

MTBiz

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CONSUMER FINANCE BANGLADESH MARKET UPDATE 2017

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CONSUMER FINANCE BANGLADESH MARKET UPDATE 2017



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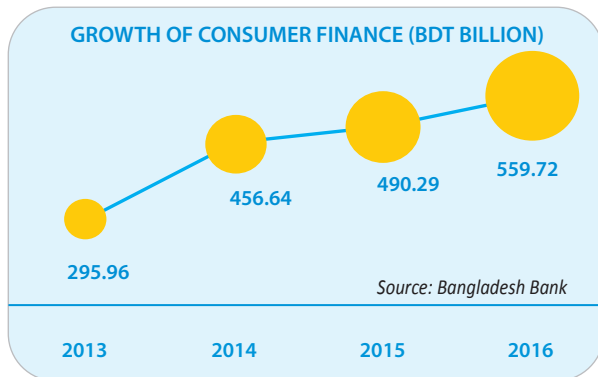
WE SUPPORT

CONSUMER FINANCE MARKET UPDATE 2017

SIZE AND SHARE OF CONSUMER FINANCE MARKET IN BANGLADESH



Bangladesh economy has been experiencing a number of changes, both positive and progressive, in all aspects since last decade. It has been consistent with six percent GDP growth for quite a long time, and currently it is maintaining above seven percent GDP growth. Rapid infrastructural up-gradation, increase in national income, rise in national expenditure, advent of e-commerce, growth of internet and mobile phone users are the major notable dots among many that outline a substantial change in the economy. Latest statistics of Household Income and Expenditure Survey (HIES) 2016 by Bureau of Statistics (BBS), Bangladesh, showed about a 40% growth in monthly household income compared to 2010. Considering all these economic vibes and the vibration of burgeoning consumer market that Boston Consulting Group (BCG)



also identified in 2015, the regime of consumer finance in Bangladesh sees quite a sharp rise from both supply side and demand side.

The author, therefore, tried to analyze the consumer finance market to explore the size, share and market dynamics in Bangladesh. MTBiz published the first of its report on Consumer Finance in the 8th issue of MTBiz in 2015 (see the QR code on page 04), which is available on the website of Mutual Trust Bank Limited.

GROWTH OF CONSUMER FINANCE

Consumer finance has been pushing its boundaries to have a greater market share for last couple of years. In last four years, on an average, 8% market share was held by the consumer finance. In 2013, the market share was 7% which increased to 9% in 2014 further fell down to 8% in each of the year 2015 and 2016.

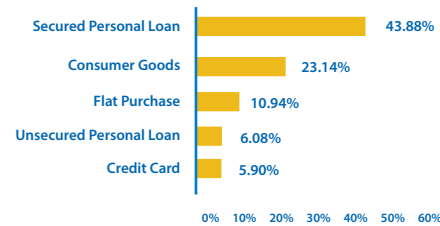
Consumer Finance Market Insights 2017

Consumer finance has shown 25% average year on-year rate of growth between 2013 and 2016 while the market experienced the highest rate (54.29%) between 2013 (Q4) and 2014 (Q4).

TOP 5 PRODUCTS IN 2017

Flat purchase, Consumer goods (TV, Freeze, Air Cooler, Computer, Furniture etc.), Unsecured personal loan, Secured personal loan and Credit card are the major five products in 2017, among the consumer finance products of all banks in Bangladesh.

Top 5 Consumer Finance Products 2017



As of date, Consumer Finance is categorized in four (04) major types, for example, Secured loans, Consumer goods, Credit card purchase and Transport loan.

Secured loans (Provident Fund, DPS, FDR etc. and other personal loans) lead the table possessing 35.21%, 41.03%, and 50.04% respectively in 2014, 2015 and 2016.

Consumer goods is the leading consumer finance product, holding about one-fourth of the product bucket, on an average, from 2014 to 2016.

Credit card based purchase has grown with an average growth of 6.16% from 2014 to 2016. Growing e-commerce and fin-tech hint a progressive growth in future.

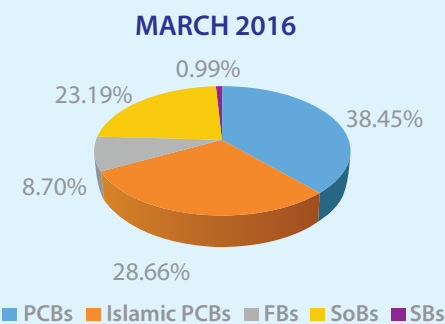
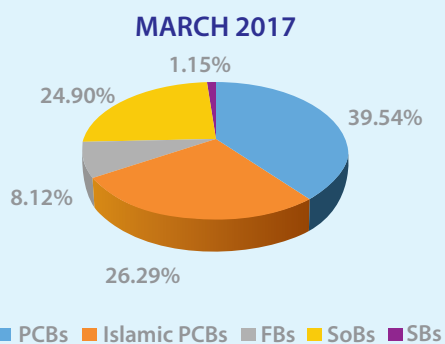
Transport loan (Motor car/Motor cycle etc.) has been very consistent in last three years (2014, 2015 and 2016) with a progressive trend.

MAJOR SHARE BY DIFFERENT BANK GROUPS 2017

Conventional private commercial banks (Mentioned as PCBs in the remaining part) hold major share (40%) followed by Islamic PCBs and state owned banks (SoBs), holding 26% and 25% respectively in 2017.

Between 2016 and 2017, shares of Islamic PCBs declined by 3% and that of foreign banks (FBs) declined by 1% while PCBs and SoBs added 2% each to their major shares and grew to 40% and 25% respectively.

CONSUMER FINANCE: MAJOR SHARE BY BANKS



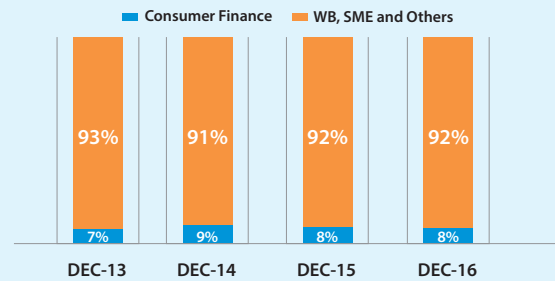
Source: Bangladesh Bank

MARKET CONCENTRATION BY BANKS 2017

PCBs maintain a wide array of products including Doctors Loan/Professional Loans, Flat Purchase, Transport loan (Motor car/Motor cycle etc.), Consumer Goods (TV, Freeze, Air Cooler, Computer, Furniture etc.), Credit Cards, Educational Expenses, Loan against PF, Personal Loan against DPS, MSS etc., and Other personal Loans.

Credit Cards (78.52%), Educational Expenses (86.04%), Loan against PF (84.65%) are the three products for which PCBs are the most dominant. It also leads the market of Flat Purchase, Transport loan, Consumer Goods (durables) by a large margin.

CONSUMER FINANCE VS. WB, SME & OTHER FINANCE



Source: Bangladesh Bank

FBs mostly concentrate on the life-style products namely, Treatment Expenses, Marriage Expenses, Travelling/ Holiday Loan where more than 60% of the product market is grabbed by them. FBs are market challengers for credit card category.

SoBs show the highest portfolio of Loan against Salary products taking about 61.80% of the product market. Land purchase portfolio is seen higher, for SoBs, than others.

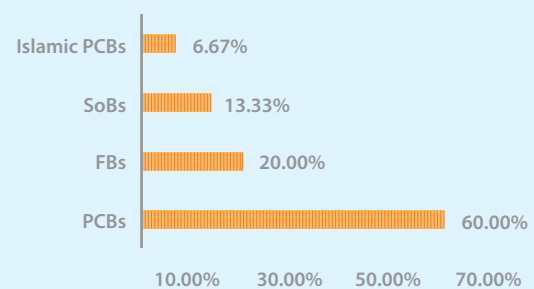
Islamic PCBs is the major leader for Personal Loan against FDR, MBS, DBS etc. holding 61.58% of the market.

Average gaps between major leaders and their closest competitors is 39.60%, which shows the other players room for growth.

MAJOR SHARE BY PRODUCTS 2017

PCBs dominate total basket of consumer finances (60%) by capturing major share in 09 products. FBs are next to PCBs with 20% of the product basket while FBs capture major share 03 products. That means, 80% of consumer finance products is held by PCBs and FBs with 12 products.

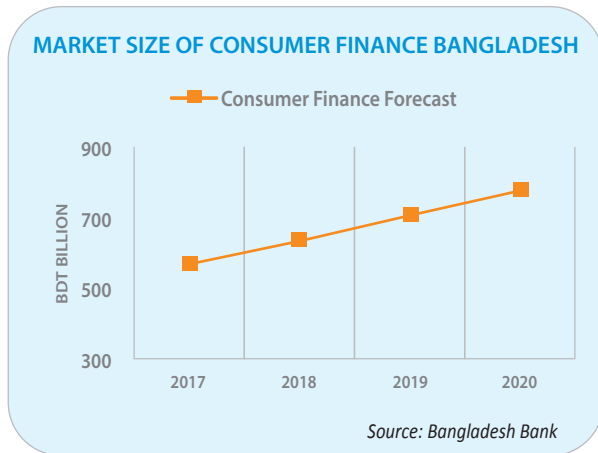
MAJOR SHARE OF PRODUCTS BY BANKS



Source: Bangladesh Bank

FUTURE MOVE OF THE MARKET

Consumer finance market in Bangladesh has grown from BDT 296 billion in 2013 to BDT 573.70 billion in 2017 (Q1) which shows a growth of 93.85%.



Consumer finance products hold 8% ~ 9% of total loans of the banking sector. Its growth rate indicates that, the banking industry will see a growth of consumer finance products at an average of 17% per year for next four years. Market size is expected to be between BDT 750 and BDT 820 billion (nominal) in 2020.

Banks and financial institutes can take more care of its Retail business in order to harvesting the marginal growth of the market pace. However, upcoming changes in political spheres, introduction of disruptive financial technology (payment gateway, payment apps etc.), both domestic and global are factors to shape the future market size of Retail.

Md. Saiful Islam
Group R&D, MTB

Market Size and Share of Consumer Finance Products in Bangladesh 2015 (previous report of the series)



Takeout for PCBs:

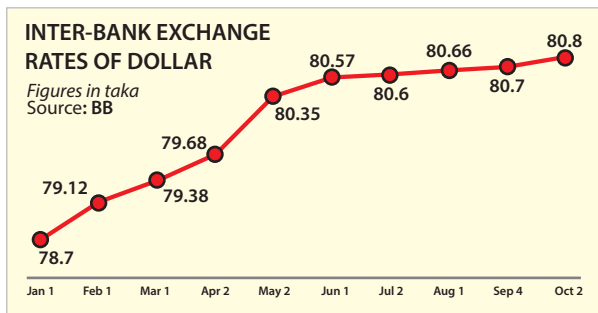
Islamic banks hold the major share (55%) of secured personal loans. This reduces credit risk. PCBs can devise strategy eyeing the credit risk-reducing, secured personal loans.

Local PCBs have the opportunity to grab market share in the category of 'Life-style Loan Products', mostly held (63.15%) by the foreign banks, which has a volume of BDT 1,550.30 million.

In 'Consumer Goods Loan', PCBs and IBs combinedly have 47.67% of market share with a volume of BDT 63 billion. PCBs have the opportunity to change the whole experience of retail by partnering with Consumer Goods manufacturer and making the pre-financing documentation faster.

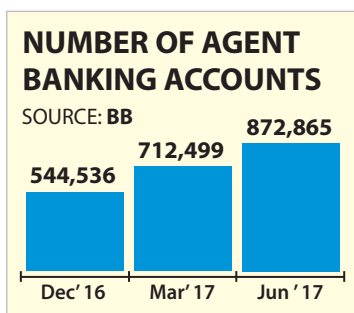
NATIONAL NEWS

BB jacks up dollar sales to keep exchange rate stable



Bangladesh Bank has already surpassed its fiscal 2016-17's sales figure of US dollar in the first three months of the current fiscal year as it scrambles to prevent the slide of the taka against the greenback. Falling remittance and a surge in imports have created a scarcity of the US dollar, which is mostly used in international transactions and, as a result, the world's primary reserve currency. From July 1 to October 5, the central bank has sold USD 199 million to banks. Last fiscal year, it sold USD 175 million and purchased USD 1.93 billion. On October 4, the inter-bank exchange rate of the US dollar stood at BDT 80.80, up from BDT 80.60 on July 2. An importer has to pay at least BDT 1 more than the inter-bank rate for making their payments. In the first two months of the fiscal year, letters of credit settlement, which gives a measure of the import growth, soared 31 percent year-on-year to USD 9.41 billion.

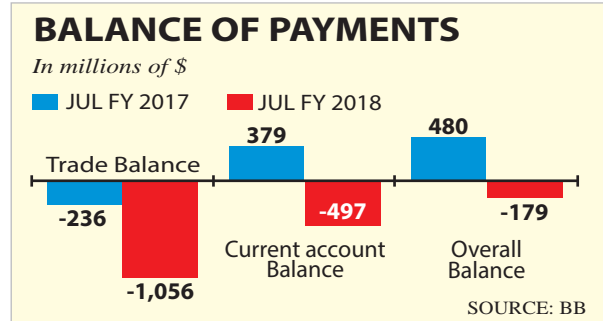
Agent banking accounts soar 60pc



About 3.3 lakh agent banking accounts were opened in the first half of the year, an increase of 60.18 percent thanks to the growing popularity of this new form of banking

service aimed at those living in remote areas across the country. At the end of June, the total number of agent banking accounts stood at 8.73 lakh, in contrast to 5.45 lakh at the end of December last year, according to data from the BB. In the first six months of 2017, seven banks have signed up for agent banking licence to take the tally to 17. Of the 17 banks, 12 are already running their own agent banking operations, with one in the process of rolling out their service.

BoP hits deficit for first time in 16yrs

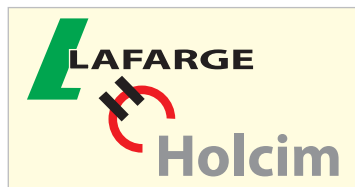


Bangladesh's balance of payments entered the negative territory for the first time in 16 years in July on the back of a wide mismatch in trade. The overall balance was USD 179 million in the deficit in the first month of fiscal 2017-18 against USD 480 million in the surplus a year earlier. The last time the overall balance was in the negative was back in fiscal 2000-01, when it was USD 281 million in the deficit for the whole fiscal year. The current account balance also traversed to the negative territory for the first time in four years in fiscal 2016-17. However, Bangladesh Bank projects that the overall balance will be USD 2.35 billion in the surplus at the end of the fiscal year, but the current account deficit will reach USD 2.72 billion. In July import soared 47 percent, whereas a year earlier it crept up only 2.99 percent. As the trade deficit made a big jump, so did the current account deficit, which reached USD 497 million in the first month of fiscal 2017-18 in contrast to USD 379 million in the surplus a year earlier.

Banks' CSR spending up 15.84pc in H1

Banks' CSR expenditure increased by 15.84 per cent to BDT 326.22 crore in the first half of this year from BDT 281.59 crore during the corresponding period a year ago, according to a recent Bangladesh Bank report. The banks and NBFIs will have to use 30 per cent of total CSR expenditure in the education sector for the underprivileged population, according to the central bank circular. Banks' CSR expenditure in the educational sector, however, increased to BDT 126.75 crore in the January-June period of this year from BDT 84 crore in the same period of 2016. The banks and NBFIs are supposed to allocate at least 20 per cent of their CSR fund for preventive and curative healthcare support assistance for underprivileged population segments. The banks spend BDT 496.75 crore in their CSR programmes in 2016 and BDT 527.81 crore in 2015.

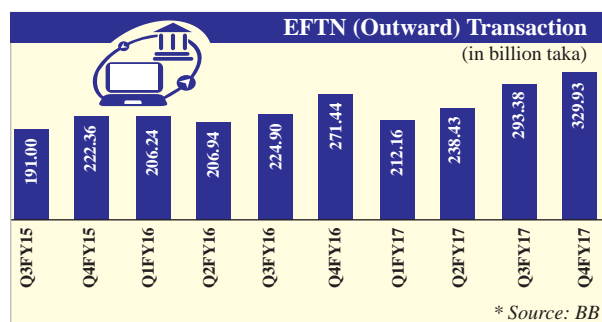
BB okays share transfer of Lafarge, Holcim for merger



Bangladesh Bank has approved transfer of entire shares of Holcim Cement Bangladesh to

Lafarge Surma Cement Bangladesh as part of the entities' global merger while the amount the central bank granted for repatriation was almost half the two companies had agreed. Lafarge informed that the Bangladesh Bank with a letter to Standard Chartered Bank, the authorised dealer of the company, approved transfer of 88,244 shares of HBL. Bangladesh Bank approved remittance of BDT 5,047.81 million which, as of September 17, 2017 exchange rate published by Bangladesh Bank, is equivalent to USD 62.52 million. The valuation of 88,244 shares of HBL was agreed between the parties as USD 117 million while the central bank gave approval of USD 62.52 million. On November 2, 2016, the board of directors of Lafarge Surma had agreed to buy 100 per cent shares of HBL from Holderfin BV with a consideration of USD 117 million. On January 31, 2017, the shareholders of LafargeHolcim Bangladesh Ltd approved the terms and conditions of the SPA, subject to approval from Bangladesh Bank in respect of remittance of the consideration.

BB raises NRBs' home loan debt-equity ratio to 75:25



Outward electronic fund transfer or EFTN stood at BDT 1063.92 billion during the past fiscal year (FY17), according to the latest statistics of the central bank. The amount was BDT 909.53 billion in the previous fiscal year (FY16). Thus, outward EFTN posted around 17 per cent growth in the past fiscal year. The number of outward EFTN transactions stood at 4.08 million in the past fiscal year. The central bank statistics also showed that in May of this year, the value of EFTN was recorded at BDT 110.80 billion which is the highest in a single month so far.

BB's refinancing fund for jute gets huge response



The refinancing scheme of Bangladesh Bank for jute sector has drawn a huge response from borrowers as banks have already disbursed BDT 343.22 crore revolving loan since its launch in June 2014. BB launched the refinancing scheme with a fund of BDT 200 crore in 2014 to support jute sector for bringing back its glorious past. Eighteen private and public commercial banks were nominated for channelling the fund to the public and private jute mills, raw jute traders and exporters. The central bank allocated BDT 77.63 crore for public jute mills, BDT 93.67 crore for private jute mills and BDT 28.70 crore for raw jute traders and exporters at 5 per cent interest rate to the banks. The banks initially disbursed BDT 70.83 crore to the public jute mills, BDT 84.50 crore to the private jute mills and BDT 19.90 crore to the jute mills and raw jute traders and exporters. The banks recovered BDT 237 crore and the present balance of the scheme is BDT 93.85 crore. Under the BB's scheme, banks are allowed to charge 9.0 per cent interest rate for the raw jute purchasing purpose.

Remittance inflow to rebound in FY18: BB

The flow of remittance in the country is expected to rebound in the current fiscal (2017-18) as Bangladesh Bank (BB) has taken measures to streamline legal channel for encouraging NRBs to send home money. As part of its move to plug in the informal channel, the central bank has already put some mobile banking operators under close supervision, Deputy Governor of the BB Abu Hena Mohammad Razeen Hassan told. There was a falling trend in the inflow of remittances since fiscal year 2014-15. At the beginning of fiscal year 2017-18 expatriates sent home USD 1,115.57 million in July, up by USD 110.06 million from the corresponding month in the previous fiscal 2016-17 (FY17), according to the BB data. Migrant workers sent USD 712.03 million in the first 18 days of August in FY18, which was USD 24.77 million up from the same period of the previous fiscal.

NATIONAL NEWS

NBR, IFC team up to facilitate trade



National Board of Revenue, Bangladesh
জাতীয় রাজস্ব বোর্ড, বাংলাদেশ



The International Finance Corporation has struck an agreement with the National Board of Revenue to provide technical assistance to the tax administrator in order to help improve Bangladesh's trade competitiveness. Md Nojibur Rahman, chairman of the NBR and Wendy Jo, IFC's country manager for Bangladesh, signed the deal at the Pan Pacific Sonargaon hotel in Dhaka. The three-year advisory project titled "Trade competitiveness for export diversification" will be implemented as part of the Bangladesh Investment Climate Fund II, financed by the United Kingdom Department for International Development (DFID) and implemented by the IFC. Bangladesh, with its export-led growth, aims to raise trade-to-GDP ratio from 42 percent to 50 percent, by way of increasing export receipts to USD 54 billion by 2020, from USD 34 billion now. Estimates suggest that Bangladesh would have been able to export USD 5.6 billion more over the past five years if the current trade policy reform trajectory had been fast-paced. Furthermore, modern customs and border clearance procedure can decrease the cost of trading by 14-17.5 percent.

BPGMEA, JICA sign MoU for promoting plastic sector



The Japan International Cooperation Agency (JICA) will continue to assist Bangladesh Plastic

Goods Manufacturers and Exporters Association (BPGMEA) for promoting the plastic sector in Bangladesh. In this regard, BPGMEA and JICA signed a Memorandum of Understanding (MoU) at a programme held at BPGMEA conference room in the capital recently. BPGMEA president Md Jashim Uddin and Component Leader of JICA Project Keisuke Sugiyama attended the MoU signing ceremony. JICA adopted "Promoting Investment and Enhancing Industrial Competitiveness in Bangladesh". Japan-based development consulting firm UNICO International Corporation is implementing one of the three components of the project and the component-3 involves cooperating the Ministry of Industries and its agencies for development of light engineering and plastic sector in Bangladesh.

BGMEA signs pact for green production



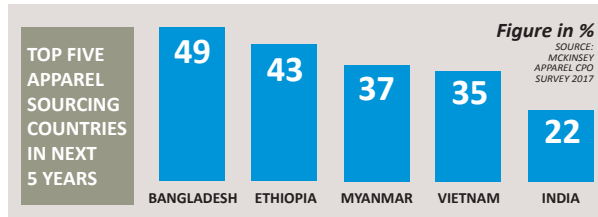
The International Finance Corporation recently signed an agreement with the Bangladesh Garment Manufacturers and Exporters Association to implement the second Partnership for Cleaner Textile (PaCT) in the garment and textile sector. Under the PaCT programme, which was launched in 2013, garment and textile makers are advised to adopt modern technologies in factories and changing attitudes to reduce water and energy consumption in the next four years. Wendy Jo Werner, IFC's country manager and Siddiqur Rahman, BGMEA's president, signed the agreement on behalf of their respective sides at the Radisson Hotel in Dhaka to implement the PaCT in 250 spinning, dyeing and finishing units. The IFC will spend USD 7 million for implementing the second phase of the programme. The first one was implemented in 215 factories at a cost of USD 11 million. The PaCT is the largest textile-based resource efficiency programme in the world, said Alexios Pantelias, manager of energy and water advisory services of the IFC, the World Bank Group's arm that lends to the private sector.

GE to supply equipment for 220MW Bhola power plant

GE (NYSE: GE) announced that it has been selected by the Shapoorji Pallonji Group (SP Group) to supply the power generation equipment for the upcoming 220 megawatt (MW) combined cycle power plant in Bhola district of Bangladesh. This will be GE's second power plant in Bhola of the same capacity with the first being commissioned in 2015. The plant is being developed by the SP Group as an Independent Power Producer (IPP). The power plant will operate on dual-fuel technology using natural gas as the primary fuel and diesel as the back-up fuel and is expected to achieve commercial operations by December 2019. The project will result in supplying the equivalent power needed to provide electricity to 200,000 homes in Bangladesh. The SP Group has signed a 22-year Power Purchase Agreement with Bangladesh Power Development Board (BPDB). By winning the deal GE continues its regional leadership in delivering innovative technologies and state-of-the-art equipment to its power generation customers in South Asia, strengthening GE's installed base in India, Bangladesh and Sri Lanka.

NATIONAL NEWS

RMG shine to stay



Bangladesh will remain the apparel sourcing hotspot for international retailers and brands over the next five years because of competitive prices and China's declining market share in garment business, says a global survey. McKinsey & Company, the world's most prestigious management consultancy firm, prepared the biennial survey based on interviews of chief purchasing officers (CPOs) of top 63 global garment retailers and brands that buy apparel items worth USD 137 billion a year. "Bangladesh retains the top spot, selected by nearly half of all respondents -- similar to its rating in 2015," it said. In the survey titled "The apparel sourcing caravan's next stop: Digitization", 49 percent CPOs said Bangladesh is still their first choice as sourcing destination while 43 percent opted for Ethiopia, 37 percent for Myanmar, 35 percent for Vietnam and 22 percent for India. Being the second largest apparel exporter worldwide after China, Bangladesh exported garment items worth USD 28.14 billion in the last fiscal year, registering 0.20 percent year-on-year growth.

Midland Power to complete 150mw plant at Ashugonj

MIDLAND POWER For implementation of 150mw hfo-fired power plant at Chorchar Tola, Ashugonj, Midland East Power Ltd, an associate company of Shahjibazar Power Co. Ltd through Midland Power Co. Ltd has signed an EPC contract with the consortium of CRRC ZIYANG CO. LTD & Green Power Ltd at Le Meridien Dhaka recently. Md. Shahriar Alam, MP State Minister, Ministry of Foreign Affairs was present as the chief guest on the occasion while Jiang Taihong - GM on behalf of CRRC and Rezakul Haider - Director on behalf of Midland East Power Co. Ltd signed the contract. KM Rezaul Hasanat (Chairman), Ahasan Kabir Khan (Director), Badiul Alam (Director), Md. Shamsuzzaman, Faridul Alam (Director), Asgar Haider, Engr. Md. Shariful Islam (GM), Shaikh Ehsanul Habib (Managing Director Green Power Ltd) and Ali Reza Iftekhar (Managing Director, Eastern Bank Ltd) along with other high officials were present on the occasion.

ADP sees 5.51pc execution in first two months



The implementation rate of Annual Development Programme (ADP) has improved in the second month of current fiscal year even though it appeared somewhat gloomy in the first month. ADP implementation reached 5.15 percent with an expenditure of BDT 8,457 crore during the July-August period of 2017-18FY, up from 3.86 percent or BDT 4,756 crore spending in the same period last year, suggest latest IMED figures. Of the two months' expenditure, BDT 5,478 crore or 5.74 percent was spent from GoB fund and BDT 2,217 crore or 3.67 percent from project assistance (PA) outlay, Kamal informed. About BDT 761 crore spending of autonomous corporations was also included in the ADP figure, which is 9.34 percent of the public corporations' total annual spending plan. In the current fiscal year, the government has picked up a BDT 1,64,085 crore ADP outlay, where local resource's share is about BDT 96,331 crore, PA's share BDT 57,000 crore and BDT 10,753 crore from corporations' own resources.

CSE signs MoU with Stock Exchange of Thailand

Chittagong Stock Exchange (CSE) and The Stock Exchange of Thailand (SET) signed a memorandum of understanding (MOU) in the sideline of Annual assembly meetings of World Federation of Exchanges (WFE) in Bangkok. The purpose of this MOU is to promote knowledge and expertise sharing regarding the products and services of the Exchanges' securities markets and to encourage cooperation between the Exchanges. M. Shaifur Rahman Mazumdar, Managing Director of CSE and Ms. Kesara Manchusree, President of SET signed MOU on behalf of their respective Exchanges. CSE Chairman Dr. A. K. Abdul Momen and First Secretary of Bangladesh Embassy in Thailand Md. Nazmul Haque were present during the signing ceremony. The areas of cooperation highlighted in this MOU are such -Sharing and exchange of information, Training and employee exchange program, Knowledge sharing on Exchange products and services, Cooperation for exploring investment and business opportunities, including development of new products and services and Cooperation in any other areas.

NATIONAL NEWS

ADB for national green financing vehicles



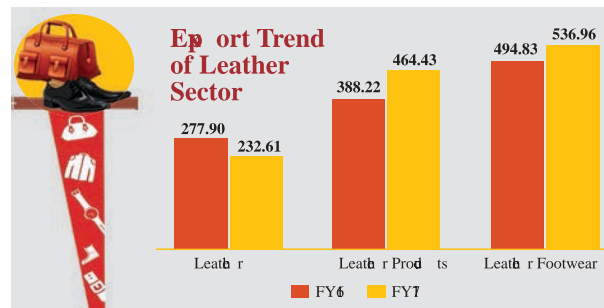
The Asian Development Bank (ADB), in a report launched recently has proposed the creation of national green financing vehicles to catalyse environmentally and

financially sustainable infrastructure investments in Asia and the Pacific. The report, titled Catalysing Green Finance: A Concept for Leveraging Blended Finance for Green Development, highlights the constraints for developing a large pipeline of bankable green infrastructure projects and calls for an integrated approach to transforming country's financial systems, said an ADB press release. The report outlines the concept of a Green Finance Catalysing Facility (GFCF), which would serve as a model for countries to create their own financing vehicles and implementing mechanisms. This would leverage public funds and policies to catalyse a blend of financing from private sources for increasing green infrastructure investments. Mobilising additional funds from the capital markets is a major objective of these vehicles. Public funds would be used as risk mitigators to create bankable projects and crowd in private funds, technology, and efficiency improvements.

WB gives USD515m for healthcare project

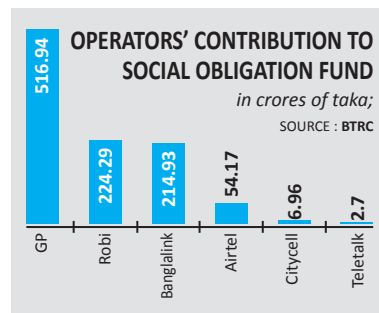
The World Bank has joined a USD 14.7 billion project in Bangladesh's healthcare sector as part of the Washington-based multilateral lender's efforts to bring about qualitative social development in the country. The WB will provide USD 515 million for the project. Economic Relations Division Secretary Kazi Shofiqul Azam and World Bank Country Director for Bangladesh, Bhutan and Nepal Qimiao Fan signed an agreement in this regard at the planning ministry. Health Minister Mohammad Nasim, State Minister for Health Zahid Maleque and State Minister for Finance and Planning M Mannan were also present. The Health Sector Support Project will contribute to the government's fourth health sector programme and support strengthening the country's health system. It will also help in improving quality and coverage of essential services and enhancing equity, in particular, through a focus on service improvements in Sylhet and Chittagong divisions, where key health indicators are below national averages, the WB said. The financing will contribute to the government's USD 14.7 billion (BDT 115,486 crore) health sector programme.

BD ranks 8th in leather products export



Bangladesh is the eight largest exporter of the leather products in the world, according to an estimation of the International Trade Centre Trade Map. Country's share in the world market was estimated at 0.60 per cent in 2015 when net export from the country stood at USD 852.21 million. Export Promotion Bureau (EPB) data, however, showed that annual export value for leather and leather products stood at USD 1234 million in the past fiscal year (FY17). Of the total export, USD 232.61 million originated from the export of leather only while USD 464.43 million came from pure leather goods. Export earnings from leather footwear stood at USD 536.96 million in FY17.

Social obligation fund from telcos crosses BDT 1,200cr



The social obligation fund from the telecom operators reached BDT 1,206.84 crore as of June this year, but the government is yet to decide how to make best use of

the money. Of the amount, BDT 1,019.99 crore came from six mobile operators in the last six years and BDT 186.86 crore is added to the fund as bank interest. Bangladesh Telecommunication Regulatory Commission (BTRC) introduced the fund in November 2011 when four mobile operators renewed their licences. The government should set a collection target for the fund, as it cannot continue forever, industry insiders said. Market leader Grameenphone gave BDT 516.94 crore to the obligation fund, which is more than half of all operators' total contribution. Citycell, which has recently been shut down, handed over BDT 6.96 crore to the fund as of December 2016. However, the state-run Teletalk has so far contributed only once, which was BDT 2.7 crore for the July to December period of last year.

NATIONAL NEWS

Remittance earning hits one-year high



The inward remittance inflow has marked a rise after a declining trend for over one year as the country received

USD 1.4185 billion from the expatriates in August last. In July, the country's remittance earning was USD 1.115 billion. As per Bangladesh Bank's latest data, the remittance inflow crossed the benchmark of USD 1.4 billion in August after maintaining an average USD 1.1 billion mark throughout the years of 2015 and 2016. In June 2016, the country received USD 1.465 billion and since then the remittance took a downward trend. Bangladesh Bank statistics show six state-owned commercial banks -- Agrani, Janata, Rupali, Sonali, BASIC and BDBL received USD 395.15 million from expatriate Bangladeshis while two state-owned specialised banks -- BKB and RAKUB -- got USD 11.76 million. The maximum remittance came through private commercial banks as they received USD 998.81 million while the nine foreign banks USD 17.11 million. Among the private commercial banks, Islami Bank Bangladesh Limited (IBBL) topped the chart as it received USD 304.96 million followed by Dutch-Bangla Bank's USD 75 million.

Export to Italy reaches USD 889m in Jan-July



Country's merchandise export to Italy reached USD 889 million in the first seven months of the current calendar year, the latest

statistics of the Export Promotion Bureau (EPB) revealed the data. It also showed that export to Italy stood at USD 767 million in January-June period or the first half of 2017 and the value stood at USD 122 million in the month of July this year. Bangladesh is enjoying tariff-free access to Italian market under the European Union's (EU) Generalized System of Preference scheme, which is also known as Everything But Arms (EBA) scheme. Bangladesh's annual export to Italy in the past fiscal year stood at USD 1462.95 million. Italy was the 13th largest importer of the world in 2016, according to the latest statistics of the World Trade Organization (WTO).

Bangladesh looking to sign Free Trade Agreement with Turkey



Last fiscal year, Bangladesh exported USD 631.63 million worth of goods to Turkey; while Bangladesh imported goods and services worth USD 212.30 million from Turkey. A MoU for Free Trade Agreement (FTA) was signed with Turkey at the Turkey-Bangladesh Business Forum – 2017. FBCCI's First Vice President Sheikh Fazle Fahim and Turkish Exporters' Assembly member of sector council Basaran Bayrak signed the agreement. Speaking at the forum, Commerce Minister Tofail Ahmed said: "Bangladesh is very interested to sign the FTA with Turkey which will increase trade and commerce. According to data from Export Promotion Bureau (EPB), in the last fiscal year, Bangladesh exported USD 631.63 million worth of goods to Turkey; while Bangladesh imported goods and services worth USD 212.30 million from Turkey. The bilateral trade between the two countries is currently worth 843.93 million. The signing of the FTA would help boost the export of RMG, pharmaceuticals, frozen fish, dry food, jute and jute products, leather, plastic and ceramic products, ship building and light engineering products to Turkey.

GDP base year going to be revised

The government is going to rebase and revise the GDP base year to 2015-16 from the existing 2005-2006, incorporating many more emerging areas of economic activity into the GDP calculation. Once measured according to the new base, the country's GDP size and per capita income will go up, officials at the Bangladesh Bureau of Statistics (BBS) said. In 2013, the base year was changed from 1995-96 to 2005-06. The size of GDP at current market price in the last fiscal year was BDT 19,560,557 million which was BDT 17,328,637 million in the fiscal year '16. The BBS, tasked with the job, has already framed a project to rebase the GDP base year titled 'Modernisation of National Accounts Statistics Project' with an estimated cost of BDT 11.02 crore to be entirely borne from the national exchequer. The Executive Committee of the National Economic Council (EcneC) in its meeting was apprised about the project. The BBS will implement the project by June 2020.

MTB DONATES BDT 30 MILLION TO THE PRIME MINISTER'S RELIEF FUND

Mutual Trust Bank Limited (MTB) Chairman, M. A. Rouf, and Director, Md. Wajiduddin are seen handing over a cheque of BDT 30 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina for the Prime Minister's Relief Fund to help the flood affected people of the country, at a simple ceremony held at Gana Bhaban in Dhaka 1207 on Wednesday, August 23, 2017.



MTB, IFC & FMO TO FINANCE USD 36 MILLION FOR BENGAL HOTELS AND RESORTS LIMITED (BHRL)



MTB, as the lead arranger, has recently closed a syndicated term loan deal of USD 36 million for Bengal Hotels and Resorts Limited (BHRL), a company of Bengal Group, at a ceremony held in a city hotel on Wednesday, September 27, 2017. Under the syndication agreement, International Finance Corporation (IFC), The World Bank Group and FMO, the Dutch government development financing organization, will jointly finance the construction and development of a 350 room business hotel under 'Swiretel' brand, located on the Tejgaon-Gulshan Link Road, Dhaka.

The event was graced by Patrick J Leahy, Regional Industry Head, Manufacturing, Agribusiness & Services and Wendy Werner, Country Manager (Bangladesh, Bhutan and Nepal), IFC, Morshed Alam, MP, Chairman, Bengal Group of Industries, M. A. Rouf, Chairman and Anis A. Khan, Managing Director & CEO, MTB.

MTB NEER, A SEMI-PUCCA PROPERTY FINANCING SOLUTION LAUNCHED



MTB has launched 'MTB NEER', a new retail product for working people residing in the urban and suburban areas of the country. 'MTB NEER' was launched by Anis A. Khan, Managing Director & CEO, MTB at a simple ceremony held on Tuesday, August 22, 2017 at MTB Centre, Gulshan 1, Dhaka 1212.

'MTB NEER' is an Equated Monthly Installment (EMI) based loan facility. Applicants can obtain the product from any of the bank's 111 branches located across the country for construction, expansion or renovation of semi-pucca houses for a limit of maximum BDT 4.0 million.

6TH MTB BRAVERY & COURAGE AWARD 2017

MTB presented the 6th "MTB Bravery & Courage Award 2017" to Late Nabi Hoain (posthumously) for saving people of his locality by alerting them about the landslide in Rangamati, at a simple ceremony held on Thursday, August 17, 2017 at Chittagong Club, Chittagong 4000.

Nabi Hoain, a driver by profession, saved most of his community people by alerting them about the landslides that claimed 120 lives on June 13, 2017. Unfortunately, he could not save his wife and daughter and finally succumbed to death due to injuries sustained in the landslide.

The bank has been recognizing outstanding acts of bravery since introducing the award in 2012.



INAUGURATION OF MTB 24/7 ATM AT PALLABI, MIRPUR



MTB has opened its 236th 24/7 ATM Booth at Pallabi, Dhaka 1216 on Sunday, August 27, 2017. Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO) inaugurated the ATM booth.

Tarek Reaz Khan, Head of MTB SME and Retail Banking, Mohammad Anwar Hoain, Head of MTB Card Division and Azam Khan, Group Chief Communications Officer along with other MTB senior officials were present at the inauguration ceremony.

MTB AIR LOUNGE INAUGURATED AT HAZRAT SHAHJALAL INTERNATIONAL AIRPORT



MTB inaugurated its Air Lounge at Hazrat Shahjalal International Airport (HSIA), Dhaka with a view to providing MTB customers with greater comfort and convenience when travelling in and out of the country. Rashed Khan Menon, MP, Honorable Minister for Civil Aviation and Tourism, inaugurated the Air Lounge on Friday, September 29, 2017 at a ceremony held at the premises of MTB Air Lounge, HSIA.

Air Vice Marshal M. Naim Hassan, BBP, OSP, afwc, psc, Chairman, Civil Aviation Authority of Bangladesh (CAAB), M. A. Rouf, JP, Chairman, Syed Manzur Elahi, Founding Chairman, Rashed A. Chowdhury, Former Chairman and Director, Anis A. Khan, Managing Director & CEO, MTB, Fahad Karim, CEO, Karim Associates and other senior government and bank officials were also present at the inauguration ceremony.

The Civil Aviation Minister, in his address, congratulated MTB on launching this value-added service and expressed his satisfaction with the bank joining the government's efforts to improve customer service at HSIA, Dhaka. MTB Chairman, M. A. Rouf, JP, in his speech, stressed on the importance of quality service in alignment with MTB's vision (**MTB 3V!**) to become a world class bank.

MTB CUSTOMER GET-TOGETHER HELD AT CITIES IN THE KSA



Customer get-together at Riyadh on June 15, 2017



Customer get-together at Jeddah on June 16, 2017



Customer get-together at Makkah on June 17, 2017



Customer get-together at Madina on June 17, 2017

MTB held a customer get-togethers at four major cities of the Kingdom of Saudi Arabia (KSA) for its valued customers. MTB Additional Managing Director & Chief Operating Officer, Md. Habem Chowdhury expressed his gratitude to the customers for choosing MTB as their preferred bank in remitting their hard earned money. He further described the cutting edge banking products and services MTB offers both at home and abroad.

Officials of the Embassy of Bangladesh in KSA, community leaders, renowned remitters, press and media, and a large number of NRBs (Non Resident Bangladeshis) made the events lively with their active and positively participation.

MTB INKS DEAL WITH TITAS



MTB has signed an agreement with Titas Gas Transmission & Distribution Company Limited (Titas) for settling its metered and non-metered gas bills at a simple ceremony held at Titas Gas Bhaban, Karwan Bazar, Dhaka 1215 on Thursday, September 14, 2017. Under this agreement, subscribers of Titas can pay their gas bills at any of the 111 MTB branches across the country.

Md. Musaque Ahmed, Company Secretary, Titas and Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer (CBO), MTB signed the agreement

on behalf of their respective organizations. Engr. Mir Mubair Rahman, Managing Director (Current Charge), Sanjar K. Das, Director (Finance), Titas and 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.

FIVE (05) MTB AGENT BANKING CENTRES INAUGURATED



Tarail Bazar, Kabiiani, Gopalganj 8130
Inaugurated on: Thursday, August 24, 2017



Taltola Bazar, Sonargaon, Narayanganj 1400
Inaugurated on: Monday, August 28, 2017



Badalgabi Bazar, Naogaon 6570
Inaugurated on: Monday, September 18, 2017



Dhamoirhat Bazar, Naogaon 6580
Inaugurated on: Tuesday, September 19, 2017



Durgadho Bazar, Jorhat 5900
Inaugurated on: Tuesday, September 19, 2017



MTB has inaugurated five (05) Agent Banking Centres during the months of August and September. Madan Mahan Karmakar, Head of Agent Banking Department and Azam Khan, Group Chief Communications Officer, MTB inaugurated the Centres Managers of nearby MTB branches other MTB senior officials members of local business associations dignitaries existing and prospective customers and people from different strata were present at the events.

NATIONAL NEWS

Golam Faruque new MD of SBAC Bank



Md Golam Faruque has recently been promoted to Managing Director & Chief Executive Officer (CEO) of South Bangla Agricultural and Commerce (SBAC) Bank. Prior to the appointment, he was serving as Senior Additional Managing Director of the same bank. He also served as Managing Director, Rajshahi Krishi Unnayan Bank; Deputy Managing Director (DMD), Janata Bank and DMD, Bangladesh Krishi Bank.

UCB gets new AMDs



Mohammed Shawkat Jamil has recently been promoted to Additional Managing Director of United Commercial Bank. Prior to the promotion, he was serving the bank as Deputy Managing Director of the bank. Jamil started

his career as a probationary officer in 1983.



Arif Quadri has been promoted to Additional Managing Director of United Commercial Bank Limited. Prior to the promotion, he was serving the bank as Deputy Managing Director. With over 33 years banking experience, Quadri

started his career as probationary officer in the then AB Bank Limited in 1984.

BKB gets new MD



Mohammad Ismail Hossain has recently joined Bangladesh Krishi Bank (BKB) as Managing Director (MD). Prior to his new assignment, he was the DMD of Agrani Bank Limited. Ismail Hossain started his banking career in ICB as Senior

Officer in 1983.

Trust Bank gets new AMD



Faruq Mainuddin Ahmed joined Trust Bank Limited as Additional Managing Director. Prior to joining Trust Bank, Ahmed was the Additional Managing Director of The City Bank and also worked as Deputy Managing Director of

Mercantile Bank. He started his career with AB Bank as probationary officer in 1984.

Sonali Bank gets new DMD



Mohammad Jahangir Alam has joined Sonali Bank as its Deputy Managing Director. Prior to the appointment, he served as General Manager of the local office of Rupali Bank. Mohammad Jahangir Alam joined Rupali Bank

as senior officer on probation in 1986.

কৃষি ঋণ প্রদান

স্কুদ ও মাঝারি ঋণ প্রদান

ইন্টারনেট ও এসএমএস ব্যাংকিং



হাতের কাছে সব সময়

ডেবিট ও ক্রেডিট কার্ড প্রসেসিং

স্মার্ট কার্ড ফি গ্রহণ

স্কুল ব্যাংকিং

বিস্তারিত জানতে

০১৭১১৪৩৮৪১০

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মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

Mutual Trust Bank Ltd.

you can bank on us



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us



আমার প্রথম EASY PAYMENT CARD

ডিজিটাল পেমেন্ট এখন সবার জন্য



আজীবন ফ্রি কার্ড

যেকোনো অনলাইন
কেনাকাটার জন্য
ইন্সট্যান্টলি রেডি

কোনো বাড়তি ঝামেলা
ছাড়াই কার্ড ইস্যু

দেশজুড়ে ১,৭০০+
আউটলেটে থাকছে
বিশেষ ডিসকাউন্ট ও
প্রিভিলেজ

বাংলালিংক
ওয়েব/অ্যাপ থেকে
ক্রয়ের উপর থাকছে
ইন্টারনেট বোনাস

৩০,০০০+ মাস্টার কার্ড
সেলস পেমেন্ট এবং
৭,০০০+ এটিএম-এ
ব্যবহার করা যাবে

* নির্দিষ্ট বাংলালিংক গ্রাহকের জন্য প্রযোজ্য

বিস্তারিত জানতে ভিজিট:

<https://www.banglalink.net/en/personal/digital-services/mobile-financial-services/easy-payment-card>

ওয়েলকাম প্যাকে থাকছে দেশের সেরা ৩টি ই-কমার্স সাইটে
৳১,৫০০++ মূল্যের ডিসকাউন্ট ভাউচার

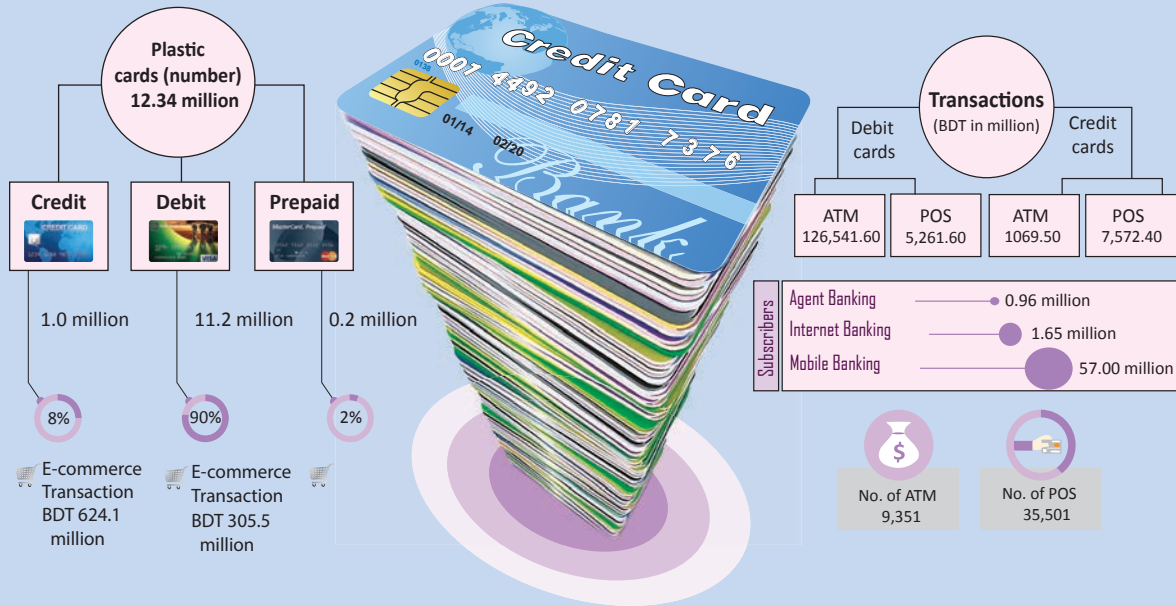
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Chaldal.com

pickaboo.com

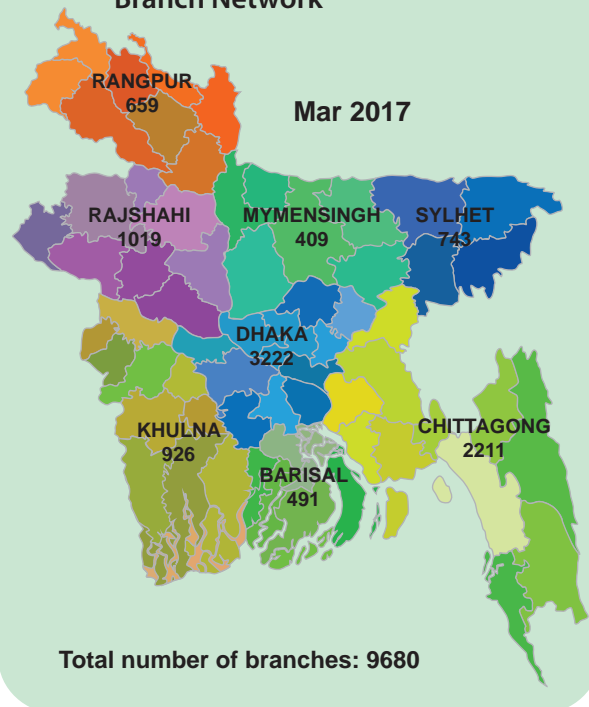


Digital Payments



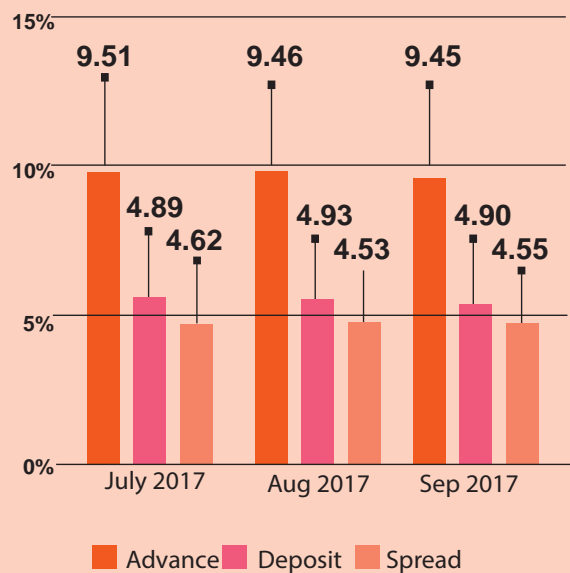
Source: Bangladesh Bank, Aug 2017; BTRC, Sep 2017

Scheduled Banks Branch Network



Industry Rates

Deposit - Advance - Spread



Source: Bangladesh Bank

Global



Rice
USD 444.68 / metric ton
June 2017



Palm Oil
USD 621.18 metric ton
June 2017



Sugar
USD 613.49 / metric ton
June 2017



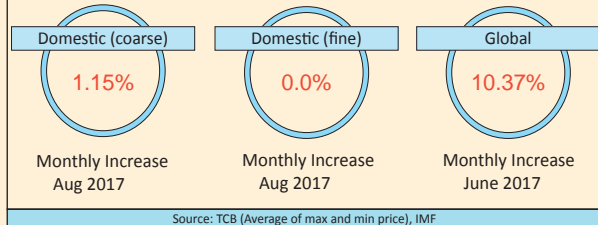
Soybean Oil
USD 704.83 / metric ton
June 2017

Source: IMF

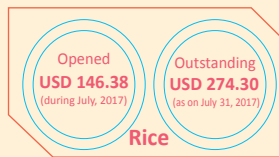
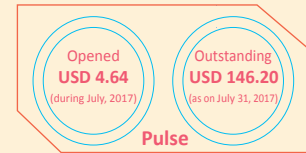
Weekly Rice BDT/KG

| Year 2017 | Aug 19 | Aug 20 | Aug 21 | Aug 22 | Aug 23 | Aug 24 | Aug 25 |
|-------------|--------|--------|--------|--------|--------|--------|--------|
| Rate (Avg.) | 44.00 | 44.00 | 44.00 | 44.00 | 44.00 | 44.00 | 44.00 |

Monthly Price Change (%)



Import L/C (in million) Bangladesh



Source: Bangladesh Bank

Domestic



Rice (fine)
BDT 55.40 per kg
Aug 2017



Palm Oil
BDT 71.00 per kg
Aug 2017



Sugar
BDT 58.80 per kg
Aug 2017



Rice (coarse)
BDT 43.90 per kg
Aug 2017

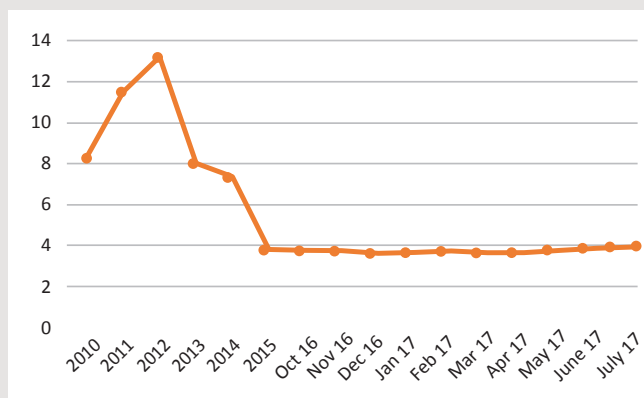


Soybean Oil
BDT 85.00 per kg
Aug 2017

Source: TCB (Average of max and min price)

Call Money Market

W. Avg Interest Rate (%)



Source: Bangladesh Bank

Monetary Policy

95.50%

Domestic Credit

99.28%

Private Sector Credit

75.78%

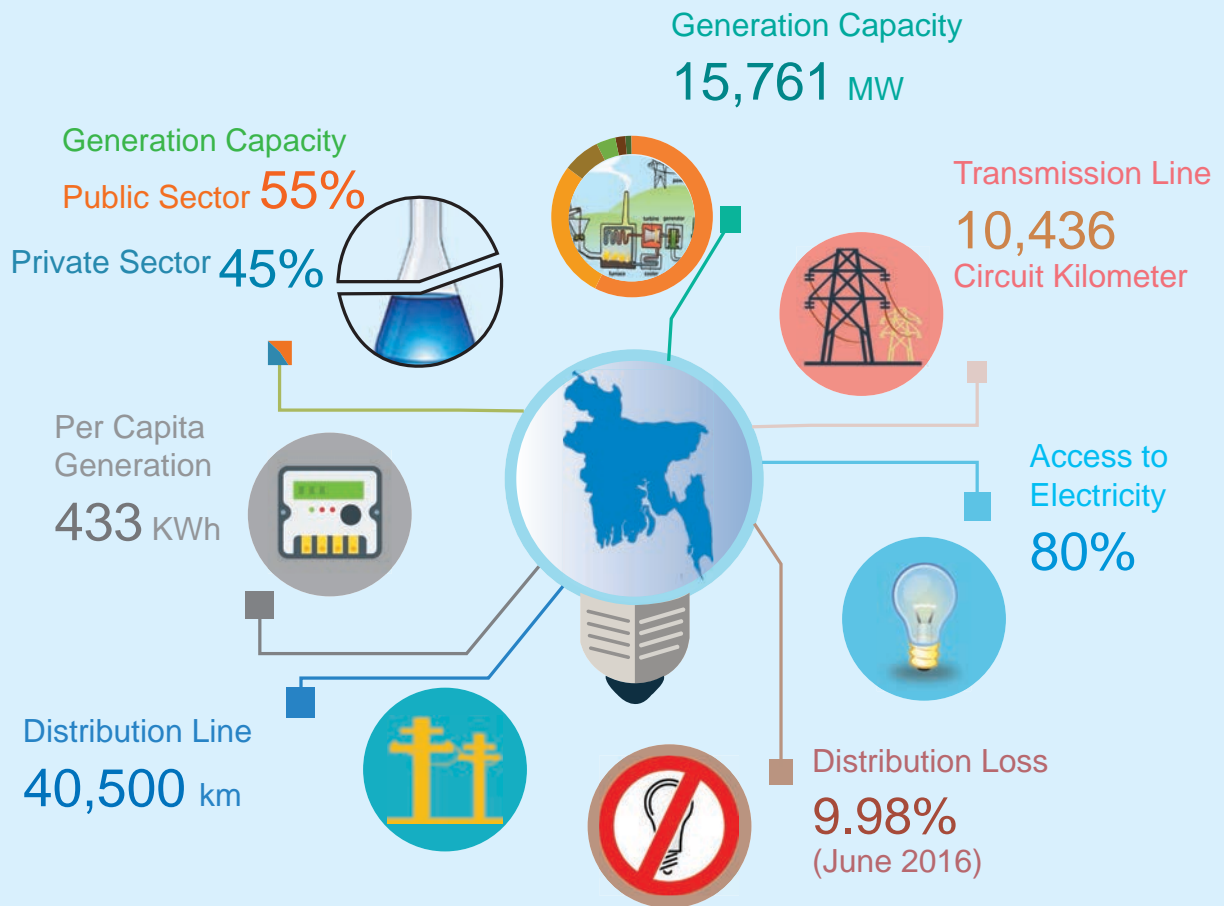
Public Sector Credit

96.00%

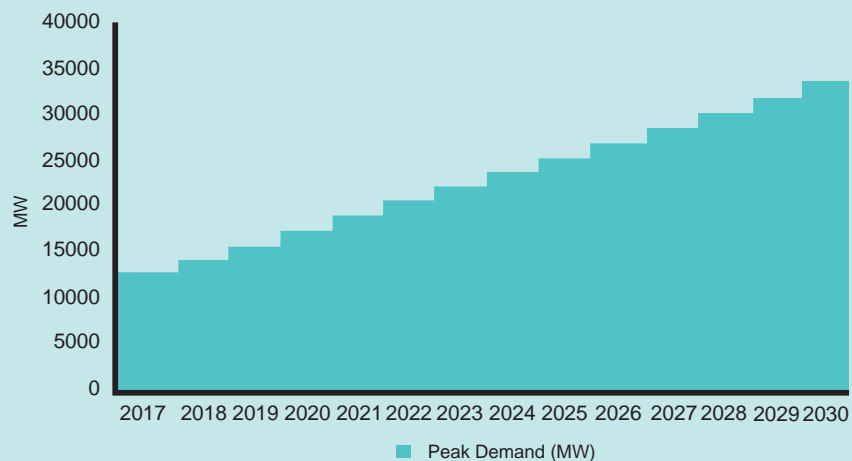
Broad Money

* Figures projected for June 2017 & achieved up to June 2017

POWER SECTOR OF BANGLADESH AT A GLANCE (Aug 2017)



BPDB'S DEMAND FORECAST (2017-2030)



Source:
Bangladesh Power Development Board (BPDB)
Power Cell

INTERNATIONAL NEWS

Confident resurgence in developing Asia: ADO 2017 Update

Trade strength lifts regional prospects

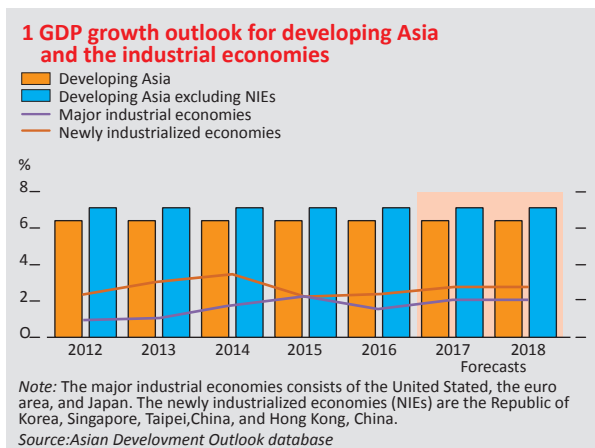
The short-term growth outlook for developing Asia is heartening. This Update looks forward to stable economic growth, not the growth moderation forecast in April in Asian Development Outlook 2017 (ADO 2017). Gross domestic product (GDP) in the region is now expected to grow by 5.9% in 2017, a slight uptick from 5.8% in 2016 and 0.2 percentage points higher than the earlier forecast. The region is benefiting from a rebound in global trade, which is supported by firm recovery in the major industrial economies, and strong domestic investment demand. Growth in the People's Republic of China (PRC) that exceeds expectations is also lifting regional prospects. Developing Asia is forecast to maintain its growth momentum in 2018, expanding by 5.8% as strong trade linkages reinforce gains stemming from domestic demand. The forecast for growth excluding the newly industrialized economies is adjusted up by 0.1 percentage points to 6.4% in 2017 and 6.3% in 2018.

- Recovery in the industrial economies beats earlier expectations.** The forecast for aggregate growth in the United States, the euro area, and Japan is revised up by 0.1 percentage points to 2.0% for both 2017 and 2018. With rising consumption, US growth in the second quarter more than doubled the first quarter pace. Growth in Japan exceeded expectations, spurred by a combination of improving consumer confidence and business sentiment. Absent a major interruption of

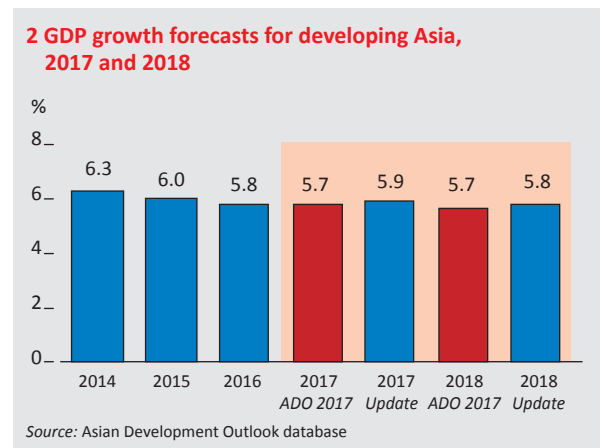
- Growth has picked up slightly more than expected in the PRC.** GDP growth is now forecast 0.2 percentage points higher, at 6.7% in 2017 and 6.4% in 2018, with growth led by expansionary fiscal policy and unanticipated external demand. Supply-side reform is moving forward, but eventual success hinges on a careful balancing of the role of the market and the state during the current economic transition.

- Transitory challenges temper India's strong growth prospects.** With sluggish consumption and dampened business investment, GDP growth is now expected to dip from 7.1% in 2016 to 7.0% in 2017. Demonetization last November suppressed small businesses and private credit, and adjustment to the new national goods and services tax muted manufacturing. However, short-term disruption is expected to dissipate, allowing these initiatives to generate growth dividends over the medium term. Expansion is forecast to accelerate to 7.4% in 2018.

- Growth in Southeast Asia strengthened in the first half of 2017.** First-half performances in the subregion vary across economies but remain solid. The growth forecast is upgraded for Singapore and Malaysia, boosted by rising electronics exports, and for the Philippines, on the strength of higher domestic demand. Projections for Indonesia and Thailand are retained as first-half 2017 performance met earlier



global trade, growth should expand further this year and next. Recovery in the euro area appears to be broadly supported by expansive fiscal and monetary policies, easing political uncertainty, and robust market confidence, which should keep growth momentum going through 2018.



expectations, but weakness in mining triggers a slight downward adjustment for Viet Nam. Southeast Asia as a whole is expected to grow by 5.0% in 2017, 0.2 percentage points higher than ADO 2017 forecasts, and by 5.1% in 2018.

- **External factors lift Central Asia as growth stalls in the Pacific.** This Update revises up growth forecasts for Central Asia this year and next amid moderately rising oil prices, improving prospects for the Russian Federation, and increasing remittances. Meanwhile, the Pacific outlook is retained for 2017 but adjusted slightly downward for 2018 as prospects for two of the larger Pacific economies—Papua New Guinea and Timor-Leste—are unchanged.

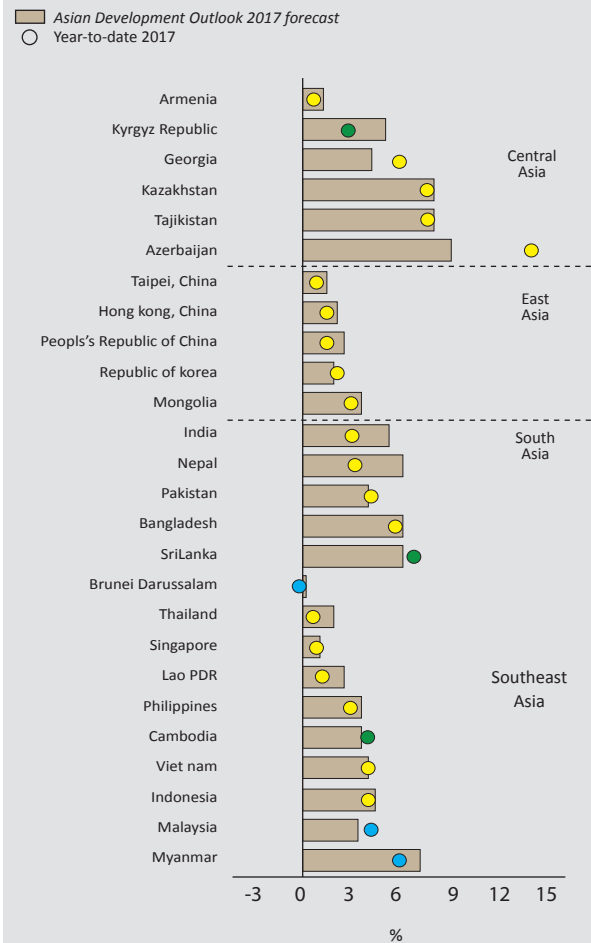
Inflation remains broadly in check amid firming oil prices. This Update revises downward the forecast for average inflation in the region, from 3.0% to 2.4% in 2017 and from 3.2% to 2.9% in 2018. Stable oil prices in the first half of 2017 helped to soften domestic fuel prices in the region, prompting downward revisions to inflation projections for some of the larger commodity importers. The inflation forecast is revised up for Central Asia boosted by further currency depreciation in Azerbaijan and Uzbekistan. Inflationary pressures are largely contained elsewhere in the region.

Developing Asia and the rest of the world enjoy a revival in trade. The dollar value of the region’s exports surged by 11% in the first 5 months of 2017 over the same period in the previous year, and the value of its imports rose by 17%. The pickup follows 2 consecutive years of contracting export values caused by falling commodity prices and subdued external demand for manufactures. Excluding the PRC, the eight largest regional developing economies saw real manufacturing exports rebound, particularly in electronics, where foreign direct investment has been strengthening. The strong showing for exports comes hand-in-hand with a surge in intermediate goods moving through cross-border manufacturing supply chains. Further, as the PRC rebalances toward domestic demand, supply chains have evolved with some processes shifting to other regional manufacturing hubs, consequently boosting trade within the region.

Yet the regional current account surplus is set to contract. Developing Asia’s current account surplus is forecast to narrow from 2.3% of GDP in 2016 to 1.5% in 2017 and 1.4% in 2018. This is because the regional rebound in import values so far in 2017 has been higher than that of exports. In particular, imports to the PRC and India, which together receive 38% of developing Asia’s total, grew by 23% in the first 5 months of 2017. However, the projected moderate rise in oil prices will help net oil importers in the region keep external balances under control.

Risks to the outlook become more balanced, upside and down. Oil prices are lower than the baseline forecast in ADO 2017.

3 Inflation forecast in Asian Development Outlook 2017 Versus Year-to-date results



Lao PDR = Lao People’s Democratic Republic.
 Note Yellow Colored dots indicate data covering up to July 2017. Blue, up to June 2017 and green, up to May 2017
 Source: Asian Development Outlook Database.

More softening would benefit oil importers but deliver a further fiscal hit to oil exporters. Sudden changes in US monetary policy could induce large capital outflows from developing Asia, but advance communication from the Federal Reserve of its intentions has helped avert market overreaction. The path of US fiscal policy remains uncertain. While tax reform and spending on public works could have positive global spillover, political stalemate over budget details could unsettle business plans.

Finally, economic disruption from a geopolitical or weather-related disaster, though less than likely, could impede the recent trade rebound, particularly for high-tech goods that depend heavily on global production chains.

INTERNATIONAL NEWS



U.S. Overview

The U.S. Had Strong Momentum Ahead of the Storms

The U.S. economy had strong momentum prior to the devastating back-to-back hurricanes, which impacted parts of Texas and most of Florida in late August and September. Damages from the hurricanes will likely total around USD 150 billion, with an unusually large portion of that coming from business interruption to refineries, petrochemical plants, restaurants and residential construction.

Damages to property impact the stock wealth but damages from lost sales and production will impact real GDP. After expanding at a 3.1 percent pace in the second quarter, Wells Fargo expects real GDP growth to slow to a 2.1 percent pace in the third quarter, with the hurricanes shaving about 0.9 percentage points off Q3 growth. Wells Fargo look for output to bounce back relatively quickly, with real GDP expected to rise at a 2.5 percent pace in Q4 and expand 2.4 percent in 2018.

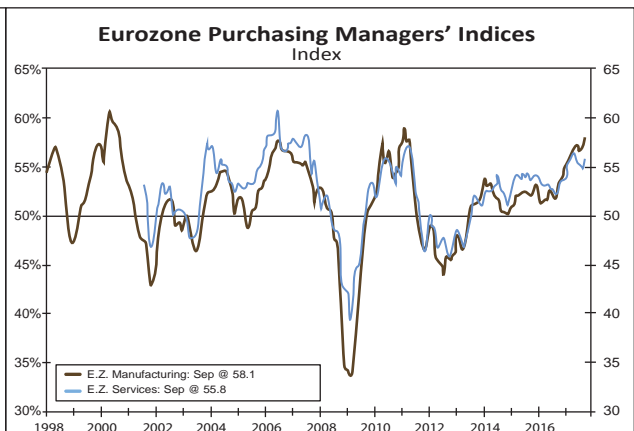
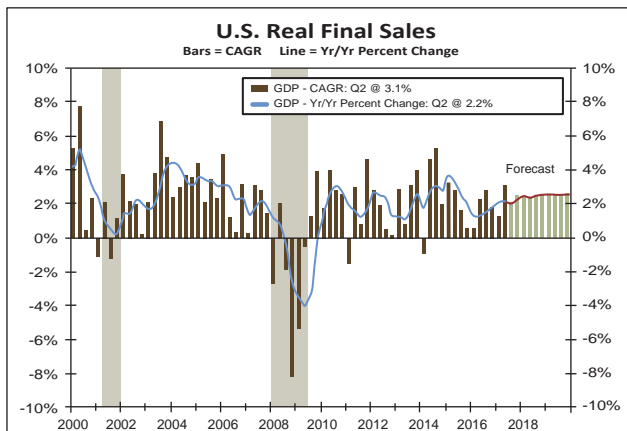
Wells Fargo are still expecting to see some sort of tax cut enacted but the magnitude will be less than has been proposed and the timing will likely be a bit later. Wells Fargo has shifted impact of the tax cuts into the second quarter of 2018, assuming passage of a USD 1.6 trillion cut over ten years in early spring of next year. At this stage of the business cycle, tax cuts would largely play a supporting role. Consumer spending and business fixed investment would be stronger than otherwise. Without the cuts, 2018 growth would be closer to 2 percent. Wells Fargo is holding onto the expectation that the Fed will raise the federal funds rate by a quarter percentage point in December.

International Overview

Steady Firming Global Growth Still Intact

More Balanced Growth from the Global Economy
Although economic growth in the global economy remains well off the pace registered during the first decade and a half of this century, it has been solid enough to push central banks of large developed countries outside of the U.S. to start considering their own response to years of extremely expansionary monetary policies. The recovery seems especially significant in the all-important manufacturing sector, with manufacturing PMIs hitting heights not seen in many years. In the United States, the ISM manufacturing index hit 60.8 in September, the highest reading since May 2004 when it was 61.4 and was the highest reading of that cycle. Meanwhile, the Eurozone PMI reading for September was the highest since late 2011, at 58.1. That is, the manufacturing PMI in the Eurozone shows further improvement in the region's manufacturing sector.

Interestingly, what makes this strengthening in the manufacturing sentiment in the U.S. as well as in the Eurozone is that the recovery has not been accompanied by a strong manufacturing PMI in China. Thus, although economic growth in this environment will be weaker than what the global economy experienced since the emergence of China as a global growth engine, the economic environment seems to be more balanced and potentially more sustainable than the environment that existed when China was pulling the strings of economic growth across the global economy.



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

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G L O S S A R Y

Due Diligence (DD): Due diligence (DD) is an investigation or audit of a potential investment to confirm all material facts in regards to a sale, such as reviewing all financial records plus anything else deemed material to the sale. Generally, due diligence refers to the care a reasonable person should take before entering into an agreement or a transaction with another party. When sellers perform a due diligence analysis on buyers, items that may be considered are the buyer's ability to purchase, as well as other items that would affect the purchased entity or the seller after the sale has been completed.

Tactical asset allocation: Portfolio strategy that allows portfolio managers to reallocate assets in various accounts to other accounts in order to capitalize on current market trends. This is typically a short-term strategy that is only used to achieve a quick profit. After the funds have been acquired, the portfolio manager will return back to a more strategic position.

Bank Guarantee: A bank guarantee is a guarantee from a lending institution ensuring the liabilities of a debtor will be met. In other words, if the debtor fails to settle a debt, the bank covers it. A bank guarantee enables the customer, or debtor, to acquire goods, buy equipment or draw down loans, and thereby expand business activity.

Option: The right, but not the obligation, to buy (for a call option) or sell (for a put option) a specific amount of a given stock, commodity, currency, index, or debt, at a specified price (the strike price) during a specified period of time. For stock options, the amount is usually 100 shares. Each option has a buyer, called the holder, and a seller, known as the writer. If the option contract is exercised, the writer is responsible for fulfilling the terms of the contract by delivering the shares to the appropriate party. In the case of a security that cannot be delivered such as an index, the contract is settled in cash.

Leverage: The degree to which an investor or business is utilizing borrowed money. Companies that are highly leveraged may be at risk of bankruptcy if they are unable to make payments on their debt; they may also be unable to find new lenders in the future. Leverage is not always bad, however; it can increase the shareholders' return on investment and often there are tax advantages associated with borrowing. also called financial leverage.

Hedge: A hedge is an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.



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*শর্ত প্রযোজ্য



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