh, and a sister concern of ARGUS Research. It was founded by a group of non-resident Bangladeshis, trained in the best and biggest financial institutions of the world, and resident sponsors with impeccable business credentials. Together, this group is bringing world-class expertise to Bangladesh's credit markets with the ultimate goal of improving the capital allocation process.


Chowdhury Nafeez Sarafat
Chairman, ACRSL

ACRSL is partnered with DP Information Group ("DP"), the premier credit rating company of Singapore with more than 30 years history. Having pioneered credit rating in Singapore, DP has played an instrumental role in developing credit rating industry in Asian markets, including China, Indonesia and Philippines. Further, DP's parent company is UK based Experian Group, one of the world's largest credit reference agencies. DP and Experian will play a very active role, in collaboration with ACRSL, in bringing quality and innovation to the credit rating industry of Bangladesh.

Vision

ARGUS is committed to being Bangladesh's premier credit rating agency. To that end, we will continuously strive to bring world-class financial innovation to the local credit markets while adhering to the highest standards of business conduct. These unwavering expectations provide the foundation for our commit ments to those with whom we interact.

Products

ARGUS provides a host of services, including Credit Rating, Credit Advisory, Project Feasibility, Credit Research that together evaluate and quantify credit and business risks associated with following clients and instruments:

Corporate & Entity: Banks, NBFIs, Insurance companies, Manufacturers and other corporate including SMEs

Financial Instruments: Various capital raising instruments including bonds, preference shares, derivatives, securitized bonds.

Bank Loan & Facility Rating: For the corporate houses seeking bank loan and facilities above certain amount credit Rating is becoming a requirement.

Credit Advisory service: The service includes a in depth analysis of company's financials, overview of management and growth potential, identifying the major challenges and opportunities, preparing information memorandum of the company for availing investing facility and also provide a tentative view on the credit rating of the company.

Company profiling: Prepared a brief profile of the company and published the list so that the company can use this as a promotional tool.

Project Feasibility Study: Project Feasibility Studies which include technical and financial feasibility, regulatory and compliance aspects identification, risk identification & mitigations etc.

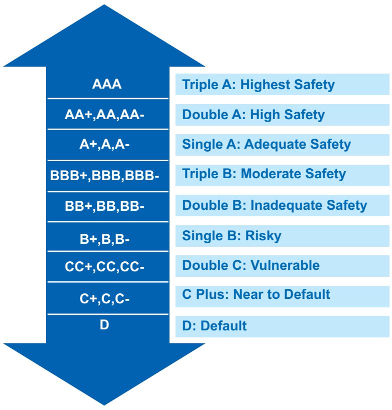
Rating Methodology

The methodologies have been designed after due consideration to the specific insights of each sector with appropriate weightage to both qualitative and quantitative factors of each sector. The qualitative and quantitative factors are converted to specific traits with appropriate weightage for highest performance, lowest performance, industrial average etc. to arrive at a meaningful rating of an organization. They have designed the specific rating methodology for specific sectors.

Factors of Rating Methodology

Industry Analysis	Financial Analysis
• Growth potential • Industry vulnerability • Barriers to entry / Exit • Threats of Substitute • Level of competition	• Earnings • Capital structure and leverage • Interest coverage and liquidity levels • Cash flow analysis • Financial flexibility • Financial policy
Business Analysis	**Management Analysis**
• Market position • Business diversity • Operating efficiency • Cost structure	• Track Record • Capacity to overcome adversity • Risk appetite • Succession Plans • Goals, Philosophy and strategies

ARGUS Rating Scale



Strengths

People: The ARGUS Engagement Team is a group of highly trained professionals, comprising of local experts with understanding of local economy and industry and international credit rating experts.

Process: They have a highly evolved international-standard rating process, developed jointly by ACRSL and DP for rating services. DP has an established track-record in Asian credit rating markets and their process reflects that insight.

Analytical Tools: They have a unique combination of quantitative and qualitative tools that set us apart in the Credit Rating industry. These include mathematical models, filtering technology, fundamental sector / entity research backed by our robust financial database of listed and unlisted companies of Bangladesh.

Contact

ARGUS Credit Rating Services Ltd.
Motijheel Office
Level 13, BDBL Building
8 Rajuk Avenue, Dhaka-1000
Tel: +88 02 7110056, Fax: +88 02 7119570
Web: www.acrslbd.com

CSR Activities

SOUTHEAST BANK HOLDS RECEPTION FOR SCHOLARSHIP WINNERS

Southeast Bank Foundation organized a reception ceremony in the city to congratulate 278 scholarship winners of higher secondary level from all over the country, said a press statement. Bangladesh Bank Governor Dr. Atiur Rahman handed over the cheques to the students. Chairman of the bank Alamgir Kabir was special guest of the ceremony while Managing Director Mahbubul Alam presided over the function. Applications are invited through national daily newspapers to select students for the scholarship project at the higher secondary level. (12 February, The Financial Express)

IBBL HANDING OVER TWO THOUSAND BLANKETS

Islami Bank Bangladesh Ltd. (IBBL) Vice Chairman Engr Mustafa Anwar handing over two thousand blankets to Prof Dr. MS Akbar, MP, chairman of Bangladesh Red Crescent Society, for the cold-hit people at a function recently. IBBL Deputy Managing Director Muhammad Abul Bashar, Senior Vice President and Head of Corporate Social Affairs Department AHM Latif Uddin Chowdhury were present on the occasion. (5 February, The Financial Express)

SMILE BRIGHTER PROGRAMME BY DBBL

Dutch-Bangla Bank Ltd. (DBBL) Managing Director KS Tabrez poses for photograph during his visit to the operation camp at Centre for Rehabilitation of the Paralyzed (CRP) in Savar recently. The bank organized the 'smile brighter programme' for the poor cleft-lipped boys and girls. A total of 36 boys and girls were operated upon in the three-day operation campaign. (1 February, The Financial Express)

BANK ASIA GIVES SCHOLARSHIP TO STUDENTS

Bank Asia has provided higher studies scholarship to 11 insolvent meritorious students of Lohagara Upazila of Chittagong district. Md Mehmood Husain, President and Managing Director of the bank, handed over the scholarship money to the students at a function. A large number of people including students, teachers, journalists, businessmen and local elite attended the function. (19 February, The Daily Sun)

MBL DONATES BDT 500,000 TO SHANTINIBAS

Md Abdul Jalil, MP, Chairman of Mercantile Bank Limited, hands over a cheque for BDT 500,000 to Sanjida Jesmin, Assistant Commissioner and Nirbahi Magistrate of Dinajpur district recently. Mercantile Bank Limited (MBL) recently donated BDT 500,000 as assistance to the Shantinibas and Home as part of its Corporate Social Responsibility (CSR). (15 February, The Daily Sun)

UTTARA BANK DISTRIBUTES BLANKETS

Managing Director & CEO of Uttara Bank Ltd. Shaikh Abdul Aziz distributing blankets among the Aila victims at Gabura of Shyamnagar upazila in Shatkhira district recently. Deputy Managing Director Abu Ahmed, Executive General Manager Salim Nazrul Haque and Zonal Head (Khulna Zone) Siddiqur Rahman were also present on the occasion. (2 February, The Financial Express)

BAY DONATES SCHOOL SHOES

MA Quader, chief executive officer of Bay Emporium Limited, handing over school shoes to Md Alauddin, head master of Haturia Secondary School under Goshairhat thana in Shariatpur district recently. The company donated 600 pairs of school shoes to the students of the school.
(2 February, The Financial Express)

New Appointments During February, 2012

	BANKS, FINANCIAL & OTHER INSTITUTIONS			
Name	**Current Position**	**Current Organization**	**Previous Position**	**Previous Organization**
AKM Monirul Hoque	Chairman	Nitol Insurance Company Ltd.	N/A	N/A
M.A. Rashid	Chairman	Peoples Insurance Company Ltd.	N/A	N/A
Tapan Chowdhury	President	Bangladesh Association of Publicly Listed Companies (BAPLC)	N/A	N/A
M Teresa Kho	Country Director	Asian Development Bank (ADB)	Director	ADB's South Asia Urban Development & Water Division
Majedur Rahman	Managing Director	Premier Bank Ltd.	Additional Managing Director	AB Bank Ltd.
Khondker Fazle Rashid	Managing Director (re-app.)	Dhaka Bank Ltd. (DBL)	Managing Director	DBL
Jamal MA Naser	Managing Director	National Life Insurance Company Ltd. (NLICL)	AMD	NLICL
Qazi Gholam Rasool Arif	Managing Director	NDB Capital Ltd.	N/A	Standard Chartered Bank
Azizur Rahman	Consultant	National Bank Ltd.	Managing Director	Central Insurance & Investment Ltd.
Shafiqul Alam	Bureau Chief	AFP (Agence France-Presse)	Deputy Chief	AFP

Kamran Bakr	Chairman & Managing Director	Unilever Bangladesh	**Corrigendum:** MTBiz editorial body regrets for the typo, that, in the last issue the name of Mr. Bakr was published with incorrect spelling.

Bangladesh: The next hot spot in apparel sourcing!

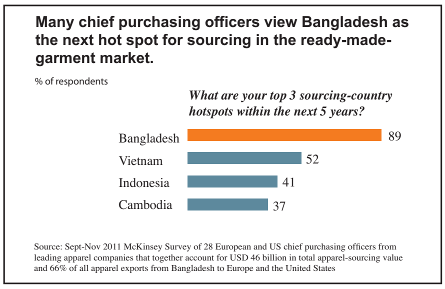
Lower Costs are an Advantage for the Country's Ready-Made-Garment Industry, but Challenges Remain

In 2010, China dominated European and US markets for ready-made garments, accounting for about 40 percent of the import volume in each region. A recent McKinsey survey, however, found that 86 percent of the chief purchasing officers in leading apparel companies in Europe and the United States planned to decrease levels of sourcing in China over the next five years because of declining profit margins and capacity constraints.

Although Western buyers are evaluating a considerable number of sourcing options in the Far East and Southeast Asia, many chief purchasing officers said in the survey that they view Bangladesh as the next hot spot (exhibit). Indeed, our study of the country's ready-made-garment industry identified solid apparel-sourcing opportunities there—but also some hurdles.

With about USD 15 billion in exports in 2010, ready-made garments are the country's most important industrial sector; they represent 13 percent and more than 75 percent of GDP and total exports, respectively. McKinsey forecasts export-value growth of 7 to 9 percent annually within the next ten years, so the market will double by 2015 and nearly triple by 2020. Our survey of chief purchasing officers found that European and US companies that focus on the apparel market's value segment plan to expand the share of their sourcing from Bangladesh to 25 to 30 percent by 2020, from an average of 20 percent now. Midmarket brands, which generate about 13 percent of their sourcing value in Bangladesh, plan to increase that share to 20 to 25 percent over the same period. While growth in current product categories will drive some of the increase, 63 percent of the chief purchasing officers said that they want to expand into more fashionable or sophisticated items, such as formal wear and outerwear.

In our study, all the respondents identified attractive prices as the most important reason for purchasing in Bangladesh. They also said that price levels there will remain highly competitive in the future, since they expect significant efficiency increases to offset rising wage costs. Half of the respondents mentioned capacity as the second-biggest advantage of Bangladesh's ready-made-garment industry. With 5,000 factories employing about 3.6 million workers (of a total workforce of 74.0 million), Bangladesh is clearly ahead of other Southeast Asian suppliers in this respect. It also offers satisfactory levels of quality, especially in value and entry-level midmarket products.



Five Challenges

While Bangladesh presents some distinct advantages for sourcing, our study identified five challenges.

- **Infrastructure**

Transportation bottlenecks create inefficient lead times for garments and delay deliveries to customers. This issue will become even more important in the future, since buyers want to source more fashionable products with shorter lead times. Energy supply is a concern, too—90 percent of the more than 100 local suppliers we interviewed rate it as poor or very poor. The government has prioritized improvement in this area and started to upgrade power systems over the last two years, however.

- **Compliance**

Nongovernmental and other organizations monitor Bangladesh for labor and social-compliance issues. While most European and US chief purchasing officers said in the survey that standards have somewhat or strongly improved over the past five years, they noted that suppliers vary greatly in their degree of compliance.

- **Suppliers' Performance and the Skilled Workforce**

Our study found that the suppliers' productivity must improve not only to mitigate the impact of rising wages but also to close gaps with other sourcing countries and to satisfy new customer requirements for more sophisticated products. Two other concerns are a lack of investment in new machinery and technologies and the insufficient size of the skilled workforce, particularly in middle management.

- **Raw materials**

Bangladesh lacks a noteworthy supply of natural or artificial fibers, and its dependence on imports creates sourcing risks and lengthens lead times. Compounding the problem is the volatility of raw-material prices over the past few years. The development of a local sector would improve lead times.

- **Economic and Political Stability**

About half of the chief purchasing officers interviewed stated that they would reduce levels of sourcing in Bangladesh if its political stability decreased. The survey found that political unrest, strikes, and the ease of doing business are top of mind for respondents.

Realizing the Potential

The three main stakeholders—the government, suppliers, and buyers—must work together to realize the potential of Bangladesh's ready-made-garment market. The government's top three priorities for investment are infrastructure, education, and trade support. What can European and US buyers do to secure Bangladesh as a sourcing powerhouse? At the highest level, they should review their approach from a full value chain perspective; for example, to increase the supply chain's efficiency and transparency, they ought to expand their support for lean operations and electronic data exchange. Buyers should also build closer and long-term relationships with suppliers and, if necessary, rethink pricing negotiations with them. The most developed suppliers are choosing their customers more carefully and even breaking off ties with long-established ones.

Buyers must also improve their own operational execution. Their long response times, the complexity of internal procedures involving the merchandising and sourcing functions, and a high number of last-minute changes slow down the overall process. In addition, buyers must actively pursue compliance efforts.

The full report, Bangladesh's ready-made garments landscape: The challenge of growth (PDF) is available on the McKinsey & Company Web site.

নিচের যেকোনো একটি সার্ভিস নিলেই আপনি পাচ্ছেন এমটিবি রিওয়ার্ড

সার্ভিসসমূহ	আপনার রিওয়ার্ড
অটো লোন	পার্সোনাল লোন-এ ১% ডিসকাউন্ট অথবা ক্রেডিট কার্ডের ১ বছরের ফি সম্পূর্ণ ছাড়
হোম লোন	পার্সোনাল লোন-এ ১.৫% ডিসকাউন্ট অথবা ক্রেডিট কার্ডের ১ বছরের ফি সম্পূর্ণ ছাড়
পার্সোনাল লোন	ক্রেডিট কার্ডের ১ বছরের ফি সম্পূর্ণ ছাড়
সেভিংস অ্যাকাউন্ট	লকার চার্জে ৫০% ডিসকাউন্ট

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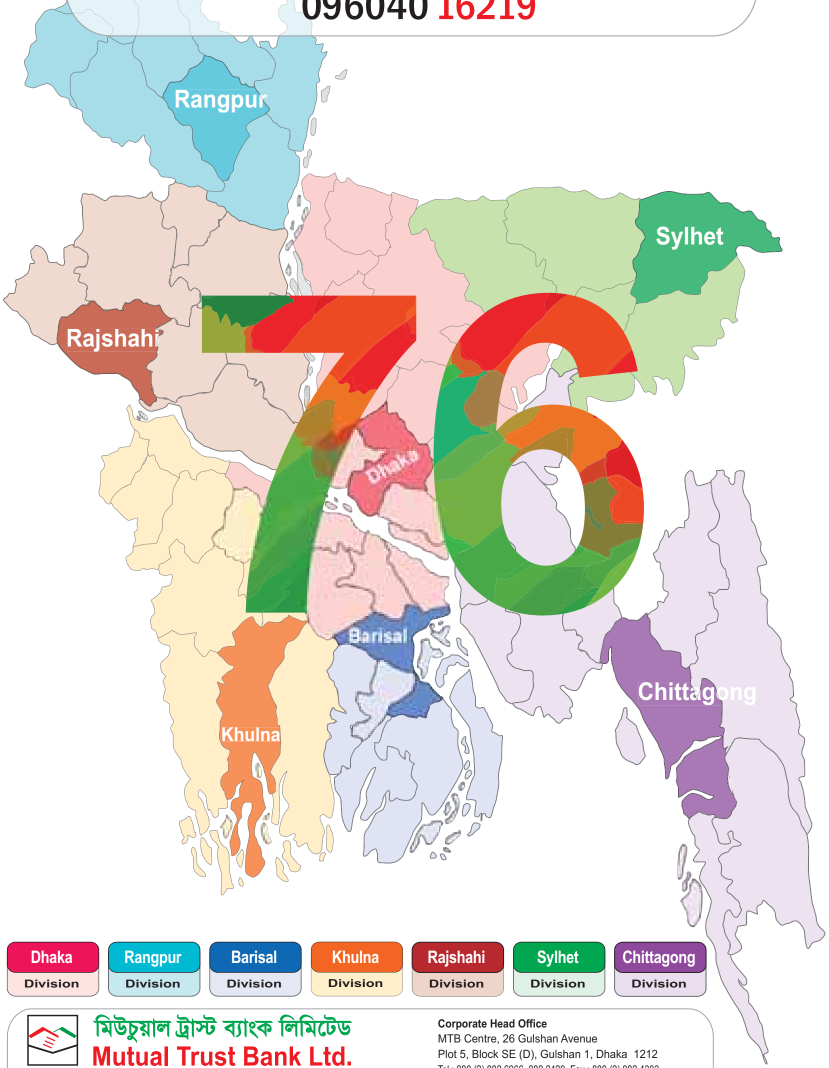

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Division	Division	Division	Division	Division	Division	Division

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Chokoria Branch
Comilla Branch
Cox's Bazar Branch
Dhorkora Bazar Branch
Feni Branch
Jubilee Road Branch
Karnaphuli EPZ Branch
Kerani Hat Branch
Khatungonj Branch
Nazirhat Branch
Oxygen Mor Branch
Raipur Branch

SME/Agri Branch

Dagon Bhuiyan
Haidergonj
Laksham
Nazumeah Hat
Ramchandrapur Bazar

MTB Securities Ltd.

Agrabad Office
Alankar Mor Office
CDA Avenue Office

MTB Booth

Shah Amanat International Airport

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