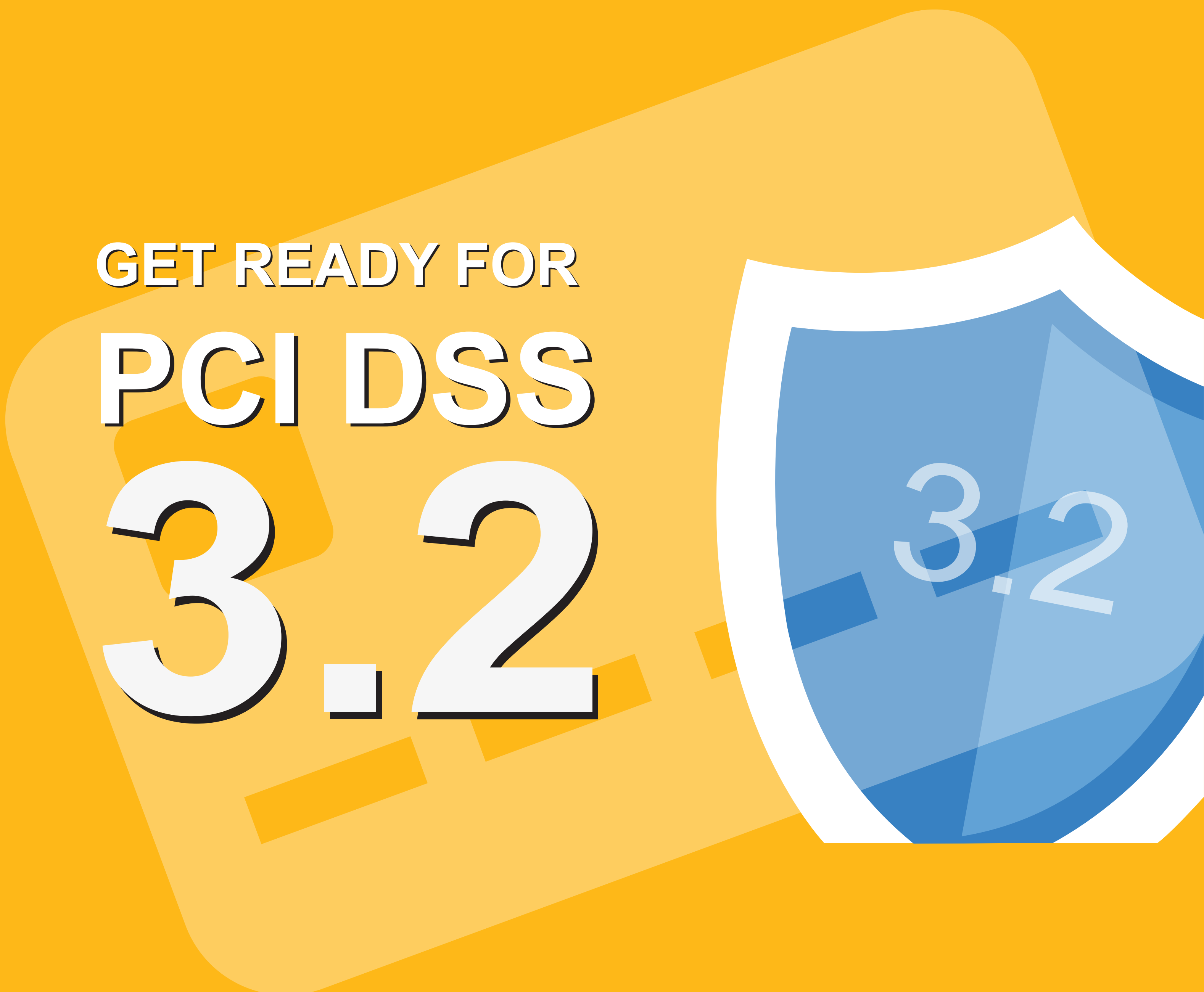
MTBiz

MONTHLY BUSINESS REVIEW
VOLUME: 10 ISSUE: 06
MAY-JUNE 2019

Background & Need for PCI DSS Compliance

GET READY FOR
PCI DSS
3.2




ASIA'S
BEST EMPLOYER BRAND
AWARDS
DREAM COMPANY TO WORK FOR
Mutual Trust Bank Limited
ASIA'S
BEST EMPLOYER BRAND
AWARDS
AWARD FOR EXCELLENCE IN IMPROVING
PERFORMANCE THROUGH LEADERSHIP
Mutual Trust Bank Limited

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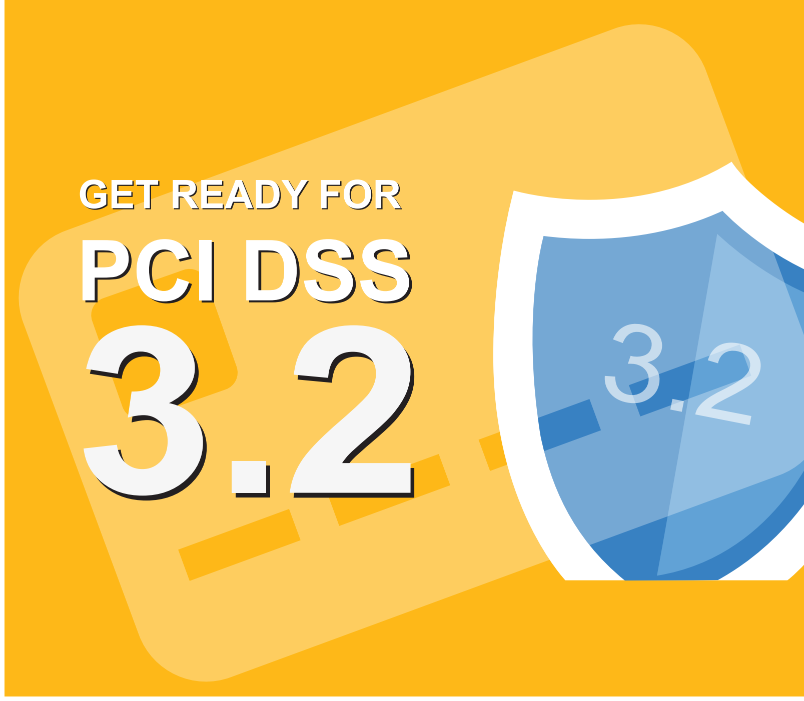

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Preview

UN GLOBAL COMPACT
WE SUPPORT

Background & Need for PCI DSS Compliance

Over 40 million card accounts were exposed to potential fraud due to a security breach that occurred at CardSystems Solutions, a third-party processor of payment card transactions, reports CNN on July 27, 2005. CNN quoted MasterCard spokeswoman Jessica Antle, "It looks like a hacker gained access to CardSystems' database and installed a script that acts like a virus, searching out certain types of card transaction data". Of the cards involved, 13.9 million were MasterCard-branded cards, which include Maestro and Cirrus, and 22 million were Visa cards, said Visa spokeswoman Rhonda Bentz. Within five days it was declared that, more than 40 million accounts were exposed and known to have been exported by the hackers. The data exported included names, card numbers and card security codes. This incident gave birth to the concept of a common security standard for cards across the globe. There comes the Payment Card Industry Data Security Standard (PCI DSS) as a common standard for card issuing banks and branded card networks in order to strengthen the protection of cardholder data.

PCI DSS is a set of security standards designed to ensure that all companies that accept, process, store or transmit credit card information maintain a secure environment. It was formed in 2004 by Visa, MasterCard, Discover Financial Services, JCB International and American Express.

PCI DSS is governed by Payment Card Industry Security Standards Council (PCI SSC). PCI SSC was launched on September 7, 2006 to manage the ongoing evolution of the Payment Card Industry (PCI) security standards with a focus on improving payment account security throughout the transaction process. The PCI DSS is administered and managed by the PCI SSC an independent body that was created by the major payment card brands (Visa, MasterCard, American Express, Discover and JCB.). It is important to note that the payment brands and acquirers are responsible for enforcing compliance, not the PCI council.

The PCI DSS applies to any organization, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

While the PCI SSC has no legal authority to enforce compliance, PCI certification is considered the best way to safeguard sensitive data and information, thereby helping businesses build long-lasting and trusting relationships with their customers.

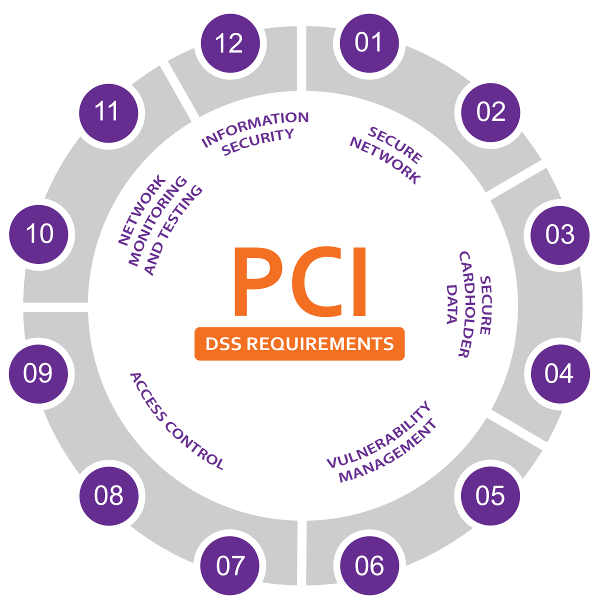
PCI DSS Certification

PCI certification ensures the security of card data at business through a set of requirements which includes a number of commonly known best practices, such as:

- Installation of firewalls
- Encryption of data transmissions
- Use of anti-virus software

In addition, businesses must restrict access to cardholder data and monitor access to network resources.

PCI-compliant security provides a valuable asset that informs customers that the business is safe to transact with. Conversely, the cost of noncompliance, both in monetary and reputational terms, should be enough to convince any business owner to take data security seriously. A data breach that reveals sensitive customer information is likely to have severe repercussions on an enterprise. A breach may result in fines from payment card issuers, lawsuits, diminished sales and a severely damaged reputation.



After experiencing a breach, a business may have to cease accepting credit card transactions, or be forced to pay higher subsequent charges than the initial cost of security compliance. PCI security procedures go a long way toward ensuring that other aspects of the commerce are safe from malicious online actors.

PCI DSS COMPLIANCE LEVELS	
LEVEL 1	6M + Transactions / Year
LEVEL 2	1-6M Transactions / Year
LEVEL 3	20K - 1M Transactions / Year
LEVEL 4	<20K Transactions / Year

Levels of PCI DSS Compliance

PCI compliance is divided into four (04) levels, based on the annual number of credit or debit card transactions a business processes. The classification level determines what an enterprise needs to do to remain compliant.

Level 1 Applies to merchants processing more than six million real-world credit or debit card transactions annually. Conducted by an authorized PCI auditor, they must undergo an internal audit once a year. In addition, once a quarter they must submit to a PCI scan by an Approved Scanning Vendor (ASV).

Level 2 Applies to merchants processing between one and six million real-world credit or debit card transactions annually. They're required to complete an assessment once a year using a Self-Assessment Questionnaire (SAQ). Additionally, a quarterly PCI scan may be required.

Level 3 Applies to merchants processing between 20,000 and one million e-commerce transactions annually. They must complete a yearly assessment using the relevant SAQ. A quarterly PCI scan may also be required.

Level 4 Applies to merchants processing fewer than 20,000 e-commerce transactions annually, or those that process up to one million real-world transactions. A yearly assessment using the relevant SAQ must be completed and a quarterly PCI scan may be required.

The global payment security market size is expected to grow from USD 11.39 Billion in 2017 to USD 24.63 Billion by 2022, at a Compound Annual Growth Rate (CAGR) of 16.7%. The major growth drivers of the market include increased adoption of digital payment modes, need to adhere to PCI DSS guidelines, and rise in fraudulent activities in Ecommerce. The payment security market is segmented by component (solution and service), organization size, industry vertical, and region. The solutions segment in the market is expected to have a larger market size than the services segment during the period forecasted. The reason behind the high growth rate is the increased need to secure online business sensitive transactions from advanced cyber-attacks.

The support services segment is expected to grow at a higher CAGR during the forecast period with the largest market size. The large enterprises segment is expected to account for a larger market size in 2017. However, the Small and Medium-Sized Enterprises (SMEs) segment is expected to grow at a higher CAGR during the forecast period, as SMEs are mainly adopting payment security solutions to protect the customer-sensitive bank account data from network vulnerabilities and attacks. On the basis of regions, the global payment security market has been segmented into North America, Europe, Asia Pacific (APAC), Middle East and Africa (MEA), and Latin America.

To successfully implement the standard, every organization that has obligation to comply, need to understand what benefits they will gain by being PCI-compliant. By keeping these benefits in mind, the objective of protecting cardholder data can be achieved successfully and much easier, because they know the benefits that they will get.

Actually, to comply is both obligation and investment for any merchant or organization that processes, stores and transmits cardholder data, and their investment will return in the form of tangible and intangible benefits, as follows:

Decrease the Risk of Security Breaches

Like any other compliance programs, many organizations may have a question in their mind before they put efforts on a journey towards compliance: is this standard providing real impact and value if we implement it or just for the sake of compliance? This question is very important to address and should be answered seriously.

For organizations that comply with PCI DSS requirements, there is a real value that they will get. A study conducted by Verizon stated that PCI compliant organizations are more likely to successfully resist a cardholder data breach significantly up to fifty percent.

This means the PCI DSS with 12 requirements are an adequate set of security controls to protect cardholder data if company can implement them properly.

Get Peace of Mind

So, the business will feel safe and their customers feel safe too. This is the result that it will get as it will be much less likely to suffer cardholder data breaches.

Company feels confident that it has done anything it should do to protect cardholder data. Customers feel safe too, they believe that they provide their confidential data to a trusted company.

Improve Customer Relationship

According to a study conducted by Quirk's Marketing Research Review in 2014 stated that 69% of consumers would be less inclined to do business with a breached organization. As an organization that complies with PCI DSS, business should be able to decrease the data breach significantly. This means it will have a better relationship with the customer. They will see the business as a company that has a strong commitment to protect their data.

Increasing Profit

This is a direct impact on the peaceful feeling that the customers get when they have businesses with a trusted company/merchant that comply with PCI DSS.

In its turn, this will grow the loyalty of the customers to the company and they will obviously be company's free great marketing agents as they will tell their friends and relatives about company's good and safe services and recommend them.

The company will keep existing customers with more transactions and also get new customers. More customers, more transactions, more profit. Isn't that what the company really wants?

The Risk is Costly

If a cardholder data breach happens (and it is possible to happen) any involved entity will be investigated. If say a merchant involved and in the time of breaching, it didn't comply with PCI then they will get a costly fine. The acquiring bank may have to pay a fine of $5,000 to $100,000 per month to the payment brands for PCI compliance violations. The banks will most likely pass this fine down to the merchant eventually. And as stated above, the implementation of PCI requirements properly will decrease the data breaching. This is a real benefit for the company because its possibility of receiving fine will be decreased as well.

Any company or merchant may understand the benefits of PCI compliant. They may also understand that it is their obligations to comply with the standard. But as a business entity, they always consider and think about cost and benefit in any decision they make.

Well yes of course, in order to comply they need to spend some money. The amount of this investment depends on how large the company handles card transactions per year. But when it comes to cost, it should be compared the cost to comply with the standard and the cost in the case of non-compliance.

Company Image Building

Most customers may not understand the details of the standard but company's compliance will make them believe that it has a strong commitment to protecting their cardholder data.

MTB Achieves Global Data Security Standard Certificate

Mutual Trust Bank Limited (MTB) has recently become the third Bangladeshi bank to receive the certificate for complying with the payment card industry data security standard (PCI DSS) set by the Payment Card Industry Security Standards Council (formed by Visa, MasterCard, Discover Financial Services, JCB International and American Express).

MTB's achievement of this title of PCI DSS, Version 3.2, Level 1 Service Provider is significant in the midst of cyber-attacks happening globally. It has also become the fourth Bangladeshi institution to achieve the certificate for security standards first formed in 2004 to fight against data theft and fraud. Earlier, two banks – The City and EBL – and IT Consultants Limited (Q-Cash) got the certification.

"The certificate is a mandatory for financial institutions that have cards. But most of the banks are yet to take the issue seriously," said Kazi Saifuddin Munir, managing director of IT Consultants Limited, a certified agent of Visa and Mastercard in Bangladesh. Even, the central bank should take the PCI DSS certification for ensuring security in its national payments switch, he noted. PCI certification is also considered the best way to safeguard sensitive data and information, thereby helping businesses build long lasting and trusting relationships with their customers.

Source:

www.pcisecuritystandards.org
www.pcicomplianceguide.org
www.imperva.com
www.grsee.com

NATIONAL NEWS

Agent banking accounts increase to 2.9 million

The number agent banking accounts and deposit collection through the banking has increased at the end of January-March quarter compared to the previous quarter. According to the quarterly data of January-March, 2019 of Bangladesh Bank (BB), deposit collection through the agent banking was BDT 37.345 billion, which was 20 per cent higher from BDT 31.124 billion in the October to December 2018. Besides, the number of agent banking accounts across the country also increased by 18 per cent or around 450,000 compared to the previous quarter. The number of accounts with agents increased to 29,06,655 in the January-March period of 2019, which was 24,56,982 in previous quarter. The number of agents increased to 4,866 from 4,493 of the previous quarter and the number of bank agent outlets also increased to 7,838 from 6,933 in the same quarter. Data shows that Bangladeshi expatriates sent BDT 71.83 billion through the agent banking channel, which was BDT 55.57 billion in the October to December quarter of 2018.

BB injects USD 2.26b in market to keep BDT stable

Bangladesh Bank continues selling the US dollars in the country's financial market to keep value of the BDT stable amid high import payments. Till May 20 of the current fiscal year, the central bank injected USD 2,265 million in the local market to cool down the demand for the greenbacks. The injection of the US dollars in the country's local market includes USD 141 million in the first 20 days in May. In last fiscal year, BB had injected USD 2,311 million amid a significant increase in imports, especially the food items. In FY17, the amount of the dollar injected in the local market by the central bank was only USD 175 million. In last 29 months, the BDT was devalued by 7.37 per cent or BDT 5.8 and the interbank rate of a dollar was BDT 78.7 in January, 2017.

Banks' ADR rises further in 2018: BB report

Advance-to-deposit ratio (ADR) in the country's banking sector increased by 1.7 percentage points in the year of 2018 due to a slowdown in deposit growth and a surge in defaulted loans. According to a Bangladesh Bank report titled "Financial Stability Report 2018" published recently, the ADR in the banking industry increased to 77.6 per cent at the end of December last year from 75.9 per cent at the end of December, 2017. The ADR was 71.9 per cent in December, 2016 when the deposit growth in the banks was 10.6 per cent. Growth in deposit in the country's banking sector was 9.8 per cent in 2018, much lower than the growth in credit 14.1 percent in the year. High ADR represents high risk of the banks and that's why the BB lowered the ADR of the banks to save them from financial risk as many of the banks were issuing credit aggressively in the year of 2017 to maximise profits.

BB doubles deferred payment period for power companies

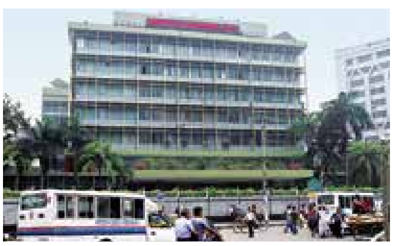
The central bank has doubled the deferred payment period for import of raw materials only for the power generating enterprises to help ease the pressure on foreign exchange market. Under the relaxation, importers are now allowed up to 360 days instead of 180 days to settle the deferred payment for import of raw materials for power generation. To facilitate power sector industry, it has now been decided to enhance usance period up to 360 days from 180 days for import of raw materials in the case of power generating enterprises only, said a notification issued by the Bangladesh Bank (BB). The central bank earlier permitted the import of industrial raw materials on deferred payment basis up to 180 days by industrial importers for their own use. Deferred payment arrangements are often used in retail settings where a person buys and receives an item with a commitment to start making payments at a future date.

NATIONAL NEWS

Banks have scope to raise stocks exposure by 82pc: BB report

Banks have scope of increasing their investment in the capital market by 82.48 per cent within the regulatory framework, according to the Bangladesh Bank's financial stability report which took account data till September, 2018. BB officials said that the banks scope for the investment in stocks had increased further in recent times as the central bank had eased stock market exposure rules further for them with a view to increasing liquidity supply in the capital market. The BB data showed that banks' capital market exposure was 16.5 per cent and 27.4 per cent of prescribed capital on solo and consolidated basis respectively at the end of September, 2018. Allowable limit for the banks to investment in capital market were set at 25 per cent and 50 per cent of the prescribed capital on solo and consolidated basis respectively. The capital of the banks includes four heads: paid-up capital, retail earnings, statutory capital and share premium account.

BB limits banks' investments in non-listed cos



Bangladesh Bank recently set the banks' investment limit in non-listed securities at 5 per cent of the banks' sum of paid up capital, share premium, statutory reserve and retained earnings. The limit was set in the central bank's guidelines on banks' investments in non-listed securities. BB on May 16 this year excluded banks' investments in the non-listed securities from the entities' capital market exposure count, prompting BB to issue the fresh guidelines setting limit on their investments in non-listed securities. The BB guidelines also said that the banks' investments in any entity must be limited to 10 per cent of the entity's paid up capital. However, banks would be allowed to purchase 15 per cent of the units of a single mutual fund. The BB guidelines also said that the buying price of any non-listed securities must not exceed 110 per cent of net asset value of the non-listed security at the time of purchasing.

Limit on transaction thru bank-backed MFS raised

Bangladesh Bank raised the limit on transaction though mobile financial services following demands from the MFS operators. In 2017, the central bank lowered the transaction limit with a view to preventing digital hundi. BB issued a circular in this connection. The central bank has also barred clients from maintaining more than one account with a mobile financial service provider. The limit rise came as the subscribers of Bangladesh Post Office-backed MFS Nagad are enjoying higher limits on cash-in and cash-out. The discrepancy has resulted in a setback for the bank-backed MFS providers. As per the BB data, bank-backed MFS providers lost 49 lakh subscribers in the January-March quarter of the year 2019. The number of customers of 16 MFS operators including bKash, Rocket and U-cash dropped to 3.24 crore at the end of March this year from 3.73 crore at the end of December last year.

BB raises banks' capital market exposure limit

Bangladesh Bank recently increased banks' investment limit in the capital market by excluding banks' investments in unlisted securities from their capital market exposure count. The central bank issued a circular in this regard. The circular said that banks' investments in unlisted securities (equity share, non-convertible cumulative preference share, non-convertible bond, debenture, open-end mutual fund) would be excluded from their total investment (solo and consolidated) in the capital market. The Banking Companies Act 1991, which was amended in 2013, limited a bank's stock market exposure to up to 25 per cent of its capital. The capital includes paid-up capital, share premium, statutory reserve and retained earnings. BB has made the decision as stakes held by banks and its subsidiary companies in the non-listed companies are not traded on the stock exchanges.

NATIONAL NEWS

BD SEZs to attract higher FDI: UNCTAD

The current development of special economic zones (SEZs) through public-private partnership in Bangladesh and other Asian countries is likely to help attract more foreign direct investment (FDI). The United Nations Conference on Trade and Development (UNCTAD) predicted this in its World Investment Report (WIR)-2019. As a flagship publication of the UN body, it generally provides the global FDI and also focused a theme linked with FDI. This year it focused on SEZs. Global FDI flows slid by 13 per cent in 2018, to USUSD 1.3 trillion from USD 1.5 trillion the previous year - the third consecutive annual decline, said the latest report. The UNCTAD noted special zones are one of the most important tools to attract foreign investment in different countries and said the number of SEZs around the world has increased at a faster rate in the current decade. The global tally of zones has increased to nearly 5,400, up from 4,000 five years ago, and more than 500 new SEZs are in the pipeline.

BD eyes big investments from giants like Samsung, Hyundai and LG

A high-level business delegation from South Korea will visit Bangladesh in July next to explore possible investment opportunities here. This is going to be the highest level of business delegation from the Republic of Korea (ROK) ever coming to Bangladesh next month, Executive Chairman of the Bangladesh Investment Development Authority (BIDA) Kazi M Aminul Islam told. The business delegation will comprise of representatives from the South Korea based multinational business giants like Samsung, Hyundai and LG, he added. Undoubtedly Bangladesh can expect large amount of investment proposal from the Korean businessmen, he said, adding that the foreigners will be encouraged to make the investment by themselves as well as with the help of their partners here. The BIDA chief also said many multinational conglomerates are nowadays getting familiarised with the congenial investment opportunities in Bangladesh and showing their interest to invest here thanks to the initiatives taken by the government agencies. According data available with the BIDA, Bangladesh received foreign direct investment (FDI) worth USD 73 million from South Korea alone in the calendar year 2018.

Overall export earnings post 11.92pc rise, exceed 11-month target

The country's export earnings in May 2019 hit a record single-month high of USD 3.81 billion, with the readymade garment sector contributing more than 85 per cent to the export receipts. The export earnings in May '19 posted a 14.78 per cent increase, compared to the same month in the previous year, which saw export earnings of USD 3.32 billion. The earnings in May also surpassed its monthly target by 9.23 per cent, according to official data released recently. Out of the USD 3.81 billion earnings for May, about USD 3.24 billion came from the readymade garment (knit and woven items) exports. Meanwhile, the overall export earnings during the July-May period of the current fiscal year (FY), 2018-19, stood at USD 37.75 billion, registering a moderate growth of 11.92 per cent. The country fetched USD 33.72 billion during the July-May period of the last fiscal year, FY 2017-18, official data show. The export performance exceeded the 11-month target by 6.64 per cent in this fiscal year.

BD eyes USD 1.7b Chinese loan for power projects

Bangladesh is set to sign at least two loan agreements involving USD 1.7 billion for two power grid projects during the upcoming visit of Prime Minister (PM) Sheikh Hasina to China. During the visit, the PM will meet Chinese President Xi Jin Ping, and the loan deals will be signed in presence of both the leaders, high officials told. The number of projects with Chinese loan may increase, as the line ministries concerned are still brushing up details of the PM's visit. Funding of eight other projects, for which China has pledged support, is pending, the officials added. The total amount involving these projects is around USD 5.0 billion, a senior official of the Economic Relations Division (ERD) told. Chinese EXIM Bank earlier wanted to provide the loan as commercial credit at an interest rate of 4.5 per cent.

NATIONAL NEWS

Plastic goods manufacturers eye bigger global market share

The plastic goods sector, which has tremendous potential to capture global market, will flourish further if a specialised industrial zone and modern recycling system could be established. The country's plastic goods industry is booming due to availability of raw materials at a cheaper rate, government policy support, manufacturing efficiency and production of diversified goods. Besides, as China has moved towards high-tech industries, Bangladeshi plastic goods exporters have the chance to raise their share in the global market for plastics. Export earnings from plastic products is expected to reach USD 721.14 billion by 2025. According to the latest statistics of the Export Promotion Bureau (EPB), export earnings from plastic products in the first 10 months of the current fiscal (FY19) increased by 23.6 per cent. The export of plastic goods during July-April period of the FY19 was USD 100.35 million, which was USD 81.19 million dollar in the corresponding period of FY18, according to EPB data. Business insiders said Bangladesh has only 0.6 per cent shares of the USD 546 billion global plastic market.

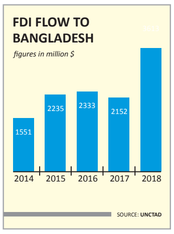
3,357 tonnes dry fishes exported in FY 2017-18

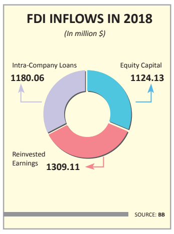
The government exported 3,357 metric tonnes of dry fishes worth BDT 691.9 in fiscal 2017- 18. A total of 38,572 metric tonnes of dry fishes were produced in the country in fiscal 2017-18. Of those, 29,082 metric tonnes of dry fishes were produced from sea fishes, which was 75 percent of total dry fish production. As per the existing rules, nobody can use DDT and other toxic chemicals or pesticides in dry fishes and cured fish. But, he said, approved biodegradable pesticides could be used in dry fishes and cured fish to protect those from insects.

Bangladesh fastest economy in Asia-Pacific: ADB

Bangladesh has achieved the fastest growth in the Asia-Pacific economies comprised of 45 countries, according to the Asian Development Bank (ADB). The country attained 7.9 percent growth which was the fastest expansion since 1974 in the outgoing fiscal year of 2018-19, according to the Manila-based donor. The bank predicted that the growth will be 8 percent in the FY2019 and FY2020, terming it a new record. “Bangladesh will continue to be the fastest in the Asia-Pacific,” the bank said in its Asian Development Outlook (ADO). The ADO, the annual publication of the ADB, evaluates and forecasts economic performance of the 45 Asian and Pacific countries. It said the growth will be moderate across most of developing Asia 5.7 percent in 2019 and 5.6 percent in 2020 from 6.2 percent in 2017 and 5.9 percent in 2018. South Asia will see buck trend of slowing growth in Asia -- 6.8 percent in 2019 and 6.9 percent in 2020. It said Bangladesh’s banking system reforms will attract higher private investment which will support the growth.

Record FDI in 2018





Bangladesh received net foreign direct investment (FDI) amounting to USD 3.61 billion in 2018, its highest yet thanks to the one-off payment of USD 1.47 billion by Japan Tobacco Inc. to purchase Akij Group’s tobacco business. The inflows are an increase of 67.94 percent from a year earlier, according to the United Nations Conference on Trade and Development (UNCTAD). The power sector attracted the highest amount of FDI of USD 1.01 billion, followed by food at USD 729.69 million, textile and weaving at USD 408.08 million, banking at USD 282.54 million, telecommunication at USD 219.87 million, leather and leather products at USD 110.55 million and trading at USD 101.91 million. Of the USD 3.61 billion that came into Bangladesh last year, USD 1.12 billion were in the form of equity, USD 1.30 billion as reinvested earnings, and USD 1.18 billion as intra-company loan.

MTB

MTB CARDS

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Mutual Trust Bank Ltd.

you can bank on us

20TH MTB ANNUAL GENERAL MEETING (AGM 2019) HELD

The 20th Annual General Meeting (AGM) of Mutual Trust Bank Limited (MTB) was held on Sunday, June 30, 2019 at the Golf Garden, Army Golf Club, Dhaka 1206.

MTB Chairman, Md. Hedayetullah presided over the AGM. MTB Vice Chairman, Khwaja Nargis Hossain, MTB Directors, Syed Manzur Elahi, Dr. Arif Dowla, Md. Wakiluddin, Md. Manirul Islam, Anika Chowdhury, Herbert Jaeger, Independent Director, Nasreen Sattar, Managing Director & CEO, Anis A. Khan, Deputy Managing Directors, Syed Rafiqul Haq, Goutam Prosad Das and Tarek Reaz Khan, CFO, Sayed Abul Hashem, Company Secretary, Malik Muntasir Reza and a large number of shareholders also attended the meeting. The shareholders attending the MTB AGM, approved 11% stock dividend for the year 2018.

MTB RETAIL & SME BANKING CONFERENCE 2019 HELD

MTB organized a Retail & SME Banking Conference 2019 on April 26, 2019 at the Celebrity Convention Hall, Gulshan South Avenue, Dhaka 1212. Syed Manzur Elahi, MTB Director & Founding Chairman inaugurated the conference.

Anis A. Khan, MTB Managing Director & CEO, Syed Rafiqul Haq, Goutam Prosad Das and Tarek Reaz Khan, Deputy Managing Directors, Nafiz Hasnat, Deputy Head of SME Banking and Azam Khan, Group Chief Communications Officer along with Heads of different divisions and departments and managers of different MTB branches were also present at the conference.

MTB LAUNCHES "MTB SHACHAL" AND "MTB SUPPLY CHAIN FINANCE"

MTB Director & Founding Chairman, Syed Manzur Elahi unveiled "MTB Shachal" and "MTB Supply Chain Finance", two new SME products at a convention hall at Gulshan South Avenue, Dhaka 1212 on April 26, 2019.

"MTB Shachal" is a terminating loan facility for purchasing commercial vehicles for smooth operation of SME businesses for example, transportation of executives, employees, sponsors or goods etc., while "MTB Supply Chain Finance" is a short term revolving loan, which allows a supplier managing his/ her cash flow, smoothly, during the bridge period between execution of supplies and payment of bills, by availing MTB's supply chain finance.

MTB Managing Director & CEO, Anis A. Khan, Deputy Managing Directors, Syed Rafiqul Haq, Goutam Prosad Das and Tarek Reaz Khan, Deputy Head of SME Banking, Nafiz Hasnat and Group Chief Communications Officer, Azam Khan along with Heads of different divisions and departments and managers of different MTB branches were also present at the launching ceremony.

MTB ACHIEVES GLOBAL DATA SECURITY STANDARD – PCI DSS

MTB has achieved a global data security standard certificate, known worldwide as Payment Card Industry Data Security Standard certificate (PCI DSS) from SISA Information Security, recently. Anis A. Khan, Managing Director & CEO, MTB received the certificate from Bharat Malik, representative of SISA Information Security at a simple ceremony held on May 22, 2019 at MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000.

Ashish Chakraborty, Director & Chief Operating Officer (COO), Saud Bin Jahan (Susan), Head of Banking & Financial Services, Software Shop Ltd. (SSL Wireless) and Syed Rafiqul Haq & Goutam Prosad Das, Deputy Managing Directors, A. K. M. Ahasan Kabir, Group Chief Information Security Officer, Md. Shah Alam Patwary, Group Chief Information Officer, Mohammad Anwar Hossain, Head of Cards, Md. Rabiul Alam, Head of Alternate Delivery Channels (ADC), Azam Khan, Group Chief Communications Officer, MTB along with other senior officials from the concerned organizations were present at the ceremony.

MTB's achievement of this title of PCI DSS, Version 3.2, Level 1 Service Provider is significant in the midst of cyber-attacks happening globally. This certificate ensures card security, from SISA Information Security, a Qualified Security Assessor (QSA) company. SSL Wireless is the local partner of SISA. PCI DSS certification is considered as one of the most prestigious certificates for any compliant financial service providers in the digital payment arena. Achieving this compliance ensures that the cardholder data is robustly protected in MTB systems. It is pertinent that among 59 scheduled commercial banks in the country, MTB stands third, that has achieved such a high security standard.

MTB INAUGURATES AIR LOUNGE AT OSMANI INTERNATIONAL AIRPORT (OIA), SYLHET

AIR LOUNGE
AN OASIS OF PEACE

MTB inaugurated its third (3rd) Air Lounge at the domestic terminal of Osmani International Airport (OIA), Sylhet, with a view to providing its customers with greater comfort and convenience when travelling in and out of the city. Md. Hedayetullah, Chairman, of the bank inaugurated the Air Lounge on June 27, 2019 at a simple ceremony held at the airport premises. MTB already has two Air Lounges at Hazrat Shahjalal International Airport (HSIA), Dhaka and Shah Amanat International Airport (SAIA), Chattogram.

Anis A. Khan, Managing Director & CEO, MTB, Mohammad Shams-ul-Islam, Managing Director & CEO, Agrani Bank Limited, Fakhor Uddin Ali Ahmed, former President of the Sylhet Chamber of Commerce & Industry and Chittagong Stock Exchange, Mohammad Hafiz Ahmed, Airport Manager, Osmani International Airport, Gulam Rabbani Chowdhury, Managing Director, Baraka Power Ltd., Mahfuz Ahmed, Managing Partner, Falcon Agency Consortium, elite of the city and other senior government and bank officials were also present at the inauguration ceremony. Mohammad Hafiz Ahmed, Airport Manager, Osmani International Airport, in his address, congratulated MTB on launching this special service and expressed his satisfaction with the bank's joining the government's efforts to ease the comfort of passengers travelling through the airports of the country. Md. Hedayetullah, Chairman, MTB in his speech, acknowledged the importance of delivering high quality service in alignment with the bank's vision **MTB 3V!** to become a world class bank.

MTB ARRANGES RAMADAN GET-TOGETHER WITH MEDIA PARTNERS

As part of its annual tradition, MTB arranged a get-together, followed by Iftar, with its media partners at MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000 on May 12, 2019. Anis A. Khan, MTB Managing Director & CEO spoke to the representatives from the electronic, print and online media partners at the program and extended Eid greetings in advance to them.

MTB TO COLLECT MARIE STOPES BILLS NATIONWIDE

MTB has recently signed an agreement with Marie Stopes Bangladesh at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on April 30, 2019. According to the agreement, MTB bill collection services will be provided for Marie Stopes, nationwide.

Masrurul Islam, FCA, Country Director, Marie Stopes Bangladesh and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB signed the agreement on behalf of their respective organizations.

Mamun Rashid, Vice Chairman, Dr. Reena Yesmin, Director, Health System Strengthening, Nur-e-Alam FCS, Corporate Secretary, Marie Stopes Bangladesh and Tarek Reaz Khan, Deputy Managing Director, Swapan Kumar Biswas, Head of Operations Division, Irfan Islam, Head of Cash Management & Privilege Banking, Azam Khan, Group Chief Communications Officer, MTB along with other senior officials from both the organizations were also present at the event.

MTB TO PROVIDE PAYROLL BANKING SOLUTIONS FOR STOLL BANGLADESH LIMITED

MTB has recently signed an agreement with STOLL Bangladesh Limited at a simple event held at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212 on May 14, 2019. Under this agreement, the employees of STOLL Bangladesh Limited can avail MTB's payroll banking solutions.

Thomas Hoffmann, Chief Executive Officer, STOLL Bangladesh Limited and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, MTB signed the agreement on behalf of their respective organizations.

AKM Habibullah, Director of STOLL Bangladesh Limited and Sultana Shikder Ahona, Head of MTB Payroll Banking, Md. Bakhteyer Hossain, Head of MTB International Trade Services and Offshore Banking Division, Md. Ehethesham Rahman, Head of Structured Finance Unit and Azam Khan, MTB Group Chief Communications Officer along with other senior officials from both the organizations were also present at the event.

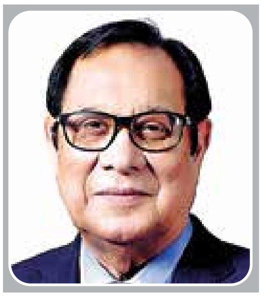
MTB CELEBRATES "MOTHER'S DAY 2019"

MTB celebrated Mother's Day 2019 on May 14, 2019 at the bank's Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Dhaka 1212. At the event, MTB honoured the mothers of MTBians - Professor Panna Kaiser (Retd.), Chairman, Khelaghor Central Committee and Khairun Nessa Ahmed, Deputy General Manager (PRL), Bangladesh Krishi Bank Limited with a view to celebrating motherhood, maternal bonds and the impact of mothers' influences in the society.

Anis A. Khan, Managing Director & CEO, Syed Rafiqul Haq and Tarek Reaz Khan, Deputy Managing Directors, along with MTBians of the MTB Corporate Head Office and other senior officials attended the event.

NATIONAL NEWS

Rouf re-elected Bank Asia Chairman



A Rouf Chowdhury has recently re-elected as Chairman of Bank Asia Limited. He is the main promoter of Bank Asia. Rouf is also the Chairman of Rangs Group and Sea Resources Group. He is a Director of The Daily Star.

Bank Asia elects Vice Chairman

Romo Rouf Chowdhury has recently elected as Vice Chairman of Bank Asia Limited. Chowdhury is one of the sponsor shareholders as well as sponsor directors of Bank Asia. He holds directorship of various sister concerns of Rangs Group and Sea Fishers Group.

EBL reappoints Ali Reza Iftekhar as MD

Ali Reza Iftekhar has recently reappointed as Managing Director and CEO of Eastern Bank Limited (EBL). Iftekhar has been in this position since 2007. He joined EBL as Deputy Managing Director back in 2004 and was promoted to Additional Managing Director in 2006.

Mostafizur Joins NRB Global Bank AMD

Md Mostafizur Rahman Siddiquee has joined NRB Global Bank as Additional Managing Director. With 33 years' job experiences in banking arena, Mostafizur started his banking career in 1986 with Islami Bank Limited as a probationary officer.

Reshadur re-elected Dhaka Bank Chairman

Reshadur Rahman has re-elected as the Chairman of Dhaka Bank Limited. Reshadur is the honorary consul general of the Republic of Poland in Bangladesh.

Safwan re-elected Bank Asia Vice-Chair

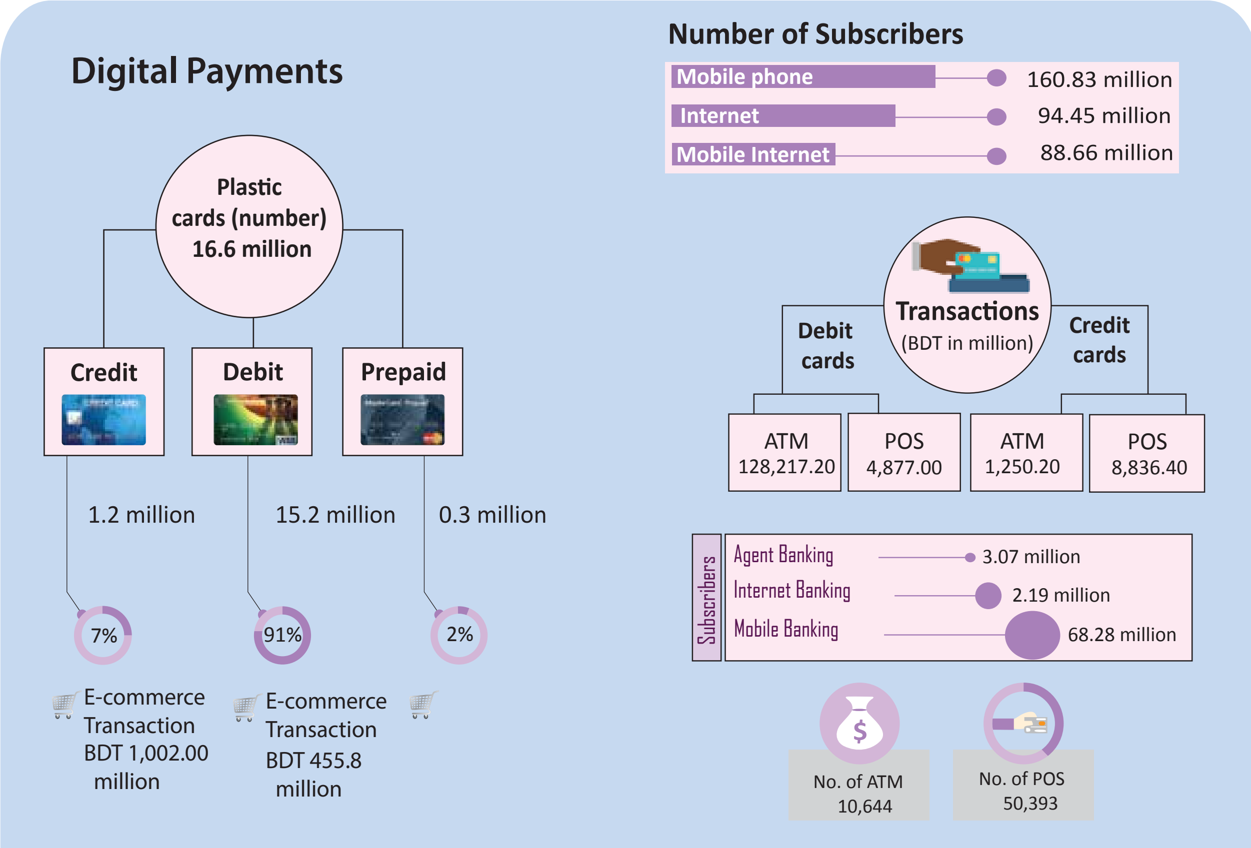
Mohd Safwan Choudhury has re-elected as Vice-Chairman of Bank Asia Limited. Safwan is a former president of Sylhet Chamber of Commerce and Industry and former Chairman of Bangladesh Tea Association. He is the Managing Director of M Ahmed Tea & Lands Co, Phulbari Tea Estates, M Ahmed Cold Storage, Premier Dyeing & Calendering and M Ahmed Food and Spices.

UCB gets new AMD

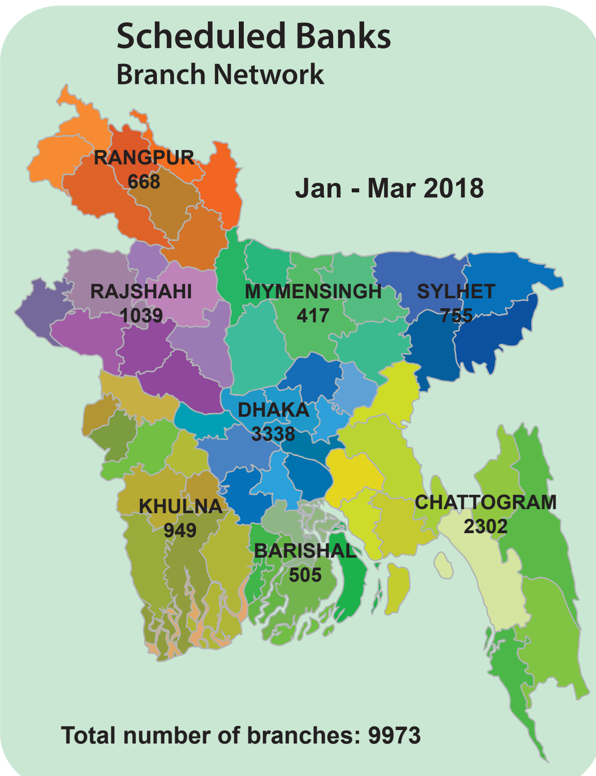
Syed Faridul Islam has recently joined United Commercial Bank Limited (UCB) as Additional Managing Director. Prior to this position, he was Deputy Managing Director and Chief Risk Officer of Prime Bank Limited. Islam started his banking career at Grindlays Bank in 1984 and also worked at BRAC Bank and Standard Chartered Bank.

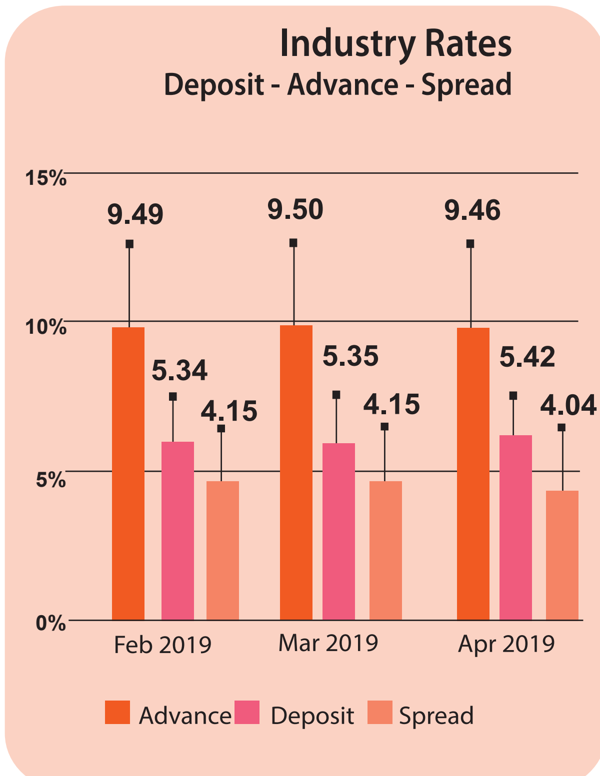
Habibur joins as UCB DMD

Habibur Rahman has joined United Commercial Bank Limited (UCB) as Deputy Managing Director recently. Habibur worked in different financial institutions like Bank Indosuez, ANZ Grindlays, Standard Chartered, Toronto Dominion (TD), HSBC, City and EBL.



Source: Bangladesh Bank, April 2019; BTRC, May 2019





Source: Bangladesh Bank

Global

Rice
USD 409.00 / metric ton
May 2019

Palm Oil
USD 742.53 metric ton
May 2019

Sugar
USD 273.37 / metric ton
May 2019

Soybean Oil
USD 772.82 / metric ton
May 2019

Source: The World Bank

Weekly Rice BDT/KG

Year 2019	June 24	June 25	June 26	June 27	June 28	June 29	June 30
Rate (Avg.)	36.00	36.00	36.00	36.00	36.00	36.00	36.00

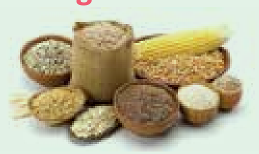
Monthly Price Change (%)

Domestic (coarse)	Domestic (fine)	Global
0.00%	0.00%	-0.97%
Monthly Increase May-June 19	Monthly Increase May-June 19	Monthly Increase May-June 19

Source: TCB (Average of max and min price), The World Bank

Import L/C (in million)

Bangladesh



Pulse
Opened USD 367.24 during July 2018 April 2019
Outstanding USD 160.72 (as on April 30, 2019)

Rice
Opened USD 65.28 during July 2018 April 2019
Outstanding USD 216.57 (as on April 30, 2019)

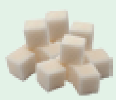
Sugar
Opened USD 527.85 during July 2018 April 2019
Outstanding USD 297.89 (as on April 30, 2019)

Source: Bangladesh Bank

Domestic

Rice (fine)
BDT 59.00 per kg
June 2019

Palm Oil
BDT 62.00 per kg
June 2019



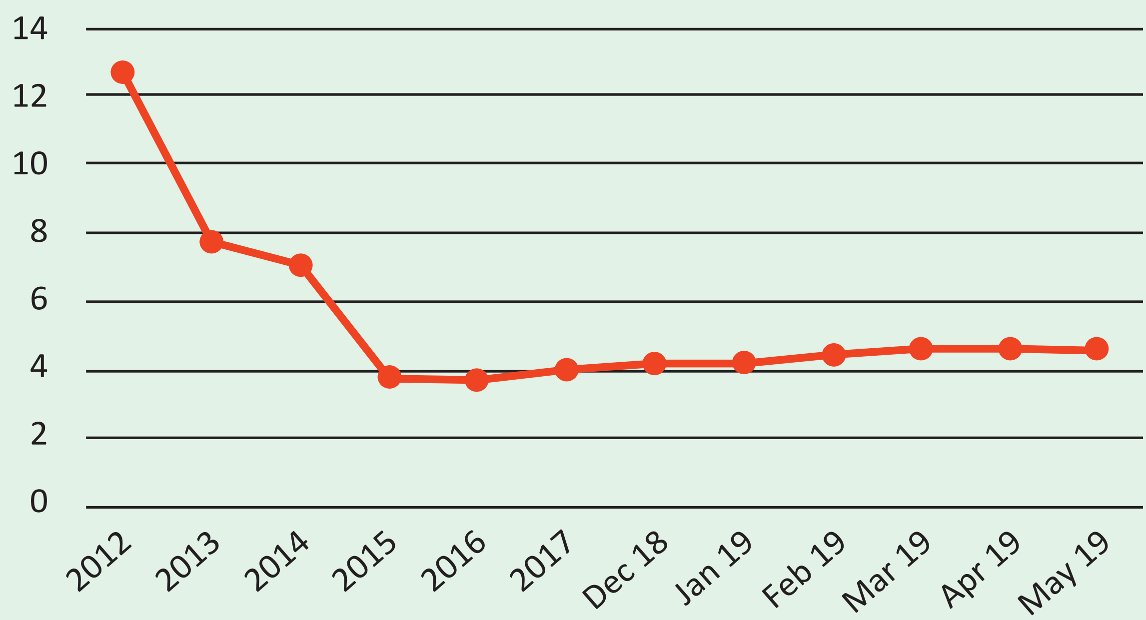
Sugar
BDT 53.77 per kg
June 2019

Rice (coarse)
BDT 36.00 per kg
June 2019

Soybean Oil
BDT 79.50 per kg
June 2019

Source: TCB (Average of max and min price)

Call Money Market



POWER SECTOR OF BANGLADESH

AT A GLANCE (June 2019)

Generation Capacity
Public Sector 52%
Private Sector 48%

Distribution Loss
9.60%
(June 2018)

Per Capita Generation
464 KWh

Distribution Line
5,17,000 km

Generation Capacity
21,629 MW

Access to Electricity
93%

Transmission Line
11,493
Circuit Kilometer

LPG

Metric Ton

Liquefied petroleum gas (LPG)	2016	2015	2014
LPG Production (BPC)	18000	18000	18000
Production from Refineries	10000	11000	11000
Production from Plants	8000	7000	7000
Consumption by households	16000	17000	18000
Final Consumption	16000	17000	18000

Source: United Nations; Bangladesh Bank

Natural Gas Reserve & Production at a glance, December 2018

	Bcf (Billion cubic feet)
Gas Initially in Place (GIIP)	35,796.19
Recoverable (2P)	28,685.40
Cumulative Production as of December 2018	16,459.09
Remaining Reserve upto December 2018	12,226.31

Gas Production in December 2018	80.66 Bcf
National Oil Company (NOC's) production	41%
International Oil Company (IOC's) production	59%

Source: Ministry of Energy and Mineral Resources

INTERNATIONAL NEWS

OECD ECONOMIC OUTLOOK MAY 2019

Introduction

Global growth has slowed abruptly over the past year, with the weakness seen in the latter half of 2018 continuing in the early part of 2019 amidst persisting trade tensions. Trade and investment have moderated sharply, especially in Europe and China, business and consumer confidence have declined and policy uncertainty remains high. At the same time, financial market conditions have eased, helped by moves towards a more accommodative monetary policy stance in many economies, and favourable labour market conditions continue to support household incomes and spending in the major economies. Sizeable fiscal and quasi-fiscal easing is occurring in a handful of countries, including China, but in most economies fiscal policy is offering only limited support for growth. Overall, given the balance of these different forces acting, global GDP growth is projected to ease from 3½ per cent in 2018 to a sub-par rate of 3.2% this year, before edging up to 3.4% in 2020 (Table 1.1). This slowdown is widespread, with growth set to moderate this year in almost all economies. Trade growth is projected to weaken further this year, to around 2%, the weakest rate since the global financial crisis and checking the speed at which global output growth can rebound from its current soft pace. Inflationary pressures are set to remain mild, with few strains on capacity in most economies.

The balance of risks continues to be on the downside, with growth outcomes potentially being substantially weaker if negative risks materialise or interact. Key risks include a prolonged period of higher tariffs on trade between the United States and China; further steps to raise new trade barriers, particularly additional tariffs on trade between the United States and the European Union; a failure of policy stimulus to prevent a sharper slowdown in China; continuing policy uncertainty and prolonged sub-par growth in Europe, including lingering uncertainty about Brexit; and financial vulnerabilities from high debt and deteriorating credit quality. On the upside, decisive actions by policymakers to reduce policy-related uncertainty and strengthen medium-term growth prospects, including measures that reduce barriers to trade, would improve confidence and investment around the world.

Table 1.1. **Global growth remains weak**

OECD area, unless noted otherwise

	Average 2011-2018	2017	2018	2019	2020	2018 Q4	2019 Q4	2020 Q4
				Per cent				
Real GDP growth[1]								
World[2]	3.4	3.7	3.5	3.2	3.4	3.2	3.3	3.3
G20[2]	3.6	3.9	3.8	3.4	3.6	3.4	3.6	3.6
OECD[2]	2.0	2.6	2.3	1.8	1.8	1.8	1.9	1.7
United States	2.3	2.2	2.9	2.8	2.3	3.0	2.7	2.1
Euro area	1.2	2.5	1.8	1.2	1.4	1.1	1.3	1.4
Japan	1.2	1.9	0.8	0.7	0.6	0.2	0.6	0.9
Non-OECD[2]	4.6	4.6	4.5	4.3	4.6	4.4	4.4	4.6
China	7.1	6.8	6.6	6.2	6.0	6.4	6.1	6.0
India[3]	7.1	7.2	7.0	7.2	7.4			
Brazil	0.1	1.1	1.1	1.4	2.3			
Unemployment rate[5]	6.9	5.8	5.3	5.3	5.2	5.2	5.3	5.2
Inflation [1,6]	1.6	2.0	2.3	2.0	2.3	2.5	2.0	2.3
Fiscal Balance[7]	-4.0	-2.2	-2.8	-3.0	-2.9			
World real trade growth[1]	3.7	5.5	3.9	20	3.1	2.9	2.3	3.3

1. Precentage changes; last three columns show the Increase over a year earlier.
2. Moving nominal GDP weights, using purchasing power parities.
3. Fiscal year.
4. Per cent of potential GDP.
5. Per cent of labour force.
6. Private consumption deflator.
7. Per cent of GDP.

Source: OECD Economic Outlook 105 database.

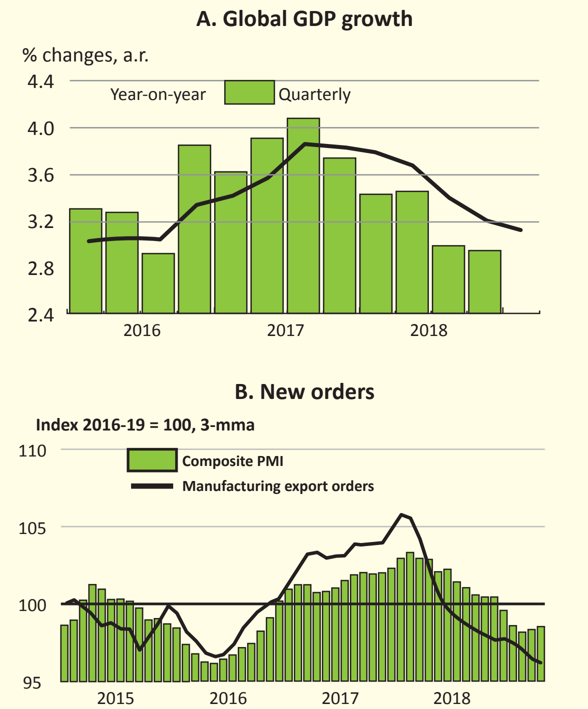
Against this background, the key policy priorities are to ensure sufficient support for demand, reduce policy-related uncertainty, enhance resilience against risks and strengthen prospects for medium-term growth that provides opportunities for all. Multilateral dialogue should be restored to avoid new damaging trade restrictions and to take advantage of the opportunities of openness that benefit all economies. Central banks should remain supportive and ensure long-term interest rates stay low. Fiscal and structural policies should be focussed on actively addressing medium-term challenges, whilst ensuring adequate support for demand over the projection period. In the euro area, combined action across countries, involving renewed reform efforts, augmented by targeted fiscal measures where space exists, is needed to strengthen medium-term prospects in all member states and provide additional near-term support to area-wide growth. Scope exists to ease monetary policy in many emerging-market economies if inflation continues to decline towards target, provided investor confidence is retained. In all countries, improved reform ambition is needed to enhance living standards, improve medium-term prospects for investment and productivity, and make growth more inclusive by allowing the benefits to be distributed more widely.

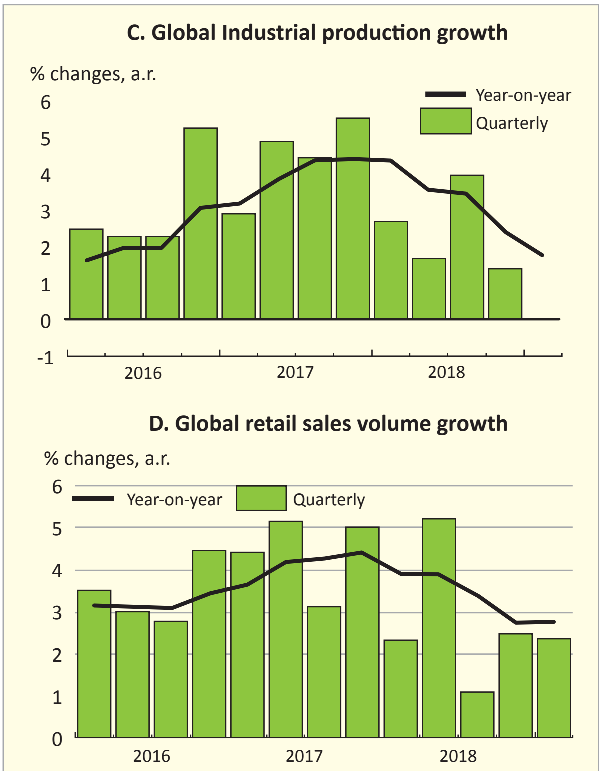
In the event of an even sharper or more protracted global growth slowdown than currently projected, co-ordinated policy action across countries would provide the most effective and timely counterweight, with fiscal policy measures likely to offer the most support in the short term. To enhance the effectiveness of such actions, preparation is needed now, with identification of well-targeted growth and income enhancing measures that can be rolled out rapidly if required.

Global growth is set to remain weak

Global GDP, trade and investment growth have fallen sharply

Figure 1.1. **Global growth has lost momentum**





Note: GDP, industrial production and retail sales aggregation use PPP weights, GDP growth in the first quarter of 2019 based on currently available data and projections for the remaining economies. Data in Panel D are for retail sales in the majority of countries, but monthly household consumption is used for the United States and the monthly syntetic consumption indicator is used for Japan. Data for India are unavailable for Panel D.

Source: OECD Economic Outlook database; Markit, OECD Main Economic Indicators database; Refinitiv; and OECD calculations.

Global growth has slowed sharply over the past year, amidst heightened policy uncertainty, persistent trade tensions and declines in business and consumer confidence. In the latter half of 2018, world GDP growth declined to around 3% on a quarterly basis (Figure 1.1, Panel A), and appears likely to have improved only slightly in the first quarter this year. This is the weakest pace since 2015-16, in part reflecting the deep recessions occurring in some emerging-market economies and widespread weakness in industrial sectors (Figure 1.1, Panel C). Confidence indicators have also eased markedly in many OECD countries, especially in the euro area and Japan where growth has proved weaker than expected, and, until recently, in China. In contrast, confidence has held up in the United States, although growth has started to moderate as the support from fiscal policy wanes. At a sector level, incoming new orders remain at a low level in manufacturing (Figure 1.1, Panel B), but are holding up in service industries, possibly reflecting the relative buoyancy of consumer spending, including retail sales (Figure 1.1, Panel D).

INTERNATIONAL NEWS

WELLS FARGO SECURITIES

U.S. Overview

Outlook Depends on Trade War Assumptions

Wells Fargo forecasts has been predicated on its assumption that the United States would not engage in full-blown trade wars with many of its major trading partners. Although the administration recently decided not to impose tariffs on Mexico, trade tensions between the United States and China linger and Wells Fargo assumes that these tensions will fester for the foreseeable future. Anecdotal evidence suggests that uncertainty over trade policy has contributed to slower growth in business fixed investment spending. Therefore, Wells Fargo assumptions of continued trade policy uncertainty has led to marginally mark down Wells Fargo's GDP growth forecast for 2019.

Wells Fargo has also changed its outlook for Federal Reserve monetary policy. Previously, Wells Fargo had thought that the Fed would be on hold through most of next year. Wells Fargo now looks for the Fed to cut rates 25 bps at the July 31 FOMC meeting and another 25 bps in Q4 (probably at the October 30 meeting). Not only is this change to Wells Fargo Fed calls consistent with the downward revision to its GDP forecast, but it also reflects Wells Fargo interpretation of how the FOMC thinks about policymaking at present.

The FOMC has largely undershot its 2% inflation objective for most of this expansion, and a rate cut could help it bring inflation expectations more in line with its target. In addition, with limited conventional "ammunition" (i.e., only 225 bps of potential rate cuts) the FOMC may want to get ahead of any economic deceleration with "insurance" rate cuts rather than waiting until more economic trouble surfaces.

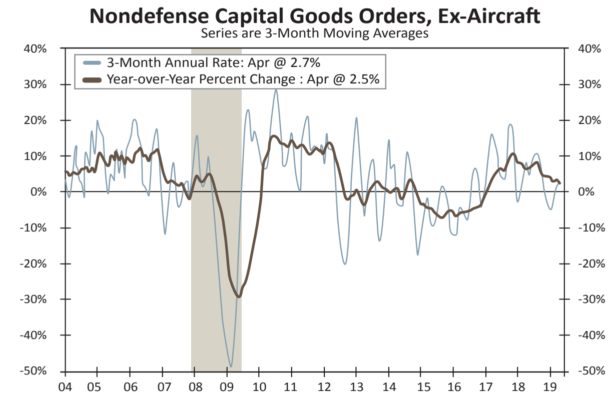
International Overview

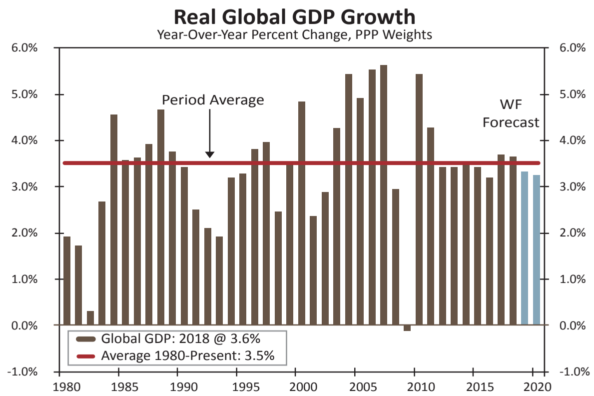
Global Growth Enters the Summer in the Doldrums

The global growth backdrop has remained tepid heading into the summer. The Eurozone economy continues to teeter on the edge, with economic growth neither fast enough to reassure officials at the European Central Bank (ECB) nor slow enough to warrant more monetary stimulus. China faces headwinds from another escalation in the trade dispute, and Wells Fargo has accordingly trimmed its forecast for real GDP growth in the country. In North America, the outlook outside of the United States is not much better. Wells Fargo most recent forecast looks for 2019 real GDP growth in Canada and Mexico to be just 1.2% and 1.5%, respectively.

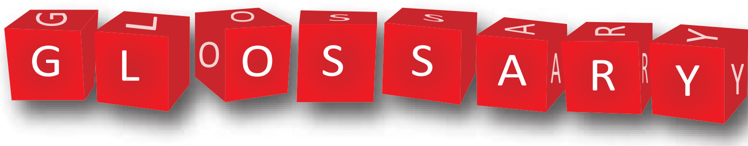
Elsewhere, some central banks have already embarked on easing monetary policy (India, Australia) while financial markets are pricing in the start of easing cycles in several others (Mexico, Brazil). Wells Fargo's forecast for global real GDP growth in 2019 is 3.2%, which, if realized, would match 2016's pace for the slowest since the Great Recession.

President Trump has threatened additional tariffs on the remaining USD 300 billion in American imports from China, and the leaders of the two countries have tentative plans for what could be a crucial meeting at the G-20 summit from June 28-29. Possible tariffs on American imports of European and Japanese autos linger in the background, as do questions about the prospects for USMCA, the heir apparent to NAFTA. Another escalation in the ongoing trade spat, should it occur, could push the global economy to lows not seen in a decade.





Source: U.S. Department of Commerce, IHS Markit and Wells Fargo Securities



General Obligation Bond: A municipal bond whose interest and principal payments are supported by the full faith and credit of the issuing authority.

Zero Rated: A term relating to value added tax (VAT). It refers to goods (for example, food and books) which are taxable but at a zero rate. The significance of this rating is that businesses selling such goods may claim back their input tax (the VAT which they have paid to their suppliers). Businesses which provide goods and services which are VAT exempt (for example, stamps and postal services) are not able to reclaim input tax.

Wash Sales: A process in which simultaneous purchases and sales are made in the same commodity futures contract, on the same exchange, and in the same month. No actual position is taken, although it appears that trades have been made. The intention is that the apparent activity will induce legitimate trades, thus increasing trading volume and commissions.

Garnishee: The recipient (typically a bank) to whom a garnishee order has been delivered. A garnishee order is a court order instructing a bank that funds held on behalf of a debtor (the judgment debtor) should not be released until directed by the court. The order may also instruct the bank to pay a given sum to the judgment creditor (the person to whom a debt is owed by the judgment debtor) from these funds.

Full Faith and Credit: An unconditional commitment to meet the payment of interest and repayment of principal of a bond issued by a government authority.

Head and Shoulders Top: In technical analysis, a common chart formation in which a share price reaches a peak and declines, rises above its former peak and again declines and rises again but not to the second peak and then again declines. The first and third peaks are shoulders, while the second peak is the formations head. When the price falls from the right shoulder and breaks through the neckline the head and shoulders top formation has been confirmed and is regarded by technical analysts as a signal to sell the share.

Macaroni Defense: A tactic used by a company as defense against a hostile takeover bid involving the issue of a large number of bonds that must be redeemed at a higher value if the company is taken over. It is called a 'macaroni defense' because the bonds' redemption price is said to expand like macaroni when cooked.

Early Redemption: Most fixed, capped and discounted mortgages, and those offering cash incentives, impose a financial penalty on customers who redeem their mortgages before the special deal comes to an end. This may be a percentage of the total advance, the sum repaid or the balance outstanding.