

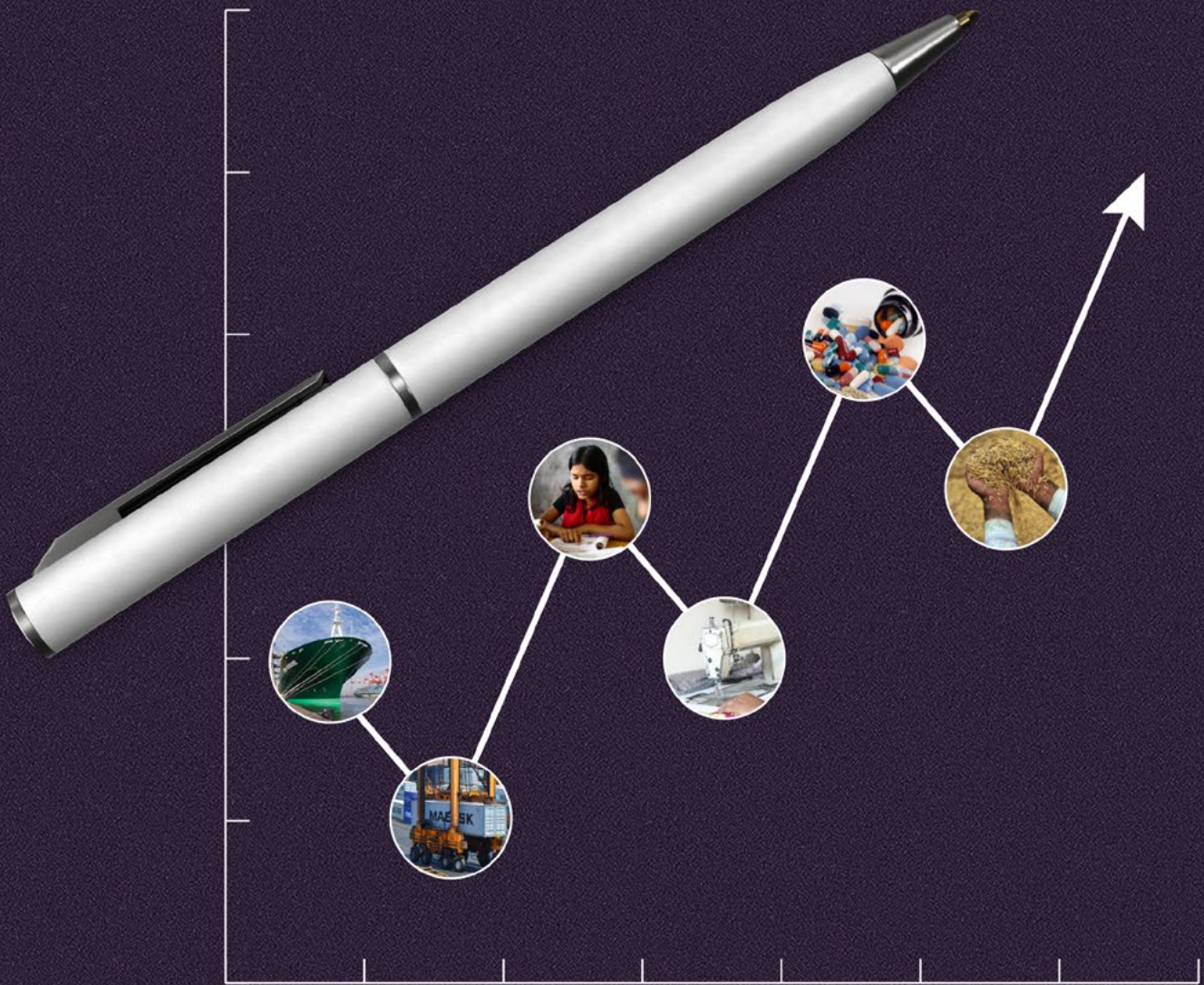
MBL

VOLUME – 14
MONTHLY ONLINE BULLETIN

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

JULY 2022

SPECTRUM



বাণিজ্যিক ব্যাংক



মার্কেন্টাইল ব্যাংক লিমিটেড
Mercantile Bank Limited

দক্ষতাই আমাদের শক্তি

EDITORIAL

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MBL Circulars
During July 2022

ABSTRACT

The future of the world economy for rest of 2022 does not look the brightest. Following Russia's invasion of Ukraine, global inflationary pressures have intensified sharply. This largely reflects steep rise in energy and other commodity prices that have exacerbated inflationary pressures arising from the pandemic and further disruption of supply chains. Household real incomes and the profit margins of some businesses have fallen as a result. Global financial conditions have also tightened significantly, in part as central banks across the world have tightened monetary policy. Aligned with this, Bangladesh bank has also taken a cautious policy stance with a tightening bias to contain inflation and exchange rate pressures.

The inflation rate of Bangladesh has hit 7.56% (point to point) in June 2022. This rate is one of the all time high for our country. This is not a surprise as the worldwide inflation was going up every day for the past few months. Along with this, exchange rate pressure has hit the country. Bangladesh Bank has had to depreciate the value of taka against US dollar a number of times as the reserve has hit quite a low point compared to last few years. The reason behind this low reserve is the fact that the country has had to pay off a hefty amount of import bills compared to what it has earned on export proceeds. Apart from it, energy prices all over the world has increased quite a lot. All these are responsible for the reserve running lower than usual which ultimately have led to a volatile exchange rate. But, the thing is this is not only the scenario of Bangladesh rather it is the scenario of most of the countries all over the world.

The Government is trying its best to counter these issues. Bangladesh Bank has taken commendable initiatives to keep the reserve within a level that does not ring alarm bells in the economy. Import of only necessary items are being encouraged while imports of luxury items are being discouraged imposing larger margin on imports of these items. This situation of the country calls for spending cautiously and that is the message that the Government is trying to put across.

We at Mercantile Bank are following the instructions of the Government and are trying hard to curtail controllable expenses and will continue to do so. Of course, we are hopeful that this situation will pass pretty soon and Bangladesh will be back on track in the journey of prosperity.

Tapash Chandra Paul, PhD

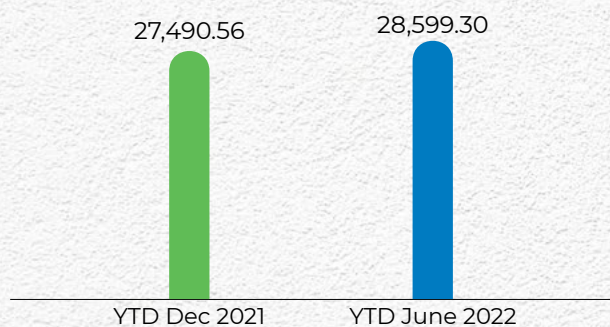
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MBL PERFORMANCE JULY 2022

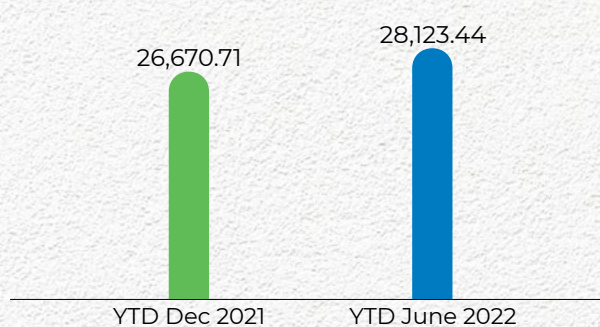
Deposits

BDT in Crore



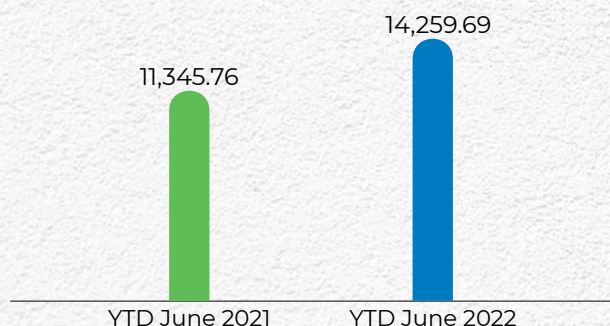
Loans & Advances

BDT in Crore



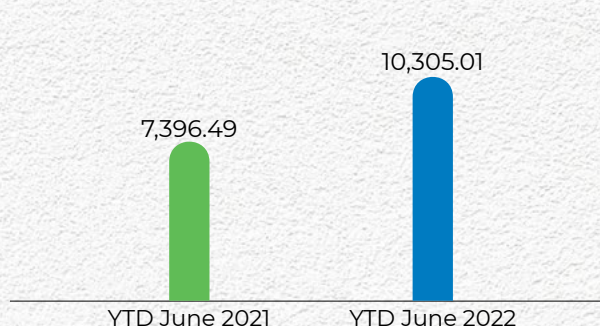
Import

BDT in Crore



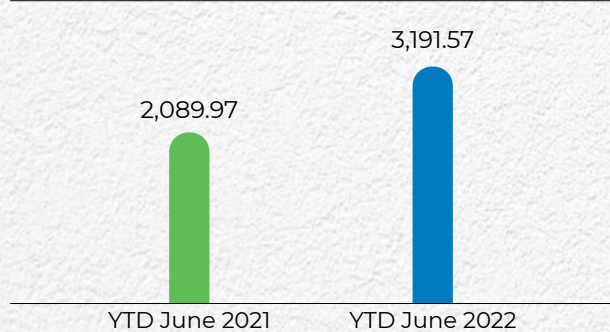
Export

BDT in Crore

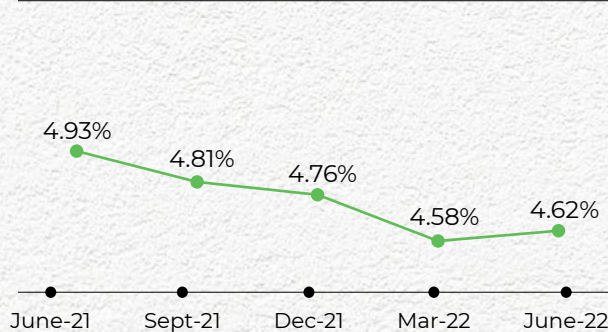


Inward Remittance

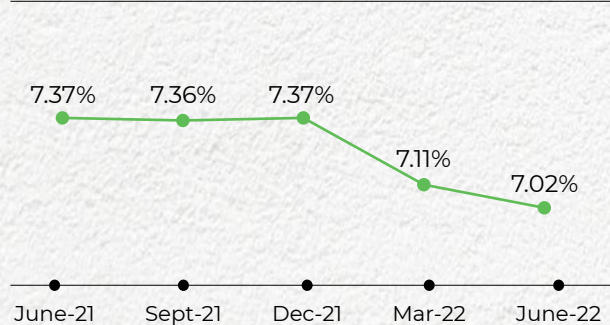
BDT in Crore



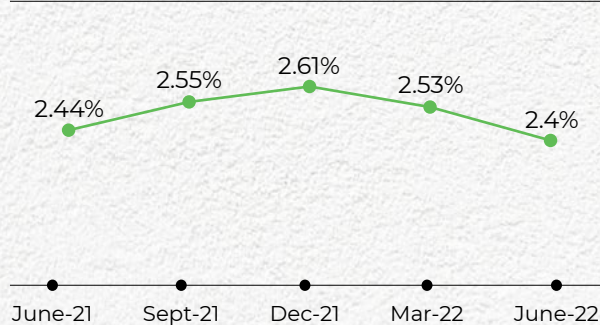
Cost of Deposit



Yield on Advances



Spread



GLOBAL ECONOMY

Europe's banks brace for bumpy ride

Europe's banks, facing a potential economic storm and a rise in borrowing costs for the first time in more than a decade, are set to show their weak spots when they update investors on how their business has fared this year.

They have already had to cope with soaring inflation and rising interest rates, a pincer movement that squeezes borrowers, plus the Ukraine conflict which has rattled Europe's economy, including by constraining its energy supplies. UBS, Deutsche Bank, Credit Suisse, BNP Paribas and UniCredit could set the tone for investors when they report second-quarter results next week. On one hand, higher interest rates are good for banks as



they can charge more for loans. But they suffer if customers, struggling with rising prices and borrowing costs, cannot repay.

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



EU to pause crop rotation to help fight food crisis

The European Commission on 22 July 2022 gave the go-ahead to the renewed suspension of crop rotation rules that require European farmers to leave 1.5 million hectares of arable land lying fallow. A global grain shortage exacerbated by climate change and Russia's invasion and blockade of Ukraine has forced EU members to set aside normal crop rotation rules and maximise production.

"The impact of such a measure will depend on the choice made by member states and farmers, but it will maximise the EU's production capacity for cereals aimed for food products," the commission said. EU rules on rotating crops to preserve fertility and conserve environmental features keep around 1.5 million hectares (3.7 million acres) of land -- an area half the size of Belgium -- out of production.

Ref: <https://www.thedailystar.net>

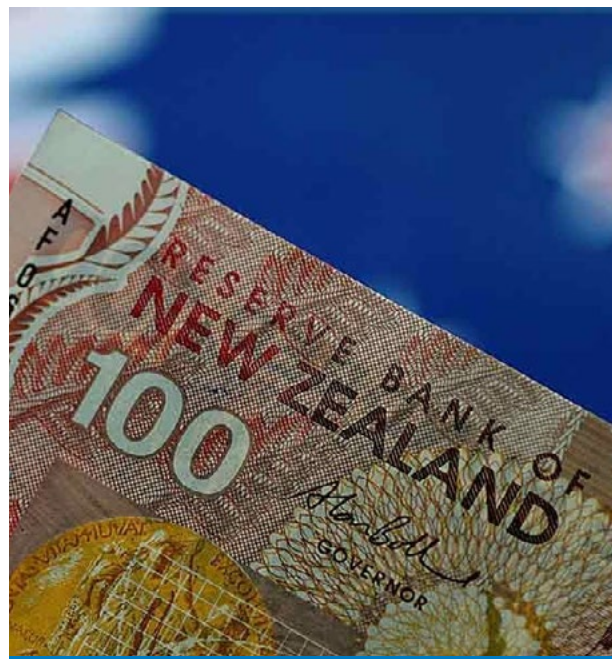


Australia, New Zealand dollars get a lift from sky-high inflation

The New Zealand dollar got a rare rally on 18 July 2022 after an alarmingly high reading on inflation stoked speculation of more aggressive rate hikes, pushing up bond yields and its Australian cousin. The kiwi popped up to \$0.6180 and away from last week's two-year low at \$0.6061. It now faces resistance around \$0.6204 and \$0.6253.

The Aussie extended a bounce to \$0.6810, putting a little distance between its two-year trough of \$0.6682. Resistance lies around \$0.6825 and \$0.6873. Data showed New Zealand consumer prices jumped 1.7 per cent in the second quarter lifting annual inflation to a 32-year high of 7.3 per cent, topping forecasts of 7.1 per cent.

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



China plans 'great efforts' for economic recovery



China will make great efforts to consolidate its economic recovery particularly in the crucial third quarter, putting a priority on stabilising employment and prices. The world's second-biggest economy narrowly missed a contraction in the second quarter, growing just 0.4 per cent year-on-year, weighed down by Covid-19 lockdowns, a weak property sector and cautious consumer sentiment. The government has set a 2022 growth target of around 5.5 percent.

Major hurdles in the second half include China's persistent zero-Covid policy that entails curbs and restrictions that could again disrupt local businesses, employment and consumption.

Ref: <https://www.thedailystar.net>

Debt default: At least dozen countries are in danger zone

A record number of developing nations are now in trouble as they show traditional debt crisis signs of crashing currencies, 1,000 basis point bonds spread and burned FX reserves point.

Lebanon, Sri Lanka, Russia, Suriname and Zambia are already in a debt default. Belarus is on the brink and at least another dozen are in the danger zone as rising borrowing costs, inflation and debt all stoke fears of economic collapse, reports Reuters. Totting up the cost is eye-watering. Using 1,000 basis point bond spreads as a pain threshold, analysts calculate that \$400 billion of debt is in play. Argentina has by far the most at over \$150 billion, while the next in line are Ecuador and Egypt with \$40 billion-\$45 billion.

Crisis veterans hope many can still dodge default, especially if global markets calm



and the IMF rows in with support, but these are the countries at risk.

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

Global slowdown fears darken prospects for Asian factories

Worries over a global slowdown are casting a shadow over Asia's recovery prospects with factory activity growth slowing in Japan and Australia, keeping pressure on policymakers to support their economies while tightening monetary policy to combat inflation. Japan's manufacturing activity grew at the slowest pace in 10 months in July, the purchasing managers' index (PMI) survey showed on 22 July 2022, boding ill for an economy struggling to shake the wounds from the pandemic.

The surveys underscore the hit manufacturers are suffering from supply constraints, rising raw material costs and slowing global demand - all factors flagged by the Bank of Japan as among key risks to the country's economic recovery.

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



Fed set for another big rate hike



US central bankers face an increasingly difficult balancing act as they struggle to douse scorching inflation while still keeping the economy growing, though they have made it clear they are willing to risk a recession. But with war still raging in Ukraine, and Covid-19 causing ongoing issues in Asia, avoiding an economic downturn will require luck and depend on many factors outside the Federal Reserve's control.

Despite a healthy job market with near-record low unemployment, workers are seeing their wage gains overwhelmed by sky-high consumer prices that rose by a new 40-year high of 9.1 per cent in June. Slowing the economy is likely to cause more job losses, but policymakers want to avoid at all costs the greater pain of a price spiral that becomes entrenched or spins out of control.

Ref: <https://www.thedailystar.net>

Stocks slip as growth risks sap confidence; bonds, dollar in demand

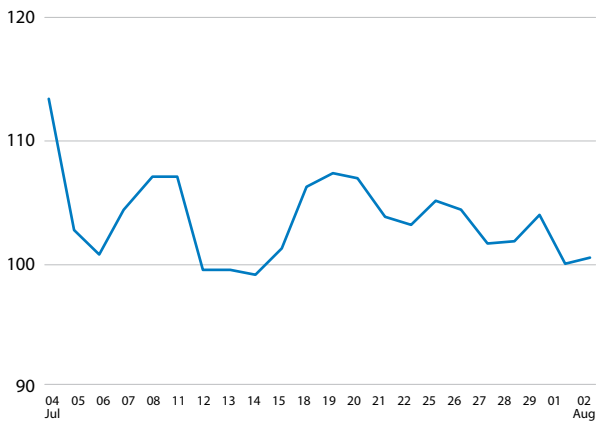


Asian stocks lost ground on 25 July 2022, retreating from over three-week highs as worries about a global economic downturn sapped investors' risk appetite.

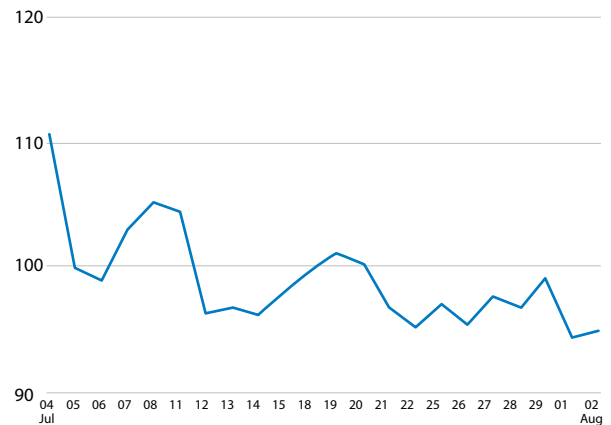
Bond yields eased amid bets that a US recession would slow the Federal Reserve's aggressive tightening campaign, with markets looking for policy clues from its two-day Federal Open Market Committee meeting which begins on 19 July 2022. At the same time, the dollar built on its recovery from a 2 1/2-week low against major peers, supported by demand for the US currency as a safe haven.

Ref: <https://www.tbsnews.net>

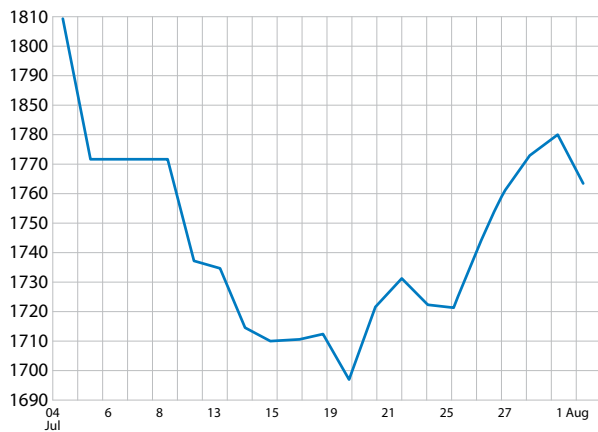
Brent Crude Oil (\$/barrel)



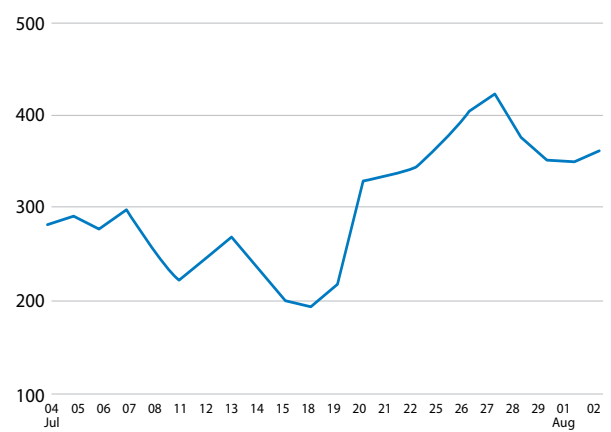
West Texas Intermediate Crude Oil Price (\$/barrel)



Gold Price (USD/oz)



Natural Gas (p/therm)



Sources:

1. www.bbc.com

2. www.goldprice.org



BANGLADESH ECONOMY

Bangladesh reports record \$10 billion foreign funds in FY22

Development partners and donor countries have released more than \$10 billion in loans and aid to Bangladesh in 2021-22, a record for a financial year in the country's history. Bangladesh brought in the funds for development projects, which is 26 per cent more than the preceding fiscal year. In the 2020-21 financial year, development agencies and partner countries supplied nearly \$8 billion to Bangladesh. The funds received from foreign sources surpassed the target by almost \$1.8 billion.

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



Export earnings surpass \$52b in FY22

The country's merchandise export earnings maintained hefty growth in the just-concluded fiscal year (FY22), recording over 34 per cent rise to \$52.08 billion year-on-year following the excellent performance of apparel shipments. Bangladesh fetched \$38.75 billion in the July-June period of the fiscal year 2020-21, according to provisional data from the Export Promotion Bureau (EPB). The overall export earnings also surpassed the set target by 19.73 per cent. Besides, the

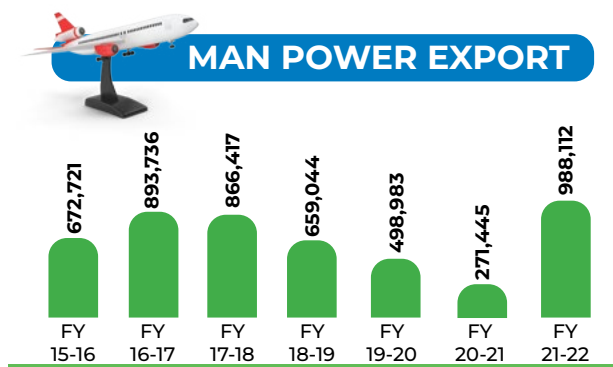


single-month export earnings growth in June increased by 37.29 per cent and earned \$4.90 billion.

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

Manpower export hits new high

Bangladesh's manpower export hit a new high in the past fiscal on post-pandemic rebound of the overseas job market as nearly a million found employment abroad following good demand for Bangladeshi workers. The Bureau of Manpower Employment and Training (BMET) showed a total of 988,112 workers having gone abroad in the fiscal year (FY) 2021-22. The monthly figures of overseas employment in the BMET revealed that a total of 111,539 workers went abroad in June alone. The workers went mainly to 20 countries in June, and Saudi Arabia received the highest 63 per cent or 385,595



workers. Oman hosted 83,764, the United Arab Emirates (UAE) 65,351, Singapore 29,093, Qatar 10,199 and Jordan 8,628.

(Ref: <https://www.thedailystar.net>)

Inflation hits 8-year high at 7.56% in June

Inflation in June, the last month of the last fiscal year 2021-22, soared to 7.56% which is the highest in eight years, according to a report by the Bangladesh Bureau of Statistics (BBS). Earlier in May, this index rose to 7.42%. It jumped another 0.14% points in June, said the BBS report. The average inflation rate stood at 6.15% at the end of FY 2021-22, 0.85% more than the target. The government had set out to keep inflation restricted at 5.30% last fiscal. Food inflation was 8.37% in June. It was 8.30% in May. Non-food inflation rose to 6.33% from 6.08% last month.

(Ref: <https://www.tbsnews.net>)



92.79pc ADP executed in FY22

With the record-highest single-month spending, government agencies implemented 92.79 per cent of the Annual Development Programme (ADP) in fiscal year (FY) 2021-22. In the single month of June, the agencies spent 27.23 per cent of the Tk 2.17-trillion ADP, according to the Implementation Monitoring and Evaluation Division (IMED) data. The execution rate was also bleak in FY20 as spending was recorded at 80.39 per cent of Tk 2.01 trillion. A senior IMED official



says the rate rebounded in FY22 after poor performance in the previous two consecutive years due to the impact of the Covid-19 pandemic.

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

Tk 300b tax revenue deficit in FY '22

The tax revenue collection has faced nearly Tk 300 billion shortfall in the previous fiscal year (FY), 2021-22, although the tax-collecting wings have achieved double-digit growth over their previous year's collection. According to a provisional data, the National Board of Revenue (NBR) collected nearly Tk 3.00 trillion taxes - achieving around 14 per cent growth over the previous FY. In FY 22, the VAT wing collected Tk 1.08 trillion, while income tax Tk 1.02 trillion and customs Tk 894.24 billion. Targets for the three wings were



Tk 1.28 trillion, Tk 1.05 trillion and Tk 956.52 billion respectively.

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

Bangladeshi startups net \$90m in H1

Bangladeshi startups have raised nearly \$90 million in investment in the first half of the running calendar year, according to a study report. Of the latest investment, business-to-business platform ShopUp raised \$63 million followed by delivery service Paperfly's \$13 million. Bangladesh has drawn global attention in recent times for its remarkable socio-economic progress as reflected in the startup ecosystem. Bangladesh attracted a total investment of \$505 million in 2021 and in the first half of 2022 with a total contribution of \$498 million from global



investors, discloses the report. The local startups have also created employment for over 1.5 million.

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

New National Policy targets 30m jobs by 2030

The government has formulated National Employment Policy 2022 identifying a number of challenges including absence of public and private measures that hinder the skilled workforce generation. The policy, first of its kind that has recently been finalised, also aims to create about 30 million fresh jobs by 2030 and thus keep the unemployment rate at lowest level by 2041. According to the policy, the number of unemployed and disguised unemployed people is about 2.7 million and 12.5 million respectively while more



than 60 million people are capable to work.

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

Mongla port flags off its first garment shipment, paving way for new exports

For the first time, a shipment of garments produced in Bangladesh has been shipped abroad from Mongla port, opening a new avenue for the export sector in the country. The ship is carrying 17 containers of garments from over two dozen factories in Dhaka and its surrounding areas. A month after the inauguration of the Padma Bridge, garment shipments have used the bridge to reach Mongla and paved a new way for garments exports. The distance from Dhaka to Mongla is only 170 kilometres, compared to the 260 kilometres from Dhaka to Chattogram. For a number of

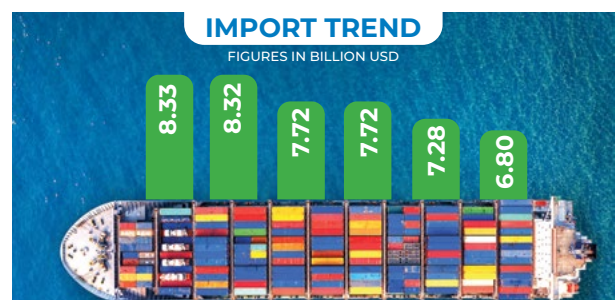


reasons, businesses in Dhaka did not make use of the Mongla port. However, now that the Padma Bridge has opened, they are more eager to do so and the port authority is taking the necessary steps.

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

Imports slow in June

Imports slowed down in June after the Bangladesh Bank tightened the rules for opening LCs (Letters of Credit) for luxury items as part of its efforts to shore up foreign exchange reserves. In June, LC settlements declined by over 6% month-on-month and the trend continued in July, according to data from the central bank. The LC settlement value was \$6.79 billion in June – the lowest in the past nine months. Moreover, the value of LC opening was lower than that of



settlements in June, which shows that imports are declining gradually.

(Ref: <https://www.tbsnews.net>)

BANKING INDUSTRY

Abdur Rouf Talukder joins Bangladesh Bank as Governor

Former Senior Secretary Abdur Rouf Talukder has joined Bangladesh Bank as its twelfth Governor. Born in 1964, Abdur Rouf holds a master's degree in Development Management from the UK's University of Birmingham and an MBA from Dhaka University's Institute of Business Administration. He joined the Bangladesh Civil Service in 1988. He has worked in a wide range of government positions throughout his career, with a focus on public finance and economic management. He worked for more than 18 years in the Finance Division before achieving the position of finance secretary in 2018.

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



Bangladesh Bank toughens rules further to curb imports

In an effort to keep the foreign exchange reserves stable, the Bangladesh Bank asked banks to take up to 100 percent of import payments in advances from businesses while opening letters of credit (LCs) for luxury and non-essential items. The central bank issued a notice to this effect, saying the initiative would help keep the financial sector stable amid the dragging volatility stemming from rocketing import bills, exacerbated by higher commodity prices and the supply bottlenecks fuelled by the Russia-Ukraine war. Now, banks will have to impose a margin of at least 100 percent



on the opening of LCs for electronic goods such as air conditioners, refrigerators and washing machines.

(Ref: <https://www.thedailystar.net>)

Massive rule relaxation for loan defaulters

RELAXED RULES FOR LOAN RESCHEDULING

REPAYMENT TENURE

	New rule	Previous rule
Term loan	6-8 years	9-24 Months
Working capital	5-7 years	6-18 Months

DOWN PAYMENT (of NPLs)

	New rule	Previous rule
Term loan	2.5-6.5 pc	10-30 pc
Working capital	2.5-5 pc	5-15 pc

OTHER RULES



Defaulted loans can be rescheduled 4 times instead of 3 times now



Borrowers to get new loans by giving 3pc of rescheduled loans instead of previous 15pc



Exporters to enjoy new loans by repaying 2pc loans instead of previous 7.5pc

EXPERTS SAY



Defaulted loans to increase in the long run



Delinquent borrowers may divert bank fund



Banks to face problems in recovering loans



New rules may create moral hazards among good borrowers



The Bangladesh Bank relaxed the policy for loan rescheduling of defaulted loans grossly, as the defaulters will now get a maximum of eight years to repay term loans instead of the previous two years. Defaulters will also be allowed to reschedule their non-performing loans (NPLs) for four times in contrast to the previous three times, according to a Bangladesh Bank notice. As per the new rules, defaulters who took term loans will be allowed to repay funds by enjoying 6-8 years compared to the previous tenure of 9-24 months after rescheduling their NPLs.

(Ref: <https://www.thedailystar.net>)

BB lifts interest rate ceiling on NFCDs

The Bangladesh Bank (BB) withdrew the interest rate ceiling on non-resident foreign currency deposits (NFCDs) to raise the inflow of foreign currency into the country and ease the ongoing pressure in the foreign exchange market. The rate of interest is now open and competitive - to attract more foreign currency into the country. The local

banks have freedom to attract foreign fund through this type of accounts, maintained by them. The banks are allowed to avoid such ceiling to mobilise deposits from non-resident Bangladeshis and Bangladeshi-origin individuals, including those having dual nationality and residing abroad.

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

Banks asked to encash 50% of exporters' retention quota balances

The Bangladesh Bank has asked the authorised dealer banks to immediately encash 50% of all foreign currency held in relevant exporters' retention quota (ERQ) accounts. The central bank has also reduced the foreign currency reserve limits for ERQ accounts. According to the central

bank's rules, exporters can retain a portion of repatriated export incomes in ERQ accounts with which they purchase raw materials and make import payments. The revised retention limits will be effective until 31 December 2022.

(Ref: <https://www.tbsnews.net>)

Usance period on raw material imports extended 360 days

The Bangladesh Bank (BB) has relaxed its foreign exchange regulations, allowing banks to extend the usance period for the import of industrial raw materials. Foreign Exchange Policy Department of the central bank issued a circular announcing the usance period extension to 360 days from the existing 270 days for imports of industrial raw materials. This includes back-to-back imports, imports of agricultural implements and chemical fertilisers under supplier's/buyer's credit. Such relaxation will continue until December 30 of this

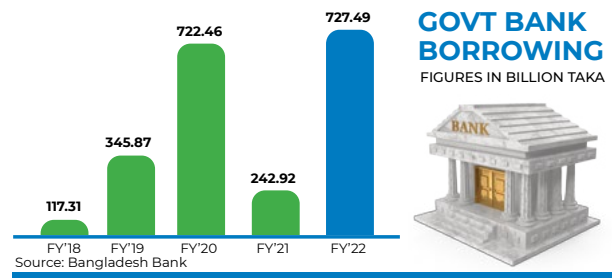


year. The extended usance period will not be applicable for imports under EDF loans.

(Ref: <https://www.tbsnews.net>)

Bank borrowing triples in FY '22

Government bank borrowings nearly tripled in the past fiscal, partly being pushed by need for financing budget deficit, officials say, raising its debt liability. Its aggregate net bank borrowings rose to Tk.727.49 billion as on June 30 last from Tk.242.92 billion in the same period of the previous fiscal year, according to Bangladesh Bank's confidential report. The bank borrowing by the government ballooned due mainly to lower sales of national savings certificates



(NSCs) as well as shortfall in revenue collection in the bygone fiscal.

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

BB set to enhance forex flow by \$1.0b



The central bank is set to enhance the foreign-exchange flow by nearly \$1.0 billion as part of regulatory measures to manage the ongoing volatility in the market. Around \$365 million will be credited to banks' own accounts from exporters' retention quota (ERQ) accounts as the Bangladesh Bank (BB) instructs authorised dealer (AD) banks to encash 50 per cent of their total foreign currency held in relevant ERQ accounts immediately. Another \$569 million will be added to the market as inflow following the BB's decision to cut 5.0 percentage points of the net open position (NOP) limit of commercial banks to 15 per cent from the current 20 per cent.

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

Banks now can lend more than 25% of their capital to power producers

The Bangladesh Bank has withdrawn the single borrower exposure limit for the next six months in the case of lending to power producers. From now on, banks will be allowed to extend credit to power sector borrowers, exceeding 25% of their regulatory capital, according to a circular issued by the central bank. The companies

involved in electricity production are facing a hike in generation costs because of higher dollar prices. So, the single borrower exposure limit has been lifted to maintain the continuity of power generation and supplies for the next six months.

(Ref: <https://www.tbsnews.net>)



MBL NEWS



Morshed Alam, MP, Chairman, of Mercantile Bank Limited, congratulated new Governor of Bangladesh Bank Mr. Abdur Rouf Talukder.



Md. Quamrul Islam Chowdhury, Managing Director and CEO along with Tapash Chandra Paul, PhD, CFO of the Bank congratulated new Governor of Bangladesh Bank Mr. Abdur Rouf Talukder.

Half Yearly Business Review Conference-2022



The Half Yearly Business Review Conference-2022 of Mercantile Bank Limited was held at Bank's Head Office through virtual platform on July 30, 2022. The Head of 151 branches, In-charges of 25 Uposhakha, Zonal Heads and Head of Divisions participated in the conference. Morshed Alam M.P., Chairman of the Board of Directors of the bank was the chief guest while Managing Director & CEO Md. Quamrul Islam Chowdhury presided over the conference.

A. S. M. Feroz Alam, Vice Chairman; Md. Anwarul Haq, Chairman, Executive Committee; M. Amanullah, Chairman, Risk Management Committee; M. A. Khan Belal, Chairman, Mercantile Bank Securities Ltd. and Al-Haj Mosharref Hossain and Mohammad Abdul Awal Directors spoke as special guests in the conference.

Bank's Chairman thanked the heads of branches, Uposhakhas and divisions for their courageous presence facing Corona Pandemic to ensure banking services. He expected that the executives and officers of the bank could devote themselves to uphold the bank to the top with innovative

thinking and persevering effort. He also delivered a strategic work plan to reach the Bank's expected business target for the rest of the year with effective and efficient management.

Md. Quamrul Islam Chowdhury, MD & CEO of Mercantile Bank Ltd. advised the Executives & Officers to ensure best possible customer services with latest technology based banking. He also urged his colleagues to reach the Mercantile Bank services to the unbanked and underprivileged population to make Mercantile Bank as an "Enlightened Bank". Besides this, the CEO suggested his teammates to reach Mercantile Bank's 'Agent Banking' and 'Islamic Banking Window' services to the customers. He also emphasizes to use the Bank's own Digital Banking app 'MBL Rainbow' for all kind of banking services.

Mati ul Hasan, AMD, Md. Zakir Hossain, Adil Raihan, Shamim Ahmed, Hasne Alam and Md. Mahmood Alam Chowdhury DMDs were also present. Tapash Chandra Paul, PhD, Chief Financial Officer of the bank moderated the Business Session.

3rd phase Foundation Training of Mercantile Bank Limited for TAO



Mercantile Bank Training Institute started two week long Foundation Training for the 3rd phase for its Trainee Assistant Officers (TAO) on 18 July, 2022. A total number of 45 officers participated in the training. Md. Quamrul Islam Chowdhury, MD & CEO of the Bank inaugurated the training and delivered his speech highlighting the importance of Foundation Training and

advised participating officers to be strictly compliant with the banking ethics and guidelines and be proactive in providing excellent service to the customers of the bank. Tapash Chandra Paul, PhD CFO of the bank, Javed Tariq, Principal of MBTI along with other faculty members of the institution also present in the program.

50th BOD & 69th Bi-monthly meeting of PDBL held



“50th Board of Directors and 69th Bi-monthly meeting of Primary Dealers Bangladesh Limited (PDBL)” organized by Mercantile Bank Limited in Hotel Purbani of Dilkusha was held on July 28, 2022. Chairman of PDBL Md. Aatur Rahman Prodhan, CEO & Managing Director of Sonali Bank Limited presided the meeting. Md. Quamrul Islam Chowdhury, Managing Director & CEO of Mercantile Bank Ltd., Mohammad Shams-

Ul Islam, MD & CEO of Agrani Bank Ltd., Mohammed Rabiul Hossain, MD & CEO of Uttara Bank Ltd., Mosleh Uddin Ahmed, MD & CEO of South Bangla Agriculture & Commerce Bank Ltd., attended the meeting. Mati Ul Hasan, AMD & CRO of Mercantile Bank, Head of Treasury and dealers of different PD banks were also present in the meeting.

Mercantile Bank and Majid Jarina Foundation School & College sign an agreement



Mercantile Bank Limited has recently signed an agreement with Majid Jarina Foundation School and College. The agreement was signed by the Deputy Managing Director and CSBO of the Bank Adil Raihan and Principal of Majid Jarina Foundation School and College M Farid Al Hossain, on behalf of their respective organizations. As per the agreement, Mercantile Bank will facilitate the collection of Tuition Fees, Admission Fees, Semester Fees and other Charges of the Students of Majid Jarina Foundation School and

College through Online, Mobile Financial Services "MyCash", Digital Banking App "MBL Rainbow", Agent Banking Outlets, Collection Booth and other Delivery Channels. Tapon James Rozario, AVP & Head of ILM Division, Moniruzzaman Khan, AVP & Head of Shariatpur Branch, Md. Ashraful Islam, Principal Officer & Head of Bhojeshwar Bazar Branch of MBL along with Teachers of MJFS&C and other Officials of MBL were present in the signing ceremony.

Mercantile Bank's Vice Chairman A. S. M. Feroz Alam's mother Passes

Mosammat Shaheda Begum, mother of Mercantile Bank's Vice Chairman A. S. M. Feroz Alam, passed away on August 04, 2022 at United Hospital in Dhaka. She was 85. She had been suffering from a few old age complications. She has left a son, many relatives and well wishers.

The Board of Directors, all Executives, Officers & Employees of Mercantile Bank Limited expressed deep mourn for the demise of the mother of Mercantile Bank's Vice Chairman A. S. M. Feroz Alam and heartfelt condolences to the bereaved family.



Mercantile Bank CFO's mother Suruchi Bala Paul Passes

Srimati Suruchi Bala Paul, mother of Tapash Chandra Paul, PhD, Chief Financial Officer of Mercantile Bank Limited, passed away on July 27, 2022 at a hospital in Dhaka. She was 88. She had been suffering from a few old age complications. She has left five sons, four daughters, many relatives and well wishers.

The Board of Directors, all Executives, Officers & Employees of Mercantile Bank Limited mourns the death of the mother of Mercantile Bank's CFO and would like to offer condolences.



BANGLADESH BANK CIRCULAR

JULY 2022

ACD Circular

- ACD Circular No. 04, Date: 28.07.2022, Subject: Agricultural & Rural Credit Policy and Program for the FY 2022-2023

BRPD Circular

- BRPD Circular Letter No. 32, Date: 31.07.2022, Subject: Implementation of Programs for National Mourning Day 2022
- BRPD Circular Letter No. 31, Date: 28.07.2022, Subject: Financial Stimulus Package to Mitigate Probable Economic Impact Due to Breakout of Novel Corona Virus (COVID-19)
- BRPD Circular Letter No. 30, Date: 27.07.2022, Subject: Suspension/ Reduction of Operational and Development Expense
- BRPD Circular Letter No. 29, Date: 26.07.2022, Subject: Exemption from the provision of section 26kha(1) of Bank Company Act, 1991 regarding general credit limit to electricity producing companies
- BRPD Circular Letter No. 28, Date: 26.07.2022, Subject: Saving/Reducing Expense of Energy and Fuel.
- BRPD Circular Letter No. 27, Date: 07.07.2022, Subject: Resolving Existing Difficulties of Raw Jute Exporters
- BRPD Circular Letter No. 26, Date: 05.07.2022, Subject: Extension of Banking Hour as well as Keeping the Bank Branches/Sub Branches Open adjacent to Qurbani Cattle haat under Dhaka South and North City Corporation
- BRPD Circular Letter No. 25, Date: 04.07.2022, Subject: L/C Margin on Import Financing
- BRPD Circular Letter No. 24, Date: 03.07.2022, Subject: Company Matter No. 299 of 2019 (MM Structural and Holding Limited and others Vs. International Leasing and Financial Services Limited (ILFSL) and others).
- BRPD Circular No. 16, Date: 18.07.2022, Subject: Master Circular on Loan Rescheduling and Restructuring

BFIU Circular

- BFIU Circular Letter No. 01, Date: 27.07.2022, Subject: Regarding Account Opening in the Scheduled Banks by Non-Resident Bangladeshis

CGD Circular

- CGD Circular No. 01, Date: 21.07.2022, Subject: Formation of 'Credit Guarantee Department'

CIB Circular

- CIB Circular Letter No. 03, Date: 21.07.2022, Subject: Registration fee for CIB online services, imposition and realization of service charges for CIB reports generated through CIB online system, penalties imposed on banks and FIs failed to contribute batch monthly contribution in time and for disclosure of credit information contained in CIB reports and exaction of money as penalties for these from banks/FIs concerned.

DOS Circular

- DOS Circular Letter No. 29, Date: 25.07.2022, Subject: Instruction to take necessary measures to facilitate casting of vote by the voter employees of the related areas on 27th July 2022 for election of Pourashavas
- DOS Circular Letter No. 28, Date: 20.07.2022, Subject: Submission of Statement regarding Large Loan (Form L)
- DOS Circular Letter No. 27, Date: 14.07.2022, Subject: Instruction regarding the name of Brahmanbaria District
- DOS Circular Letter No. 26, Date: 03.07.2022, Subject: Keeping scheduled bank branches of garments industry areas open on 08 and 09 July, 2022 for the payment of garment workers' wages, bonus and other allowances before Eid-ul-Azha.

DFIM Circular

- DFIM Circular Letter No. 17, Date: 31.07.2022, Subject: Regarding name change of 'Delta Brac Housing Finance Corporation Limited' to 'DBH Finance PLC'
- DFIM Circular Letter No. 16, Date: 27.07.2022, Subject: Saving Expense of Electricity and Fuel.
- DFIM Circular Letter No. 15, Date: 19.07.2022, Subject: Instruction regarding the name of Brahmanbaria District

DMD Circular

- DMD Circular Letter No. 05, Date: 25.07.2022, Subject: Regarding compliance of clause 48 of Finance Act, 2022 in investing more than Taka 5 (Five) lac in Sanchayapatra and Post Office savings bank accounts
- DMD Circular No. 01, Date: 19.07.2022, Subject: Instructions to follow in Sale & after Sale service of Sanchayapatra

FEPD Circular

- FEPD Circular Letter No. 29, Date: 28.07.2022, Subject: Online reporting of import information to Bangladesh Bank web portal
- FEPD Circular Letter No. 28, Date: 26.07.2022, Subject: Encashment of balances held in ERQ accounts and revision of its limit
- FEPD Circular Letter No. 27, Date: 19.07.2022, Subject: Settlement of loans against Export Development Fund (EDF)
- FEPD Circular Letter No. 26, Date: 18.07.2022, Subject: Special Tax Treatment in respect of undisclosed offshore assets
- FEPD Circular Letter No. 25, Date: 18.07.2022, Subject: Disposal of foreign currency notes and coins
- FEPD Circular Letter No. 24, Date: 14.07.2022, Subject: Online reporting of import information to Bangladesh Bank web portal
- FEPD Circular Letter No. 23, Date: 13.07.2022, Subject: Reporting Tax and Vat Information on Online TM Form Monitoring System (OTFMS) and Online Inward Remittance Monitoring System (OIRMS)
- FEPD Circular Letter No. 22, Date: 07.07.2022, Subject: Import of capital machinery on usance basis
- FEPD Circular No. 18, Date: 20.07.2022, Subject: Extension of usance period of import of industrial raw materials
- FEPD Circular No. 17, Date: 20.07.2022, Subject: Interest rate on borrowing from Export Development Fund (EDF)

- FEPD Circular No. 16, Date: 19.07.2022, Subject: Extended limit from Export Development Fund (EDF)
- FEPD Circular No. 15, Date: 17.07.2022, Subject: Interest on Non-resident Foreign Currency Deposit Accounts.
- FEPD Circular No. 14, Date: 14.07.2022, Subject: Encashment of balances held in ERQ accounts and revision of its limit
- FEPD Circular No. 13, Date: 13.07.2022, Subject: Remittances on account of visa processing fees by resident agents through International Card
- FEPD Circular No. 12, Date: 13.07.2022, Subject: Repayment guarantees by importers against short term import finance under buyer's credit
- FEPD Circular No. 11, Date: 05.07.2022, Subject: Export incentive against export of Jute Diversified Products

FID Circular

- FID Circular Letter No. 03, Date: 20.07.2022, Subject: Refinance Scheme for the affected low income professionals, farmers, marginal/micro businessmen due to novel coronavirus

FEID Circular

- FEID Circular Letter No. 02, Date: 14.07.2022, Subject: Placement of fund from Offshore Banking Operations to Domestic Banking Units

PSD Circular

- PSD Circular Letter No. 05, Date: 27.07.2022, Subject: Guidelines for Trust Fund management in payment and settlement services

SFD Circular

- SFD Circular No. 04, Date: 24.07.2022, Subject: Refinance Scheme for Environment Friendly Products/ Projects/Initiatives

SMESPD Circular

- SMESPD Circular Letter No. 05, Date: 26.07.2022, Subject: Addendum of Operating Guidelines for JICA assisted Urban Building Safety Project (UBSP, BD-P84)
- SMESPD Circular Letter No. 04, Date: 24.07.2022, Subject: Special loan/investment facility provided to CMSME sector affected by Novel Corona Virus (COVID-19) pandemic
- SMESPD Circular Letter No. 03, Date: 21.07.2022, Subject: Financing facility under "Line of Finance to Support SMEs Project under the IsDB SPRP for Covid-19, Restore Track (LFSSP), BGD-1074."
- SMESPD Circular No. 04, Date: 19.07.2022, Subject: Introducing Refinance Scheme against financing to Cottage, Micro, Small and Medium (CMSME) Enterprises

PSD Circular

- PSD Circular No. 12, Date: 07.07.2022, Subject: Ensuring uninterrupted ATM, POS, Internet Banking, Online e-Payment Gateway and MFS services during the Eid-ul-Azha vacation
- PSD Circular No. 11, Date: 05.07.2022, Subject: Regarding Re-fixation of Mobile Financial Services (MFS) Transaction Limit.
- PSD Circular Letter No. 04, Date: 03.07.2022, Subject: Disbursing inward remittance to customer accounts through IBFT in NPSB system

MBL CIRCULARS DURING JULY 2022

Instruction Circular

1. Circular No. 2885, Date: 31.07.2022, Subject: Revised Interest / Profit rate of General Account under fund transfer pricing policy for lending fund by the Branch/ different deposit procuring Division to Head Office.
2. Circular No.2884, Date: 28.07.2022, Subject: পরিচালন ও উন্নয়ন ব্যয় স্থগিত/হাসকরণ প্রসঙ্গে।
3. Circular No.2883, Date: 28.07.2022, Subject: Guidelines for Trust Fund management in payment and settlement service প্রসঙ্গে।
4. Circular No. 2882, Date: 28.07.2022, Subject: Adjustment of overdue accepted bills and/or EDF Loan as well as to settle the un-responded IBDA at branch level through creation of Time Loan (Export) (Single deal) on case to case basis (Inner of BTB LC limit LC limit) for 45 (Forty Five) days @ 9.00% p.a. rate of interest against goods shipped having FDBP/export documents under collection.
5. Circular No. 2881, Date: 28.07.2022, Subject: বন্ধ আইন-২০১৮ এর আওতায় সকল বন্ধশিল্প প্রতিষ্ঠানের নিবন্ধন গ্রহণ প্রসঙ্গে।
6. Circular No.2880, Date: 27.07.2022, Subject: সঞ্চয়পত্র ও ডাকঘর সঞ্চয় ব্যাংক হিসাবসমূহে ৫ (পাঁচ) লক্ষ টাকার অধিক বিনিয়োগের ক্ষেত্রে অর্থ আইন, ২০২২ এর ধারা ৪৮ পরিপালন প্রসঙ্গে।
7. Circular No. 2879, Date: 27.07.2022, Subject: বিদ্যুৎ ও জ্বালানির ব্যয় সাশ্রয়/হাসকরণ প্রসঙ্গে।
8. Circular No. 2877, Date: 26.07.2022, Subject: Revised Schedule of Charges
9. Circular No. 2876, Date:25.07.2022, Subject: ২৭ জুলাই ২০২২ ইং তারিখে ০৪টি পৌরসভার নির্বাচন উপলক্ষে সংশ্লিষ্ট নির্বাচনী এলাকায় ভোটকেন্দ্র হিসেবে ব্যবহৃতব্য স্থাপনায় অবস্থিত ব্যাংকের শাখা/উপশাখা বন্ধ রাখা এবং ভোটারদের ভোটাধিকার প্রয়োগের সুযোগ দানের প্রয়োজনীয় ব্যবস্থা গ্রহণ প্রসঙ্গে।
10. Circular No.2875, Date:25.07.2022, Subject: সঞ্চয়পত্র বিক্রয়কালে এবং বিক্রয় পরবর্তী অন্যান্য সেবা প্রদানকালে অনুসরণীয় নির্দেশনা প্রসঙ্গে।
11. Circular No. 2874, Date:17.07.2022, Subject: কাঁচাপাট রপ্তানিকারকগণের বিরাজমান সমস্যা সমাধানের মাধ্যমে ব্যবসায় ফিরিয়ে আনা প্রসঙ্গে।
12. Circular No. 2873, Date: 17.07.2022, Subject: ব্রাহ্মণবাড়িয়া জেলার নাম বি-বাড়িয়া না লিখে ব্রাহ্মণবাড়িয়া লেখার নির্দেশনা অবহিতকরণ প্রসঙ্গে।
13. Circular No. 2872, Date: 07.07.2022, Subject: কোভিড-১৯ মহামারির কারণে সৃষ্ট আর্থিক সংকট মোকাবেলায় কৃষি খাতের জন্য বাংলাদেশ ব্যাংক কর্তৃক গঠিত ৩,০০০ (তিন হাজার) কোটি টাকার পুনঃঅর্থায়ন স্কিম পরিচালনার নীতিমালা প্রসঙ্গে।
14. Circular No.2871, Date:07.07.2022, Subject: বীর মুক্তিযোদ্ধা, বয়োবৃদ্ধ, বিধবা এবং বিশেষ চাহিদাসম্পন্ন গ্রাহকগণকে ব্যাংকিং সেবা প্রদানে বিশেষ ব্যবস্থা গ্রহণ প্রসঙ্গে।
15. Circular No.2870, Date: 06.07.2022, Subject: Deduction of Excise Duty for the FY 2022-2023
16. Circular No. 2869, Date: 06.07.2022, Subject: অর্থ আইন ২০২২-২০২৩ অনুযায়ী উৎসে আয়কর ও মূল্য সংযোজন কর কর্তন প্রসঙ্গে।
17. Circular No. 2868, Date: 06.07.2022, Subject: Ensuring health guidelines to protect outbreak of COVID-19.

18. Circular No. 6867, Date: 06.07.2022, Subject: Digital Greeting Cards of “Eid-ul-Adha-2022”.
19. Circular No. 6866, Date: 06.07.2022, Subject: আসন্ন ঈদ-উল-আযহা উপলক্ষ্যে তৈরী পোশাক শিল্পে কর্মরত শ্রমিক/কর্মচারী/কর্মকর্তাদের বেতন-ভাতা প্রদান ও রপ্তানী বিল ক্রয়ের লক্ষ্যে ব্যাংকের সংশ্লিষ্ট শাখাসমূহ ৮ ও ৯ জুলাই ২০২২ ইং তারিখে খোলা রাখার প্রসঙ্গে।
20. Circular No. 2865, Date: 05.07.2022, Subject: Product Program Guideline (PPG) of Non-Resident Investor's Taka Account (NITA)
21. Circular No. 2864, Date: 04.07.2022, Subject: আসন্ন ঈদুল আজহা উপলক্ষে কোরবানীকৃত পশুর চামড়া ব্যবসায়ীদের ঋণ/বিনিয়োগে সুবিধা প্রদান প্রসঙ্গে
22. Circular No. 2863, Date: 04.07.2022, Subject: কোরবানীর পশুর হাটে জালনোট প্রতিরোধকল্পে ব্যাংকের কর্মকর্তাদের দ্বারা পশু ব্যবসায়ীদেরকে নোট যাচাই সংক্রান্ত সেবা প্রদান প্রসঙ্গে।

Information Circular

1. Circular No. 1861, Date: 31.07.2022, Subject: Renaming of “General Banking Division” as “Operations Division”
2. Circular No. 1860, Date: 31.07.2022, Subject: Information Regarding Changes of BTCL Telephone Number of MBL Sunamganj Branch.
3. Circular No. 1859, Date: 31.07.2022, Subject: Information Regarding Changes of Head Office address of People's Leasing and Financial Services Limited.
4. Circular No. 1857, Date: 26.07.2022, Subject: ঋণ পুনঃতফসিলিকরণ ও পুনর্গঠন সংক্রান্ত মাস্টার সার্কুলার বিআরপিডি সার্কুলার নং- ১৬ তারিখ ১৮.৭.২০২২ প্রসঙ্গে।
5. Circular No. 1855, Date: 20.07.2022, Subject: Information Regarding Changes of BTCL Telephone Number of MBL Chowmuhani Branch.
6. Circular No. 1851, Date: 04.07.2022, Subject: Information regarding facilitating e-Commerce payment to Online Merchants through MBL Rainbow.
7. Circular No., Date:, Subject:

ID Circular

1. Circular No. 68, Date: 31.07.2022, Subject: Online Reporting of import information to Bangladesh Bank web portal.
2. Circular No. 67, Date: 27.07.2022, Subject: Encashment of balance held in ERO accounts and revision of its limit.
3. Circular No., Date: 66, Subject: 21.07.2022 Extension of usance period of import of industrial raw materials.
4. Circular No. 65, Date: 21.07.2022, Subject: Interest rate on borrowing from Export Development Fund (EDF)
5. Circular No. 64, Date: 19.07.2022, Subject: ২০২২-২০২৩ অর্থ বৎসরের জন্য আয়কর অধ্যাদেশ, ১৯৮৪ অনুযায়ী যেকোন রপ্তানী মূল্যের উপর 53BB ধারায় ১% হারে উৎসে কর্তিত কর এবং রপ্তানী মূল্য এর প্রেরণ প্রসঙ্গে।
6. Circular No. 63, Date: 19.07.2022, Subject: Settlement of loans against Export Development Fund (EDF)
7. Circular No. 62, Date: 19.07.2022, Subject: Extended limit from Export Development Fund (EDF).
8. Circular No. 61, Date: 19.07.2022, Subject: Interest on Non-resident Foreign Currency Deposit Accounts.
9. Circular No. 60, Date: 19.07.2022, Subject: Special Tax Treatment in respect of undisclosed offshore assets.
10. Circular No. 59, Date: 19.07.2022, Subject: Disposal of foreign currency notes and coins.
11. Circular No. 58, Date: 17.07.2022, Subject: Online reporting of import information to Bangladesh Bank web portal.

12. Circular No. 57, Date: 17.07.2022, Subject: Online TM Form Monitoring System (OTFMS) এবং Online Inward Remittance Monitoring System (OIRMS) এ ট্যাক্স ও ভ্যাটের তথ্য রিপোর্টিং প্রসঙ্গে।
13. Circular No.56, Date: 17.07.2022, Subject: Placement of fund from Offshore Banking Operations to Domestic Banking Units.
14. Circular No. 55, Date: 17.07.2022, Subject: Encashment of balances held in ERQ accounts and revision of its limit.
15. Circular No.54, Date: 17.07.2022, Subject: Remittance on account of visa processing fees by resident agents through international Card
16. Circular No. 53, Date: 17.07.2022, Subject: Repayment guarantees by importers against short term import finance under buyer's credit
17. Circular No. 52, Date: 17.07.2022, Subject: Import of capital machinery on usance
18. Circular No. 51, Date: 07.07.2022, Subject: বৈচিত্রকৃত পাটজাত পণ্য রপ্তানি প্রণোদনা/নগদ সহায়তা প্রদান।
19. Circular No. 50, Date: 06.07.2022, Subject: আমদানি ঋণপত্র স্থাপনের ক্ষেত্রে নগদ মার্জিন সংরক্ষণ প্রসঙ্গে।
20. Circular No. 49, Date: 04.07.2022, Subject: Online Import Monitoring System (OIMS) এ Acceptance Reporting প্রসঙ্গে।
21. Circular No. 48, Date: 07.07.2022, Subject: ব্যাংকসমূহ বৈদেশিক ও স্থানীয় স্বীকৃত বিলের অর্থ যথাসময়ে পরিশোধ না করলে বাংলাদেশ ব্যাংক কর্তৃক সংশ্লিষ্ট অনুমোদিত ডিলার শাখার লাইসেন্স বাতিলের সিদ্ধান্ত প্রসঙ্গে।

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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