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RESEARCH AND PLANNING DIVISION
MERCANTILE BANK LIMITED
HEAD OFFICE, DHAKA.

OCTOBER 2021

SPECTRUM



বাংলা ব্যাংক



মার্কেন্টাইল ব্যাংক লিমিটেড
Mercantile Bank Limited

দক্ষতাই আমাদের শক্তি

EDITORIAL

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MBL Circulars
during October 2021

ABSTRACT

Eventful year of 2021 has completed its 10th month with end of October. Year which started on a brighter note as compared to last year has continued on the same trend throughout barring a few hiccups along the way. But those stumbling blocks have not been able to create major setbacks due to the prudent measures taken by the concerned authorities over these past few months. As we head towards end of year, next two months is of utmost importance as the country along with the banking industry looks to carry forward the growth momentum.

We are at critical juncture of year whereby the world has come closest to normalcy. Worldwide tourism is opening as well as other industries which were hampered due to pandemic. We have already heard the news of people gathering in various tourist destinations all over the world including Bangladesh which augurs well for the days to come. Bangladesh is going ahead with vaccination programs. So, all in all country is on the right track.

Mercantile Bank limited along with the country is heading towards achieving its goal. MBL has done exceedingly well upto October 2021 as compared to the same time last year. This shows how much resilient the Bank is and also points out that year 2020 was only a temporary setback in it's' journey.

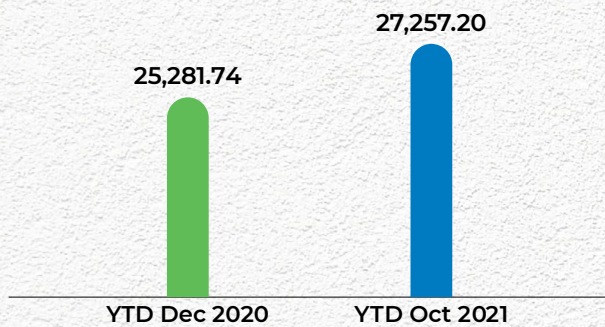
This edition of 'MBL Spectrum' will cover current updates of the banking industry, as well as the overall economy of the world including Bangladesh. All key information of the bank up to October, 2021 as always will be here.

Tapash Chandra Paul, PhD
Chief Editor, MBL Spectrum

MBL PERFORMANCE OCTOBER 2021

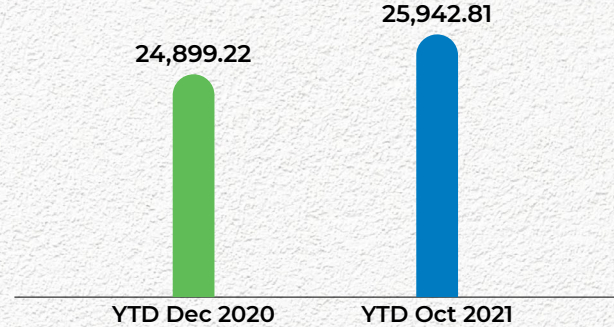
Deposits

BDT in Crore



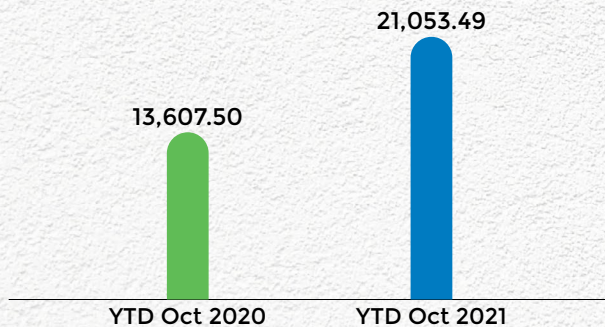
Advances

BDT in Crore



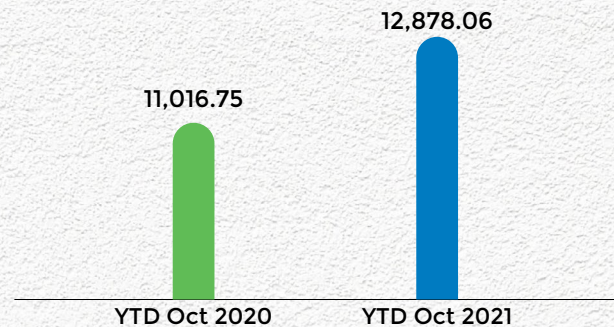
Import

BDT in Crore



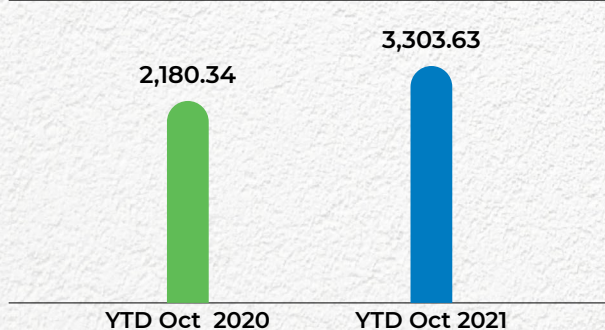
Export

BDT in Crore

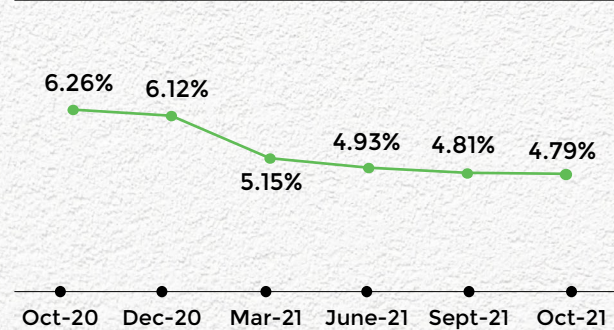


Inward Remittance

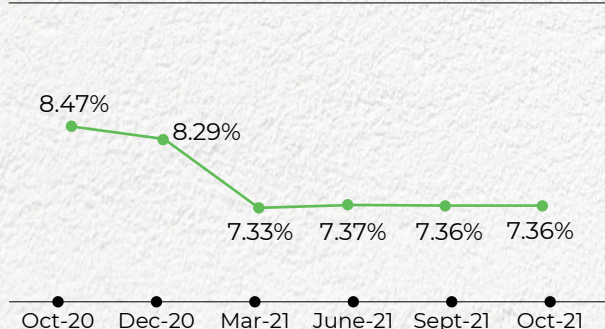
BDT in Crore



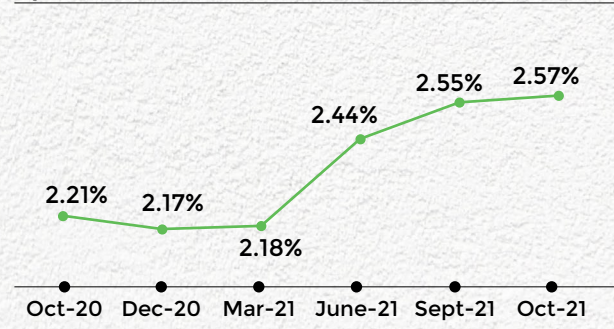
Cost of Deposit



Yield on Advances



Spread



GLOBAL ECONOMY



China's Q3 economic growth slows to 4.9%, misses expectations

- China's economy grew slower than expected in the third quarter, official data showed, as power outages and supply bottlenecks hurt factories while sporadic COVID-19 outbreaks weighed on consumption.
- Gross domestic product (GDP) expanded 4.9% in the July-September quarter from a year earlier, the National Bureau of Statistics said, slowing from 7.9% in April-June and compared with expectations for a rise of 5.2% in a Reuters poll of economists.

Ref: (www.reuters.com)

Impact of protectionist measures on global economy has never been positive

- "Countries should refrain from using export restrictions and other non-tariff measures. They should also increase transparency on trade restrictions brought during and in the aftermath of COVID-19. The impact of protectionist measures on the global economy and international trade has never been positive," Batting for trade openness, a UN ESCAP-ADB report said.
- The Asia-Pacific Trade Facilitation Report 2021 also highlights that cross-border trade digitalisation has great potential to help countries in Asia and the Pacific access critical goods, especially those most vulnerable to trade uncertainty and crisis.

(Ref: <https://economictimes.indiatimes.com>)

Soaring energy prices push Europe's inflation to decade high

- Annual inflation in the Euro area reached a 13-year high as oil and gas prices soared in September, the European Union statistics agency said.
- Inflation came in at 3.4%, up from 3.0% in August and the highest since 2008. The overall inflation level was boosted by a jolting 17.4% increase in energy prices.

(Ref: <https://www.euronews.com>)

Federal says it could begin 'gradual tapering process' by mid-November

- The Federal Reserve could begin reducing the pace of its monthly asset purchases as soon as mid-November, according to minutes from the September meeting
- The summary indicated the tapering process could see a monthly reduction of \$10 billion in Treasuries and \$5 billion in mortgage-backed securities.
- Officials at the meeting expressed concern about inflation, saying it could last longer "than they currently assumed."

(Ref: <https://www.cnn.com>)

Business leaders look to U.N. for deal toward carbon pricing

- World business leaders want the upcoming United Nations climate summit to resolve issues that have so far hindered the use of carbon pricing to cut worldwide emissions, looking to boost the role that companies play in slowing global warming.

(Ref: <https://www.reuters.com>)

Thousands of unvaccinated workers across US at risk of losing jobs

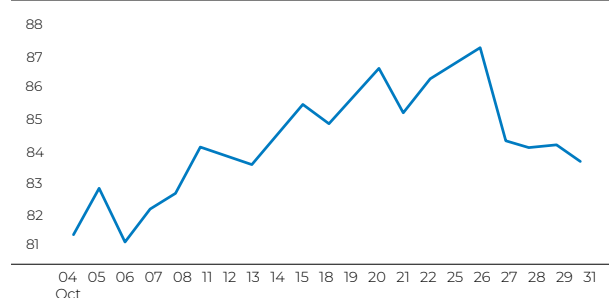
- Thousands of unvaccinated workers across the United States are facing potential job losses as a growing number of states, cities and private companies start to enforce mandates for inoculation against Covid-19, reports Reuters.
- Thousands of police officers and firefighters in cities like Chicago and Baltimore are also at risk of losing their jobs in the coming days under mandates that require them to report their vaccination status or submit to regular coronavirus testing.

(Ref: <https://thefinancialexpress.com.bd>)

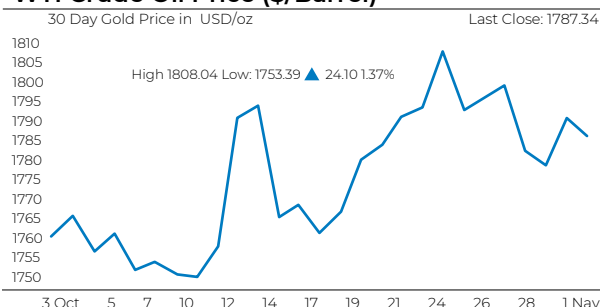
Price Information of Key Commodities

Commodities	\$Barrel/ \$Oz
WTI Crude Oil	82.15
Brent Crude Oil	83.19
Gold	1791.50

Brent Crude Oil (\$/barrel)



WTI Crude Oil Price (\$/Barrel)



Sources: "<http://www.bbc.com>" www.bbc.com, www.goldprice.org

BANGLADESH ECONOMY



Bangladesh keeps outrunning India in per capita GDP race

- Bangladesh is forecast to remain ahead of India in terms of per capita gross domestic product (GDP) in the next five years to 2026 powered by buoyancy in remittance, exports and agricultural activities.
- With \$355 billion, Bangladesh, the second-biggest economy in South Asia, first overtook India in 2020 in terms of per capita GDP, a measure of the economic prosperity of a nation.

(Ref: www.thedailystar.net)

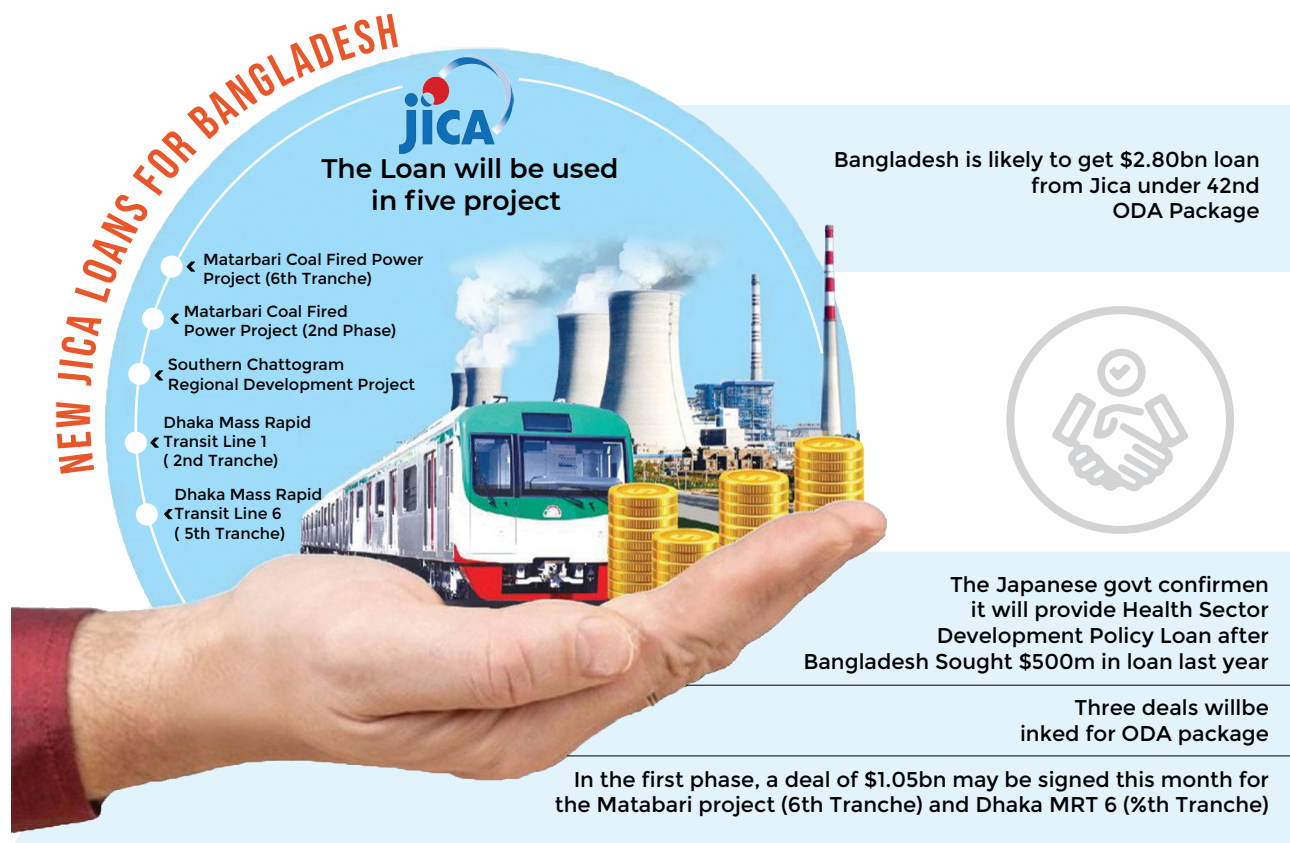
Trade gap crosses \$4.0b in July-Aug

- Country's merchandise trade gap with the rest of the world crossed US\$ 4.0 billion in the first two months of the current fiscal year (FY22). A big surge in merchandise imports against a tiny growth in exports widened the trade deficit.
- Bangladesh Bank statistics showed that trade gap stood at \$4.11 billion (or \$4,116 million) in July-August period of the current fiscal year which was only \$697 million in the corresponding period of the previous fiscal (FY21).

(Ref: thefinancialexpress.com.bd)

Bangladesh set to seal \$2.80bn JICA loan deal for 6 projects

- The government of Bangladesh hopes to ink an agreement on a \$2.80 billion loan with the Japan International Cooperation Agency (JICA) under the Japanese fiscal year 2021 (April 2020-March 2021) as part of Jica's 42nd Official Development Assistance (ODA) package, according to Economic Relations Department (ERD) officials.



NEW JICA LOANS FOR BANGLADESH

JICA

The Loan will be used in five project

- ◀ Matarbari Coal Fired Power Project (6th Tranche)
- ◀ Matarbari Coal Fired Power Project (2nd Phase)
- ◀ Southern Chattogram Regional Development Project
- ◀ Dhaka Mass Rapid Transit Line 1 (2nd Tranche)
- ◀ Dhaka Mass Rapid Transit Line 6 (5th Tranche)

Bangladesh is likely to get \$2.80bn loan from Jica under 42nd ODA Package

The Japanese gov't confirmen it will provide Health Sector Development Policy Loan after Bangladesh Sought \$500m in loan last year

Three deals will be inked for ODA package

In the first phase, a deal of \$1.05bn may be signed this month for the Matarbari project (6th Tranche) and Dhaka MRT 6 (5th Tranche)

\$2.9bn food security plan afoot

The government is going to invest \$2.9 billion over the next five years on mechanised and climate-smart agriculture to grow more food, achieve nutrition security and reduce the cost of farming. A sustainable and safe food supply has become a challenge for the country due to natural disasters and a rising population.

(Ref: www.tbsnews.net)

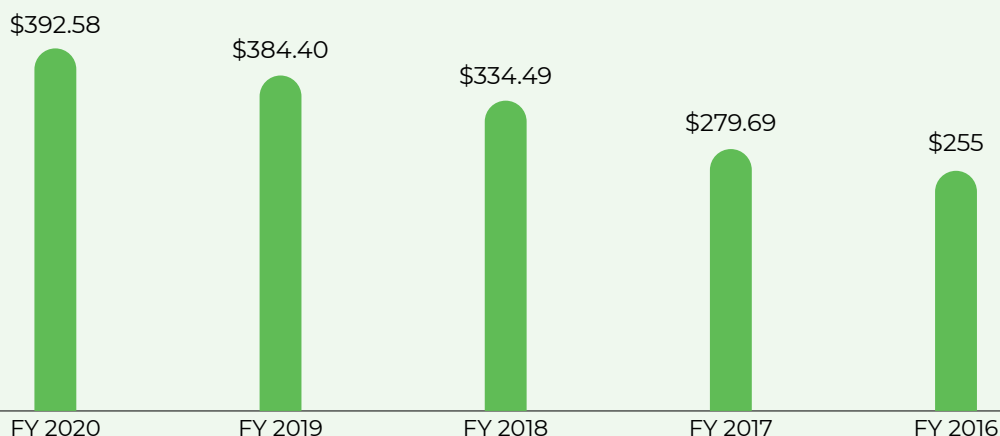
Bangladesh's per capita foreign debt buildup hits \$460

Bangladesh's per-capita foreign debt ballooned to USD460 or Tk 39,000 in the fiscal year 2021, up by over \$67 from the figure a year before, according to central bank statistics. The country's total external debt stock stood at \$78.04 billion at the end of last June, or up by nearly 19 per cent in the fiscal 2021. This is equivalent to 22 per cent of the country's GDP [gross domestic product].

(Ref: thefinancialexpress.com.bd)

- Total debt stock \$78.04b end of June, or 22pc of GDP
- Many funds taken for corona vaccine procurement, economic recovery
- Public debt interest rate 1.0pc

Per Capita External Debt



BSEC Roadshow in UK

- Hon'ble Prime Minister Sheikh Hasina inaugurated a roadshow in the United Kingdom to attract more foreign direct investment in Bangladesh.
- Bangladesh Securities and Exchange Commission (BSEC), in partnership with Bangladesh Investment Development Authority (BIDA) and Bangladesh High Commission in London, has organised the roadshow on "Bangladesh Investment Summit 2021: Building Sustainable Growth Partnership".

(Ref: www.thedailystar.net)

Export diversification emphasised to utilise EU market before LDC graduation

- Diversified products in export baskets and the use of technologies to support required production are among the challenges for utilising the EU market ahead of Bangladesh's LDC graduation, said the participants at a webinar.
- Bangladesh is enjoying a duty-free export facility in the European Union (EU) market under the general preference system (GSP). After LDC graduation, the country will face strict Rules of Origin requirements.

(Ref: <https://thefinancialexpress.com.bd>)

US companies urged to invest more in BD

- US companies would take advantage of the competitiveness of Bangladesh and invest in the country in much greater volume particularly in the areas of ICT, energy, and pharmaceuticals.
 - The first ever high level Economic Partnership Consultation between Bangladesh and the United States held recently on a virtual platform expressed such optimism, according to a statement issued from Ministry of Foreign Affairs.
 - The meeting took place with a view to developing a vision for advancing the existing U.S.-Bangladesh economic partnership.
-

Living gets costlier with inflation upswing

- The point-to-point inflation over the last couple of months has maintained a steep rise with the September consumer price index (CPI) having recorded a bit high as per official statistics.
- In the last month of September, the rate of point-to-point inflation rose to 5.59 per cent underpinned by higher CPI of non-food items, Bangladesh Bureau of Statistics (BBS) data showed.



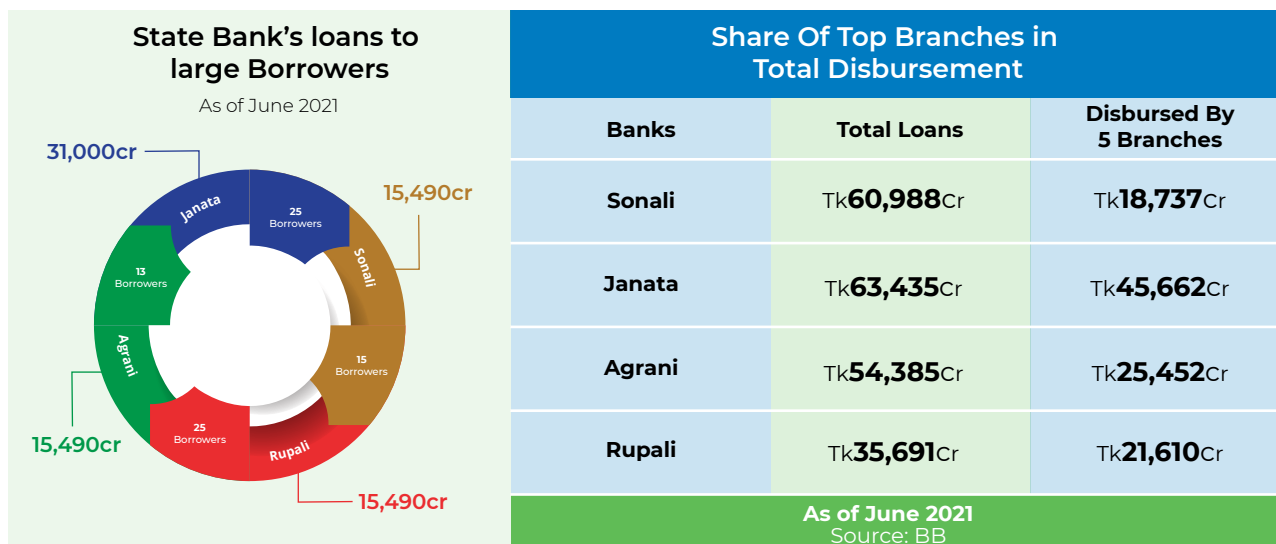
BANKING INDUSTRY



Banks hold on to a few borrowers despite risks

State banks in Bangladesh are maintaining an elevated level of loan concentration among a handful of clients, putting their own financial health and the interest of depositors at grave risk. Four state banks – Sonali, Janata, Agrani and Rupali – lent a combined Tk 67,264 crore among only 78 companies as of June, data from the Bangladesh Bank showed. As a result, the credit risk of the banks has widened to a large extent.

(Ref: www.thedailystar.net)



City Bank wins ADB's leading partner bank award again

City Bank has won the leading partner bank award in Bangladesh for the two consecutive times at the Trade and Supply Chain Finance Programme Awards 2021 presented by the Asian Development Bank. City Bank first won the award in 2020. Over 200 partner bank representatives attended the ceremony where 27 banks were recognised under 21 categories.

(Ref: www.newagebd.net)

Prime Bank secures \$30m from UK dev lender

- UK-based finance institution CDC Group has committed a \$30 million trade finance loan to Prime Bank Limited. The loan will enhance the ability of the Bangladeshi bank to meet the US dollar funding needs of local corporates, bolstering necessary import and export activities, the bank said.
- The loan facility will provide Prime Bank with a stable source of much-needed trade finance funding.

(Ref: www.thedailystar.net)

'Bond market can address Bangladesh's banking sector shortcomings in long-term financing'

- Bangladesh can no longer bank only on budgetary money or banking capital for financing long-term projects, especially the ones of development of infrastructure, an investment conference concluded.
- The participants called for making a vibrant bond market to help take the country's infrastructure development to the next level after a massive public sector financing for implementing mega-projects in recent times.

(Ref: <https://thefinancialexpress.com.bd>)

Govt bank borrowing Tk 4,597cr in July-Sept

- The net government borrowing from the banking sector stood at Tk 4,597.02 crore in the July-September period of the current fiscal year 2021-2022.
- As per a BB report, the government repaid Tk 9,524.16 crore to the BB but borrowed Tk 14,121 crore from scheduled banks against Bangladesh government treasury bills and bonds.

(Ref: www.newagebd.net)

MBL NEWS

Mercantile Bank secured 4th position overall in Financial Cyber Drill 2021

Bangladesh government's e-Government Computer Incident Response Team (BGD e-GOV CIRT) arranged the Cyber Drill-2021 marking 50 years of Bangladesh and the Mujib Year to enhance skill of handling cyber incidents in financial institutions. The drill was organized for the second time among 38 financial institutions to enhance the skills of cyber security personnel and prepare them for possible disasters.

Mercantile Bank secured the fourth position overall and first position among the Private Commercial Banks in Financial Cyber Drill 2021. Bangladesh Bank secured the first position in the drill.

Ref: <https://businesspostbd.com>

Mercantile Bank remained closed for five days

All banking services of Mercantile Bank Limited remained suspended from October 1 to 5 due to the upgradation of the core banking software T-24, duly approved by Bangladesh Bank.

During this period, all kinds of banking services including ATM booth, debit card services, internet banking, digital banking (MBL Rainbow), Islamic banking and agent banking remained suspended.

Mobile banking services (My Cash) remained active during the period. Md. Quamrul Islam Chowdhury, managing director and CEO of the bank, acknowledged the inconvenience that was caused to the customers. He also said that MBL will be able to ensure more secured and efficient banking services to its customers through this.

Source: www.thedailystar.net

Training

Two days Training for Audit Personnel of Internal Control & Compliance Division

Mercantile Bank Limited organized a two day training for the officials of Internal Control & Compliance Division (ICCD) of Head Office recently. Resource personnel from Bangladesh Bank Training Academy and officials from respective departments of central bank conducted the training sessions. Md. Mahmood Alam Chowdhury, Deputy Managing Director & COO of the bank inaugurated the training program. S.M. Salim Uddin, General Manager, Bangladesh Bank Training Academy graced the training program as Guest of Honor. Javed Tariq, Principal of Training Institute moderated the training program with the assistance of faculties of the institute.



CSR

Donation of 75 thousand blankets to Prime Minister's Relief Fund



Mercantile Bank Limited donated 75 thousand pieces of blanket to Prime Minister's Relief Fund to support the cold stricken poor people of the country. M. Amanullah, Director and Md. Quamrul Islam Chowdhury, Managing Director & CEO of Mercantile Bank Limited handed over the blankets to PM's Principal Secretary Dr. Ahmad Kaikaus at the Prime Minister's office on October 28, 2021. Honorable Prime Minister Sheikh Hasina was connected in that program through videoconference from her official residence Ganobhaban. BAB's Chairman along with representatives from others banks were present on the occasion.

SERVICE INNOVATION: TRUE DIFFERENTIATION IN CUSTOMER SERVICE COMES FROM SURPRISING AND DELIGHTING THE CUSTOMER

A. S. M. Kamal Hossain

First Vice President
Office of the MD & CEO's Secretariat
Email: m.kamal@mblbd.com

Banks belong to the service sector of the economy as they sell financial services to their customers. At present, 61 Banks are operating in the country. Everyone is trying their best to cater to the needs of the customer. As Banks financial services are more or less homogenous in nature, most Banks claim to use their customer service as key differentiators in creating competitive advantage in the marketplace. The service of the banks are actually same as the competitors, so the question is what's the difference? Where does the differentiation come in?

Customer service has become an undifferentiated intangible one. It is a necessity—the price of doing business and customer service's stakes are just as high, as failure in just one of the many areas of quality (quantitative or qualitative) is a failure in the overall customer experience.

Most customer service operations never reach the level of sophistication required to achieve even adequate levels of quantitative and qualitative quality. Customer service is an anchor that weighs down the organization by driving up costs and inhibiting revenue generation. Of those Banks that do achieve operational excellence, success is a hollow victory, because they're providing the same service as every other Bank, they're just better at it. Nothing sets them apart; their customers aren't dissatisfied, they're merely satisfied. But simple satisfaction is not a true differentiator. True differentiation comes from surprising and delighting the customer and services, like products, benefit from innovation. It is that unexpected touch, that something different, which creates a competitive advantage.

In Today's world, technology plays quite a substantial role in creating service differentiation. Especially the Covid-19 pandemic has shown that. The ones those have been able to incorporate technology to make the service differentiation seem to be doing well. Here, technology delight the customer by cutting down on the mobility as the customer can easily take the service from his/her own home.

The secret to service delivery success is putting resources not toward what other banks are doing, but into innovative service that will surprise and satisfy your customers. Ultimately to achieve the final goal of maximizing profit, Banks must remember 5Bs of banking i.e. Bank, Banker, Business, Behavior and Beneficiary. But where do you start? Think about the self-service applications or interactive voice response (IVR) systems we've used or encountered; these are rarely designed from the customer's point of view. Therefore, always start with the customer. Look at the service from the customer's perspective; try to think like the customer. The litmus test of any service process or action should be the following question: Does it serve the customer or enhance the customer experience? If not, don't do it. Applying this rule to every customer contact and all related processes will drastically alter how a bank interacts with its customers, which is the foundation of service ingenuity.

As we have noted, customers are the real power behind service innovation, so we must solicit routine feedback and listen carefully what they say. This is one of the most important stages in the process, and it can affect the overall success or failure. So much of what we do is based on what we think our customers want, not on what they have told us they want. This information can be gathered through customer focus groups, interviews, meetings, and surveys. Detailed analysis of this feedback will give us a list of actionable problems; very often, when sufficient data has been gathered, it will point to specific problem areas, such as order entry, fulfillment, access, staff, etc.

Customer response is one of the most accurate measures of the effectiveness of service innovation. Service innovation creates service leaders. It can also reduce costs and increases revenue. But, to be successful, service innovation must be customer-focused.



GRAVITY OF HAVING A CORPORATE GOVERNANCE FRAMEWORK

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Corporate governance essentially involves balancing the interests of a company's many stakeholders such as financiers, shareholders, debenture holders, sponsors, management, employees, suppliers, consumers, lender, borrowers, creditors, debtors, political activists, pressure groups, free rider, CSR, government and the local community. The importance of corporate governance cannot be understated, and the development of associated policies that are enforceable and applied consistently is also critical. Strong Corporate governance framework is essential for a company's success. With that the company would be able to achieve its ultimate goal of maximizing profit while carrying all the stakeholders along with it.

A company's corporate governance is important to investors since it shows a company's direction and business integrity. Good corporate governance helps companies build trust with investors and the community. As a result, corporate governance helps promote financial viability by creating a long-term investment opportunity for market participants.

The areas which corporate governance aims to include are:

1. The contracts between an organization and the stakeholders both documented and not documented for the distribution of responsibilities, rights, and rewards.
2. The procedures for resolving the occasional conflict of interests among stakeholders in accordance with their duties, privileges, and roles.
3. The guidelines for proper supervision, control, and information-flows to serve as a system of checks-and-balances.

The importance of having a corporate governance framework for any Financial or Non financial organization is as follows:

- Visibility of Errors – the repeatability and consistency associated helps to quickly identify the nonconformities in processes.
- Reduced Costs – when tasks are streamlined, companies can eliminate the waste from scrap and rework on the process to eliminate cost.
- Smoother-Running Operations – regular disruptions from inconsistent processes are eliminated, as operation specifics become either 'conform' or 'non-conform'.
- Compliance – a culture that supports corporate governance allows for its product to reach the market while meeting its intended specifications and working correctly.

Corporate governance is carried out in accordance with the Company's Corporate Governance Code and is based on the following principles:

- **Accountability:** The Code provides for accountability of the Company's Board of Directors to all shareholders in accordance with applicable law and provides guidance to the Board of Directors in making decisions and monitoring the activities of the executive bodies.
- **Fairness:** The Company undertakes to protect shareholders' rights and ensure equal treatment of shareholders. The Board of Directors shall give all shareholders the opportunity to obtain effective redress for violations of their rights.
- **Transparency:** The Company shall provide timely, accurate disclosure of information about all material facts relating to its activities, including its financial situation, social and environmental indicators, performance, ownership structure and governance of the Company, as well as free access to such information for all stakeholders.
- **Responsibility:** The Company recognizes the rights of all interested parties permitted by applicable law, and seeks to cooperate with such persons or companies for their own development and financial stability.

Companies of Bangladesh is incorporated and governed by the Company Act 1994, Bank Company Act 1991, Financial Institution Act 1993, Bangladesh Securities and Exchange Commission Act 1993 (2012 amended) and Bankruptcy Act 1997 which defines the rights and responsibilities of both majority and minority shareholders.

The corporate governance practice in Bangladesh examines the major internal and external factors like legal framework, financial sector scenario, accounting standards and disclosures with regulatory requirements, the role of independent regulators and Judiciary and finally the role of a pressure group.

The corporate governance practices in Bangladesh have been largely limited to financial Sector and the Banking sector can serve as a motivation for better corporate governance through its requirements and procedures for approving and monitoring loans.

These procedures have not provided sufficient oversight of credit assessment and asset management. The debt market is non-existent, and insurance market is not a major force in the financial sector in Bangladesh. Capital Market Role: Capital market facilitated good governance through information production and monitoring. In Bangladesh, fundamental spokes of an efficient capital market wheel are not in place.

The capital market does not react significantly to corporate performance in terms of higher stock valuation for accurate disclosure and poor stock price for the failure of accurate and full disclosure. A good number of shareholders do not possess a sufficient level of education, understanding and sophistication create to pressure on a company to change behavior and ensure corporate governance.

But thankfully all is not dull and gloomy in the country. The authorities concerned have realized its' importance and Bangladesh Securities and Exchange Commission has published a notification in the year 2018 outlining the corporate governance framework in Bangladesh. Hopefully in the days to come the situation will be way better as the early signs are quite good.

References:

1. <https://www.investopedia.com/terms/c/corporategovernance.asp>
2. <https://www.interrao.ru/en/investors/corporate-governance/basic-principles/>
3. <https://dailyasianage.com/news/>

CYBER SECURITY: THE PULSE OF THE ORGANIZATION

Md. Faisal Hossain,

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Today's world is the world of information and Information & Communication Technology (ICT) has become an integral part of our daily lives. The touch of digitalization has made the use of ICT more versatile, rhythmic, lively and brimful. In-addition, with the blessings of the Internet, the whole world has moved to the small display of smart phones today. We can't imagine a single moment without ICT, digital devices and the internet. At present, more than 65% of the world's population i.e. more than 5 billion people use the internet. (source: internetworldstats). Now, most of our daily activities are being done through the internet and interactive innovations of technology. We can do banking without going to the bank, from opening an account to many of the banking activities can easily be carried out staying at home. Using mobile, app and internet, within a twinkle of an eye, we can pay utility bills, we can buy tickets from anywhere and even food comes at home.

But advantages to every technological invention come with terrible disadvantages and ICT is not out of it.

Similar to every technological advancement ICT has a double-edged sword. Moreover, the momentum of ICT risk is geared up at an unpredictable extent since the banking and financial industry has embraced emerging/futuristic technologies such as Artificial Intelligence, Machine Learning, Data Analytics, Distributed Ledger Technology (e.g. blockchain), Robotics, Cloud computing, etc. to improve our lives in myriad ways, from simplifying our shopping to enhancing our healthcare experiences.

Earlier, there was a ledger book in the bank, and at that time there was the possibility of incorrect writing on the document, risk of burning or theft of the document. Digitization didn't prevent us from overcoming those dangers, rather risk has grown to unimaginable proportions. In the manual world, if the ledger of one or more branches was lost, the transaction would not be closed unless newly prepared. but in today's digital world, if the ICT system is unavailable or not functioning well, the bank or financial organization must keep the operation halt.

Undoubtedly, we have become completely dependent on ICT to provide a simple, reliable and transparent way to meet the needs of the age of accessibility. At the same time, the more businesses are driven and dependent on automated systems, the more ICT & cyber risks and threats are invited.

And, it is a burning issue for the financial industry, since financial organizations amass a great deal of confidential information about their customers, employees, products, services, research and financial status and people makes relation with the financial organizations based on entrust and reliability and believes as a convergent entity for safekeeping the information and other assets.

In the present world, in most cases, soldiers do not fight with life-destroying weapons in the physical field against the enemies, rather exercise the muscle power virtually through Cyber War.

The world is embarking on a journey to shape the future of banking by bringing forth a culture of innovation, efficiency and automation where the Information & cyber security is the most critical facilitator for today's business.

Therefore, Information & cyber security has become the finger of the pulse of any organization.

Hence, an acceptable level of Information & Cyber security is inevitably required to ensure seamless continuity of business, minimize business risk, maximize return on investments and can help businesses to gain a competitive edge and opportunities.

In this context, information is treated as the most valuable asset and information can exist in various forms like in the printed paper, electronic storage, transmission, conversation and regardless of the form, sensitive information always be appropriately protected and secured.

Information & cyber security is a continuous journey and certainly everyone's responsibility.

People, Process and Technology are the core components of Information & cyber security. People/user is the weakest link in the cyber landscape since 85% of cyber-security breaches are caused by human error (source: Verizon) and Over 90% of cyber-attacks start with a phishing email (source: Forbes).

Every 39 seconds, there is a new attack somewhere on the web (source: Techjury).

The estimated annual global economic cost of cybercrime is more than \$1 Trillion, that's roughly one percent of global GDP (source: Cobalt).

Damage related to cybercrime is projected to hit \$6 trillion annually by 2021 and a business will fall victim to a ransomware attack every 11 seconds by 2021 (source: cybersecurityventures).

Many large companies in the world have suffered immense financial loss and even have been forced to close due to cyber-attacks and Yahoo, Equifax, HBO, etc. are some notable examples.

Realizing the gravity of cyber risks, renowned businessman, Warren Buffet said that Cyber-attacks are the number one problem with mankind, even worse than nuclear weapons.

Now-a-days, the most horrible form of an adverse cyber event is targeted ransomware attack.

But why are there a huge number of successful cyber-attacks and cyber-crimes in today's world? The answer clearly indicates the lack of awareness on information & cyber security.

Being one of the most reputed banks of Bangladesh with a large customer base, our every footstep in the cyber world needs to be measured, secured and safe. A simple wrong click from our end might end up as a huge consequence for the bank as well as for the financial sector.

With that in mind, Mercantile Bank has started to observe Cyber Security Awareness Month in October 2019 with activities like awareness sessions, providing awareness tips as desktop wallpapers, cyber security quiz program, and so on and this year Cyber Awareness activities are also happening.

The five (5) major principles, a user must duly ensure to minimize the potential cyber events:

- Use a strong password/PIN & change it periodically.
- Always keep the systems up-to-date with the latest change/patch.
- Use internet and email safely and need basis only.
- Keep the eyes open for the social engineering trap and trust no one in the cyber world.
- Always stay aware and make others aware of the latest cyber risks.



Adequate awareness and meticulously maintaining the security tips are key for cyber assurance and so, Be AWARE, Be SECURE, if you truly CARE.

Financial Cyber Drill 2021: A milestone of Mercantile Bank Limited

On October 23, 2021, a day-long cyber drill competition was organized for all the banks and financial institutions of Bangladesh. From last year 2020, Bangladesh Computer Incident Response Team (BGD e-GOV CIRT) under ICT Division, Ministry of Posts, Telecommunications and Information Technology of the Government of Bangladesh has been successfully organizing cyber drill competitions sector-wise and national level since the year 2020. The major goal of Cyber Drill Program is to assure the cyber safety of the country, and to build skilled cyber resilient human resources and to enhance the cyber incident handling capability.

This year, total 36 banks and financial institutions were participated in the drill in groups.

Bangladesh Bank has won first place in the financial cyber drill competition. **Mercantile Bank ranks fourth overall and achieved the first position among the private commercial banks.**

Officials of ICT Security Unit of Mercantile Bank had participated in the financial cyber drill 2021 led by their Head Mr. Md. Faisal Hossain.



STORY OF ONE OF THE BEST ENTREPRENEURIAL VENTURES



KDS Group was founded in 1983, through the establishment of one of the first garments industries of Bangladesh. This Group is a business and industrial conglomerates of Bangladesh, which is based mainly in the port city of Chittagong but with extensive operations in Dhaka as well. It has also established offices and agencies in India, Singapore, Hong Kong and is currently expanding into Europe and North America. This group is paving the path into becoming a Bangladeshi based multinational. It is one of the largest private sector employers in Bangladesh.

Over the last 38 years, through innovation, dynamism, untiring effort and dedication, the business in terms of assets and revenues have grown exponentially by sometimes over 500% a year. The fields of business have also extended from being just apparel exports to a whole array of other industries. Industries of KDS is involved in Apparel, Textiles, Apparel Trims & Packaging, Steel, Steel Accessories, Information & Communication Tech., Logistics (Off-dock/ICD/CFS), Shipping & Freight Forwarding, IT Training Services, Banking & Insurance, Investment Management, Shares and securities trading and other trading operations.

Today the total group can proudly declare over USD 500 million of annual revenues in total with over 25,000 employees, staff and workers. KDS values human capital and is therefore committed to attract, groom and nurture talent through competitive compensations and benefit packages apart from investing in training of its potential employees under local as well as foreign trainers. KDS has engaged the internationally renowned organizational development consultants “Ernst & Young” to develop upgraded Human Resource Management practices such as appraisal through the Balance Score Card method, talent mapping, etc.

The Group adheres to international compliance requirements closely, and has taken many social initiatives for the betterment of the lives of its workforce, going even beyond foreign requirements.

KDS is always keen on taking new challenges and initiatives supported by the robust financial appetite it enjoys along with the open support of all major financial institutions in Bangladesh based on their healthy business track record with each of them.



Khalilur Rahman,
Chairman of KDS Group

Founding Father

Surely every entrepreneur has an amazing story to tell: of their concepts, dreams, struggles and achievements. Their unwavering belief in their own abilities has spawned great many products and services which we have welcomed into our lives without perhaps a second thought. In this light, one such entrepreneur whose dreams and struggles have built one of the largest business conglomerates of Bangladesh, employing more than 30,000 people globally. He is the Chairman of KDS Group, Mr. Khalilur Rahman.

Starting his journey in business from 1967, his finances were modest while his belief in himself was stern. Starting from small localized business he kept on diversifying into many areas of his interests. His love for the struggling people of his area inspired him to start exploring labour intensive ventures. Around 1983, he started his major scale garments manufacturing facility, KDS Garments, out of Chittagong. 90% of the employees of that venture were those struggling people of the area whom he was originally concerned about. Just as his other businesses, his passion for success and love for the people were the key ingredients of the formulations of this new undertaking. A keen sense of determination had enabled Mr. Rahman to expand his empire to include many other large scale projects over the years such as textiles, garment accessories, steel, investment management, logistics, banking, insurance etc. Today, KDS group boasts a revenue base in excess of USD 500 million per annum.

Besides new business initiatives in the pipeline, his future focus is to develop the level of education significantly in his hometown, Potia, Chittagong and to contribute towards a future generation of better educated human resources to take Bangladesh ahead into the days of tomorrow.

Ref:

■ <http://www.kdsgroup.net/>

■ <https://in.apparelresources.com/business-news/sourcing/industry-stalwart-khalilur-rahman-founder-chairman-kds-group/>

BANGLADESH BANK CIRCULARS DURING OCTOBER 2021

ACD (Agriculture Credit Department)

- ACD Circular No. 03, Date: 26.10.2021, Subject: Regarding inclusion of new fruits. crops in Agricultural & Rural Credit Policy and Programme of FY 202021-2022.

BRPD (Banking Regulation & Policy Department)

- BRPD Circular Letter No. 46, Date: 13.10.2021, Subject: Cancellation of the Letter of Commitment for Bank's Undertaking for Line of Credit
- BRPD Circular Letter No. 45, Date: 04.10.2021, Subject: Loan Classification

CIB (Credit Information Bureau)

- CIB Circular No. 02, Date: 10.10.2021, Subject: Regarding doing correction in the board of directors of a borrowing company in CIB database.

DFIM (Department of Financial Institutions and Markets)

- DFIM Circular Letter No. 30, Date: 17.10.2021, Subject: Re-fixation of holiday for Eid-e-Milad-un-Nabi (S)
- DFIM Circular No. 10, Date: 03.10.2021, Subject: Classification and Provisioning of 'Other Assets' of Financial Institutions

DOS (Department of Offsite Supervision)

- DOS Circular Letter No. 46, Date: 27.10.2021, Subject: Revision of existing formula and format of quarterly statement of sector-wise outstanding loans and advances.
- DOS Circular Letter No. 45, Date: 25.10.2021, Subject: Refinance against working capital financing to Hotel, Motel, Theme Park of Tourism Sector for employees' salaries-allowances.
- DOS Circular Letter No. 44, Date: 17.10.2021, Subject: Submission of information on Non-Banking Asset (NBA)
- DOS Circular Letter No. 43, Date: 14.10.2021, Subject: Re-fixation of holiday for Eid-e-Milad-un-Nabi (S)
- DOS Circular Letter No. 42, Date: 07.10.2021, Subject: Mark-to-Market based Revaluation of Treasury Bills and Bonds held by the Banks
- DOS Circular Letter No. 41, Date: 06.10.2021, Subject: Keeping scheduled bank branches closed to facilitate casting vote by the voter employees of the related areas on 7th October 202021 for Election of Upazilla Parishads and Pourashava

FEPD (Foreign Exchange Policy Department)

- FEPD Circular Letter No. 27, Date: 27.10.2021, Subject: Release of foreign exchange for online study abroad
- FEPD Circular No. 33, Date: 18.10.2021, Subject: Repatriation of export proceeds through Online Payment Gateway Service Providers.
- FEPD Circular No. 32, Date: 03.10.2021, Subject: Direct dispatch of export documents by exporters.

FID (Financial Department Institutions)

- FID Circular No. 02, Date: 28.10.2021, Subject : Refinance Scheme for the affected low income professionals, farmers, marginal micro businessmen due to novel coronavirus

PSD (Payment System Department)

- PSD Circular No. 10, Date: 18.10.2021, Subject: Determination of Fees. Charges for domestic transactions routed through NPSB and Card schemes

MBL CIRCULARS

DURING OCTOBER 2021

Instruction Circulars

1. Circular no. 2691, Date: 28.10.2021, Subject: Issuance of certificate regarding accuracy of present interest rate of all deposit product of respective branch after recent up-gradation of Temenos R19 database.
2. Circular no. 2690, Date: 28.10.2021, Subject: Newly opened Fixed Deposit Receipt (FDR) for "Other than Individual and recognized fund" in the Temenos R19 software.
3. Circular no. 2689, Date: 26.10.2021, Subject: Restarting Biometric Attendance
4. Circular no. 2688, Date: 27.10.2021, Subject: Renewal of Agreement between Mercantile Bank Limited and Computer Network Systems (CNS) Limited for collection of Motor Vehicle Taxes and Fees of BRTA through Online Banking System.
5. Circular no. 2687, Date: 26.10.2021, Subject: Delist of surveyor company with Mercantile Bank Limited.
6. Circular no. 2686, Date: 25.10.2021, Subject: Customer Satisfaction survey
7. Circular no. 2685, Date: 21.10.2021, Subject: Deposit Collection of 'Energypack Power Generation Limited', A/C No.: 1131000046863 through the specially designed deposit slip.
8. Circular no. 2684, Date: 11.10.2021, Subject: Mandatory Leave.
9. Circular no. 2683, Date: 19.10.2021, Subject: Cancellation of Authorized Signatures.
10. Circular no. 2682, Date: 18.10.2021, Subject: RTGS ব্যবস্থায় পরিচালিত লেনদেনের Credit নিষ্পত্তিকরণ ত্রৈমাসিক সনদ প্রেরণ প্রসঙ্গে।
11. Circular no. 2681, Date: 17.10.2021, Subject: দরপত্রদাতাদের অনুকূলে ব্যাংক কর্তৃক প্রদত্ত Letter of Commitment for Bank's Undertaking for Line of Credit প্রত্যাহার প্রসঙ্গে।
12. Circular no. 2680, Date: 14.10.2021, Subject: Collection of Gas Bill through Online System.
13. Circular no. 2679, Date: 12.10.2021, Subject: ঋণ গ্রহীতা প্রতিষ্ঠানের পরিচালনা পরিষদে পরিবর্তন জনিত কারণে সিআইবি ডাটাবেজ সংশোধন প্রসঙ্গে।
14. Circular no. 2678, Date: 11.10.2021, Subject: Credit Card Acquisition Campaign for Executives and others.
15. Circular no. 2677, Date: 10.10.2021, Subject: Instruction for Receiving MBL CBS A/c Holder Cheque in Favor of Agent Banking Account at MBL Branch and Upashakha.
16. Circular no. 2676, Date: 04.10.2021, Subject: Conducting new valuation report(s) by valid enlisted surveyor(s) to replace the valuation reports of blacklisted surveyor(s) and not to conduct any valuation by the blacklisted surveyors of the Bank in future.
17. Circular no. 2675, Date: 06.10.2021, Subject: ব্যাংকের পরিচালনা পর্ষদ এর অডিট কমিটির ২০৬তম সভার সিদ্ধান্ত ও নির্দেশনা সমূহের পরিপালন ও বাস্তবায়ন প্রসঙ্গে।
18. Circular no. 2674, Date: 06.10.2021, Subject: চলচ্চিত্র শিল্পের হারানো ঐতিহ্য ফিরিয়ে আনার লক্ষ্যে বিদ্যমান সিনেমা হলগুলো সংস্কার ও আধুনিকায়ন এবং নতুন সিনেমা হল নির্মানের উদ্দেশ্যে সিনেমা হল মালিকদের স্বল্প সুদে দীর্ঘ মেয়াদী ঋণ/বিনিয়োগ প্রদানের লক্ষ্যে বাংলাদেশ ব্যাংক কর্তৃক একটি বিশেষ পুনঃঅর্থায়ন (Refinance Scheme) স্কীম গঠন প্রসঙ্গে।
19. Circular no. 2673, Date: 05.10.2021, Subject: নভেল করোনা ভাইরাস এর কারণে সৃষ্ট সংকট মোকাবেলায় "প্রি-শিপমেন্ট ক্রেডিট খাতে পুনঃঅর্থায়ন স্কীম" (Pre-shipment Credit Refinance Scheme)।

20. Circular no. 2672, Date: 05.10.2021, Subject: Launching/rolling out new credit scheme for start up entrepreneurs/start-up Business namely “MBL Start-up”
21. Circular no. 2671, Date: 04.10.2021, Subject: Launching of 3 Months Long “Home Loan Campaign-2021”

Information Circulars

1. Circular no. 1722, Date: 26.10.2021, Subject: Information Regarding Changes of Telephone, PABX and FAX Numbers of Corporate Office of Crystal Insurance Company Limited.
2. Circular no. 1719, Date: 19.10.2021, Subject: SimplePay Facility for MBL Credit Cardholders at Buy Air Ticket Limited.
3. Circular no. 1718, Date: 19.10.2021, Subject: Modification of Sustainable Finance Committee (SFC) & Sustainable Finance Unit (SFU)
4. Circular no. 1716, Date: 14.10.2021, Subject: SimplePay Facility for MBL Credit Cardholders at Gadget & Gear for purchasing Mobile Phone & Mobile Phone Accessories.
5. Circular no. 1713, Date: 11.10.2021, Subject: আয়কর অধ্যাদেশ, ১৯৮৪ এর ৫৩এফ ধারায় নাবালকের ব্যাংক ক্ষেত্রে উৎস কর কর্তন প্রসঙ্গে।
6. Circular no. 1711, Date: 10.10.2021, Subject: Information Regarding Changes of BTCL Telephone Numbers of MBL Khepupara Branch, Patuakhali.
7. Circular no. 1707, Date: 04.10.2021, Subject: Collection of Treasury Challan’s money and deposit the same to Government Account through automated challan process by using Automated Challan System (ACS)” for both regular and walking customer by all the branches of Mercantile Bank Limited.

Circulars

1. Circular no. 79, Date: 21.10.2021, Subject: Repatriation of export proceeds through online Payment Gateway Service Providers.
2. Circular no. 78, Date: 17.10.2021, Subject: আমদানি সুবিধা প্রদানের পূর্বে Online Monitoring System (OIMS) হতে মেয়াদোত্তীর্ণ আইএমপির তথ্য যাচাই প্রসঙ্গে।
3. Circular no. 77, Date: 05.10.2021, Subject: Direct dispatch of export documents by exporters.
4. Circular no. 76, Date: 04.10.2021, Subject: অন্যান্য প্রযোজ্য খাতসহ রপ্তানিমুখী দেশীয় বস্ত্রখাতে গুচ্ছ বন্ড ও ডিউটি ড্র-ব্যাংক এর পরিবর্তে বিকল্প নগদ সহায়তা/রপ্তানি ভর্তুকি প্রদানের ক্ষেত্রে অডিট ফার্ম নিয়োগ প্রসঙ্গে।
5. Circular no. 75, Date: 04.10.2021, Subject: ২০২১-২০২২ অর্থ বছরে রপ্তানির প্রণোদনা/নগদ সহায়তা প্রদান।

INVITATION FOR CONTENTS

You are cordially invited for any insightful write up which will be published in next volumes of MBL Spectrum subject to discretion of editorial board. In this regard, please contact Research & Planning Division, Head Office, Mercantile Bank Limited or send email hod_rpd@mblbd.com

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