EDITORIAL

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Tapash Chandra Paul, PhD
Chief Financial Officer
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ABSTRACT

We have already passed 09 (Nine) months of the year 2021. After a challenging year of 2020 which was a year of volatility and uncertainty in all aspect of life. Concluding the year 2020 was a relief of sorts. The year 2021 had started on a much brighter note for Bangladesh. Start of the year saw the vaccination campaign against Covid-19 get underway. Along with that came mass vaccination. The Government must be admired for the kinds of initiatives they have taken over the last few months to curtail the spread of the virus. Now, as the lockdowns are being relaxed, Bangladesh is again heading towards a normal life slowly but surely.

Finally, after being closed for around 1.5 years, the schools and colleges have opened in September. It comes as a relief to all the concerned as this was having a detrimental effect on the psychological health of the students who are going to lead Bangladesh in years to come. 2020 was one of the underwhelming years for the Banking industry in the recent past. Mercantile Bank Ltd. was not spared either from the jolt that arose from the pandemic as well as bar set by the Central Bank on Lending. Thankfully, over the course of these 3 quarters, the bank has been able to recover some of the lost ground. With that in mind, MBL along with the whole Banking industry will look to continue this growth trend if not better it. The Pandemic has taught us the importance of technology and this learning will be one of the take ways of this dismal situation.

This month of September also happens to be the month of birthday for our Honorable Prime Minister Sheikh Hasina. Our Country celebrated her 75th birthday on the 28th of September, 2021. Under her charismatic leadership, Bangladesh has been able to grow splendidly over the last decade. Along the way came some of the most prestigious accolades which are a further testimony to her dedication towards the goal of molding Bangladesh into ‘Sonar Bangla’. We would like to wish her continuous success in all of her future endeavors.

In view of the above, this edition will continue to monitor current updates of the banking industry, incorporation of technology in the sector as well as the overall economy of the world including Bangladesh. All the key information of the bank up to September, 2021 will also be a crucial part of this.

Best Regards,

Tapash Chandra Paul, PhD
Member Secretary & Technical Advisor
# MBL Performance
## September 2021

### Deposits

<table>
<thead>
<tr>
<th></th>
<th>YTD Dec 2020</th>
<th>YTD Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDT in Crore</td>
<td>25,281.74</td>
<td>27,086.13</td>
</tr>
</tbody>
</table>

### Advances

<table>
<thead>
<tr>
<th></th>
<th>YTD Dec 2020</th>
<th>YTD Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDT in Crore</td>
<td>24,899.22</td>
<td>26,254.64</td>
</tr>
</tbody>
</table>

### Import

<table>
<thead>
<tr>
<th></th>
<th>YTD Sept 2020</th>
<th>YTD Sept 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDT in Crore</td>
<td>12,140.91</td>
<td>19,134.91</td>
</tr>
</tbody>
</table>

### Export

<table>
<thead>
<tr>
<th></th>
<th>YTD Sep 2020</th>
<th>YTD Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDT in Crore</td>
<td>9,831.39</td>
<td>11,408.20</td>
</tr>
</tbody>
</table>

### Inward Remittance

<table>
<thead>
<tr>
<th></th>
<th>YTD Sep 2020</th>
<th>YTD Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>BDT in Crore</td>
<td>1,844.98</td>
<td>2,977.96</td>
</tr>
</tbody>
</table>

### Cost of Deposit

- Sept-20: 6.35%
- Dec-20: 6.12%
- Mar-21: 5.15%
- June-21: 4.93%
- Aug-21: 4.85%
- Sept-21: 4.81%

### Yield on Advances

- Sept-20: 8.52%
- Dec-20: 8.29%
- Mar-21: 7.33%
- June-21: 7.35%
- Aug-21: 7.36%
- Sept-21: 7.35%

### Spread

- Sept-20: 2.18%
- Dec-20: 2.17%
- Mar-21: 2.18%
- June-21: 2.44%
- Aug-21: 2.50%
- Sept-21: 2.55%
China declares all crypto-currency transactions illegal

China’s central bank has announced that all transactions of crypto-currencies are illegal, effectively banning digital tokens such as Bitcoin.

Sources: www.bbc.com
**Evergrande Crisis**

Businessman Hui Ka Yan founded Evergrande, formerly known as the Hengda Group, in 1996 in Guangzhou, southern China. Evergrande Real Estate currently owns more than 1,300 projects in more than 280 cities across China.

Evergrande expanded aggressively to become one of China’s biggest companies by borrowing more than $300bn. Now, it is struggling to meet the interest payments on its debts.

This uncertainty has seen Evergrande’s share price tumble by around 80% this year. Its bonds have also been downgraded by global credit ratings agencies.  
*Source: www.bbc.com*

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**Gas crisis leaves Europe searching for solutions**

A surge in gas prices has hit consumers and energy firms in the UK, with knock-on effects for the food industry and supplies of carbon dioxide.  
*Source: www.bbc.com*

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**Drive to end energy poverty gets jump start at United Nations**

World leaders gathered for the United Nations General Assembly are expected to recommit to pledges to end energy poverty – and take those efforts a step further by hashing out a road map to get it done on September 24, 2021  
*Source: aljazeera.com*

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**Key Commodities Price Update as on 30 September, 2021**

<table>
<thead>
<tr>
<th>Commodities</th>
<th>% Change</th>
<th>$Barrel/$Oz/p/Therm</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTI Crude Oil</td>
<td>-0.04%</td>
<td>74.80</td>
<td>-0.03</td>
</tr>
<tr>
<td>Brent Crude Oil</td>
<td>-0.22%</td>
<td>77.92</td>
<td>-0.17</td>
</tr>
<tr>
<td>Gold</td>
<td>-</td>
<td>1741.65</td>
<td>-</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>+0.86%</td>
<td>228.45</td>
<td>+1.95</td>
</tr>
</tbody>
</table>

**WTI Crude Oil Price ($/Barrel)**

82
80
78
76
74
72
70
68

Aug 30
Aug 31
Sep 01
Sep 02
Sep 03
Sep 06
Sep 07
Sep 08
Sep 09
Sep 10
Sep 13
Sep 14
Sep 15
Sep 16
Sep 17
Sep 20
Sep 21
Sep 22
Sep 23
Sep 24
Sep 27
Sep 28
Sep 29

**Brent Crude Oil Price ($/Barrel)**

84
82
80
78
76
74
72

Aug 30
Aug 31
Sep 01
Sep 02
Sep 03
Sep 06
Sep 07
Sep 08
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**Natural Gas**

240
220
200
180
160
140
120
100

Aug 30
Aug 31
Sep 01
Sep 02
Sep 03
Sep 06
Sep 07
Sep 08
Sep 09
Sep 10
Sep 13
Sep 14
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Sep 29
Bangladesh finally attains 1% share in the Shanghai-based New Development Bank (NDB) as the country has been offered one of three fortunate shareholders after the five founding BRICS nations. The board of the Shanghai-based multilateral development lender approved membership of three countries Bangladesh, the United Arab Emirates and Uruguay. The bank of the newly emerging economies, including the second-largest world economy, China boasts an authorized capital of US$100 billion, which is divided into 2.0 million shares that have a par value of US$100,000 each.
ADB lowers growth forecast

The Asian Development Bank has trimmed its economic growth projection for Bangladesh to 6.8% for 2021-22, a reflection of the impacts of the containment measures reinstated at the start of the fiscal year to bring down coronavirus infection rates.

GDP Growth Rate, 2022 Forecast

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth Rate, 2022 Forecast (% per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maldives</td>
<td>15.0%</td>
</tr>
<tr>
<td>India</td>
<td>7.5%</td>
</tr>
<tr>
<td>South Asia</td>
<td>7.0%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6.8%</td>
</tr>
<tr>
<td>Nepal</td>
<td>4.1%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>4.0%</td>
</tr>
<tr>
<td>Bhutan</td>
<td>3.7%</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Source: Asian Development Update September 2021

In April, it forecast 7.2% Gross Domestic Product (GDP) growth. The government has also set a similar target for 2021-22, up from a 5.47% provisional estimate in the last fiscal year.


Govt cuts interest rates of savings tools

<table>
<thead>
<tr>
<th>NEW INTEREST RATES OF SAVINGS TOOLS</th>
</tr>
</thead>
</table>

5-YEAR BANGLADESH SAVINGS CERTIFICATE

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Tk 15 lakh</td>
<td>11.28 %</td>
<td></td>
</tr>
<tr>
<td>Tk 15 lakh plus to Tk 30 lakh</td>
<td>10.3 %</td>
<td></td>
</tr>
<tr>
<td>Tk 30 lakh plus</td>
<td>9.3 %</td>
<td></td>
</tr>
</tbody>
</table>

PENSIONERS’ SAVINGS CERTIFICATE

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Tk 15 lakh</td>
<td>11.76 %</td>
<td></td>
</tr>
<tr>
<td>Tk 15 lakh plus to Tk 30 lakh</td>
<td>10.75 %</td>
<td></td>
</tr>
<tr>
<td>Tk 30 lakh plus</td>
<td>9.75 %</td>
<td></td>
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</tbody>
</table>

TERM DEPOSIT AT POST OFFICE SAVINGS BANK

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Tk 15 lakh</td>
<td>11.28 %</td>
<td></td>
</tr>
</tbody>
</table>

3-MONTH PROFIT BEARING SAVINGS CERTIFICATE

<table>
<thead>
<tr>
<th></th>
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<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Tk 15 lakh</td>
<td>11.04 %</td>
<td></td>
</tr>
<tr>
<td>Tk 15 lakh plus to Tk 30 lakh</td>
<td>10 %</td>
<td></td>
</tr>
<tr>
<td>Tk 30 lakh plus</td>
<td>9 %</td>
<td></td>
</tr>
</tbody>
</table>

FAMILY SAVINGS CERTIFICATE

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Tk 15 lakh</td>
<td>11.52 %</td>
<td></td>
</tr>
<tr>
<td>Tk 15 lakh plus to Tk 30 lakh</td>
<td>10.5 %</td>
<td></td>
</tr>
<tr>
<td>Tk 30 lakh plus</td>
<td>9.5 %</td>
<td></td>
</tr>
</tbody>
</table>

WAGE EARNERS’ BOND

<table>
<thead>
<tr>
<th></th>
<th>Previous</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to Tk 15 lakh</td>
<td>12 %</td>
<td></td>
</tr>
</tbody>
</table>

The government has cut the interest rate on savings certificates and wage-earner bonds by 1 to 3 percentage – a move that may help the authorities save but hurt the middle-income group dependent on the returns to make a living.
According to the new rules, the higher the investment amount, the lower the returns will be. If the investment amount is higher than BDT 1.5 mn, investors will get a lower interest rate, according to a circular of the Internal Resources Division (IRD) of the finance ministry.


**Four more products will receive cash incentives against export**

- Four more products will get cash incentives from the government against their exports, according to the central bank.

- The new products, each of which will receive the cash support at the rate of 4.0% over their export value, are locally produced tea, bicycle and its parts, MS Steel products and cement sheet, in accordance with Bangladesh Bank (BB) circular, issued by foreign exchange policy department.


**Dollar appreciates more as imports surge**

- The exchange rate of the US dollar against the local currency has continued rising due to the recent surge in imports. Heavy sales of dollars by the Bangladesh Bank to keep the market rate of the currency stable have failed to serve the purpose, BB officials said.

- As per the latest BB data, the exchange rate of the greenback increased to BDT 85.35 on September 23 from BDT 84.8 at the beginning of August.

Source: https://www.newagebd.net/article/150229/dollar-appreciates-more-as-imports-surge

**Remittance earnings drop 19% in July-August**

- The inflow of remittance from expatriate Bangladeshis, which maintained an upward trend throughout the last fiscal year even amid the Covid-19 pandemic, dropped by 19% year-on-year in the first two months of the current fiscal year.

- The country received USD 3.68 bn in remittance in the July-August period of this year, down from USD 4.56 bn in the same period of last year, according to the Bangladesh Bank.

Source: https://www.tbsnews.net/economy/remittance-earnings-drop-19-july-august-296431

**BB endorses BDRAL as full-fledged Credit Rating Agency (CRA)**

Bangladesh Bank (BB) recognised Bangladesh Rating Agency Limited (BDRAL) as a full-fledged credit rating agency (CRA). BDRAL earlier used to rate only SMEs (small and medium enterprises). From now on, it can rate all entities concerned, including banks and other financial institutions.

With BDRAL, Bangladesh now has eight CRAs. The other rating agencies operating in the country are - CRISL, CRAB, NCRL, ECRL, ACRSL, WASO and ACRL.

Bank deposits rise despite low returns

- Deposits at banks saw remarkable growth last fiscal year as the coronavirus-linked uncertainty compelled people to cut non-essential expenses and save more, while lending growth shrank slightly due to business slowdown.
- Deposits totalled BDT 14.86 tn in fiscal 2020-21, up 8.49% from a year ago, according to data from Bangladesh Bank.

TOP PERFORMERS IN FY21
Sonali Bank had highest deposit at Tk 132,800cr
Islami Bank was top lender giving out Tk 100,400cr

CREDIT GROWTH IN BANKS
FY20: 9%
FY21: 8.4%

DEPOSIT GROWTH IN BANKS
FY20: 10.5%
FY21: 13.8%

LOAN-DEPOSIT RATIO
FY20: 76.2%
FY21: 71.5%

Source: BB


Banks’ special fund for capital market investment

Tk 17.0b already invested in capital market

Total size now Tk 35b

29 banks out of 60 have formed their funds

Irregularities in June quarter statements by 12 to 15 banks
Agent banking expands 65% in a year

- Agent banking, which started its journey more than eight years ago to provide banking services to the country’s rural population, has expanded over 65% in a year on the back of large remittance inflows and comparatively better economic activities in rural areas amid the Covid-19 pandemic.

- According to a Bangladesh Bank report, agent banking deposits also grew nearly 100%, loan disbursements 342.21%, and remittance inflows 155% between June 2020 and June 2021.

Agent Banking Growth (Figures in crore Taka)

<table>
<thead>
<tr>
<th>Loan</th>
<th>Remittance</th>
<th>Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>720</td>
<td>26,650</td>
<td>10,220</td>
</tr>
<tr>
<td>3,186</td>
<td>67,954</td>
<td>20,379</td>
</tr>
</tbody>
</table>

Source: https://tbsnews.net/economy/banking/agent-banking-expands-65-year-307912
MOBILE FINANCIAL SERVICES (MFS)

**MFS transactions on the rise**

- Transactions through mobile financial services in Bangladesh rose 5.4% year-on-year to BDT 663.87 bn in July as people’s habit to use the cashless mode of payments persists despite the reopening of the economy and easing of coronavirus restrictions.

- Transactions amounted to BDT 630.0 bn in the same month a year ago and BDT 629.93 bn in June this year, data from the Bangladesh Bank showed.


TEXTILE & RMG

**RMG export to US grows by 28pc in Jan-July**

- Bangladesh’s apparel export to the United States continued to rise for the last couple of months as the US economy started rebounding, overcoming the Covid pandemic waves.

- Readymade garment exports to the US, the largest export destination for Bangladesh, in January-July of 2021 grew by 28.04% to USD 3.7 bn from USD 2.89 bn in the same period of 2020, according to the US Department of Commerce’s Office of Textiles and Apparel data.

Source: https://www.newagebd.net/article/148197/rmg-export-to-us-grows-by-28pc-in-jan-july

INFORMATION TECHNOLOGY

**Bangladesh 2nd in South Asia in digital competitiveness**

- Bangladesh was named the second most digitally competitive country in South Asia, with ambitious goals for its digital transformation as well as a focus on entrepreneurship, said the Digital Riser Report 2021.

- The report by the European Center for Digital Competitiveness at the ESCP Business School said Sri Lanka was the top Digital Riser in South Asia followed by Bangladesh and Nepal.

Source: https://www.tbsnews.net/tech/bangladesh-2nd-south-asia-digital-competitiveness-299335
SBAC Bank Ltd. to offer merchant banking and asset management services

- The South Bangla Agriculture and Commerce (SBAC) Bank Ltd. has decided to establish two subsidiaries to venture into merchant banking and asset management.
- The merchant banking company, SBAC Bank Capital Management, will have paid-up capital of BDT 400 mn while authorised capital of BDT 500 mn, subject to approval of regulatory authorities.

Pubali Bank Ltd. reached a syndicated loan facility agreement worth USD 52 million with Bank Muscat.

- The facility will help Pubali Bank Ltd. provide liquidity services to local banks and local import and export businesses and strengthen the country’s economic growth, generating up to USD 200 million of additional trade every year.


IFIC Bank Ltd. to issue BDT 5.0 billion subordinated bond

- The board of directors of IFIC Bank Ltd. has taken a decision to issue BDT 5.0 bn coupon-bearing subordinated bond to raise Tier-2 capital of the bank.
- The bank will issue the non-convertible subordinated bond to help the bank meet its Basel III compliance in line with Bangladesh Bank guidelines on risk-based capital adequacy.


Union Bank Ltd. IPO approved

BSEC on 5 September 2021 approved the IPO (initial public offering) proposal of Union Bank, a fourth-generation private commercial bank, which will raise a capital worth Tk 4.28 billion. The approval came at a meeting held at the office of Bangladesh Securities and Exchange Commission (BSEC). As per the BSEC approval, Union Bank will issue 428 million ordinary shares of Tk 10 each under the fixed-price method.


MTB customer feedback management system launched

MTB has recently introduced an automated feedback solution in its branches in order to gather customers’ opinion. It is necessary to know whether customers are satisfied with the bank’s services and products. MTB embraces every feedback that represents the direct VOICE of customers and tries to resolve those at the soonest to retain customers’ loyalty. Syed Mahbubur Rahman, Managing Director & CEO of MTB has introduced this service in a simple ceremony held at MTB Centre Corporate Branch at Gulshan.
Mercantile Bank Limited launched eight new Sub-branches across the country to provide banking services to the customers on September 5, 2021. Al-Haj Akram Hossain (Humayun), Chairman, Executive Committee virtually inaugurated the sub-branches as the chief guest. Bank’s Managing Director & CEO Md. Quamrul Islam Chowdhury opened the banking activities of eight sub-branches virtually by cutting ribbon in a ceremony arranged at the Head Office of the bank. Eight sub-branches are Pallabi sub-branch & Mohammadi Homes sub-branch in Dhaka, Birol sub-branch in Dinajpur, Thakurgaon road sub-branch in Thakurgaon, Ershadnagar sub-branch in Gazipur, Parbatipur sub-branch in Dinajpur, Palashbari sub-branch in Gobindaganj, Gaibandha and Singra sub-branch in Natore.

A.S.M. Feroz Alam, Vice Chairman; M. A. Khan Belal, Chairman, Mercantile Bank Securities Ltd.; M. Amanullah and Mohammad Abdul Awal, Directors joined the program virtually. Mati Ul Hasan, Additional Managing Director & CRO, Shamim Ahmed and Hasne Alam, Deputy Managing Directors invited guests and valued customers of the bank, eight HOBs of controlling branch of the sub-branches, in-charges of the sub-branches, Regional Heads and senior executives were connected virtually on the occasion.
Mercantile Bank Limited organized a virtual training on ‘Dynamics of Customer Service in Line with e-KYC and Risk Grading’ recently. Respective desk officials from 92 branches across the country participated at the virtual program. Md. Quamrul Islam Chowdhury, Managing Director & CEO of the bank inaugurated the virtual training. In his address Mr. Chowdhury advised participating officers to fully adhere with the e-KYC guidelines and its implementation procedures. He also emphasized on the importance of customer service. The virtual training was conducted by the faculties of the bank’s Training Institute and official from Anti Money Laundering Department of the Bank. Javed Tariq, Principal of MBTI moderated the program.
Virtual Training on Prevention of Money Laundering

Mercantile Bank Limited organized a virtual Training on ‘Prevention of Money Laundering & Terrorist Financing’. Head of Branches, Manager Operations and Desk officials from 10 Model Branches of the bank, all Officials from Internal Control & Compliance Division along with respective Unit & Divisional Heads from Head Office participated at the virtual sessions. A total number of 83 officials participated the online program.

A.B.M. Zahurul Huda, General Manager, Bangladesh Financial Intelligence Unit of Bangladesh Bank graced the virtual training as Chief Guest. The program was Chaired by Md. Quamrul Islam Chowdhury, Managing Director & CEO of the bank. In his speech the CEO of MBL advised participating executives & officers to strictly adhere with the AML & TF legislations and guidelines in discharging their assigned responsibilities and safe guard bank’s interest. Shamim Ahmed, Deputy Managing Director & CAMLCO of the bank gave the welcome address. Three virtual sessions were conducted by Mohammad Abdur Rab, Deputy General Manager, Syed Kamrul Islam, Deputy General Manager and Md. Ashraful Alam, Deputy Director of BFIU of Bangladesh Bank. Javed Tariq, Principal MBTI moderated the program.
UNPRECEDENTED PROGRESS OF BANGLADESH UNDER VISIONARY LEADERSHIP

Tapash Chandra Paul, PhD
Chief Financial Officer
Mercantile Bank Limited

Bangladesh, once one of the ten poorest countries in the world, is now the 41st largest economy in the world and getting enrolled in the list of LDCs. Because of the dynamic and prudent leadership of our Hon’ble Prime Minister Sheikh Hasina, Bangladesh has been elevated to a developed country status and has been placed in a dignified position in the world map. The country has established itself as a role model of development through achieving unparalleled success in all areas, including economy and development, social policy, culture, law and order and foreign policy.

The transformation process from ‘Bottomless Basket’ to robust economy has not been so easy and uptrend. Since Bangladesh’s independence, the country has been facing many hurdles due to local and international conspiracy. The darkest chapter of history for the nation was recorded on 15 August, 1975 through assassination of greatest Bengali of all times and father of nations Bangabandhu Sheikh Mujibur Rahman along with most of his family members excepting for his two daughters. After August 15, 1975, Bangladesh and its economy sank into a spell of deep darkness - the process of building a happy and prosperous golden Bengal initiated by the Father of the Nation came to a halt.

Hon’ble Prime Minister Sheikh Hasina, a legend of this generation and transformer of a modern Bangladesh, is the blood heir to Bangabandhu, the torch-bearer of building a Golden Bengal. After enduring long 15 years of struggle and oppression, she formed a government in 1996 with people’s mandate and focused on changing the destiny of the people and opened a new horizon of opportunities in 1996.

1996-2001: During her first premiership, She built a solid economic foundation by re-establishing the ideals of independence and the spirit of the Liberation War at all levels, institutionalizing democracy, repealing the infamous Indemnity Ordinance and establishing rule of law by instituting the trial of the cases for killing of the Father of the Nation and the jail murders, preserving human rights and peace, unprecedented development in the agriculture sector, women’s empowerment, Meaning micro-credit programme, providing homes to the homeless through the Housing Fund, allowances for valiant freedom fighters, formulation of new health policy to ensure health for all - development of nationwide hospital system and establishment of community clinics, removing longstanding economic indiscipline, adoption of timely and modern education policy for the development of education, introducing stipend system for female students of secondary schools, and measures for the preservation of the environment.

Other notable achievements during her first premiership are:

- Average GDP growth 5.5%
- Average CPI inflation 4.4%.
signing the Hill Tracts Peace Treaty,
• signing of the Ganges Water Sharing Treaty,
• recognition of International Mother Language Day,
• reducing poverty rate to 44.3%,
• raising the average life expectancy to 63 years,
• introduction of old age allowances for the first time in the history of the country,
• introduction of distressed women allowances,
• establishment of the Disability Foundation,
• introduction of ‘one house one firm programme’,
• setting up of the Employment Bank,
• improving literacy rate from 44% to 65%,

After a stagnation of long 8 years, the wheel of fortune of the people of Bangladesh started turning again after the formation of the government under the leadership of Hon’ble Prime Minister in 2009.

Due to prudent economic policy, International Monetary Fund (IMF) and the World Bank has upgraded economic growth forecast for Bangladesh compared to their previous forecasts. According to IMF, global economy will grow by 6.0 % in real term in 2021 and 4.4% in 2022. Whereas, their forecast for Bangladesh is 5.0% in 2021 and 7.5% in 2022. The World Bank forecasted global GDP growth at 4.0% and Bangladesh’s at 3.6% in FY2020-2021, and also forecasted Bangladesh’s GDP growth at 5.1% for FY2021-2022. The Asian Development Bank has forecasted initially Bangladesh economy to grow by 5.5% to 6.0%in FY2020-2021 and 7.2 Percent in 2021-2022 which later trimmed at 6.8%. 

**DEVELOPMENT STATISTICS**

<table>
<thead>
<tr>
<th>Per Capital Income</th>
<th>USD 543</th>
<th>USD 2064</th>
</tr>
</thead>
<tbody>
<tr>
<td>People in poverty</td>
<td>41.5%</td>
<td>20.5%</td>
</tr>
<tr>
<td>GDP (TK)</td>
<td>4,82,337</td>
<td>28,00,000</td>
</tr>
<tr>
<td>Food production</td>
<td>18 million tons</td>
<td>45 million tons</td>
</tr>
<tr>
<td>Forex reserve (USD)</td>
<td>0.74 billion</td>
<td>44 billion</td>
</tr>
<tr>
<td>Electricity coverage</td>
<td>47%</td>
<td>99%</td>
</tr>
</tbody>
</table>
The government has taken effective strategies for development of Small and Medium Enterprizes (SMEs), Ready-made garment industry leather and footwear industry, Jute industry, Pharmaceutical industry, Ecommerce, Tourism industry and export diversification and improvement of export products. Blue economy has already opened new horizon with immense potentialities for Bangladesh.

Furthermore, Bangladesh Economic Zones Authority (BEZA) attached with the Prime Minister’s Office (PMO) is endeavoring to establish Economic Zones in potential areas of the country with a view to encouraging rapid economic development through diversification of industries and augmentation of employment, production and export. With that target, BEZA has till now got approval to establish 97 economic zones countrywide comprising 68 Government and 29 Private EZs.

It is a matter of inspiration that Govt’s timely implementation of all mega projects in the infrastructure sector, such as the Padma Bridge, Padma Rail Link Bridge, Karnaphuli tunnel, Dohajari-Cox’s Bazar Railway construction, the Rampal power plant, Rooppur Nuclear Power Plant, Payra Sea Port, the Matarbari Power Plant in Moheshkhali, and Dhaka Metrorail, etc will accelerate the growth rate.

Moreover, the government has made notable progress in implementing the concept of ‘My Village-My Town’, one of the main concepts espoused by Hon’ble Prime Minister Sheikh Hasina and a pledge made in the Election Manifesto-2018. The goal under this plan is to ensure that the village as a whole is provided with access to amenities that are available in the town and are required to lead a better life.

Bangladesh has also reached a unique height in the last 12 years through the maximum and efficient use of information technology. Establishment of High-tech Parks is a praiseworthy and time effective initiative. Bangladesh Hi-Tech Park Authority is setting up 39 Hi-Tech Parks/Software Technology Parks in different parts of the country, out of which 7 are ready for investment. Janata Tower Software Technology Park, Sheikh Hasina Software Technology Park, Jessore and Sheikh Kamal IT Training and Incubation Center, Natore are now operational.

In spite of the pandemic, the government of Bangladesh, led by the able leadership of the Hon’ble Prime Minister, has been able to maintain the macroeconomic stability of the economy with prudent fiscal policy and accommodative monetary policy.

Hon’ble Prime Minister Sheikh Hasina has been conferred with various honorary degrees, accolades and awards in recognition of her outstanding contribution to peace building, upholding democracy and socio-economic development and leadership excellence.

She was conferred honorary doctorate by Boston University, Bridgeport University, Barry University in the USA; Waseda University in Japan; University of Abertay in Scotland; Vishwa-Bharati University and Tripura University in India; Australian National University; Catholic University of Brussels; People’s Friendship University and State University of Petersburg in Russia; Dhaka University and Bangabandhu Sheikh Mujibur Rahman Agriculture University. The University of Dauphine in France conferred diploma on her for her outstanding contribution to strengthen democratic process and empowerment of women.

She was also honoured with awards for her outstanding contributions to social work, peace and stability. These include: UNESCO’s Houphouet-Boigny Peace Prize 1998; Pearl S Buck Award 1999; CERES Medal by FAO; Mother Teresa Award; MK Gandhi Award; Paul Harris Fellow; Indira Gandhi Peace Award 2009; Indira Gandhi Gold Plaque in Kolkata; Paul Haris Fellow by the Rotary Foundation of Rotary International, Medal of Distinction in 1996-97 and 1998-99 and Head of State Medal in 1996-97 by the International Association of Lions Clubs, Global Diversity Award in the UK; and two South-South Awards. UNESCO honoured
her with “Tree of Peace” in recognition of her outstanding contribution to promotion of girls’ and women’s education on September 8, 2014, Award for Regional Leadership in Women’s Political Empowerment by Women in Parliaments Global Forum and Visionary Award by Global South-South Development Expo-2014. She has featured on 59th place in the 2015 Forbes’ list of 100 Most Powerful Women.

She was conferred on the United Nation’s highest environmental accolade ‘Champion of the Earth Award 2015’ in policy leadership category for her forefront role at home and abroad to face the adverse impacts of climate change. The International Telecommunication Union gave her the ‘ICTs in Sustainable Development Award 2015’ for her outstanding contributions in spreading information technology in the country. Our Hon’ble Prime Minister Sheikh Hasina dubbed as the ‘Mother of Humanity’ for providing humanitarian support to Rohingya refugees.

The nation on September 28, 2021 celebrated the 75th birthday of Hon’ble Prime Minister Sheikh Hasina. We wish her good health and long life. We hope that Bangladesh will be able to realize SDG Agenda 2030, Vision 2041 and Delta Plan-2100 under her visionary leadership.

Sources: National Budget Speech 2021-22

https://www.beza.gov.bd
https://bidaquickserv.org/
The Impact of Interest Rate in Banking Industry and Overall Economy

Elma Jahan, FAVP
Head of Research & Planning Division

Saving and investment are two of the most important tools for economic growth. The interest rate is considered an important determinant affecting saving and investment. It is generally accepted that the interest rate has several crucial functions in market economy. Since interest rates affect how much new bank loan money is circulating in the economy, they have a direct impact on the deposit multiplier and, by extension, inflation. And even if we don’t have debts or assets, the influence of the interest rate on the economy will affect us indirectly.

The interest rate is defined as the cost of borrowing or gain on lending. In a simpler way, the rate of interest is the price of money. Typically, a rise in the interest rate encourages people to save more. However, it also raises the cost of capital, resulting in a reduction in investment within the economy.

The nominal interest rate is the rate of interest with no adjustment for inflation. Real interest rates are nominal rates, less the inflation rate. Nominal interest rates can never be negative, as banks will always charge for lending. A positive rate allows real interest rates to become negative at times of weak demand. If inflation is 0%, nominal and real interest rates must be the same, hence, like nominal rates, real rates cannot be negative.
Impact on Banking Industry

Interest rates and bank profitability are positively connected. The banking sector’s profitability increases with increase of spread (The difference between lending rate and deposit rate). Institutions in the banking sector, such as retail banks, commercial banks, investment banks, insurance companies, and brokerages have massive cash holdings due to customer balances and business activities. Increases in the deposit interest rate directly increase the yield on this cash, and the proceeds go directly to earnings.

Another indirect way in which interest rate hikes increase profitability for the banking sector is the hikes tend to occur in environments in which economic growth is strong and bond yields are rising. In these conditions, consumer and business demands for loans spike, which also augments earnings for banks.

Additionally, higher interest rates tend to reflect a period of greater economic growth. A stronger economy means more consumers seek loans, helping banks as they benefit from the difference between the interest they charge investors for the loan and the amount they earn by investing that money.

Macroeconomic impact

Output and unemployment:

- Higher interest rates increase the cost of borrowing which can reduce physical investment and output and increase unemployment.
- Higher rates encourage more saving and reduce inflation.
Open market operations:

- Open market operations (OMO) refers to a central bank buying or selling short-term Treasuries and other securities in the open market in order to influence the money supply, thus influencing short term interest rates.
- Buying securities adds money to the system, making loans easier to obtain and interest rates decline.
- Selling securities from the central bank’s balance sheet removes money from the system, making loans more expensive and increasing rates.

Money and inflation:

- Loans, bonds and shares have some of the characteristics of money and are included in the broad money supply. By setting interest, the government institution can affect the markets to alter the total of loans, bonds and shares issued.
- A higher real interest rate reduces the broad money supply. Through the quantity theory of money, increases in the money supply lead to inflation.

Impact on savings and pensions:

- Financial economists such as World Pensions Council (WPC) researchers have argued that durably low interest rates in most G20 countries will have an adverse impact on the funding positions of pension funds.
- Without returns that outstrip inflation, pension investors face the real value of their savings declining.

The effect of change in interest rates on aggregate demand

Aggregate demand (AD) or domestic final demand (DFD) is the total demand for final goods and services in an economy at a given time. A reduction in interest rates will stimulate aggregate demand. This creates a positive effect on economic growth, but at the potential cost of inflationary pressure. In the case of increase of interest rate, aggregate demand decrease to AD2. Consequently, economic growth will be sluggish and lower inflation rate.

Transmission Mechanism of Interest Rates

Interest rates transmit their way to aggregate demand in the following ways:

- Changes in the official rate affect all markets rates, such as overdraft, mortgage, and credit card rates. For households or firms with existing debt, such as a mortgage, a change in rates affects repayments. Hence individuals have more (or less) cash after servicing their debts. So changes in rates affect the cash-flow of firms and households.
- In the case of new debt to fund spending, borrowing is also encouraged, or discouraged, following interest rate changes. Interest rates also affect consumer and business confidence and spending.
Asset prices are also affected by interest rates. For example, a fall in rates will tend to make firms more profitable and they may pay higher dividends to shareholders which can trigger an increase in spending. Similarly, a rate fall makes property more attractive, increasing the value of property and household wealth.

Changes in the official rate also affect general expectations and confidence, which alters consumer and corporate behaviour. For example, a rise in rates indicates a tighter monetary stance and has a negative impact on consumer and corporate sentiment, leading to the postponement of discretionary spending.

Finally, interest rates may affect the exchange rate, which can also influence export demand. For example, a rise in interest rates may raise the exchange rate, pushing up export prices and reducing overseas demand. Changes in the exchange rate also affect the price of imports, which also affect the inflation rate, through its effect on imported costs. For example, a fall in the exchange rate increases import prices and creates cost-push inflation. In this case, a rise in interest rates will push up the exchange rate and ease any cost-push inflationary pressures.

**The transmission mechanism of monetary policy**

Bangladesh Bank's policy to control interest rate in economy

Bangladesh began to implement financial sector reform measures in the 1980s and the interest rates were partially deregulated in November 1989 to introduce flexibility in determining deposit and lending rates. As a part of the process, Bangladesh Bank started to set the ceilings and the floors and individual banks were allowed to set their interest rates within the stipulated band. Further flexibility was introduced in June 1992 when the banks were allowed to differentiate interest rates to individual borrowers to include any risk premium of lending to priority sectors (agriculture, small and cottage industries, and exports).

In general, nominal interest rates were fixed at relatively low levels in the 1970s (the nominal deposit rate varied between 3.51 per cent in 1975 and 4.27 per cent in 1979, while the nominal lending rate was 11.28 per cent in 1975 and 11.12 per cent in 1979) and the interest rates maintained a slowly rising trend throughout the 1980s.
In recent years, Bangladesh Bank instructed the banks to decrease spread to increase managerial efficiency including recovery of defaulted loan. But they instructed not to decrease interest rate on deposits so that downward trend in lending rate are maintained (BRPD Circular No.1 dated 07.02.17).

While fixing the highest lending rate at 9 percent (BRPD Circular No.3 dated 24.02.20), the Bangladesh Bank argued that higher interest rate on advances leads to a rise in production cost of borrowing entities, a fall in competitiveness in marketing products and services, inability to repay loan dues in time (in some cases), disruption to credit discipline, and impediment to economic development.

Bangladesh Bank’s recent circular (BRPD Circular No.17 dated 08.08.21) explained the context that excessive reduction in interest on fixed deposit affects savings propensity which (if continued) would adversely affect bank deposit and also imbalance Asset-Liability Management (ALM). So, the banks have been instructed to set deposit rate not below the rate of inflation on certain terms and conditions whereas the rate of interest / profit on loan / investment would remain unchanged at a maximum of 9 per cent. The single-digit structure of interest rate of 6 to 9 per cent was put into effect from April 1, 2020. Maximum limit of lending interest was fixed at 9 percent as per BRPD Circular No.3 dated 24.02.20.

According to Bangladesh Bank (BB) and Bangladesh Bureau of Statistics (BBS), the average interest rate on bank deposits in June’21 was only 4.1%, while the average inflation rate in the same month was 5.56%. The purchasing powers of the depositors are also decreasing due to the interest rates being lower than inflation. Due to lower interest rates, depositors are losing interest in investing in banks and are investing in risky unproductive sectors.

Sources:
- https://www.economicsonline.co.uk
- https://www.economicshelp.org
- https://bids.org.bd/
The impact of the BB’s expansionary monetary policy (reduced rates of monetary instruments like CRR, repo, reverse repo and ADR) following the Covid outbreak was a sharp increase in excess liquidity in the country’s money market. Low demand for credit in the private sector as well as high inflows of remittance has also contributed to the piling up of surplus liquidity in the banking system. The excess liquidity in the country’s banking system increased to Tk. 2.31 lac crore in June 2021 from Tk 1.15 Lac Crore in April 2020. The presence of a huge amount of surplus liquidity in the economy contributed for creating some price pressures also. The inflation rate was recorded at 5.56% in FY21, overshooting the government’s target of 5.40%. In June this year, inflation was 5.64% – the highest in the last eight months.

Having enough surplus funds, banks were reluctant to take deposit from the customers and reduced the deposit rates drastically. As per the BB data, deposit rates of most of the banks dropped in July. As a result, many bank depositors have started investing their money in the unproductive sectors as well as in risky investments tools. The drastic fall in deposit rates has compelled the central bank to set the deposit rates and the banks have recently been asked not to offer interest rate less than inflation against individual deposits. The BB had also found a portion of funds under the stimulus packages being diverted and used for unproductive purposes instead of proper utilization in the selected respective sectors. The diversion of funds into the stock market may lead to artificial inflation or bubbles that will have dire consequences when it bursts.

Though the monetary policy for FY22 was expansionary, the BB in the monetary policy mentioned that it would take measures to contain the excess flow of liquidity from the money market, if necessary. The BB’s latest moves for revamping money market as well as the economy of the country are continuous soaking up excess liquidity, investigation of stimulus fund & money market and stabilizing rates of fixed deposit/govt. savings certificate etc.

Earlier on August 09 last, the central bank resumed mopping up excess liquidity through BB Bills from the market after more than three years of suspension, aiming to ensure proper liquidity management in the banking system. The Bangladesh Bank continued auctions of Bangladesh Bank bills in September with the central bank mopping up plan to soak up excess liquidity from the country’s banking system. In August, the central
bank conducted six auctions of BB bills and pulled out Tk 19,645.5 crore from the banking system. The BB continued the process during September and interest rates of the BB bills ranges between 1.75 percent and 2.44 percent. Apart from the mopping up of money against BB bills, the central bank has pulled out at least another Tk 2,717 crore from the banking system against its dollar sales worth $319 million in the interbank money market.

Following some already-detected inconsistencies central bank starts investigation into entire money-market transactions along with exposures on the capital market to scrutinize liquidity movements in the banking system. At least six teams of the Bangladesh Bank (BB) are now probing different transactions of treasury and investment departments of the banks and non-banking financial institutions (NBFIs). The inspectors have also been assigned to scrutinize the net open position (NOP) of the foreign currency of the banks concerned. The central bank started collecting information on short-term loans or placements with names of the clients along with the banks’ daily reports on their own, subsidiaries and others’ net exposures on the capital market. Central Bank has sought such information on markets to know the inflow and outflow of funds to and from the money market in order to guard against any bubble and its burst. Also, the commercial banks have been directed to ensure right end-use of the funds to check diversion of funds into unproductive sectors through conducting necessary inspections by their internal audit departments.

As of July, the excess liquidity stood at Tk 2.03 lac crore, down from Tk 2.31 lac crore a month ago. The June figure of the surplus fund was an all-time high. Although no significant economic revival began in July, consumption started to grow from that month, which may also be one of the reasons behind the falling trend of surplus liquidity. The opening of letter of credit for imports also started to rise from the month, which could be another reason for the falling trend. The demand for the US dollar has increased due to the rise of import payment, which puts pressure on surplus liquidity. The demand for credit would increase in the upcoming months as BB put pressure on banks for increasing lending to the Covid-hit SME sector. Industrial expansions and big investment by businessmen halted due to the pandemic are yet to resume. The credit demand would increase in the coming days as the businessmen were gearing up for fresh investments. So, the surplus fund would fall more in the coming days.

The squeezing of money supply would ultimately create fresh cash demand and the situation would lead banks to offer competitive interest to avail deposits. Hopefully this would drive the economy toward stability. Policy makers must consider the point of balanced money supply as well as the uncertainty of the upcoming days if the third wave of the virus hits the country.
Pran-RFL Group, one of the leading conglomerates in Bangladesh was established in 1981. Major General Amjad Khan Chowdhury (retd.) is the pioneer of agro-processing industry of Bangladesh and founder of PRAN-RFL Group. In 1981, the year he retired, he set up a small company, Rangpur Foundry Ltd (RFL), to make irrigation pumps. Its wings expanded soon and RFL now has a variety of products such as pumps, tube-wells, and gas stoves, winning prestige as the largest cast iron foundry and light-engineering workshop in Bangladesh.

The common paths after retirement are preferred by most people like staying with family members, maintaining a relaxed social life. But Amjad Khan Chowdhury did not choose the same. In 1985, he stumbled upon the thought of forming Pran. Not long after, he leased six acres of land in Narsingdi. The land was initially used to cultivate papaya, bananas, pineapple and other crops, which were brought to the market fresh. But the retired army major general found it frustrating that a good harvest often did not mean fair prices due to gluts in the market.

Chowdhury had a dream that one day the production of Bangladeshi farmers would be served at dining tables in Europe. “That dream has been fulfilled whether it is chinigura rice, spices, mango drinks or snacks. That ‘Made in Bangladesh’ label is like the flag of Bangladesh,” he said in 2010.
He realised that the key to success in agriculture lay in increasing the shelf life of produce. Subsequently, he decided to process the produce rather than market those immediately. In 1991, he launched his agro-processing business – Pran (Programme for Rural Advancement Nationally). He began with sliced pineapples in cans, moving on to mango drinks, jams and jellies, with plans to cater to both local and foreign consumers.

When he rolled out Pran, Chowdhury had a dream that one day the produce of Bangladeshi farmers would be served at dining tables in Europe. It only took him five years to reach that goal. Pran made its maiden export to France in 1996. “That dream has been fulfilled -- whether it is chinigura rice, spices, mango drinks or snacks,” said Chowdhury in 2010. “That ‘Made in Bangladesh’ label is like the flag of Bangladesh.”

PRAN established a subsidiary company in UAE in 2003. In 2008, the company announced plans to open a production facility in Tripura, India, after the Indian government lifted the ban on direct investment from Bangladesh in 2007. The PRAN group’s exports had reached 10 billion taka by 2016, with the biggest markets for the company in India, Saudi Arabia, the UAE, Malaysia, and Oman. The same year the revenue for PRAN exceeded US$500 million. PRAN started exporting potatoes in March 2016. In April 2016, PRAN started to export cassava and the first shipment, worth US$3 million, was sent to New Zealand. PRAN has 80 thousand direct employees and 200 thousand indirect employees. PRAN exports to over 118 different countries.

PRAN started exporting through river route to India from Bangladesh in March 2021. PRAN-RFL Group is now exporting its products to 143 countries around the globe. PRAN-RFL products are available in chain shops like D-Mart (India), Wilkinson (UK), Dollarama (Canada), Carrefour (France) and ECI (Spain). About one lakh and 15 thousand people are working directly in the group.

The success of Pran made Chowdhury a pioneering force in the agro-processing industry and a leading entrepreneur of Bangladesh. He believes human civilisation cannot survive for any length of time without agriculture. “We must enhance agricultural productivity if we are to survive as a modern democratic nation. In this treatise we suggest a wholesome concept for agricultural production, that of corporatisation of agriculture,” he wrote in The Daily Star in 2011.

Chowdhury has also promoted contract farming, having contracts with 100,000 farmers countrywide. “Results have been rewarding. Farmers have benefited and so have the agro-processors. Purchase is guaranteed at prevailing market prices. This tie-up between the agro-processor and contract growers holds the key to ensuring prosperity in agriculture,” he wrote.

Chowdhury had also developed a passion for the dairy industry as the sector could not tap its potential. Pran Dairy invested heavily in the sub-sector so the farmers can produce more milk by increasing the productivity of each animal. The International Finance Corporation concluded in a study on Pran Dairy, noting it as a global success story for creating jobs in rural Bangladesh.

Chowdhury, the two-time president of Metropolitan Chamber of Commerce and Industry, strongly believed that any developmental effort must be initiated at the rural level so as to attract the largest segment of the population. Pran employs about 80,000 people directly and 200,000 indirectly. Livelihood of 15 lakh people leans on the group. He did not stop his efforts during his lifetime. He had become a model of determination, a visionary for his lifelong service and unyielding dedication to the ideals of the nation. Visionary entrepreneur and industrialist Amjad Khan Chowdhury breathed his last in the USA on July 8, 2015 at the age of 77.
Ahsan Khan Chowdhury
Chairman and Chief Executive Officer (CEO) of PRAN-RFL Group

After death of Amjad Khan Chowdhury, the Board of directors of PRAN-RFL Group took a unanimous decision to appoint Ahsan Khan Chowdhury as the chairman and chief executive officer (CEO). Earlier, Ahsan Khan Chowdhury was the deputy managing director (DMD) of the country’s leading business conglomerate. Ahsan Khan Chowdhury, 46, joined his father’s business in 1992 after completion of his studies from the USA. He is also a caring father of two children.

Awards

- Top VAT payers Awards from the National Board of Revenue for being top VAT payer in different financial year
- National Productivity Award by National Productivity Organization.
- Best Employer Brand Award.
- National Export Trophies

Some Recent Activities of Pran-RFL

Pran-RFL turning plastic waste into new products

Pran-RFL Group plans to double its plastic recycling capacity to make new products from thrown away items. Currently,

- Pran-RFL Group recycles 30,000 tonnes of plastics a year, producing 100 types of new products.
- The group has so far invested Tk. 320 crore
- People employed: 2000
- Types of products manufactured: 100
Number of plastic goods makers in Bangladesh: 4000

CSR Activities

- Pran-RFL Group distributed food items to the marginalized families affected by the lockdown enforced to curb the spread of coronavirus. They provided food items to the poor people in various parts of the country including the capital. The food items include rice, pulse, vermicelli, oil, noodles and UHT milk. Food items were distributed among 11,000 families in various parts of Dhaka city and Gazipur, Narsingdi, Rajshahi, Natore and Jhenaidah districts from July 23-30. He also added that PRAN-RFL Group has been playing a leading role to serve the humanity apart from creating employment.

- PRAN-RFL group started providing food items to the poor people under “Pashe Achi Bangladesh” program during the first Covid-19 outbreak in the country in March, 2020. The group has distributed food and safety items to more than 80,000 families so far under the program who have become workless due to the outbreak. Moreover, the group donated corona sample collection booth, surgical masks, PPE, hand gloves and hand sanitizers to Director General of Health Services (DGHS) and 19 hospitals in Dhaka, Chattogram and Bhola.

PRAN believes in providing benefits that are sustainable in the long-run. The provision of tools, knowledge, and finance nurture self-sufficiency. Also, PRAN supports the farmers working by providing them with financial assistance on every level.

PRAN’s contributes to government expenditure in education, infrastructure development, public employment generation and cash transfer under safety nets. It is also one of the largest corporate taxpayers in its domestic country.

Sources:
- [https://www.pranfoods.net](https://www.pranfoods.net)
BANGLADESH BANK CIRCULARS
DURING SEPTEMBER 2021

ACD (Agriculture Credit Department)
- ACD Circular No. 02, Date: 14.09.2021, Subject: Refinance scheme of Taka 3000 crore for agriculture sector to combat financial crisis due to Covid-19 pandemic

BRPD (Banking Regulation & Policy Department)
- BRPD Circular Letter No. 43, Date: 28.09.2021, Subject: Special Facilities for Institutions of Leather Sector which are Relocated to Tannery Industrial Estate at Savar
- BRPD Circular Letter No. 42, Date: 09.09.2021, Subject: Loan Rescheduling of Leather Sector for the Purpose of Purchasing Raw Hides
- BRPD Circular No. 22, Date: 20.09.2021, Subject: Policy for Non-Banking Asset (NBA).
- BRPD Circular No. 20, Date: 02.09.2021, Subject: Mapping of External Credit Assessment Institutions’ (ECAIs) Rating scales with Bangladesh Bank (BB) Rating Grade

DID (Deposit Insurance Department)
- DID Circular Letter No. 01, Date: 28.09.2021, Subject: Regarding Submission of Significant Information

DCM (Department of Currency Management)
- DCM Circular Letter No. 04, Date: 28.09.2021, Subject: Avoid writing, stamping seal and stapling note packet in new and re-issuable Bank and Currency notes

DMD (Debt Management Department)
- DMD Circular Letter No. 05, Date: 28.09.2021, Subject: Reduction of Commission on the sale of 5 (five) Savings Instruments
- DMD Circular Letter No. 04, Date: 26.09.2021, Subject: Refixation of savings instruments’ profit rate.
- DMD Circular Letter No. 03, Date: 01.09.2021, Subject: Regarding the Selection of Benchmark Government Securities and Two-Way Price Quoting

DOS (Department of Offsite Supervision)
- DOS Circular Letter No.38, Date: 16.09.2021, Subject: Keeping scheduled bank branches closed to facilitate casting of vote by the voter employees of the related areas on 20th September 2021 for Election of 9 Pourashavas and 161 Union Parishads.
DOS Circular Letter No. 37, Date: 14.09.2021, Subject: Intermission of Banking Operations of Mercantile Bank Limited due to Reimplementation of Core Banking Software.

DOS Circular Letter No.36, Date: 02.09.2021, Subject: Keeping scheduled bank branches closed to facilitate casting of vote by the voter employees in the election area on 4th September, 2021 for Election of 231 Sylhet-3 of national parliament

DFIM (Department of Financial Institutions and Markets)

DFIM Circular Letter No. 28, Date: 01.09.2021, Subject: Regarding Loan.Lease.Advance Classification for Financial Institutions

DFIM Circular Letter No. 29, Date: 07.09.2021, Subject: Prohibition of taking mailing or postal or delivery services through Courier Services having no license

DFIM Circular No. 09, Date: 14.09.2021, Subject: Master Circular: Loan.Lease.Investment Rescheduling for Financial Institutions

FEPD (Foreign Exchange Policy Department)

FEPD Circular No. 31, Date: 27.09.2021, Subject: Instructions to be followed by Licenced Money Changers for Preventing Fake Note Circulation

FEPD Circular No. 30, Date: 23.09.2021, Subject: Release of foreign exchange for private travel abroad - flexibility

FEPD Circular No. 29, Date: 20.09.2021, Subject: Export subsidy.Cash incentive for the financial year 2020-2022

FEPD Circular No. 27, Date: 06.09.2021, Subject: Submission of Application for Export subsidy. Cash incentive.

FEPD Circular Letter No. 26, Date: 2021.09.2021, Subject: Appointment of Audit firm for Cash incentive.Export subsidy in textile and other sectors

FEPD Circular Letter No. 25, Date: 13.09.2021, Subject: Time extension of Bill of entry matching.

FEPD Circular No. 28, Date: 06.09.2021, Subject: Submission of certificate issued by exporter’s association for export subsidy against export of jute goods.

FEPD Circular Letter No. 24, Date: 06.09.2021, Subject: Submission of certificate issued by BTMA for export subsidy in RMG.Textile sector.

FEPD Circular Letter No. 23, Date: 05.09.2021, Subject: Green Transformation Fund.

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FEPD Circular Letter No. 22, Date: 01.09.2021, Subject: Disposal of foreign loan.supplier’s credit proposals of private sector enterprise

FID (Financial Inclusion Department)


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1. Circular no. 2664, Date: 28.09.2021, Subject: Regarding collection of rpo of IcMr Pesticides Limited from the Eligible Investors (Er) and General Public (GP) through Electronic Subscription System (Ess) of Dhaka Stock Exchange Limited.

2. Circular no. 2663, Date: 27.09.2021, Subject: Request for providing information of School Banking Account as instructed by Bangladesh Bank.

3. Circular no. 2662, Date: 27.09.2021, Subject: Renewal of Enlistment of 02 (Two) Insurance Companies.

4. Circular no. 2664, Date: 23.09.2021, Subject: এসএমই ফাউন্ডেশন কর্তৃক আয়োজিত আগামী ২০-২৭ নভেম্বর ২০২১ বঙ্গবন্ধু আশীর্বাদিত সম্মেলনের কেন্দ্র (বিআইআইসি), ঢাকায় আত্মসাত্বিকী ১২ জাতীয় এসএমই পরা সেলা ২০২১ এ অংশগ্রহণ ও স্ট্রীকল্প প্রসন্ন।

5. Circular no. 2660, Date: 23.09.2021, Subject: নেটেল করানা ভাইরাস(COVID-19) এর প্রদুষণের কারণে সিইএএসএমই (CMSME) যাতের জন্য বিশেষ খণ্ড/বিনিয়োগ সুবিধা কাটকরে সংরক্ষিত নির্দেশনা প্রসন্ন।

6. Circular no. 2659, Date: 21.09.2021, Subject: বুল ব্যাংকিং হিসাবের মাধ্যমে “বঙ্গবন্ধু শিক্ষা বীমা” সংক্রান্ত লেনদেন পরিচালনা প্রসন্ন।

7. Circular no. 2658, Date: 21.09.2021, Subject: ১০/৫০/১০০ টাকার হিসাবাধারী প্রাক্তন/অনুষদিক কৃষক, নিম্ন আয়ের পেশাজীবী, বুল ব্যাংকিং হিসাবাধারী এবং ঢুল ব্যবসায়ীদের জন্য বাংলাদেশ ব্যাংক কর্তৃক পঞ্চায় ৫০০ (পঞ্চায়) কোটি টাকার পুনর্নির্ধারণ স্থিম।

8. Circular no. 2557, Date: 21.09.2021, Subject: কোভিড-১৯ মহামারির কারণে সৃষ্টি আধিক সংখ্যক মোকাবেলায় কৃষি যাতের জন্য বাংলাদেশ ব্যাংক কর্তৃক ৩,০০০ (তিন হাজার) কোটি টাকার পুনর্নির্ধারণ স্থিম গঠন ও পরিচালনার নীতিমালা প্রসন্ন।


10. Circular no. 2655, Date: 21.09.2021, Subject: “তি-শিপমেন্ট কোভিড খাতে পুনর্নির্ধারণ স্থিম” এর আর্গাতি বাস্তবায়ন প্রসন্ন।

11. Circular no. 2654, Date: 21.09.2021, Subject: কের ব্যাংকিং সকটওয়ার T-24 (R-10) হতে (R-19)- তে আপ্রেশনের কার্য সম্পাদনের জন্য মার্কেটইনগ ব্যাংক লিমিটেড এর সকল ব্যাংকিং কার্ডম ০১ হতে ০৫ অক্টোবর ২০২১ ই পৃষ্ঠ সাময়িক বিরতি রাখা প্রসন্ন।

12. Circular no. 2653, Date: 19.09.2021, Subject:২০২১ সালের আসন্ন টেল আজা উপলক্ষে কোরানান্তক পশ্চা চামুড়া তুরিতের উদ্ভোবশে চামুড়া ব্যবসায়ীদের জন্য/বিনিয়োগ সুবিধা প্রসন্ন।

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