BANKING WITH NO BOUNDARIES
The Bangladesh Bank (BB) has advised the commercial banks to act cautiously, particularly in operating their offshore banking units (OBUs), to avert possible exchange rate risk in future.

Karupannya Rangpur Limited (KRL) - an existing valued borrower of our Dhanmondi Branch is a private limited company engaged in manufacturing and exporting traditional handmade rugs named Shatoronji.

Inflation in the 19 countries sharing the euro currency remained stable in July, European statistics office Eurostat said.

Bangladesh has been ranked 99th as the most competitive economy in the world, up seven notches from last year’s ranking, in the World Economic Forum’s Global Competitiveness Report 2017-18.

ICAB awarded MBL the “Certificate of Merit” in the Private Bank Category for Best Presented Annual Reports 2016.

Sajek is located in the verdant hills of Kasalong range of mountains amidst the serene and exotic beauty of nature.
EDITORIAL

Bangladesh economy kept its momentum in FY17 with GDP expanding at 7.28%, above the 7.11% growth recorded a year earlier. The per-capita income also got an impressive boost by $145 to $1610 in the FY2017 from $1465 in the previous FY2016. Despite such multiple faster economic growth, there are some downside risks to the near-term economic outlook. The most recent challenges are unprecedented influx of Rohingya refugees and higher inflation risks stemming from food prices due to recent flood in northern part of Bangladesh. Well-coordinated monetary and fiscal measures are needed to mitigate inflationary risk in the near future. After all, we hope that Bangladesh will attain the status of super middle income country by 2030 and be a developed country by 2041 surpassing all headwinds.

MBL is always playing an important role to contribute meaningfully towards improvement of the economic condition of the country by investing/deploying fund in the diversified thrust sectors of the economy. Besides, the management is always aware of the compliance issues as prescribed by the regulatory bodies and at the same time to maximize the profitability of the bank and stay focused on remediation of non-performing assets and at the same breath expansion of quality assets across the borrowers and businesses.

We in our relentless effort intend to make value addition in our this humble endeavor to publish quarterly bulletin wherein analytical bent of mind will be the dominating factor for having better insight on the run of events in our socio-economic landscape. Any suggestions, advices from any quarters will highly be appreciated and will act as a beckoning light in our journey ahead.

Disclaimer

“MBL Bulletin” is limited publication of Mercantile Bank Limited (MBL). The contents of this publication have been collected through various sources of public information that are believed to be reliable and MBL has taken reasonable care to ensure that such information is accurate.
Foundation Ceremony
The foundation stone of the 14-storied own building of Mercantile Bank Limited ‘MBL Center’ was laid at Satmasjid Road, Dhanmondi, Dhaka on 07 August 2017. A Doa Mahfil held on the occasion. A.K.M. Shaheed Reza, Chairman of the Bank laid the foundation stone as chief guest.
CHAIRMAN’S INTERVIEW

Marketsailor's Governors' Bank
Inseisein Dor

Chairman's Interview

The chairman has interrogated the market sailboat's governor bank. The chairman has questioned the governor bank's financial statements and the results of the market sailboat.

The chairman has expressed his views on the market sailboat's future and the challenges it faces. He has also discussed the bank's strategy and its role in the economy.

The chairman has emphasized the importance of financial literacy and the need for transparency in the banking sector. He has called for stronger regulations to protect consumers and prevent financial crises.

The chairman has also highlighted the need for the market sailboat to invest in technology and innovation to stay competitive in a rapidly changing world.

The chairman concluded by expressing his confidence in the market sailboat's ability to weather the current challenges and continue to serve the needs of the people.

The chairman's interview was held in December 2022.
ব্যাংকের মাধ্যমে সাধারণ মনুষ্যকে সেবা প্রদান করায়।
এই মূলত আমাদের ব্যাংকের ১০ লাখ ১৬ হাজার কাজ করার চেষ্টা। জনগণের ২৯ হাজার ৪০৭ টি কাজের আমাদের ব্যাংকের কাজ। ৩৩ হাজার ৪৯২ জন ব্যবসায়ীর উদ্যোক্তা এ ব্যাংক থেকে খুঁজা হয়। এই মূলত মনোবল তৈরি হয়েছে, তার মাধ্যমে আমাদের সমস্ত কাজ করা হয়।
মার্কেটিং ব্যাংকের একটি কম্পাসেট প্রতিষ্ঠা। এ প্রতিষ্ঠার কারণে ব্যাংকের সমস্ত দুর্দশ ধূসর মান্য।

চয়িরযান হিসেবে মার্কেটিং ব্যাংকের আগামী দিনে কোথায় দেখতে চান?

আমরা দেশের প্রথম সারিতে ব্যাংক হতে চাই। তত জুটি প্রচারিত মুক্তিনিবন্ধ দিকে থেকে মার্কেটিং ব্যাংকের দেশের শীর্ষ প্রাণীটি ব্যাংকের মধ্যে চলে এসেছে। সেই অস্তিত্ব প্রতিষ্ঠিত আর্থনীতি করা হয়।

ব্যাংকের বিনিয়োগের পরিবার বিভিন্ন ব্যাংকের ভাঙ্গারী সুসান্ত আমার নিষ্ঠাপূর্ণ করেছে। গ্রামীণ বিনিয়োগের বিপদ দেখা হিসেবে মার্কেটিং ব্যাংকের আমার ঢুকনো ছাড়ি থেকে চাই। ব্যাংক ও শহর বৃহত্তর মাধ্যমে ব্যাংকের প্রতিষ্ঠা আমাদের চেক নিতে চাই। তরুণ উদ্যোক্তাদের খুঁজ দিতে আমারা শুরু শুরু করতে চাই।

এই মূলত ব্যাংকের আগামী দিনে কোথায় দেখতে চান?

ব্যাংকের পরিচালনার ব্যাক্তি জড়িয়ে পড়েছেন। এটি কীভাবে মূল্যান্তর করবেন?

এটি ধূসর দুর্দশক। মার্কেটিং ব্যাংকের পরিচালনা ব্যাংকের ব্যবসায় এর উপরে। আমাদের ব্যবসায়ের সমস্ত সমারোহ দূর্দশ করেছে। প্রস্তুতি সম্পন্ন সম্পর্কে আমাদের ব্যবসা সম্পর্কে আমাদের ব্যবসা প্রস্তুতি করতে পারে।

পরিচালনার নিজ ব্যাংক থেকে বেনামে খুঁজ দেখছে। ব্যাংকের পরিচালনার পরিচালনা অভিযোগ করলে খুঁজ নিতে অস্তিত্বের অভিযোগ করে। এটি কীভাবে দেখতে?

সূত্র: বিনিয়োগ বাংলা
প্রকাশ: মালদহ, ২৩ অক্টোবর ২০১৭
মানাফায় শীর্ষ সাতে যোগ চায় মার্কেন্টাইল ব্যাংক

মুনাফায় শীর্ষ সাতে যোগ চায় মার্কেন্টাইল ব্যাংক

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করা হয়েছে। ফলে যে কোনো শাখা থেকে গ্রাহক তার আমানদী ও রপ্তানি বাণিজ্য নেবার নিদর্শন পাচ্ছে।

২০১৭ সালের অর্থবার্ষিকীতে মার্কেটইল ব্যাংকের পরিচালনা মুন্সফা অনুরূপিত দাঁড়িয়েছে ও ৩২৫ টাকা, যা বিগত বছরের জন্যে চৌদ্দ শতাংশের বেশি।

প্রতিষ্ঠানের ব্যবসায় ও বাণিজ্যিক পরিকল্পনার নামে অন্য সারা দিনের জন্যে এই জরিমোটি সরবরাহ করে যোগ হয়।

তিনি আরো বলেনন, সম্পদের উপর তাঁদের মান বজায় রাখার লক্ষ্যে একটি উদ্যোক্তিবাহী গ্রাহকদের মান মূলধন সংরক্ষণের ক্ষেত্রে ব্যাংকের অবস্থান সুচূড় যার বর্তমান হার ২১.০৭ শতাংশ।

১৯৯৯ সালের ২ জুন বেসরকারী ব্যাংকের হিসেবে আমাদের প্রথম বাণিজ্য ব্যাংকের তৃতীয় প্রধান ব্যাংকের হলেও তুলনা থেকে প্রথম সারির ব্যাংকগুলোর সঙ্গে পারা দিয়ে এগিয়ে চলতে ব্যাংকটির কার্যক্রম পর্যবেক্ষণ করা হয়।

তিনি বলেন, ২০১৭ অর্থবার্ষিকীতে প্রথম সারির বেসরকারী ব্যাংকের মধ্যে মার্কেটইল ব্যাংকের অবস্থান পরিচালনা মুন্সফার তিনিকে না হবে।

তাই আমরা আশা করি, তিনি দিনের বাতাসে আরো করে যোগ দিবেন।

সূত্র: কালের কাঠ প্রকাশ: ৩০ জুলাই, ২০১৭
The Bangladesh Bank (BB) has advised the commercial banks to act cautiously, particularly in operating their offshore banking units (OBUs), to avert possible exchange rate risk in future. The banks, which are running OBUs, have also been directed to bring down borrowing from onshore sources, officially known as domestic banking units (DBUs), at a reasonable level from the existing one. Currently, total exposure of the OBUs stands at US$6.40 billion, of which $2.25 billion has been financed from the DBUs, according to the BB’s latest statistics. The managing directors (MDs) and chief executive officers (CEOs) along with the heads of treasury and credit of the banks took part at the review meeting, officials and bankers said.

The central bank has relaxed its loan provisioning policies further to facilitate disbursement of agriculture and micro-credits by the banks, officials said. Under the relaxations, the banks will have to maintain general provisioning for all unclassified short-term agriculture and micro-credits at one percent instead of the earlier 2.5 percent. The general provisioning, however, was five percent in the year 2014. Provisioning for classified as ‘sub-standard’ and ‘doubtful’ will remain unchanged at five percent, according to a notification issued by the Bangladesh Bank (BB). Besides, the provisioning for classified as ‘bad/loss’ will be maintained at 100 percent, it added.

The central bank is developing a collateral information system incorporating data on immovable properties which are used for getting loans aiming to prevent document forgery, officials said. The Bangladesh Bank has taken the initiative as dishonest people nowadays increasingly use forged documents and re-use collateral to get loans. In many cases, the banks later could not recover the loan amount when the borrower defaults loans or flees, they added. Neighboring India launched such a database namely ‘Mortgage Check’ back in 2010 to make available required information about borrowers and their security documents. (Ref: thefinancialexpress-bd.com)

Bangladesh Bank (BB) has asked 17 banks providing mobile financial services to suspend agents who are suspected of being involved in dubious transactions. A BB official told that the central bank on 14 September 2017 ordered bKash, Brac Bank’s mobile financial service provider, to suspend 2,887 of its agents on finding them engaged in money laundering and suspicious transactions. The 17 banks, including Dutch-Bangla Bank, United Commercial Bank, Southeast Bank, NCC Bank and Rupali Bank, have been asked to monitor activities of every agent, including the 2,887 who might be their agents too. (Ref: thedailystar.net)
All four state-owned commercial banks failed to recover loans from the top 20 defaulters as per targets set by the central bank for the first half of the year. The banks recovered a total of Tk 195 crore of the bad loans as of June, much lower from the target of Tk 1,565 crore. Sonali, Janata and Agrani could recover less than 5 percent of the bad debts as of June. This is far below the satisfactory recovery level of 40 percent as per the banks’ agreements with the central bank. (Ref: thedailystar.net)

Eight state banks had a capital shortfall of Tk 12,683 crore at the end of June even though they got a handsome amount of fund from the government exchequer. In other words, the banks are a long way off from maintaining capital as per international standards. As the eight banks’ default loans swelled so did their provisioning requirement, due to which their capital bases have come under immense pressure.

Banks’ CSR expenditure increased by 15.84 percent to Tk 326.22 crore in the first half of this year from Tk 281.59 crore during the corresponding period a year ago. But 26 banks failed to spend 30 percent of their total expenditure in educational sector defying the central bank’s directive. Six banks failed to spend any fund in their corporate social responsibility programmes’ fund in the January-June period of this year, according to a recent Bangladesh Bank report. (Ref:newagebd.net)

The top 20 defaulters accounted for one-third of the state banks’ total default loans in the first half of 2017, according to the finance ministry. As of June, the defaulters owed Tk 11,579 crore to Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development Bank (BDBL), with the amount being 33.48 percent of the lenders’ total default loans, according to a paper prepared by the finance ministry.
Alternative Dispute Resolution (ADR) mechanism will be a good tool to recover stuck-up loans as the existing legal procedure is very time-consuming and costly. The volume of growing nonperforming loans have become a major threat for the banking industry as many lenders, particularly those owned by the government, are facing huge capital shortfall because of bad debt, analysts said. The volume of NPL soared by over 19 percent or Tk 119.76 billion at the end of June this year. The amount rose to Tk 741.48 billion. (Ref: thefinancialexpress-bd.com)

Provision shortfall in six commercial banks increased further by 18.47 percent to Tk 8,534.08 crore in the second quarter (April-June) from Tk 7,203.34 crore in the first quarter of this year, according to the latest Bangladesh Bank data. The overall shortfall in provision against general and defaulted loans in the banking sector also rose by 18.33 per cent to Tk 6,191.69 crore as of June 30 from Tk 5,232.26 crore as of March 31, 2017. The amount of defaulted loans in the banking sector also increased to Tk 74,148.54 crore as of June 30 from Tk 73,409.06 crore as of March 31, 2017. (Ref: newagebd.net)

Unrelenting fall in term deposits following decline in interest rates may turn the banks tightfisted in financing long-term investments as funds switch to alluring non-banks and consumption luxuries. Some bankers were of this view the term deposits with the country’s banking system decreased by nearly 4.0 percentage points to 53.6 percent in the calendar year (CY) 2016 -- at minimum seven-year low in terms of percentages -- according to central bank’s latest counts. The financial stability reports prepared by the central bank from 2010 to 2016 calendar years show that the term deposit in 2010 was 57 percent, in 2011 56.5 percent, 54.3 percent in 2012, 57.5 percent in 2013, 56.4 percent in 2014, 57.3 percent in 2015 and 53.6 percent in 2016. (Ref: thefinancialexpress-bd.com)

The volume of non-performing loans (NPLs) jumped by over 19 percent or Tk 119.76 billion at the end of June this year from December closing last year, despite close monitoring by the central bank. The amount rose to Tk 741.48 billion as on June 30, 2017 from Tk 621.72 billion as on December 31, 2016. The amount of NPLs was Tk 633.65 billion a year before. The share of classified loans reached at 10.13 percent of the total outstanding loans during the period under review than that of 9.23 percent six months before, according to the central bank’s latest statistics. However, the volume of NPLs was Tk 734.09 billion in the first quarter (Q1) of this calendar year while it was 10.53 percent of the total outstanding credit, the BB data showed. The NPLs cover substandard, doubtful and bad/loss of total outstanding credits, which stood at Tk 7,316.26 billion as on June 30 last from Tk 6,739.20 billion as on December 31. It was Tk 6,970 billion as on March 31, 2017. (Ref: thefinancialexpress-bd.com)

The amount of defaulted loans in the banking sector also increased to Tk 74,148.54 crore as of June 30 from Tk 73,409.06 crore as of March 31, 2017. (Ref: newagebd.net)

Default loans declined 0.4 percentage points to 10.13 percent in second quarter of the year thanks to spirited performance by state banks in recovery. At the end of June, the total default loans stood at Tk 74,148 crore, according to data from the Bangladesh Bank. State banks though managed to trim their default loans by Tk 1,135 crore in the second quarter to Tk 34,580 crore. The private banks though saw their default loans increase 6.73 percent to Tk 31,728 crore during the quarter. (Ref: thedailystar.net)
Bangladesh was yet to find $66.37 million of $101 million stolen from the Bangladesh Bank reserves, said Muhith. He said $20 million was reimbursed from Sri Lanka to the Federal Reserve Bank, New York. Of the $81 million that had gone to the Philippines, $14.63 million was deposited in BB’s account in the Federal Reserve bank, he added. Bangladesh Bank, Bangladesh Financial Intelligence Unit, the finance and foreign ministries, Office of the Attorney General and Criminal Investigation Department of police are working together to realize the money, said Muhith. Legal initiatives were also ongoing in the Philippines, he said. (Ref: thedailystar.net)

The banking sector posted a significant jump in consumer lending last year riding on growing purchasing power of the middle class. Consumer credit rose 31.29 percent year-on-year to Tk 29,500 crore in 2016 from Tk 22,460 crore a year ago, according to Bangladesh Bank data. The segment accounted for 4.37 percent of the total outstanding loan in the economy. Of the total consumer lending, the highest 44.5 percent or Tk 13,130 crore, was used for personal purposes. The loan to credit cards, another component of consumer financing, stood at Tk 3,440 crore in 2016. The average lending rate came down to 30 percent on credit card loans in July from highest 36 percent in May. Outstanding credit for home and car loans, two other important areas for consumer financing, stood at Tk 10,900 crore and Tk 2,000 crore respectively last year. The non-performing loan in the personal loan category was 5.3 percent in 2016 against the sector’s average of 9.2 percent, central bank data show. The default rate for home loans was 8.5 percent, the highest among all segments under the consumer lending, while the rate was 5.5 percent for car loans. It was 8.4 percent for credit card loans. (Ref: thedailystar.net)

Total deposits in the bank accounts owned by schoolchildren in the country increased to Tk 1,100.37 crore as of March 31, 2017 from that of Tk 1,020.79 crore as of December 31, 2016. The BB data showed that the number of schoolchildren bank accounts increased to 13.74 lac as of March 31, 2017 from 12.57 lac as of December 31, 2016. The number was 10.66 lac as of March 31, 2016. The BB on November 2, 2010 asked banks to launch the deposit product for students to infuse them with the urge to save up, officials of the central bank said. Fifty-six of the country’s 57 scheduled banks are now implementing the program. (Ref: newagebd.net)

The interest rates on deposit crept up in July, breaking a downtrend of two and a half years on the back of a rising private sector credit demand. The weighted average interest rate on deposits stood at 4.89 percent in July, up from 4.84 percent in June, according to data from the Bangladesh Bank. Private sector credit growth hit 16.94 percent in July the highest in five years and well above the 16.2 percent target set by the central bank for the first half of 2017-18. The opening of letters of credit grew 30 percent year-on-year to $5 billion in July. Particularly, the LC opening value for food grains trebled to $334 million in the first month of the fiscal year from a year earlier, central bank data shows. Excess liquidity in the banking sector fell 11 percent to Tk 111,910 crore in March from Tk 125,950 crore in December last year. (Ref: thedailystar.net)
Mobile transactions reached Tk 30,008 crore for the first time in June, according to Bangladesh Bank. At the end of June, the number of active accounts grew by 27.76 percent from May to reach 2.74 crore, the highest level so far. Meanwhile, the total number of accounts, both active and inactive, reached 5.37 crore. In June, salary disbursement through mobile wallets also grew 58.73 percent to Tk 666.10 crore. Currently, 17 mobile financial service licence holders are in operation and two operators -- bKash and Rocket -- dominate 99 percent of the market share.

(Ref: thedailystar.net)

Bangladesh’s banking sector has been seeing a surge in home loans for the last two years due to single digit interest rate and an increase in per capita income. As of June last year, total outstanding home loans from banks and financial institutions stood at Tk 56,290 crore, which was 9.1 percent of total credit to the private sector, according to a study of BIBM titled “Home Loan of Banks: Trend and Impact”. Default loans in home loan are low due to good recovery: it was 3.12 percent in 2016. Of the total outstanding home loans, private commercial banks provided the largest portion of 55 percent, or Tk 30,920 crore, followed by the state-owned banks at Tk 11,930 crore. Intense competition among banks in attracting home loan borrowers pushed down the interest rate, the study said. The interest rate for home loan is a minimum of 8 percent and a maximum of 15 percent. The loans ranged between Tk 2 lakh and Tk 1.2 crore. The minimum debt-equity ratio spanned between 10:90 and 50:50. Most of the banks provide loan at debt-equity ratio of 30:70 for locals and 50:50 for expatriates.

Moreover, a home loan is relatively safe for a bank in comparison to a business-focused loan, according to the research findings. Though home loan disbursement increased, it is concentrated in urban areas of Dhaka and Chittagong. Of the total home loans disbursed in 2016, 83 percent were in urban areas, according to the study. The study found that the largest portion of home loans in 2016 were for construction: 66 percent. Flat purchase accounted for the other 34 percent.

(Ref: thedailystar.net)
Banks are opting for bonds to raise their capital in line with Basel III requirements for their cost-effectiveness, instead of floating more shares on the stock market. In the past two years, 14 banks have issued subordinated bonds worth Tk 6,400 crore to strengthen their capital base. The interest rate banks offered against the bond was between 7.50 percent and 10.50 percent. Banks will have to maintain capital at 12.50 percent of risk-weighted assets, according to Basel III framework. The BB has set the deadline of 2019 for meeting the required capital base. As of March, the banking sector’s capital adequacy ratio is 10.68 percent, according to the central bank.

Bangladesh Bank (BB) has updated its definition of micro, cottage, small and medium enterprises and set a limit to the amount of credit they can avail. Moreover, banks must set aside for SMEs 20 percent of the loans they give out in 2017 and raise it to 25 percent by 2021. Of that for SMEs, at least 50 percent has to be kept for cottage, micro and small enterprises. BB’s January 2016 circular had called for a minimum 30 percent SME lending to manufacturing sector, 15 percent for service sector and a maximum 55 percent for trading. Now the instruction is to increase lending to manufacturing SMEs to at least 40 percent by 2021, service SMEs to at least 25 percent and trading SMEs a maximum 35 percent. At least 10 percent of the lending will have to go to women SME entrepreneurs. This rate will have to be raised to 15 percent by 2021.

(Ref: thedailystar.net)

Bangladesh Bank is weighing the case for resetting the cap on credit card interest rate it had set in May following fervent protest from banks. Earlier on May 11, the BB issued a guideline on credit card operations that stipulated banks can charge the highest interest rate on consumer loans plus 5 percent, meaning the interest rate on credit cards came down to 16-17 percent -- half the previous rate. Now, the central bank is considering setting the cap at 5 percent plus the highest interest rate on any loan, said a high official of the BB. At present, the interest rate on SME loans is the highest amongst the banks’ products: about 16-17 percent. This means, the interest rate on credit cards would come to about 22 percent. The new guideline for credit card operation will now be implemented from January, said the BB official.

(Ref: thedailystar.net)
Agent Banking Expanding Across the Country

Banks are gradually expanding agent banking activities across the country as these banking services are gaining huge response from the people in remote areas, reports BSS. According to Bangladesh Bank (BB) quarterly data April to June, the number of agents has increased to 1,847 from 1,755 in the first quarter in 2017 and the number of bank agent outlets has also increased to 3,224 from 3,023 in the January-March quarter. During October-December quarter 2016, the number of agents was 1,646 and the total outlets were 2,601.

According to Bangladesh Bank, agent banking means providing limited scale banking and financial services to the underserved population through engaging agents under a valid agency agreement, rather than a teller or cashier in the bank branches. As per the present Agent Banking Guideline, agents are allowed to collect and process forms or documents in relation to loan application while they can also conduct post-sanction monitoring of loans and follow-up on loan recovery. In line with this provision, Bangladesh Bank has already allowed banks to provide agricultural credit facilities in rural areas through their agent outlets.

“Nevertheless, SME loan and credit facilities for readymade garment workers should come under the scope of agent banking”, said Dr. Shah Md. Ahsan Habib, Professor of the Bangladesh Institute of Bank Management. He also opined that there should be better training and incentives for the agents to increase their efficiency and service quality.

Agent banking system was first introduced in the country in early 2015 to take banking facilities to areas where traditional banking did not reach yet. Industry insiders said apart from ensuring better financial inclusion, agent banking also reduces initial investment cost and operational cost for banks.

The central bank issued the agent banking guideline in 2013 but it was only last year when the licensees started full-fledged operation. In the...
first six months of 2017, seven banks have signed up for agent banking license 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. The banks that are providing agent banking services are: Dutch-Bangla, Bank Asia, Al-Arafah Islami, Social Islami, Modhumoti, Mutual Trust, NRB Commercial, Standard Bank, Agrani Bank, Midland Bank, First Security Islami Bank and City Bank. Of them, Dutch-Bangla is the market leader with its 1,454 agent outlets and 0.57 million agent banking accounts. It is followed by Bank Asia, which has 1,238 agent outlets and about 0.2 million agent banking accounts.

About 0.3 million agent banking accounts were opened in the first half of the year an increase of 60.18 percent. The visible popularity of such banking services paved the way for some banks for giving higher priority to developing their agent banking infrastructure than to building their mobile banking platform. At the end of June, the total number of agent banking accounts stood at 0.87 million, in contrast to 0.54 million at the end of December last year, according to data from the BB.

This channel is increasingly becoming the medium of choice for migrant workers to send money home because there is no additional fee to withdraw money from accounts, said a senior executive of a private bank. But mobile banking charges Tk 2 for cashing out every Tk 100, a fee which is deemed costlier by many beneficiaries, he said. Mobile banking is mainly popular for local transactions involving small amounts, according to the banker. The agents provide services such as cash deposits, withdrawals, remittance disbursement, small-value loan disbursement, loan recovery and cash payments under the government’s social safety net programs. In contrast, only account deposits and withdrawals can be made through the mobile banking platform. However, there are risks to agent banking such as choosing the right agent and liquidity management in remote areas. The central bank has formed a committee to prepare a comprehensive guideline to make the agent banking service easier, said a senior BB official.

Number of Agent Banking Accounts

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<th>Dec’ 16</th>
<th>Mar’ 17</th>
<th>Jun’ 17</th>
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<tr>
<td></td>
<td>544,536</td>
<td>712,499</td>
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Source: Bangladesh Bank

(Ref: thefinancialexpress-bd.com, theindependent-bd.com)
Karupannya Rangpur Limited (KRL) - an existing valued borrower of our Dhanmondi Branch is a private limited company engaged in manufacturing and exporting traditional handmade rugs named Shatoronji. The man behind Karupannya, Mr. Shafiqul Alam Selim began his journey in 1991 in Rangpur with just 15 craftsmen and now he has 5,000 workers and employees producing carpets, the majority of which are exported to the countries of European Union, United States, Russia and Far East countries Japan & Malaysia.

Mr. Selim had a knack for craftsmanship and probably that was what helped him achieve success in the business. He used to produce portraits out of straws and sell them in the mid-1980s when he was still a university student. He took a stall in an industrial fair in Dhaka to showcase his portraits, which earned him fame among local people.

There were many challenges for him in the little-explored business. The main hurdle was how to arrange skilled manpower and money. To start off, he organized experienced people with the knowledge of weaving rugs and gave them raw materials and designs to help train young people. Mr Selim then participated in various fairs and exhibitions across the country to popularize handmade rugs. In 2002, he decided to try his luck on foreign markets and so took part in an exhibition in Germany. Since then he did not look back. Started with $230,000 of exports the following year, Karupannya’s overseas sales grew by more than 50 times in the last one decade.

KRL has now 5 factories in total of which 4 are for weaving and the other one is for dyeing. The dyeing factory signifies KRL focus on vertical integration to gain control over the sourcing of its raw materials. KRL has also installed a world-class ETP plant for its dyeing facility to treat water waste. Under the brand name Shatoronji, Karupannya Rangpur Ltd exports two containers of handmade carpets a day.
KRL has come a long way from its establishment in 1991 with the most recent financial statement boasting sale of BDT980.00 million.

The mission of Karupannya is to improve the living standards of villagers in the area of Rangpur, Bangladesh and committed to save environment, maintain compliance and develop innovative products to ensure the optimal customer’s satisfaction. At present they are facing huge demand of their handmade rug in local and international markets. In the last fiscal year 2016-2017, they exported $13 million and they are expecting that this volume will be increased up to 23 million during the current fiscal year.

Karupannya produces about 15 types of products -- all floor coverings from waste from the garment and textile sector, jute, waste yarn, rope and short fiber. It also produces some home textiles and products for a number of local furniture makers as per their designs. Mr. Selim, who studied political science at Carmichael College and Rajshahi University, now plans to create jobs for another 5,000 people in the next two years. He plans to transform his company into an institution which can inspire others. Shatoronji became a pride for Rangpur. His initiative has also economically benefited the region, which was once known as poverty-stricken region. He has been empowering women through his initiative as 90 percent of his workers are women. He has four units in Rangpur and one in Kurigram. The employees directly and indirectly support more than 20,000 people.

Mr. Selim said he has to upgrade the quality of his products, enhance the efficiency of workers and modernize the company to keep up with the competition from producers in China and India. He reinvests most of the profits the company makes in its expansion, which is why he takes meager salaries, much lower than many of his senior executives. Entrepreneurs have major responsibility in society as they take forward the civilization. “They will have to see their workers and employees as a key driver of their companies,” Selim said. Entrepreneurs should not enjoy all the fortunes alone while workers and employees toil. “Otherwise, they might progress in life but the society will not advance.”

KRL started banking relationship with MBL since 2005. We have been facilitating their strides to growth and partnering the contribution to the society and economy. MBL feels proud to be the part of this journey.
Foreign aid flow into Bangladesh picked up significantly by 71 percent in the first quarter (Q1) this fiscal, largely with a Japanese funding splurge, officials said. Economic Relations Division (ERD) officials said development partners disbursed US$857.10 million in concessional aid in July-September period of the fiscal year (FY) 2017-18 and Japan alone contributed $305.78 million. In the corresponding period of the last financial year, 2016-17, Japan had handed out $500.95 million worth of loans and grants. Economic Relations Division (ERD) statistics show the World Bank disbursed $200 million, the Asian Development Bank $144.55 million and China $102.25 million in the Q1 this fiscal.

Bangladesh has been ranked 99th as the most competitive economy in the world, up seven notches from last year’s ranking, in the World Economic Forum’s Global Competitiveness Report 2017-18. The country’s scores improved across all 12 pillars of competitiveness; it trailed behind all its South Asian peers - India (40), Bhutan (85), Sri Lanka (85) and Nepal (88). (Ref: Dun & Bradstreet South Asia Business Bulletin)

The World Bank is going to make lending to Bangladesh much costlier, with interest rates rising above 2.0 percent, for the country’s economic graduation. Officials said the multilateral development financier would raise the cost of funds from next financial year (FY) 2018-19, after a long time of concessional assistance for bankrolling Bangladesh’s development recipe. The Washington-based lender has proposed 2.0 to 2.62 percent interest rates and stringent repayment conditions for Bangladesh from the next fiscal, raising the interest from the current level of 0.75 percent, the officials said. (Ref: thefinancialexpress-bd.com)

Inflation declined for the first time in eight months in July thanks to a fall in prices of both food and non-food items. In July, the consumer price index fell 0.37 percentage points to 5.57 percent from a month earlier, according to figures released by the Bangladesh Bureau of Statistics. In July, food inflation fell 0.56 percentage points to 6.95 percent -- the lowest in three months. Non-food inflation declined 14 basis points to 3.53 percent in July, which was 3.67 percent a month earlier.

Bangladesh has invited German investors for the development of the Small and Medium Enterprises (SMEs). The SME Foundation, Ministry of Foreign Affairs and the German Friedrich-Ebert-Stiftung (FES) Bangladesh jointly organised the expert group meeting titled “Employment, Equity and Diversification of SMEs in Bangladesh: Experiences from the German Model”. Currently, SME sector contributes roughly 28-29 percent in Bangladesh’s economy while it is approximately 52 percent for Germany. German multinationals are already engaged in the development of critical infrastructure in Bangladesh, particularly in textile, power and energy sectors, including renewable energy. (Ref: bdnews24.com)
Bangladesh will be the 30th largest economy of the world in 2022 in terms of Purchasing Power Parity (PPP) Gross Domestic Products (GDP). Based on the International Monetary Fund (IMF) World Economic Outlook, released in April this year, the projection is made by Statistics Times. The projection also says that the PPP GDP of Bangladesh will cross $1,000 billion in 2022 which is $686.59 billion in 2017. In 2017, Bangladesh is ranked 32nd largest economy of the world, according to IMF data. On the nominal GDP basis, Bangladesh will be the 38th largest economy in 2022 which is now 45th.

(Ref: thefinancialexpress-bd.com)

The government may amend the banking law to facilitate the country’s power sector to get loans beyond the single borrower exposure limit. The move comes after the power division last month requested banks to channel Tk 20,000 crore into the power sector over the next six months. At present, banks can provide loans of up to 25 percent of their capital to a single borrower. For instance, a prominent business group has recently sought a large sum for its power project from a state-owned bank but was turned away due to the single borrower exposure provision. This prompted the chairman of the group to request the Bangladesh Bank to relax the provision. Subsequently, a committee was formed on July 4 to go through the Bank Company Act 1991 to check if there is any provision that bars banks from providing large loans to the power sector. If yes, the committee has to recommend the necessary amendments.

(Ref: thedailystar.net)

The government is preparing a policy to continue providing the existing cash incentive to the leather goods and footwear sector for next five years, aims at boosting exports as well as attracting foreign direct investment (FDI), officials said. The government offered 15 percent cash incentive against exports of the products in the current fiscal year. In cases of exporting crust and finished leather, the cash incentive is 10 percent. The sector earned US$ 1.23 billion in fiscal year (FY) 2016-17 by exporting leather, leather products and footwear, according to Export Promotion Bureau (EPB) figures. It was little more than the previous four-year average of around $ 1.1 billion. The sector fetched $248.16 million in export earnings in the first two months of the current FY, registering 9.54 percent growth over the same period of the previous fiscal year.

(Ref: thefinancialexpress-bd.com)

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(Ref: thedailystar.net)

Bangladesh’s primary textile sector has been witnessing a dearth of fresh investment for the last few years due to gas crisis and scarcity of bigger industrial land. Only five new spinning, three weaving and two dyeing mills with an investment of about Tk 1,300 crore were set up in the last four years, according to data from the Bangladesh Textile Mills Association. Currently, Bangladesh has 425 spinning, 790 weaving and 250 dyeing mills that have an investment of about Tk 50,000 crore tied up, according to BTMA data.

Key Points

Total investment in primary textile so far: **Tk 48,000 cr**

- **Investment made in the last four years:** Tk **1,300 cr**
- **Bangladesh has 425 spinning, 790 weaving and 250 dyeing mills**
- **Primary textile sector can supply 90 pc raw materials for knitwear and 40 pc fabrics for woven garments**
The government has decided to import 1.5 million tones of rice and 0.5 million tones of wheat to boost the stock. The government has already struck deals with Vietnam and Cambodia to buy 0.25 million tones of rice from each country. The minister said they had a target to produce 19.1 million tones of rice in the country this year but it could not be achieved due to massive floods.

(Ref: thefinancialexpress-bd.com)

The Asian Development Bank’s (ADB’s) loan to Bangladesh is going to be expensive in the coming years as it would provide nearly 86 percent of its planned assistance from its hard window OCR, officials said. According to the ADB’s proposal, it will provide nearly US$9.6 billion loan in next three years from 2018 to 2020. Of the loans, 86 percent or $8.26 billion will come from the non-concessional lending arm -- Ordinary Capital Resources (OCR). The remaining 14 percent or $1.36 billion is expected to come from the concessional loan providing arm -- the Concessional OCR Lending (COL). The ADB is the second largest multilateral donor of Bangladesh which disbursed nearly US$800 million to $1.0 billion loans and grants in recent years. In the FY2015-16, the ADB confirmed $1.1 billion loans and grants while it disbursed $823 million for development of Bangladesh. In 2016, the ADB approved 10 projects for Bangladesh, with loans totaling $1.1 billion and technical assistance of $7.85 million.

Exports fetched $3.64 billion in August, the highest in a single month in the country’s history, on the back of increased shipments of garment, frozen fish, agricultural and leather products. The previous monthly highest earning was recorded in June last year when exporters brought home $3.58 billion. August’s receipts, which comfortably beat the target of $2.90 billion, were an increase of 10.64 percent from a year earlier and 13.75 percent from a month earlier, according to data from the Export Promotion Bureau.

(Ref: thefinancialexpress-bd.com)

Trade deficit hit $9.47 billion in fiscal 2016-17 -- the highest in six years -- with the central bank projecting it to cross the $11 billion mark this year. Since fiscal 2012-13, trade deficit has been hovering around $6 billion, but in fiscal 2016-17, it made a 47 percent year-on-year jump on the back of a wide mismatch between export and import growth. Last fiscal year, exports grew only 1.73 percent and imports 9 percent, according to data from the central bank. With the widening trade deficit and declining remittance, the current account balance dipped into the negative territory. The deficit reached $1.48 billion last fiscal year in contrast to a surplus of $4.26 billion a year earlier.

(Ref: thedailystar.net)
The ratio of the total debt to the Gross Domestic Product (GDP) reached to 34 percent in the past fiscal year (FY17) which was 32 percent in FY16. It showed that ratio of domestic debt to GDP dropped to 13 percent in the past fiscal year from 15 percent in FY16. At the same time, external debt to GDP increased to 21 percent from 18 percent. PRI estimate also revealed that five years back overall debt-GDP ratio was 34 percent which was also static for the next two years and then dropped to 32 percent in FY16 but increased to 34 percent in FY17.

The country’s current account balance registered a deficit of $ 1.48 billion in the recently concluded fiscal year 2016-17 for the first time in last five years due to a negative growth of inward remittance, trade balance, services and primary income. The current account balance, the gap between export receipts and net earnings, including remittances, and import payments and profit repatriation by multinational companies and local people, earlier registered its all-time high surplus at $4.26 billion in the previous fiscal year of 2015-16.

(Ref:newagebd.net)

Bangladesh’s imports grew 9 percent year-on-year in fiscal 2016-17 as the demand for capital machinery, industrial raw materials and food grain at home soared. More than $47 billion worth of goods were brought in to the country last fiscal year, according to data from the Bangladesh Bank. In 2016-17, the import of capital machinery soared 37.39 percent from a year earlier to about $4.85 billion, propelled by power and energy, garment, pharmaceuticals, telecom, food-processing and packaging sectors. Industrial raw material imports rose 3.52 percent year-on-year to $16.22 billion. The import of petroleum products based on the settlement of letters of credit increased 3.3 percent to $2.52 billion in 2016-17. Food grains -- rice and wheat -- imports grew about 3 percent from a year earlier to $1.15 billion.

(Ref: thedailystar.net)
Revenue collection increased 19 percent—a five-year-high—to Tk 185,003 crore in the last fiscal year compared to the previous year thanks to higher imports and VAT collection. In 2016-17, collection from import duties rose 20 percent year-on-year to Tk 53,330 crore while VAT receipts from local businesses soared 19 percent year-on-year to Tk 66,891 crore. Income tax collection also rose 17 percent year-on-year to Tk 63,781 crore in 2016-17, according to provisional data released by the National Board of Revenue (NBR). The growth in revenue collection enabled the NBR to touch the revised target from the initial goal of Tk 203,152 crore set at the beginning of the last fiscal year. The revenue collection target for the current fiscal year has been set at Tk 248,190 crore, which is 34 percent higher than last fiscal year’s provisional figures.

The ministries and divisions managed to spend only 89.34 percent of their development budget in the just-concluded fiscal year, the lowest in eight years. The development spending in 2016-17 was however 21 percent higher than that of the previous fiscal year. In FY16 the ministries and divisions spent Tk 87,097 crore, which was 92.72 percent of their allocation. Twelve ministries, which together received 85 percent of the total development budget, performed very well. Some 93 percent of the government’s own fund was spent in the last fiscal year, which was 94 percent in the previous year. On the other hand, 78 percent of the foreign funds were utilized in 2016-17 in contrast to 89 percent a year earlier. (Ref: thedailystar.net)

Bangladesh already faces a shortage in the supply of skilled and semi-skilled workers in every sector and the situation could worsen in the coming decade if proper measures are not taken, denting the country’s development aspirations, says a new study. “Labour Market and Skill Gap in Bangladesh”, a report on the study, showed that the labour supply is projected at 64.8 million in 2016 and 82.9 million in 2025, a 78 percent increase in a decade. Meanwhile, labour demand will increase from 63.5 million to 88.7 million, it said, adding that from 2021, demand would exceed supply. (Ref: thedailystar.net)
For the first time in the country’s history inflation data was released in a quarterly format. In the last quarter of fiscal 2016-17, inflation edged up about 44 basis points from the previous quarter to 5.72 percent, according to the data unveiled by Planning Ministry. For instance, inflation stood at 5.03 percent in December last year, which crept up to 5.15 percent, 5.31 percent and 5.39 percent in the succeeding three months respectively. In the last quarter of fiscal 2016-17, food inflation stood at 7.27 percent, up from 6.74 percent in the previous quarter. A year earlier, it was 3.96 percent. Meanwhile, inflation stood at 5.44 percent last fiscal year, down from 5.92 percent logged in for fiscal 2015-16.

Remittance inflow in fiscal 2016-17 has been the lowest in six years -- a development that can be viewed as a dark cloud over an otherwise buoyant economy. Migrant workers sent home $12.77 billion last fiscal year, down 14.47 percent year-on-year, according to data from the central bank. In June, $1.21 billion flew in, down 17 percent from a year earlier. The International Monetary Fund last month cited the declining remittance as a risk factor to the economy.

A massive drop in shipment of garment items has caused Bangladesh’s export growth to nosedive to a 15-year low in the just-concluded fiscal year. Exporters racked up $34.83 billion in 2016-17, an increase of only 1.69 percent year-on-year, according to the Export Promotion Bureau (EPB). The earning is 5.85 percent less than the government’s annual target of $37 billion. June’s export receipts fell by 15.27 percent to $3.04 billion from the previous month, which is again 16.52 percent lower than the monthly target of $3.64 billion.

(Ref: thedailystar.net)
Inflation in the 19 countries sharing the euro currency remained stable in July, European statistics office Eurostat said. Eurostat confirmed its earlier flash estimate of annual inflation in the euro zone at 1.3 percent, with price rises excluding energy and unprocessed food, a metric closely followed by the European Central Bank in setting monetary policy, also confirmed at 1.3 percent. While price rises are still below the ECB’s target of close to but below 2.0 percent per year, core inflation has increased from 1.2 percent in June and came in above analyst estimates of 1.2 percent in a poll of 29 economists conducted by Reuters. Other economic data showed that the euro zone’s trade surplus came in ahead of analysts’ expectations at 26.6 billion euros (24.30 billion pounds) in June. Eurostat added that exports from the euro zone increased by 3.9 percent in June compared to last year, while imports were up 6.2 percent.  

Asia is home to more Fortune Global 500 companies today than any other continent, and Beijing hosts more global companies, the most of any city in the world. Out of 500 global companies, 197 of them are in Asia. And China leads the list with 109 companies on its soil. The Fortune Global 500 is a ranking of the top 500 companies in the world compiled on the basis of latest sales and gross revenue figures. The Companies in the Global 500 earned a total of $ 1.5 trillion in profit that is equal to 37% Global GDP.  

GDP growth forecast for 30 Asian cities predicts Indian cities are set to grow the most across the region, with Delhi being the fastest growing city in Asia over the next five years. India’s capital Delhi has been pegged as the fastest growing city in Asia, ahead of Chinese cities like Shanghai, Beijing and Shenzhen. The city’s economy is projected to be almost 50 percent larger in 2021 than in late 2016.  

The US economy accelerated in the second quarter as consumers ramped up spending and businesses invested more on equipment, but persistent sluggish wage gains cast a dark shadow over the growth outlook. Gross domestic product increased at a 2.6 percent annual rate in the April-June period, which included a boost from trade, the Commerce Department said in its advance estimate. That was more than double the first quarter’s downwardly revised 1.2 percent growth pace. The economy grew 1.9 percent in the first half of 2017, making it unlikely that GDP would top 2.5 percent for the full year. President Donald Trump has set an ambitious 3.0 percent growth target for 2017.
India is prone to overhaul Japan and Germany to become the third largest economy in the next 10 years but needs to be unswerving in reforms and focus more on the social sector, British brokerage HSBC has said, reports PTI. Its estimates show India will be a $7 trillion economy in 2028, as compared to less than $6 trillion and $5 trillion for Germany and Japan, respectively. Presently, India’s GDP is around $2.3 trillion (fiscal 2016-17). It stands at the fifth spot in global rankings.

(Ref: thefinancialexpress-bd.com)

According to the World Trade Organization (WTO), buoyed by a revival import demand in Asia and North America, world trade is expected to grow 3.6% in 2017 well above last year’s lackluster growth of 1.3%. The Organization has upgraded the forecast for 2017 as “trade rebounds strongly” from its earlier projection of 2.4%. The stronger growth in 2017 was attributed to a resurgence of Asian trade flows as intra-regional shipments picked up and as import demand in North America recovered after stalling in 2016.

(Ref: Dun & Bradstreet South Asia Business Bulletin)

The US federal budget deficit recorded a slightly larger in August than a year ago, while the deficit through the first 11 months of this budget year is well above the same period last year. The Treasury Department said that the August deficit totalled $107.7 billion, up 0.5 percent from a deficit of $107.1 billion in August 2016. With one month to go in the 2017 budget year, the deficit totals $673.7 billion, 8.8 percent above the deficit for the same period a year ago, reports AP. The Congressional Budget Office (CBO) in July boosted its estimate for this year’s deficit to $693 billion, which would be 18.3 percent higher than the 2016 deficit of $585.6 billion.

(Ref: thefinancialexpress-bd.com)

German imports grew far faster than exports in July, narrowing the trade surplus and suggesting Europe’s largest economy will again rely on domestic demand to drive growth in the third quarter as a stronger euro acts as a headwind for exporters. Seasonally adjusted exports rose by 0.2 percent on the month while imports were up 2.2 percent, data from the Federal Statistics Office. The seasonally adjusted trade surplus narrowed to 19.5 billion euros ($23.55 billion) from 21.2 billion euros in June. The July reading was lower than the Reuters consensus forecast of 20.3 billion euros.

(Ref: thedailystar.net)

The British public’s expectations for inflation remained stable in the three months to early August, a Bank of England survey showed. The BoE said median expectations for inflation in a year’s time held steady at 2.8 percent while expectations for inflation two years out edged down to 2.7 percent from 2.8 percent in the previous survey which was conducted in May. Inflation in five years’ time was seen at 3.4 percent, compared with 3.3 percent three months earlier, returning to a peak last seen in May of last year.

(Ref: thefinancialexpress-bd.com)
The European Union’s economic and financial committee has criticized US President Donald Trump’s economic policy and is worried that his efforts to boost protectionism pose a threat to the global economy, a German magazine reported. “The effects of that could be much more damaging than had been thought until now,” Der Spiegel said, citing an internal paper from a committee of top officials from the finance ministries of EU member states.

The Canadian economy grew 4.5 percent in the second quarter of 2017, the government statistical agency said, pushing beyond forecasts to the highest growth rate in 15 years. Analysts were expecting 3.1 percent growth during the period from April to June, but strong consumer spending and a surge in exports buoyed the results. This came after growth of 3.7 percent at the start of the year, when the economy roared back to life to jump ahead of Canada’s G7 peers after years of relative stagnation. (Ref: thedailystar.net)

Oil prices rose after Iraq’s oil minister said OPEC and other crude producers were considering extending or even deepening a supply cut to curb a global glut. US West Texas Intermediate crude futures were up 33 cents, or 0.7 percent, at $49.81 a barrel at 0419 GMT. Brent crude futures climbed 23 cents, or 0.4 percent, to $55.37, reports Reuters. OPEC and other producers including Russia have agreed to reduce output by about 1.8 million barrels per day until March 2018 in a bid to reduce global oil inventories and support prices. Crude inventories rose by 1.4 million barrels in the week to Sept. 15 to 470.3 million, compared with expectations for an increase of 3.5 million barrels. Crude stocks at the Cushing, Oklahoma, delivery hub rose by 422,000 barrels, American Petroleum Institute (API) said. (Ref: thefinancialexpress-bd.com)

Some European exporters are beginning to worry about the strengthening euro which has rebounded from near parity with the dollar after Donald Trump’s election, though analysts see little immediate risk to growth. Europe’s single currency surged on 02.08.2017 to $1.1910, its highest level since early January 2015, before retreating to $1.1770 on 04.08.2017. For European businesses heavily reliant on exports, especially in Italy and France, the strong euro could hurt the bottom line. (Ref: thedailystar.net)

Pay and Prices
How Inflation compares to wage growth

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According to the Asian Development Outlook 2017 annual economic publication, China’s economy is expected to expand by 6.7% in 2017, up from a previous projection of 6.5% in April to reach 6.4% in 2018. In the first half of 2017, China’s economy grew at a faster-than-expected rate of 6.9%, due to expansionary fiscal policy and unanticipated external demand. (Ref: Dun & Bradstreet South Asia Business Bulletin)
There are currently about 1.78 million (1,781,598) legal foreign workers in Malaysia as of June 30, Bernama reported. Based on records by the Immigration Department, Indonesian workers topped the list with 728,870 people, followed by Nepalese (405,898), Bangladeshi (221,089) and Myanmar nationals (127,705), the ministry stated. The number of foreign workers from India is 114,455, Pakistan (59,281), the Philippines (56,153), Vietnam (29,039), China (15,399), Thailand (12,603), Sri Lanka (9,646), Cambodia (5,103) and Laos (39).

Difference between India and Thailand over market access is one of the main reasons why the FTA under BIMSTEC remained stalled during last couple of years. While India has demanded easing of rules for its professionals, Thailand has asked for relaxation in the foreign investment rules in multibrand retail trade for its retailers. Moreover, Bangladesh and Sri Lanka are pushing for the entry of China into the grouping, which is technically not possible at this stage, albeit it can join BIMSTEC as ‘observer.’ (Ref: thefinancialexpress-bd.com)

The Reserve Bank of India cut its main policy rate on August 02, 2017 by a quarter percentage point to a more than 6-1/2 year low, saying a slump in inflation opened room for monetary easing, while pinning further action on upcoming economic data. RBI becomes first central bank in Asia to cut rates this year. Cutting the repo rate by 25 basis points to 6.00 percent - the lowest since November 2010 - had been widely anticipated as a slump in food prices sent June consumer inflation to a more than five-year low of 1.54 percent. The RBI also cut the reverse repo rate by 25 bps to 5.75 percent. (Ref: thedailystar.net)

China is the world’s largest holder of foreign exchange reserves. It has over two and half times more foreign reserves than the second largest reserve holder, Japan. The Asian giant has US$3.483 trillion of foreign exchange reserves, despite recent fall in foreign reserves. China is followed by Japan, with a substantial US$ 1.21 trillion worth of foreign exchange. South Korea and India also have a large pie of the foreign exchange. In South Korea, the foreign exchange reserve is $370 billion while India holds US$361 billion worth of foreign exchange, as per the World Bank data.

Indian banks may have to write off 60 percent of the value of bad loans from their 50 large stressed asset accounts, or a hit of 2.4 trillion rupees ($37.31 billion), ratings agency CRISIL said. The 50 stressed companies, which account for 4 trillion rupees in soured loans are nearly half of the total non-performing assets in the banking sector as of the end of March, CRISIL said. Banks had total non-performing loans of about 7.29 trillion rupees, or 5 percent of India’s gross domestic product, as of end-March. (Ref: thedailystar.net)
The US imports more from Asian countries than it exports and as per available data the US runs trade deficits with most of Asian countries except Singapore. The US has trade surplus of $8 billion with Singapore. While the US imports $985 billion from Asia, the total value of its exports to the region is $452 billion, as per the data from USA Census Bureau. The US shipped $116 billion of goods to China in 2016 but it imported goods worth $463 billion from China. The result is a US trade deficit of $347 billion, the largest of any US trading partner. (Ref: thedailystar.net)

Britain’s unemployment rate dipped to 4.5 percent in the quarter to May, a new 42-year low, official data showed. The rate had stood at 4.6 percent in the quarter to April, already a low since 1975, the Office for National Statistics said in a statement. A total of 1.49 million people were recorded as unemployed at the end of May, down 152,000 compared with a year earlier, the ONS added. British inflation jumped in May close to a four-year high of 2.9 percent as a weak pound triggered by Brexit pushes up import costs. (Ref: thefinancialexpress.com.bd)

The US unemployment is forecast steady at a 16-year low of 4.3 percent, dropped five-tenths of a percentage point this year and matches the most recent Fed median forecast for 2017. The Labour Department will probably show that nonfarm payrolls increased by 179,000 jobs last month after gaining 138,000 in May, according to a Reuter’s survey of economists. Economists say labour market buoyancy could also encourage the US central bank to announce plans to start reducing its $4.2 trillion portfolio of Treasury bonds and mortgage-backed securities in September. (Ref: thefinancialexpress-bd.com)

The world economy is the healthiest it’s been in years but could still use a little help from low-interest rates and higher government spending from countries that can afford it, the International Monetary Fund says. The IMF expects the global economy to grow 3.6 percent this year, up from 3.2 percent in 2016. And three-quarters of the global economy is growing, making this the broadest recovery in a decade. (Ref: thefinancialexpress.com.bd)
Greetings: The Senior Management Team of Mercantile Bank Limited handing over a floral greetings to A.K.M. Shaheed Reza, Chairman of the Bank for achieving CIP (Commercially Important Person) status in 2017 from the Ministry of Commerce.

Achievement: ICAB awarded MBL the “Certificate of Merit” in the Private Bank Category for Best Presented Annual Reports 2016. Kazi Masihur Rahman, Managing Director & CEO of MBL, receiving the certificate from Honorable Finance Minister Abul Maal Abdul Muhith in the 17th ICAB National Award.

Greetings: Sponsor Director of Mercantile Bank Limited Al-Haj Akram Hossain (Humayun) elected as Chairman of Mercantile Bank Securities Limited (MBSL). MBSL Team received the newly elected chairman with floral greetings.
CSR Activities: Mercantile Bank Limited donated to Prime Minister’s Relief Fund for flood affected people. A.K.M. Shaheed Reza, Chairman of Mercantile Bank Limited and Shahidul Ahsan, Chairman of Mercantile Bank Foundation handed over the cheque to Honorable Prime Minister Sheikh Hasina at her office.


CSR Activities: Mercantile Bank Limited sponsored to “National Junior and Sub-Junior Badminton Championship - 2017” organized by Chittagong District Sports Association. Md. Shahabuddin Alam, Director of MBL is receiving the crest from the organizer.

Conference: Mercantile Bank Limited has organized a get together with the start-up level entrepreneurs under its new product titled ‘UDAYAN’ held at Bank’s Training Institute in the city on 19.10.2017. A.K.M. Shaheed Reza, Chairman of MBL was present as the Chief Guest and Kazi Masihur Rahman, Managing Director & CEO of the bank presided over the program.

Agreement Signing: Mercantile Bank Limited recently signed an agreement with Golden Harvest Agro Industries Limited regarding collection of funds from their countrywide distributors through MYCash, mobile banking platform of Mercantile Bank Limited. The agreement was signed by Kazi Masihur Rahman, Managing Director & CEO of the Bank and Mr. Mohiuss Samad Choudhury, Director of Golden Harvest Agro Industries Limited, on behalf of their respective organizations.
Seminar: Mercantile Bank Training Institute organized a seminar on ‘Importance of SME Financing in Banking Sector; Bangladesh Bank Policies & Guidelines with Recent Changes’. Branch Managers with major portfolios on SME financing attended the seminar held at FARS Hotel & Resorts in Dhaka on 26 August 2017. Chairman of the Bank A.K.M. Shaheed Reza inaugurated the program and highlighted the importance of financing in SME sector in his speech.

Training: A day long Lead Bank Training Program on “Prevention on Money Laundering & Combating the Financing of Terrorism” was held on 16 September 2017 in Mymensingh for the officials of different scheduled banks operating in Mymensingh District. Mercantile Bank arranged the Training Program as Lead Bank under the guidance of BFIU, Bangladesh Bank. Mati Ul Hasan, AMD & CAMLCO, Mercantile Bank Limited was present at the Training Program as Chief Guest.

CSR Activities: Mercantile Bank Limited sponsored “Notre Dame English Club” organized by Notre Dame College. Md. Zakir Hossain, DMD & DCBO, MBL speaking at the occasion before the participants.
‘Business Performance Review Meeting’ of Mercantile Bank Limited held on October 7, 2017 at Radisson Blu Water Garden Hotel in the city. Total 119 Branch Managers, All Divisional Heads and Executives participated in the meeting. A.K.M. Shaheed Reza, Chairman of the Bank inaugurated the Conference as Chief Guest. Kazi Masihur Rahman, Managing Director & CEO of the bank presided over the meeting.
“Mercantile Bank Abdul Jalil Education Scholarship-2016” held at FARS Hotel & Resorts on October 28, 2017. Governor of Bangladesh Bank Mr. Fazle Kabir was present on the occasion as chief guest and distributed Cheques & Certificates among 163 students including 40 disable students. Chairman of Mercantile Bank Limited A.K.M. Shaheed Reza delivered his speech on the occasion as special guest. The program was presided over by Shahidul Ahsan, Chairman of Mercantile Bank Foundation. Managing Director & CEO Kazi Masihur Rahman delivered his welcome speech on the occasion.
Coffee Meeting with our honorable MD & CEO

Kazi Masihur Rahman, our honorable Managing Director & CEO, sits with different level officials of the Bank at coffee meeting regularly that makes a warm interaction between verdant and veteran bankers. In this meeting everyone gets opportunity to exchange his/her experiences and share opinion on working environments with the legend Banker. He inspires and motivates the young bankers by providing his valuable suggestion and sharing his depth of experiences on banking profession. Some exclusive snapshots of the meeting are as under.
If you want enjoy tropical mountain and the beauty of valleys of mountain and want to stay above the cloud, Sajek is the place you might love to go. Sajek is a union under Baghaichari Upazilla of Rangamati Hill District. But the fact is one cannot go to Sajek from the Rangamati District directly rather you need to go there through Khagrachari Hill District, so people always believe that it’s in Khagrachari Hill District. Sajek union is the largest one in Bangladesh and larger than many of the sub-districts of Bangladesh. The main tourist attraction here is Ruilui Para and Konglak Para. Ruilui para has been developed and maintained as an tourism spot by Bangladesh Army.

The road to Sajek from Khagrachari is the most beautiful road in Bangladesh. The last point of this road is Ruilui Para. The last 2 kilometers of this road is on the peaks of Sajek Hill Range and above 1800 feet from the sea level which make this road above the cloud for height. Both sides of this road have two different valleys one is in Bangladesh side and another valley ended in Indian State of Mizoram and the high mountains of Mizoram State.

Sajek is popularly known as Kingdom of Cloud as you will stay above the cloud level and at the dawn Sajek is submerged in cloud and look like an island in the middle of the cloud. Sajek is the only place in Bangladesh where Coffee Beans are cultivated and also Sajek is famous for Tangerine Orchard so don’t forget to have the test of fresh picked Tangerines. There is a “30 minutes walking trail” for adventure seekers to visit Konglak village which is in the highest point of Sajek. You will get a 360 degree view of 2 valleys of Sajek from highest point of Konglak Para. You will also find Jumm Lands (Mountain Agriculture System) on the way to Sajek Tourist Spot.

How to go there

If one wants to go to Sajek, s/he has to come to Khagrachari District first. To reach Khagrachari from Dhaka or Chittagong by road journey is the only option. There are lots of bus services both from Dhaka and Chittagong. From Dhaka, both A/C
and Non A/C services are available. A/C bus would cost BDT 750 and Non A/C Chair Coach bus will cost around BDT 520. Buses are available from Saydabad, Kolabagan and Kamalapur Bus Terminal in Dhaka. From Khagrachari, one must reserve a four wheeler jeep as it is a mountain road. Locally these four wheelers are known as Chander Gari (Usually model 50 Toyota land cruiser) and will cost BDT 7,000 for an up-down trip and stay over at Sajek for one night. Otherwise, for each day, the car would cost BDT 4,000-4,500. These one CHANDER GARI can accommodate 18 people usually with 9 seats and other 9 on the rooftop. There are also some local not so frequent services of Chander Gari from Khagrachari to Dighinala and separate services from Dighinala-Sajek. So for tourists, it is advised to go to Sajek with reserved vehicle.

What to Do in Sajek

Sajek Tourist Spot is on the peak of the mountain ranges and one easily reaches there by cars. So it’s not a trekking trail for mountain adventure seekers. But there is a short trail from Rulul Village to Konglak Village trail that an adventure seeker can walk. Konglak Village is on the top of the Mount Sippu (Highest peak in Sajek Mountain Range). The peak of Sippu offers a 360 degree clear view of the surrounding areas as there are no other ranges near from there. You explore the lifestyle of indigenous tribes of Bangladesh as Konglak is a tribal village. The residents of Konglak village cultivate coffee beans here, so you can get the taste of fresh and home roasted coffee here.

There are two army helipads in Sajek valley on top of two mountain peaks. One offers the view of the valley in Indian Side and also offers the view of Sunrise. Another helipad offers the view of another valley which is on the Bangladesh side and offers the view of Sunset.

There is a water falls on the way to Sajek from Khagrachari, if you are in a reserved jeep and if you ask your jeep jockey he will take you to that falls which is named “Hajachor Falls”. It would take 10 minutes to reach there from the road.

Accommodation

Sajek is a small hill station, yet there are 2 luxury resorts operated by Bangladesh Army, one is Rock Sajek and another is Runmoy Resort. Each double room in Rock Sajek would cost BDT 15,000-12,000-10,000
respectively for different types of rooms. Another Army Resort is Runmoy Resort which would cost BDT 4,500 for double bed rooms. There is another resort named Alo Resort which would cost BDT 700-1,300 per night. One can also stay in some boarding houses and be paid guest in tribal houses for BDT 150-1,000 per night.

Food

Sajek has only one luxury restaurant operated by Bangladesh Army named as Rock Rajek. There are some decent restaurants that sell Bangladeshi Cuisine at very cheap price. There are also some tea stalls which also sell some snacks, bananas etc. But remember one thing, no food shops keep prepared foods, rather they take order and cook food based on ordered quantity. So please order for food 2 hours before the meal time.

Cost

Sajek is ideal place to visit both for tourists and bag packers as well. One can avail luxuries for higher price and also avail basics at a cheaper price for bag packers. I am a bag packer; I am sharing my experience here. I took Non A/C bus to reach to Khagrachari, it did cost BDT 520 and BDT 1,040 for round ticket, I was attached to a group of 11 people, so we hired a jeep for BDT 7,000 taka for 2 days and each had to pay around 650 taka. We stayed in a boarding house which cost BDT 800 per night on a shared room basis. Traditional Bangladeshi meal costs around BDT 120-150 per meal (3 meals a day, breakfast with Paratha with Curry and Egg would cost BDT 50) so for 2 days and night, it cost me BDT 400 a day with snacks and cups of tea (BDT 6 a Cup).

Security Issues

Sajek and the road to Sajek, both are in mountain region of Khagrachari and Rangamati Hill District. This area was once controlled by the armed militants of Hill Tracts Guerrilla Groups but since the signing ceremony of Peace Accord with the Guerillas with the Bangladesh Govt. in 1997, this area is safe as anywhere of Bangladesh but due to the bitter experience of past can make one confused about safety, but since the peace accord was signed, the militants are not active here anymore. But still, to mitigate this confusion of travelers who wants to visit Sajek Valley, Bangladesh Army provides security escort service in the road to Sajek and the Sajek Tourism Spot is also secured by a Army Camp, Border Guard Bangladesh Border outpost and a Ansar Camp. So feel free to travel in Sajek.

Tips

Sajek is not connected with the national electricity grid line. Only generators and solar electricity system provides electricity in Sajek. No matter what season it is, as Sajek is 1800 feet up from the sea level, at night the temperature might drop down to 20-22 degree celcius in summer. So keep a windbreaker with you while travelling to Sajek. Only two cell phone operators have network coverage in Sajek, Robi and Teletalk, so carry either one of the operators SIM card.
MBL KEY INDICATORS 2017

### Deposits (BDT in Crore)
- March, 2017 (Q1): 18,821
- June, 2017 (Q2): 20,280
- September, 2017 (Q3): 20,627.95

### Loans & Advances (BDT in Crore)
- March, 2017 (Q1): 16,229
- June, 2017 (Q2): 17,899
- September, 2017 (Q3): 19,140.02

### Non-performing Loans (In %)
- March, 2017 (Q1): 4.60%
- June, 2017 (Q2): 4.31%
- September, 2017 (Q3): 3.80%

### Capital to Risk-weighted Asset Ratio (CRAR) (In %)
- March, 2017 (Q1): 12.24%
- June, 2017 (Q2): 12.07%
- September, 2017 (Q3): 12.14%

### Operating Profit (BDT in Crore)
- March, 2017 (Q1): 187
- June, 2017 (Q2): 325
- September, 2017 (Q3): 483.13

### Earning Per Share (EPS) (in BDT)
- March, 2017 (Q1): 1.07
- June, 2017 (Q2): 2.02
- September, 2017 (Q3): 2.91

### Table

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