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Cognitive Banking: The Future of Banking



Developed & Published by
MTB Group R&D

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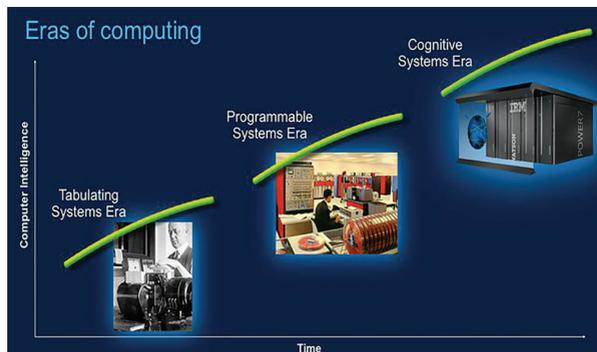
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Cognitive Banking: The Future of Banking

Cognitive Banking in Practice

Hong Leong Bank (HLB), using IBM Watson's cognitive computing capabilities to boost customer support for its 700,000 credit card customers, offers round-the-clock access via online live chat to share information about general credit card terms, policies and procedures, according to HLB's Chief Operating Officer for customer experience and analytics, Edward Pinto.



IBM Malaysia's Managing Director Chong Chye Neo said that at the initial stage of the multi-year program, Watson will also help HLB's service advisors analyze large volumes of data, including research reports, product information, and customer profiles. They would then be able to identify connections between customers' needs and weigh the various financial options available. She said Watson's cognitive ability allows the system to understand natural language, and 'detect' emotions.

Cognitive banks learn customer preferences and provide customized investment advice. Customers today expect seamless services including meeting their relationship manager regularly regardless of their location or device. Cognitive banks can offer their customers a virtual advisor on their mobile app where they can get investment advice online, anywhere in the world. Customers can just talk to the advisor in their own language from their mobile device and get investment advice instantly. Cognitive systems not only use natural language, but learn the latest words to ensure context and relevance.

A cognitive bank uses systems designed to ingest vast quantities of different kinds of data, reason over the information, learn from their interactions with data and people, and interact with humans in ways that are more natural to us. Cognitive systems propel banks beyond data insights to constantly evolve and increase knowledge to understand client behavior and sentiment. They not only understand data, but also

" Watson can process 500GB of data per second, or the equivalent of one million books."

Chong Chye Neo
Managing Director, IBM Malaysia

The biggest taxi company owns no cars.



The largest accommodation company owns no real estate.



The largest retailer carries no inventory.



The biggest media company owns no content



Less than **1%** of the world's data is currently analyzed.

While **80%** of the world's data is unstructured but hidden in the patterns of customer behavior both on and offline, or even in discussions on social media.

| Cognitive systems excel at: | Humans excel at: |
|--|--|
| <ul style="list-style-type: none"> • Common sense • Natural language • Locating knowledge • Pattern identification • Machine learning • Eliminate bias • Endless capacity | <ul style="list-style-type: none"> • Dilemmas • Compassion • Dreaming • Abstraction • Imagination • Morals • Generalization |

generate hypotheses and reasoned arguments, and they prioritize recommendations to help you make better decisions. And, they learn through every interaction, essentially training themselves based on the results of the actions taken by the bank and its clients.

Challenges with traditional data acquisition

Data acquisition, historically, required several time-consuming steps, such as collection through data entry or optical data scanning, cleansing, transformation, enrichment and finally loading into an appropriate data store. Often this delay was enough that any action taken from the analysis became more reactive than proactive. Banks today have access to more advanced features and technologies that can enhance data collection, processing and distribution to overcome previously commonplace delays.

Cognitive opportunity in banking and financial markets

There are hundreds of billions transactions in the world each year. In the United States alone, there were 73 billion debit and credit card transactions in 2012. Yet, despite an explosive growth of information across all industries, less than 1% of the world's data is currently analyzed. While effective for a number of applications, traditional analytics solutions cannot fully exploit the value of big data: They are unable



to adapt to new problem domains or handle ambiguity and are only suitable for structured and unstructured data with known, defined semantics (the relation of words and phrases and what they mean).

A powerful evolution in digital banking, cognitive computing opens the door for these organizations to leverage their wealth of data in ways that new market entrants like fintechs simply can't replicate. Cognitive capabilities can help banks extract meaningful patterns from data about markets, customers, partners and



employees – and use that information to better anticipate change and even shape the future.

Banking executives from a survey agree that cognitive computing has the potential to radically change the industry. Among those bankers familiar with the technology, 79% believes it will play a critical role in the future of their business, 89% believes it will play a disruptive role in the industry, and 88% intends to invest in cognitive capabilities.

Emerging capability areas for cognitive computing

- **Engage:** Cognitive capabilities can help the bank's relationship analyze large volumes of complex unstructured and structured data, including research



reports, product information and customer profiles; identify connections between customers' needs and the growing corpus of investment knowledge; and weigh various financial options available to customers. Armed with data-driven insights, the bank's relationship managers will be better equipped to personalize the client experience and offer solutions that correspond with clients' needs – all in a timelier manner.

- **Discover:** Seeking to increase its competitive advantage through cognitive capabilities, a large European bank decided to focus first on the area of trading. The cognitive system can rapidly digest trading and compliance policies, regulatory documents, and appropriate risk calculations and limits. Employing cognitive capabilities will enable the teams to offer more opportune trade recommendations based on the

“ Data is the natural resource for the 21st century; Information will separate the winners from the losers. ”

latest information and market conditions. In the future, the bank plans to expand its use of cognitive capabilities to sales and risk management.

- **Decide:** One of the world’s largest banks is investigating how cognitive capabilities can help customer select higher-value investments. In particular, the bank is focusing on mass market customers who contact its call center. The bank discovered that many of these customers make cash deposits because they are not aware of or do not understand alternative investment options. The bank plans to employ cognitive capabilities to search massive amounts of data to find the exact answers users need and rapidly deliver evidence-based recommendations.

How cognitive banking will change your banking experience

- **Call Centers:** A cognitive bank provides better information when you interact with its call center. The information will be automated. You will be talking to a machine, but not in the robotic ways of the past. Using natural language processing, the call center will both understand you and provide information that is far more tailored to you as a customer. If you allow it, the call will be able to incorporate information from your social networks and preferences — and use that information to enhance your experience and the advice you receive.

- **Customer Service:** No matter how you contact your bank — whether it’s on your phone, through an app, or social media — you want a consistent and personalized experience. Service must be targeted to us as an individual, not as a member of a segment based on age or income.

Banks increasingly understand this and are providing personalized information, such as knowing when a young family member’s birthday is coming up or suggesting a transfer of money into a college fund.

- **Loans:** By understanding more about you as an individual, a cognitive bank can write loans or approve credit, while helping avoid defaults or bad decisions. This high degree of personalization means that a bank will offer you the credit or loan services that you can afford. It’s banking for the right person, at the right price and the right time.

Conclusion



People live their life making economic decisions every day, whether it’s buying a house, getting a new car, or paying for college education. A cognitive bank will help you make those decisions. Banks will become a part of the decision-making process in an ongoing relationship that helps you to manage your finances over a lifetime.

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* EMI price for 12 months installment

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NATIONAL NEWS

BB forecasts higher economic growth, lower inflation



Bangladesh Bank (BB) has announced the Monetary Policy Statement (MPS) for the first half of FY2016-17 with a hope to support and advance the momentum of

inclusive, equitable and environmentally sustainable growth, further consolidating inflation moderation and macroeconomic stability. The MPS for the period of July-December of 2016 is being considered as a copycat of the previous one, termed as an “accommodative” MPS. To attain the target of economic growth at 7.2% and inflation at 5.8%, the broad money has been set at 14.8% by December 2016 and 15.5% by June 2017 which was 15% in the last MPS (January-June 2016), reflecting partly cautious stance. Domestic credit is projected to hit at 16.4% Y-o-Y in FY17 with a growth of private sector credit by 16.5% and public sector by 15.9%. Amid the declining trends of interest rates in the domestic market, repo and reverse repo rates has been kept unchanged at the current level of 6.75% and 4.75% respectively.

Banks allowed to rent spaces for 20 years

Bangladesh Bank has recently said that the scheduled banks will be allowed to rent or lease buildings or floor spaces for 20 years to set up their business against the previous limit of 10 years. The BB issued a circular to Managing Directors and Chief Executive Officers of all banks saying that the central bank had taken the decision to reduce their cost of agreement with the owners of buildings and floor spaces. The banks will also be allowed to rent 6,000 square feet space to set up new branches or relocate the old ones in the urban areas against the previous limit of 5,000 square feet, it said. In rural area, the banks will be allowed to rent 3,000 square feet space to set up new branch or relocate the old one against the previous limit of 2,000 square feet. The BB also said that from now on, the banks’ branches located in metropolitan and city corporations, and A-class municipalities were considered as urban branches. Banks’ branches located in B-class and C-class municipalities and union level are considered as rural branches, the central bank circular said.

BB signs MoU with Meridian Finance and Investment



Bangladesh Bank and Meridian Finance and Investment Limited have recently signed an memorandum of understanding (MoU) under the refinancing scheme of Brick Kiln Efficiency Improvement project. Meridian Finance will extend loans at a subsidise rate to this sector under Brick Kiln Efficiency Improvement scheme. Manoj Kumar Biswas, General Manager, Sustainable Finance Department of Bangladesh Bank and Irteza Ahmed Khan, Deputy Managing Director of Meridian Finance signed the MoU on behalf of their respective organisations in presence of high officials from both the organisations.

BB raises farm credit target for banks by 7pc



Bangladesh Bank has raised the current fiscal year's farm credit target for banks by 7 percent to BDT 17,550 crore from the last fiscal year. However, the target is lower by nearly BDT 100 crore than the actual disbursement made by banks in the previous fiscal year that ended on June 30. The target for the last fiscal year was BDT 16,400 crore, but banks loaned out BDT 17,646 crore. The interest rate on the loan is fixed at 11 percent. Bangladesh Bank Governor Fazle Kabir unveiled the agricultural credit disbursement target, at a meeting at the central bank headquarters in Dhaka recently. Managing Directors of all 56 scheduled banks and senior BB officials were present at the meeting. This time private banks will have to disburse at least 30 percent of their total targeted loans through their own branches. The BB said the private banks can disburse the loans through agent banking. As the private banks have fewer branches in rural areas, they now disburse loans through third party, such as nongovernmental organisations.

Banks must release 30pc of agri loans thru own network



Bangladesh Bank is set to ask scheduled banks to disburse at least 30 per cent of farm loan in their own capacity against fiscal target as some banks distribute their whole annual target of such loans through the linkage of non-governmental

organizations. Many farmers who get farm loan through NGOs count more than double the interest rate set by the central bank, a BB official told recently. NGOs and microfinance institutions charge around 25 per cent interest on the loans they give to farmers after taking the fund from the banks at a rate of 10 per cent. In the process, the basic concept of giving low-interest loans to farmers severely gets dented. So, the central bank is going to make a decision that the banks will have to disburse at least 30 per cent of farm loans in their own capacity against their fiscal target. Foreign commercial banks, however, will be excluded from the rules as they have no available branches in the rural areas. BB data showed that the scheduled banks disbursed BDT 4,028.15 crore or 25.20 per cent of their total farm loans of BDT 15,978.46 crore through NGOs and MFIs in the FY15. The banks disbursed farm loans of BDT 3,351.42 crore through the organisations in the FY14. According to the BB's farm loan policy, banks are supposed to give loan to farmers at an interest rate of 10 per cent.

Most banks have sound capital base



Most of the private and foreign commercial banks succeeded in maintaining the new international standard capital adequacy ratio. On March 31 this year, the banks' average capital to risk weighted asset ratio or CRAR was 10.62 percent, which is similar to the latest requirement. CRAR is a measure of a bank's capital and is used to protect depositors and promote the stability and efficiency of financial systems around the world. The CRAR of the private banks was 11.96 percent and that of the foreign banks 25.99 percent. However, the average CRAR of the state banks was 6.50 percent. Bangladesh Bank last year took an initiative to improve banks' financial health by increasing their CRAR in line with Basel III standards, which was introduced in January this year. At the end of March, the total capital of the banks was BDT 75,612 crore, which was BDT 75,352 crore in the previous quarter, according to central bank statistics. At the end of March, the overall capital requirement was BDT 74,528 crore, meaning the total surplus capital during the period was BDT 1,084 crore.

MTB Credit Rating Improves to

AA

| | CURRENT RATING | PREVIOUS RATING |
|---------------------|-------------------|-------------------|
| Long Term | AA | AA- |
| Short Term | ST-2 | ST-2 |
| Based on Financials | December 31, 2015 | December 31, 2014 |
| Date of Rating | May 17, 2016 | May 17, 2015 |
| Validity Date | May 16, 2017 | May 16, 2016 |

AA : Indicating High Safety for Timely Repayment
ST-2 : Indicating High Certainty of Timely Repayment
Outlook : Stable



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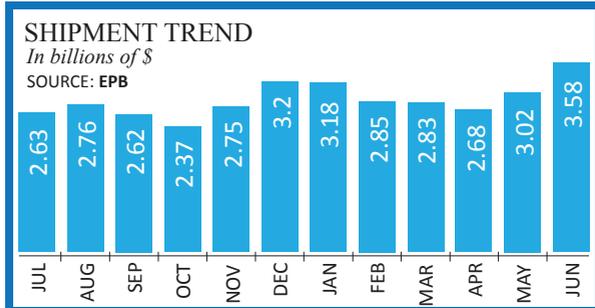
Rated by: Credit Rating Information and Services Limited (CRISL)

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NATIONAL NEWS

Exports hit record



Exports continue to be a beacon of hope for the economy, raking in USD 34.24 billion in fiscal 2015-16, the highest in the country's history. The year also saw the highest ever monthly earning from exports, of USD 3.58 billion in June, according to data released by the Export Promotion Bureau recently. Garment, which typically accounts for more than 80 percent of the country's annual exports, brought home USD 28.09 billion, up 10.42 percent year-on-year. Apart from apparel items, exports of leather and leather goods increased 2.69 percent year-on-year to USD 1.16 billion last fiscal year, and in doing so, crossed the USD 1 billion-mark for the third year. Earnings from footwear stood at USD 219.18 million, up 15.69 percent year-on-year. In 2015-16, jute and jute goods fetched USD 919.58 million, up 5.88 percent from a year ago. Exports of terry towels increased 14.33 percent to USD 47.80 million, headgears or caps 130.69 percent to USD 148.70 million, engineering products 14.10 percent to USD 510.08 million, furniture 18.80 percent to USD 46.26 million and pharmaceuticals 13.04 percent to USD 82.11 million. Exports of agricultural products like tea, vegetables, tobacco, cut flowers and foliage, fruits, spices and dry foods increased 1.71 percent to USD 596.06 million.

Siam City Cement starts its journey in Bangladesh



Bangkok-based Siam City Cement Public Company has recently acquired cement maker Cemex and started its operation in Bangladesh. The company with operations

in different countries in South East Asian region has 47 years of experience in the industry. Cemex, a Mexico-based cement manufacturer, sold its operations in Bangladesh and Thailand to Siam City for about USD 53 million. Cemex started its journey in Bangladesh in 1999, and began sales and distribution activities in May 2000 by importing finished goods from Indonesia.

WB provides another USD 150m for healthcare



The World Bank has approved USD 150 million in additional financing to help strengthen Bangladesh's health systems and improve health services, particularly for the poor. The additional financing will be in support of the government's Health Sector-wide Programme. The support will help the government address health sector challenges, including sustaining and improving immunisation coverage; further improving deliveries for pregnant women at public health facilities; and tackling multi-drug resistant tuberculosis. It will also help Bangladesh improve public financial management to get more value from its public spending on health. Furthermore, the financing will support development of a robust health information system, including a web-based complaint-handling mechanism.

Footwear exports record impressive growth



The footwear industry recorded 27 per cent growth in four years, from 2012 to 2015, a recent research report of the Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB) has found. In 2014-15

fiscal, Bangladesh exported leather and leather goods worth USD 1.13 billion against USD 1.12 billion in the previous fiscal year, making it the second highest contributor to the national exports after apparel. The country earned USD 1.21 billion from export of leather and leather goods in 2015-16 fiscal, which was 7.28 per cent higher than that of 2014-15. Bangladesh's footwear industry shares 3 per cent of the global leather market in volume while 95 per cent of its output is exported. Apex Footwear, Jennys Shoes, Bay Footwear, Leatherex and Bata Shoe are leading exporters of footwear. Companies like Orion, Crescent and others have also joined the industry with young and industrious workforce. The LFMEAB report said Japan and Germany are now the biggest markets for Bangladeshi footwear which is also exported to Italy, the UK, France, Belgium, the USA, Sweden, Spain, Saudi Arabia, Taiwan, Hong Kong, Canada and Korea.

Ecneec okays two big power transmission projects



The Executive Committee of the National Economic Council recently approved two big power transmission projects to evacuate electricity from the 1200MW Matarbari coal-fired power plant currently under construction. The approval was given at Ecneec meeting with Prime Minister Sheikh Hasina in the chair. The Dhaka-Chittagong Main Power Grid Strengthening Project costing over BDT 4,567 crore is one of the two big power transmission projects. Of the total project cost, BDT 1,340.40 crore will be provided from the public coffers, BDT 459.53 crore from the project related public agencies' own fund and BDT 2,767.56 crore will come as project assistance from the Japan International Cooperation Agency (JICA). Under the project, a 428 circuit km 400kv double-circuit transmission line from Meghnaghat in Narayanganj-Modunaghat in Chittagong, 8-km 230kv double circuit transmission line from the existing Modunaghat power substation and 230kv switching station at Meghnaghat will be set up.

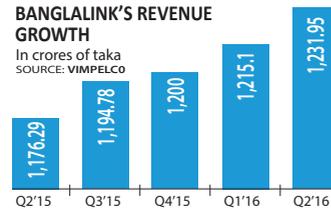
USD 11.38b loan deal signed for nuclear power plant



Russia and Bangladesh recently signed an USD 11.38 billion loan agreement, paving the way for the main construction work of Rooppur Nuclear Power Project. The Russian loan covers 90 percent of the project cost and carries an interest rate of LIBOR plus 1.75 percent. The interest rate will not exceed 4 percent. The repayment period is 30 years, including a grace period of 10 years. Disbursement will begin in 2017. Sergei Anatolyevich Storchak, Deputy Minister for finance of the Russian Federation, and Mohammad Mejbahuddin, senior secretary of the Economic Relations Department of Bangladesh, signed the agreement. State Minister for

Finance Abdul Mannan, Additional secretaries of ERD and Science and Technology Division and other officials from both the countries witnessed the credit deal signing ceremony in Moscow. This is the single largest credit in the history of Bangladesh for a particular project.

Banglalink's revenue rises 5pc



Banglalink's total revenue increased 5 percent year-on-year to BDT 1,231.95 crore in the second quarter of 2016 even in the face of Ramadan and

intense market competition. The operator, however, did not disclose its net profit during the period in the financial report. The increase in revenue was mainly driven by the continued increase in voice revenue and a 60 percent increase in data revenue. Banglalink, the country's second largest operator, recorded BDT 116.43 crore as data revenue for the April-June period, its highest yet. Banglalink said its data revenue growth was driven by 6 percent growth in data users and 178 percent growth in data usage, supported by expanding 3G coverage and smartphone penetration.

Singer opens refrigerator plant in Savar



Singer Bangladesh opened a new refrigerator plant at Savar in Dhaka recently. The factory is part of International Appliances Ltd, which is majority owned by Singer, in a joint venture with a large international home appliance manufacturer based in China. The refrigerators feature the latest designs and technology, highest quality materials and are sold at competitive prices in a wide range of popular colours. Commercial production has commenced for sale in Singer shops and dealers countrywide. Meanwhile, Singer Bangladesh's net profit in the April-June quarter soared 153.3 percent year-on-year to BDT 20.29 crore, driven by stable trading conditions, additional marketing initiatives and new product offerings. Turnover of the listed firm increased 42.3 percent to BDT 270 crore in the second quarter. Its gross margin also rose to 27.9 percent in the quarter, from 25 percent in the same quarter last year.

NATIONAL NEWS

ADB gives USD 275m to help upgrade Dhaka's water supply



The Asian Development Bank has come up with USD 275 million in fresh loans for Bangladesh to help improve and expand the water supply system in Dhaka. The Manila-based multilateral lender and the government of Bangladesh signed the loan agreement at the Economic Relations Division in Dhaka recently. Mohammad Mejbahuddin, Senior Secretary of the ERD, and Kazuhiko Higuchi, ADB Country Director for Bangladesh, signed the deal. Dhaka city is expanding fast, and the demand for safe drinking water is rising rapidly, said ADB Country Director. He said the project would help more than seven million people in Dhaka get access to safe, regular and affordable water services. About 5,000 new and legalised connections will be established in low income communities, and 229,000 connections will be upgraded for households and communities. The new project is targeting 24-hour piped water supplies to an additional 6.5 million people in the new district metered areas by 2022. Nonrevenue water losses will be cut to below 10 percent from the current approximate rate of around 30 percent.

Pharma export sees 13% jump in FY'16



Bangladesh's export earnings from pharmaceuticals have witnessed a 13.04% jump to USD 82.11 million in the just-concluded fiscal year. A good number of pharmaceutical manufacturers have received certification from the respective countries and global organisation to export medicine, which helped rise export. Export Promotion Bureau (EPB) data shows that

in the fiscal year 2015-16, Bangladesh earned USD 82.11 billion, a 13.04% up, compared to USD 72.64 million a year ago. The sector has exceeded export target by 2.64%. According to the EPB, in the last fiscal, Bangladesh exported pharmaceutical products to 105 countries, of which Myanmar imports the highest quantity of medicines worth USD 13.60 million followed by Sri Lanka with USD 13.38 million, the Philippines with USD 6.10 million, Vietnam USD 5.32 million, Kenya USD 4.60 million, Afghanistan USD 4.18 million, and Slovenia USD 3.38 million.

Accolades for icons in agriculture



Four institutions, one group and two individuals were honored for their exemplary contribution to the country's agriculture sector, which has achieved self-sufficiency in cereal food production. Commerce Minister Tofail Ahmed handed out the crests and prize money to the winners of the third edition of the AGROW Award, initiated by the Standard Chartered Bank. This year, AGROW Award honoured the industry contributors in seven categories. A total of 350 nominations were received. The best male farmer, the best female farmer and the farmer of the year in subsistence market group categories were handed over prize money of BDT 5 lakh each. The three honourable mentions in the categories received BDT 50,000 each.

Import payments up by 4.22pc in FY '15-16

Import payments recorded a growth of 4.22 per cent in FY 2015-16 compared to FY 2014-15, according to the latest Bangladesh Bank (BB) data. The latest data on letter of credit (LC) settlement and opening of BB, showed that opening of LC, posted a lower growth of 0.62 per cent in the FY16 compared with that of 2.99 per cent in the FY15. According to the BB data, the settlement of LCs stood at USD 40.07 billion in the FY16 against USD 38.45 billion in the FY15. The settlement of LCs was USD 37.18 billion in the FY14. The import of industrial raw materials posted a growth of 3.21 per cent in the FY 2015-16 compared with that of a 3.10-per cent growth during the same period of the FY2014-15. The settlement of LCs for the industrial raw materials stood at USD 15.66 billion in the FY2015-16 against USD 15.18 billion in the FY2014-15. The country's overall LC opening stood at USD 43.33 billion in the FY2015-16 against USD 43.06 billion in previous fiscal.

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MTB DONATES BDT 7.5 MILLION TO THE PRIME MINISTER'S RELIEF FUND

Mutual Trust Bank Ltd. (MTB) Director Md. Abdul Malek is seen handing over a cheque of BDT 7.5 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina for the Prime Minister's Relief Fund to help the flood affected people of the country, at a simple ceremony held at Gana Bhaban in Dhaka recently.

It is mentionable that MTB contributed another BDT 15 million on June 06, 2016 to the Prime Minister's Relief Fund.



Date: August 09, 2016
Venue: Gana Bhaban, Dhaka 1207

MTB TEAMS UP WITH CCC TO IMPLEMENT “DOOR-TO-DOOR CLEANLINESS CAMPAIGN”



Date: September 05, 2016
Venue: Chittagong City Corporation, Andarkillah, Chittagong 4000

MTB has provided 20 rickshaw vans and 200 plastic bins to Chittagong City Corporation (CCC) for implementing “Door-to-Door Cleanliness Campaign” of CCC, under its regular CSR activities.

Abu Jahed Mohammed Nasir Uddin, Mayor, Chittagong City Corporation received the vans and bins at a simple ceremony held at the CCC office premises. Md. Khurshed UI Alam, Head of MTB Chittagong Division branches along with managers of MTB Chittagong branches were also present at the program.

INAUGURATION OF MTB 24/7 ATM AT DANGA INDUSTRIAL PARK, NARSHINGDI

MTB has recently opened an ATM at Danga Industrial Park, Palash, Narshingdi with cutting-edge technology, which will allow the bank to offer superior quality services as part of its value-addition strategy.

MTB Additional Managing Director & Chief Operating Officer, Md. Hashem Chowdhury and Director (Finance), Pran-RFL Group, Uzma Chowdhury inaugurated the ATM as Chief Guest and Special Guest respectively. MTB Head of Cards, Mohammad Anwar Hossain along with MTB senior officials, dignitaries, members of local business associations, existing and prospective customers and people from different strata were also present during the inauguration ceremony.



Date: August 08, 2016
Venue: Danga Industrial Park, Palash, Narshingdi 1610

1ST MTB CUP GOLF TOURNAMENT 2016 HELD AT SAVAR GOLF CLUB



Date: September 02, 2016

Venue: Savar Golf Club, Savar Cantonment, Savar, Dhaka 1350



MTB hosted a three-day long “1st MTB Cup Golf Tournament 2016” at Savar Golf Club recently. MTB Vice Chairman, Md. Hedayetullah inaugurated the tournament. Over 200 golfers participated at the event. Chief Guest, Major General Waker-Uz-Zaman, psc and Special Guest, M. A. Rouf, JP, Chairman, MTB attended the closing and prize giving ceremony.

Brigadier General A T M Anisuzzaman, BP, ndc, psc, Chairman, Admin & Finance, Savar Golf Club, Additional Managing Director & Chief Operating Officer, Md. Hashem Chowdhury, Deputy Managing Director & Chief Business Officer, Syed Rafiqul Haq, Head of SME and Retail Banking, Tarek Reaz Khan of MTB along with other senior officials of the two organizations were present at both the opening and closing ceremonies.

MTB PARTNERS WITH MRDI TO PROVIDE LIVELIHOOD AND HEALTHCARE SERVICES TO THE PEOPLE OF CHAR PATILA AT CHAR FASHION, BHOLA



Date: August 16, 2016

Venue: MTB Centre, Gulshan 1, Dhaka 1212

MTB has recently signed an agreement with Management and Resources Development Initiative (MRDI) to provide livelihood and healthcare services to the people living in the offshore areas of the country. MTB will provide BDT 17 million for setting up women’s training cum health centre at Char Patila of Char Fashion, Bhola.

Hasibur Rahman, Executive Director, MRDI and Anis A. Khan, Managing Director and CEO, MTB signed the agreement on behalf of their respective organizations.

Rokia Afzal Rahman, Former Advisor to the Caretaker Government and Board Member of MRDI, Md. Shahid Hossain, Advisor, Planning and Development of MRDI along with other senior officials of both the organizations were also present at the occasion.



MTB OPENS ITS AGENT BANKING CENTRES AT LAUHATI BAZAR, DELDUAR AND KODIMPARA, ISHWARDI



Date: August 08, 2016
Venue: Lauhati Bazar, Delduar, Tangail 1915

Date: August 23, 2016
Venue: Kodimpara, Ishwardi, Pabna 6620

MTB has opened its fourth and fifth agent banking centres at Lauhati Bazar, Delduar, Tangail and Kodimpara, Ishwardi, Pabna to offer banking products and services to hitherto unbanked citizens of the country.

Shykh Seraj, Agriculture Development Activist and Media personality and Nurun Nahar, General Manager, Financial Inclusion Department, Bangladesh Bank, inaugurated the Delduar centre as the Chief Guest and Special Guest respectively. Anis A. Khan, MTB Managing Director & CEO was also present at the event.



MTB HAS DISTRIBUTED BICYCLES TO MERITORIOUS STUDENTS OF DELDUAR AND ISHWARDI



Date: August 08, 2016
Venue: Lauhati Bazar, Delduar, Tangail 1915



Date: August 23, 2016
Venue: Kodimpara, Ishwardi, Pabna 6620

MTB has recently distributed forty (40) bicycles to meritorious students of different schools at Lauhati Bazar, Delduar, Tangail and Kodimpara, Ishwardi, Pabna under its Corporate Social Responsibility (CSR) Programme, titled "Swapno Sarathi", to facilitate their travel from their homes to the schools.

MTB Managing Director & CEO, Anis A. Khan distributed the bicycles at two separate ceremonies. MTB Deputy Managing Director & Chief Business Officer, Syed Rafiqul Haq, Head of MTB Agent Banking Division, Madan Mahan Karmoker and dignitaries, members of local business associations, existing and prospective customers and people from different strata attended the program.

MTB AGENT BANKING HAS ORGANIZED A GALA BOAT RACE COMPETITION ON THE DHALESHWARI AT TANGAIL



Date: August 08, 2016
Venue: Lauhati Bazar, Delduar, Tangail 1915



MTB Agent Banking has organized and sponsored a Gala Boat Race Competition on the Dhaleshwari at Tangail. Twenty two (22) racing boats participated in the competition in the presence of an enthusiastic audience. About 60,000 people gathered from different villages to enjoy the race.

Shykh Seraj, Agriculture Development Activist and Media personality and Nurun Nahar, General Manager, Financial Inclusion Department, Bangladesh Bank observed the race and awarded the winners on behalf of MTB.

Anis A. Khan, MTB Managing Director & CEO, Syed Rafiqul Haq, Deputy Managing Director & Chief Business Officer, other MTB senior officials, dignitaries and people from different strata were also present.

NATIONAL NEWS

Majedur Rahman joins DSE as MD



K. A. M. Majedur Rahman, the former Managing Director of Premier Bank, recently joined Dhaka Stock Exchange (DSE) as its Managing Director. Rahman is a professional banker, who had worked at both local and foreign

commercial banks during his 33 years banking career. He started his career as Management Trainee Officer of ANZ Grindlays Bank Limited in 1981.

Mehmood Husain NRB Bank new CEO



Md. Mehmood Husain joined NRB Bank Limited (NRB Bank) as Managing Director and Chief Executive Officer (CEO). Prior to his new assignment, Mr. Husain was performing as President and Managing Director of Bank Asia

Limited. The banker started his career as Probationary Officer with National Bank Limited in 1984.

IIDFC reappoints Managing Director



Md. Asaduzzaman Khan has been reappointed as Managing Director of IIDFC, a leading non-bank financial institution of the country. Khan joined IIDFC in July, 2008 after taking voluntary retirement from the central bank as Executive

Director. He was also held the position of Managing Director of the Security Printing Press, Gazipur.

One Bank reappoints Managing Director



M Fakhru Alam has recently been re-appointed as the Managing Director of One Bank for the next three years. He has been serving the bank as Additional Managing Director before taking charge of the bank as Managing Director in

2013. Prior to joining One Bank, he has been serving Eastern Bank as Deputy Managing Director and head of corporate banking, treasury and investment banking.

New MD of Standard Bank



Mamun-Ur-Rashid has recently been promoted to Managing Director of Standard Bank Ltd. He started his 34-year-long banking career with National Bank as a Probationary Officer in 1984. He has also worked with NCC Bank,

Prime Bank, United Commercial Bank (UCB) and Premier Bank. He joined SBL as Deputy Managing Director in 2013.

RQM Forkan new MD of Commerce Bank



RQM Forkan has been appointed as the new Managing Director of Bangladesh Commerce Bank Limited. Prior to this assignment, he had been working as the Additional Managing Director of the NRB Global Bank Limited. He

held various senior management positions in multinational and private commercial banks. Forkan started his career in 1973 with ANZ Grindlays Bank.

SBAC Bank gets new AMD



Mostafa Jalal Uddin Ahmed has joined SBAC Bank Limited as Additional Managing Director (AMD) recently. Prior to his joining, He was DMD of Bangladesh Krishi Bank. He started his career at Janata Bank Limited

in 1983 as Senior Officer.

Mahia Juned, first female DMD of City Bank



Mahia Juned has recently been promoted to the Deputy Managing Director (DMD) of City Bank. She is the first female DMD at the banking industry. She started her career in 1994 with Citibank NA, Bangladesh as an

operations officer and left the bank in 2001 as Resident Vice President and head of operations. She joined City Bank in 2007 as head of project management and subsequently became head of operations in 2011.



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INTERNATIONAL NEWS

Takehiko Nakao Reelected for Second Term as ADB President



The Asian Development Bank (ADB) Board of Governors has unanimously reelected Takehiko Nakao as President of ADB for a further 5 years beginning on 24 November 2016. Mr. Nakao was first elected as President by the Board of Governors

on 28 April 2013 to serve the 3 and a half years remaining of the term of his predecessor, Haruhiko Kuroda. Mr. Nakao is the ninth President of ADB. He was the sole nominee after ADB's Governors were invited from 31 May to 30 June 2016 to make nominations for the organization's presidency. It is a great honor to receive the mandate of ADB members to serve as President of the ADB for another 5 years," said Mr. Nakao. Prior to joining ADB in 2013, Mr. Nakao was a senior official in the Ministry of Finance, Japan, where he gained extensive experience in international finance and development.

Strong US employment report brightens economic outlook



US employment rose more than expected for the second month in a row in July and wages picked up, bolstering expectations of faster economic growth, and raising the probability of a Federal Reserve interest rate increase this year. Nonfarm payrolls rose by 255,000 jobs after an upwardly revised 292,000 surge in June, with hiring broadly based across the sectors of the economy, the Labor Department said. In addition, 18,000 more jobs were created in May and June than previously reported. The unemployment rate was unchanged at 4.9 percent as more people entered the labor market. Highlighting job market strength, average hourly earnings increased a healthy eight cents and are up 2.6 percent year on year, while workers put in more hours.

World Bank Names Paul Romer as Chief Economist



New York University economist Paul Romer is set to be named the World Bank's Chief Economist, succeeding India's Kaushik Basu. Mr. Romer takes over the economic helm at the development institution when industrializing

nations and the world's poorest countries are struggling with decelerating growth, weak commodity prices, rising debt, expanding budget deficits and anemic global demand. Mr. Romer, received his doctorate in economics at the University of Chicago, the World Bank will be getting a rock star in economist circles who has also made it big in the private sector. He is known as a proponent of the "endogenous growth theory," which holds that investment in human capital, ideas and technology are the major drivers of economic growth.

India's implementation of CPI target to aid inflation fight: Moody's



India's decision to formally implement its central inflation target of 4 percent can help moderate future price rises and support macroeconomic stability, Moody's Investors Service said recently. The government this week notified parliament that it would introduce the target of 4 percent, plus or minus 2 percent, a key confirmation of the inflation-fighting policies championed by outgoing Reserve Bank of India (RBI) Governor Raghuram Rajan. Moody's said an explicit target could help anchor price expectations and keep actual inflation at moderate levels. The government's implementation was "credit positive" and underlined its commitment to controlling price rises, the ratings agency said. The 4 percent inflation target for Asia's third-largest economy, which has a history of volatile prices, is in line with the goal the government originally agreed with Rajan.

INTERNATIONAL NEWS

Verizon buys Yahoo for USD 4.83B, marking end of an era



Verizon is buying Yahoo for USD 4.83 billion, marking the end of an era for a company that once defined the internet. It is the second time in as many years that Verizon has snapped up the remnants of a fallen internet star as it broadens its digital reach. The nation's largest wireless carrier paid USD 4.4 billion for AOL last year. Yahoo will be rolled into Verizon's AOL operations and CEO Marissa Meyers could be working again with AOL CEO Tim Armstrong. After the sale is completed, Yahoo Inc. will become a holding company for its two stakes in China's e-commerce leader, Alibaba Group, and Yahoo Japan. The deal is expected to close in 2017's first quarter. It still needs approval from Yahoo shareholders.

Japan PM unveils USD 266b stimulus plan to boost economy



Japan's government recently announced a stimulus package worth more than 28 trillion yen (USD 266 billion) in its latest attempt to fire up the lukewarm economy, with the central bank expected to unveil its own measures soon. Policymakers are under pressure to boost growth as Prime Minister Shinzo Abe's 'Abenomics' plan to kickstart the world's number three economy comes under threat from poor data and sagging business confidence. Abe confirmed the new plan but gave few details, except to say about half the total would be fiscal measures including government spending. Cheap loans could also be part of the package. More details are expected next week when the cabinet meets to approve the measures. The move is a response to Britain's vote last month to quit the European Union. The decision sparked a rally in the safe-haven yen currency that threatened profits at Japan Inc and fanned fears about the already weak economy.

Beverley Postma joins HarvestPlus as CEO



HarvestPlus has announced the appointment of Beverley Postma as its new CEO. She succeeds Dr. Howarth Bouis, the founder of HarvestPlus and a 2016 World Food Prize laureate. HarvestPlus, a joint venture created by International Food Policy Research

Institute (IFPRI) and International Centre for Tropical Agriculture (CIAT) in 2003, improves nutrition and public health by developing and promoting biofortified food crops that are rich in vitamins and minerals. HarvestPlus helped Bangladeshi breeders develop world's first biofortified zinc-enriched rice in 2013. Since then under the support of HarvestPlus, five zinc biofortified rice varieties have been nationally released in Bangladesh with high yield and beneficial agronomic traits desired by farmers. Beverley Postma has 25 years of experience as a policy expert in international food systems, nutrition and food security. She comes to HarvestPlus after six years as founder and executive director of Singapore-based Food Industry Asia (FIA), a non-profit regional platform tackling food security, nutrition and regulatory harmonisation.

Frontier Bank of Texas chooses Banc Intranets' solutions to increase savings

Banc Intranets, a provider of secure, web-based enterprise content management solutions for financial institutions, announced that Frontier Bank of Texas has selected DirectorsLink web-based board portal to increase savings and strengthen director oversight. Headquartered in Elgin, Texas, Frontier Bank sought to reduce time and costs associated with its board processes. The bank selected DirectorsLink at the recommendation of its IT security vendor, Solis, which works with numerous other financial institutions that use the board portal to increase efficiencies and flexibility. Frontier Bank is currently completing training and plans to Frontier Bank of Texas SVP Danyse Crowder said: "Delivering personalized, community-centered banking services that provide customers the financial sophistication of a larger financial institution is achieved by prioritizing internal efficiencies at the leadership level. Banc Intranets CEO Mark Anderson said: "There is a constant influx of information to keep up with in this industry and it is vital that bank directors have effective tools to securely manage access and disseminate that information without any concern.

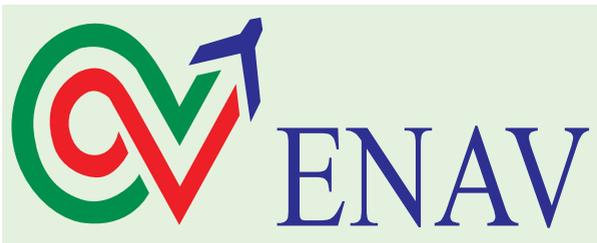
INTERNATIONAL NEWS

Standard Chartered returns to profit in H1



UK multinational banking firm Standard Chartered has reported a profit for the first half of this year, helped by restructuring measures and fewer bad loans. The lender posted a pre-tax profit of USD 994m for the January-June period compared to a loss of USD 990m in the second half of 2015. While its corporate and institutional banking division returned to profit in the first six months of 2016, its retail banking added over 40,000 priority clients, 3 million active digital banking clients globally. During the first half, the bank launched advanced mobile and on-line banking platforms across Africa, and launched video banking in Singapore and Malaysia. The bank's underlying income remained stable at USD 6.8bn in each of the first two quarters, while operating costs fell 13% to USD 4bn on year-over-year basis. Standard Chartered said that it is investing USD 250m in private banking to upgrade underlying technology and core banking platform.

Italy nets 759m euros in air traffic sale



The Italian government recently sold part of air traffic service company ENAV on the stock exchange, netting 759 million euros (USD 836 million). Investor demand for the 42.5 percent of the state-owned company was around eight times the amount of shares on offer, allowing the finance ministry to fix the sales price at 3.30 euros per share, towards the upper end of the initial range of 2.90 to 3.50 euros, the stock exchange said. The ENAV listing was a great success, said Italian stock exchange Chief Raffaele Jeusalmi. The flotation price values ENAV as a whole at 1.79 billion euros. ENAV runs the control towers of 43 airports and four area control centres, handling 1.8 million flights per year and employing 4,200 people.

Huawei revenue rises 40pc



Chinese telecoms equipment giant Huawei said that revenue surged 40 percent year-on-year in the first half of 2016, boosted by steady growth in smartphone sales. Total sales revenue reached 245.5 billion yuan (USD 36.7 billion) in January-June, audited results released in a company statement showed. Huawei is one of the largest providers of network infrastructure globally, but its consumer products are less well-known outside of China. Its consumer business, including smartphone sales, has strongly supported the company's performance, soaring 73 percent to 129.1 billion yuan last year. Huawei had more than eight percent of the world smartphone market last year, putting it in third place behind Samsung and Apple, International Data Corporation (IDC) said in a report this year. Huawei said in the statement that its consumer business in the first half "maintained steady growth globally". The firm said net profit rose 33 percent year-on-year in 2015, reaching 36.9 billion yuan, adding that revenue for the year was 395 billion yuan, a year-on-year increase of 37 percent. Huawei is not listed on any stock exchange but it releases financial information in the interest of transparency.

China launches first mobile telecoms satellite from Beijing



China has launched its first mobile telecommunications satellite. The Tiantong-01 satellite will establish a mobile network serving China, the Middle East, Africa and other areas. It was sent into space after midnight local time in Beijing (16:00 GMT). The ground service will be operated by China Telecom, which is owned by the Chinese state. The country is also preparing for the next round of its manned space mission. Two launch rockets arrived at a launch centre in northwest China. They will carry a second module of the country's planned space station - replacing Tiangong 1 which has ended its service - and a staffed spacecraft called Shenzhou-11. China sent its first astronaut into space in 2003, and since then has taken huge advancements.

Financial Glossary for MTBiz August 2016



LIBOR: The London Interbank Offered Rate (LIBOR) is one of the primary benchmarks for short-term interest rates around the world. Many financial institutions, mortgage lenders and credit card agencies around the world set their own rates relative to the LIBOR. The Intercontinental Exchange (ICE) is responsible for the administration of establishing the LIBOR. LIBOR is calculated by letting the leading banks in London estimate what they would be charged if they were to borrow money from other banks. LIBOR rates are calculated for 5 currencies and 7 borrowing periods. The shortest of these borrowing periods is overnight, while the longest is one year. The LIBOR is published each business day by Thomson Reuters. Approximately USD 350 trillion in derivatives and other financial products are tied to the LIBOR.

Leveraged buyout: A leveraged buyout is a takeover of a company where the investors (that take over the company) use the company's own assets as collateral when they borrow money to finance their bid.

LIBID: The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits. It is thus the rate at which a bank is willing to borrow Euro from other banks. There is no official LIBID fixing; each bank make their own bids.

Chinese wall: In finance, a Chinese Wall is the practice of separating two departments within the same financial institution in order to prevent information from moving between the two departments. A bank may for instance have one department specializing in advice concerning takeovers and mergers, and another department that specializes in giving stock investment advice to clients. Both departments handle sensitive financial information, and conflicts of interest could easily appear if they weren't properly separated from each other. If confidential information about an impending merger were to reach the investment advice department, there is a risk of illegal insider trading. Chinese Walls are also utilized by law firms to prevent conflicts of interest.

Kerb market: When securities are traded outside official market hours, they are traded "on the kerb market". The term conjures up an image of such trades taking place on the kerb (British English) or curb (North American English) outside an exchange.

Nostro account: An account held by one bank in another bank, when the two banks are located in different countries. Normally, a nostro account will be in the local currency of the country where the account is kept. Example: An Italian bank holds a nostro account in a bank in Japan. The currency of the account is the Japanese yen.

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3

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Winter Schedule till 31st March 2017

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|----------------|-----------|---------|---------------|----------------|-----------|---------|---------------|
| FLIGHT | DEPARTURE | ARRIVAL | DAYS | FLIGHT | DEPARTURE | ARRIVAL | DAYS |
| VQ 711 | 11:30 | 13:45 | FRI, SUN, TUE | VQ 712 | 14:45 | 16:00 | FRI, SUN, TUE |

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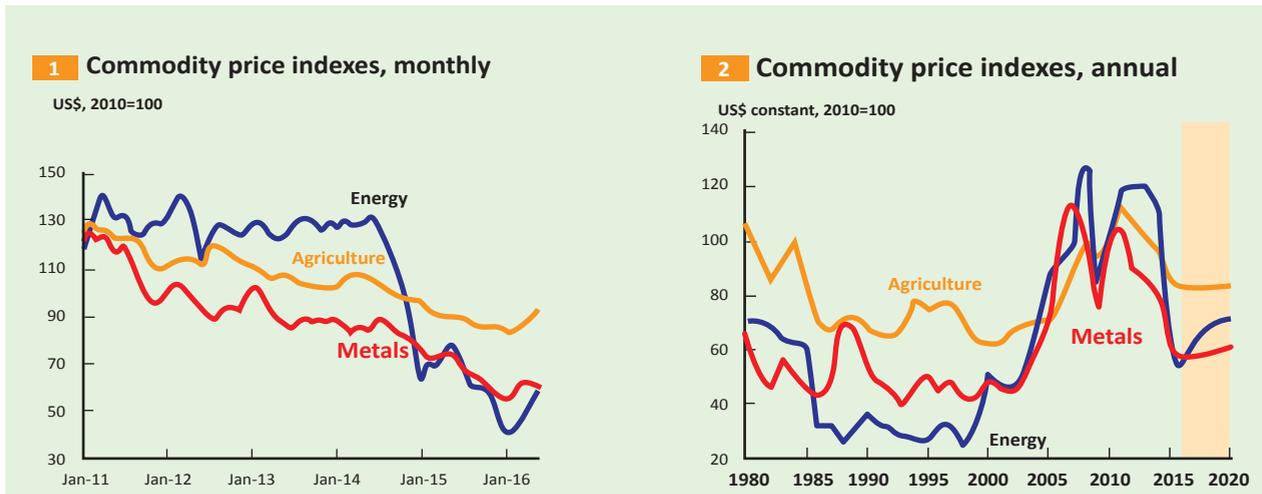


INTERNATIONAL NEWS

Commodity markets outlook_2016

Most commodity price indexes rebounded in the second quarter of 2016, continuing their upward climb from January lows on improved market sentiment and tapering supplies. Oil prices jumped by more than a third due to supply outages and strong demand. Given this rebound and expected reduction in inventories during the second half of the year, the crude oil price forecast for 2016 is being raised to USD 43 per barrel (bbl) from USD 41/bbl in the April assessment, still a 15 percent drop from 2015. Metals prices are projected to decline 11 percent in 2016, a slightly larger drop than anticipated in April, mainly driven by an ongoing surplus in the copper market. Agricultural prices for 2016 have been revised slightly upwards due to weather patterns in South America, but are still

number of supply disruptions that removed up to 2.5 million barrels per day (mb/d) of production at peak during May and June, with large losses concentrated in Canada due to wildfires, and in Nigeria due to militant attacks on oil infrastructure. In addition, there were disruptions in other countries, including Kuwait, Iraq, and Libya. Declines in non-OPEC production, led by the United States, were partly offset by higher OPEC production, mainly from Iran. Global oil demand remained strong, albeit slowing. In contrast, natural gas prices were down 5 percent in the second quarter, particularly in Europe and Asia, due to weak demand and surplus supplies of liquefied natural gas (LNG). However, U.S. gas prices rose from their lows in March on stronger demand and higher exports. Coal prices rose 2 percent on tightening supply and strong demand in China.



Source : World Bank

expected to register a marginal decline from last year. A large upward revision for precious metal prices of more than 8 percentage points versus the April assessment reflects the increased demand for safe haven assets. For 2017, a modest recovery is projected for most commodities as demand strengthens and supply tightens. This issue of the Commodity Markets Outlook examines the implications of low energy prices for food prices. It finds that, given the energy-intensive nature of agriculture, high energy prices were an important driver of the post-2006 surge in agricultural prices. Over 2011-16, lower energy prices are estimated to account for up to one-third of the projected 32 percent decline in prices of grains and soybeans.

Trends: Energy prices leapt almost 30 percent in the second quarter of 2016 (Figure 1). Oil prices averaged USD 47.70/bbl in June, 37 percent above their first quarter average. The oil price rebound reflects a

Non-energy commodity prices rose 7 percent in the second quarter, led by agriculture, which was up 8 percent. Gains were concentrated in oils and meals (up 17 percent) due to poor harvests in South America (some grains and soybeans) and East Asia (palm oil). Other food commodity prices rose moderately. Metals prices rose 5 percent in the second quarter, with gains concentrated in iron ore, zinc and tin on production cuts and stronger demand. Precious metals prices rose 8 percent due to strong investor demand prompted by anticipation of delays in the normalization of monetary policy in the United States and growing concerns about global growth. Fertilizer prices fell almost 7 percent amid weak demand and surplus production capacity.

Outlook and risks: All main commodity price indexes (except food and precious metals) are expected to decline in 2016 (Figure 2) due to large supplies and, in the case of industrial commodities, weak growth

prospects in emerging market and developing economies (EMDEs). However, the annual decline in prices is smaller than forecast in the April 2016 Commodity Markets Outlook (Table 1).

Energy prices are expected to fall 16 percent, with average oil prices projected at USD 43/bbl in 2016 (compared with USD 41/bbl in the April assessment). This implies marginally higher prices for the second half of 2016, as the oversupply in the oil market diminishes. Downside risks to the energy price forecast include higher-than-expected output and further weakening in EMDE growth. Supply disruptions among key producers could lead to higher prices. Non-energy commodity prices are expected to drop 4 percent in 2016, 1 percentage point less than forecast in the April assessment. Agricultural prices have been revised up 2 percentage points, but are still projected to average marginally lower in 2016 than in 2015. The outlook reflects adequate supplies for most commodities but also takes into account reduced harvests in South America (especially Brazil) due to dry weather conditions. Agricultural commodity prices are also expected to be dampened by lower energy costs and plateauing demand for biofuels. Although the food price index is expected to grow only moderately next year, there is considerable dispersion among its key components: Grains and beverages are both projected to fall 4 percent and raw materials by 2 percent, while oils and meals are expected to increase 3 percent. Upside risks to agricultural price forecasts include the likely intensification of La Niña (unusually cold weather in the equatorial Eastern Central Pacific Ocean), which could affect some food commodities, such as maize in the

United States and wheat in Australia. Downside price risks reflect increased agricultural subsidies, which would encourage greater supply of food commodities. Fertilizer prices are projected to retreat 18 percent in 2016 due to surplus capacity, weak demand, and low natural gas prices, used as feedstock to the production of some fertilizers.

Metals prices are projected to decline 11 percent in 2016, which follows last year's 21 percent drop, due to weak demand prospects and new capacity coming on line. The largest declines are for nickel and copper, amid surplus supply, while the zinc market is expected to tighten with the closure of large mines. Downside price risks for non-energy industrial commodities include further slowdown in China and currency depreciations in key suppliers. Precious metals prices are projected to rise 8 percent in 2016 on stronger safe haven buying and deepening concerns about global growth prospects.

Special Focus on the implications of low energy prices for food prices:

Energy prices declined 45 percent in 2015 and are projected to drop another 16 percent in 2016. Since agriculture is energy intensive, lower energy prices reduce the cost of producing food commodities. Lower energy prices can ease policy pressures to encourage production of biofuels, which have been a key factor behind the growth of food commodity demand over the past decade. Indeed, energy prices were an important driver of the post-2006 surge in agricultural prices. During 2011-16, energy price changes are estimated to contribute about one-third to the projected 32 percent decline of grain commodities and soybeans prices.

Table: Nominal price indexes (actual and forecasts) and forecast revisions

| | Price Indexes (2010=100) | | | | | | Change (%) | | Revision ² | |
|------------------------------------|--------------------------|-------|-------|-------|--------------------|--------------------|------------|---------|-----------------------|-------|
| | 2012 | 2013 | 2014 | 2015 | 2016f ¹ | 2017f ¹ | 2015-16 | 2016-17 | 2016f | 2017f |
| Energy | 128 | 127 | 118 | 65 | 54 | 66 | -16.4 | 22.2 | 1.9 | 3.4 |
| Non-Energy³ | 110 | 102 | 97 | 82 | 79 | 81 | -4.1 | 2.1 | 0.8 | 0.7 |
| Agriculture | 114 | 106 | 103 | 89 | 89 | 90 | -0.7 | 1.5 | 2.4 | 2.2 |
| <i>Beverages</i> | 93 | 83 | 102 | 94 | 90 | 89 | -4.6 | -0.3 | 0.4 | 0.5 |
| <i>Food</i> | 124 | 116 | 107 | 91 | 91 | 93 | 0.4 | 1.6 | 3.4 | 3.1 |
| <i>Oils and meals</i> | 126 | 116 | 109 | 85 | 87 | 89 | 2.7 | 2.3 | 5.2 | 4.8 |
| <i>Grains</i> | 141 | 128 | 104 | 89 | 86 | 88 | -3.7 | 2.6 | 1.4 | 1.3 |
| <i>Other food</i> | 107 | 104 | 108 | 100 | 101 | 101 | 1.0 | 0.2 | 2.9 | 2.7 |
| <i>Raw Materials</i> | 101 | 95 | 92 | 83 | 82 | 84 | -1.7 | 2.3 | 1.1 | 1.0 |
| Fertilizers | 138 | 114 | 100 | 95 | 78 | 80 | -18.0 | 2.0 | -4.6 | -4.2 |
| Metals and Minerals | 96 | 91 | 85 | 67 | 60 | 62 | -11.0 | 3.6 | -1.8 | -2.0 |
| Precious Metals³ | 138 | 115 | 101 | 91 | 97 | 95 | 7.5 | -2.0 | 8.3 | 7.3 |
| Memorandum items | | | | | | | | | | |
| Crude oil (\$/bbl) | 105 | 104 | 96 | 51 | 43 | 53 | -15.2 | 23.7 | 2.0 | 3.2 |
| Gold (\$/toz) | 1,670 | 1,411 | 1,266 | 1,161 | 1,250 | 1,219 | 7.7 | -2.4 | 100.0 | 87.1 |

Source: World Bank.

Notes: (1) "f" denotes forecasts. (2) Denotes revision to the forecasts from the April 2016 report (expressed as change in index value except \$/bbl for crude oil, and \$/toz for gold). (3) The non-energy price index excludes precious metals. Figures may not match due to rounding.

INTERNATIONAL NEWS



U.S. Overview

Growth Is Set to Perk Up, For a Quarter At Least

After a disappointing first half in which real GDP growth averaged just a 1.0 percent pace, economic activity appears to have finally gained momentum. Wells Fargo are now looking for real GDP growth to accelerate to a 3.1 percent annual rate during the third quarter, with consumer spending accounting for most of the improvement. Business fixed investment and the public sector should also eke out modest gains. Third quarter growth will also benefit from less drag from inventory drawdowns and some modest, albeit likely temporary, improvement in net exports.

Stronger third quarter growth likely does not mark the beginning of sustained, meaningful improvement in economic activity. While the drag on capital spending from reduced oil and gas drilling appears to be ending, some other sectors where growth had been solid are now cooling off, most notably the automotive and aerospace sectors. International trade also remains a source of concern, with expectations for global growth continuing to be downgraded.

Real GDP growth of 3 percent or better in the third quarter would back up Fed Chair Janet Yellen's statement that the case for raising the federal funds rate has strengthened. Wells Fargo expect the Fed to increase the federal funds rate one quarter percentage point at its December 13-14 FOMC meeting. The Fed's expectations for interest rates beyond that look too ambitious to us and Wells Fargo expects the dot plot to be lowered further, allowing for just two quarter point hikes in the funds rate in both 2017 and 2018 as opposed to the current four.

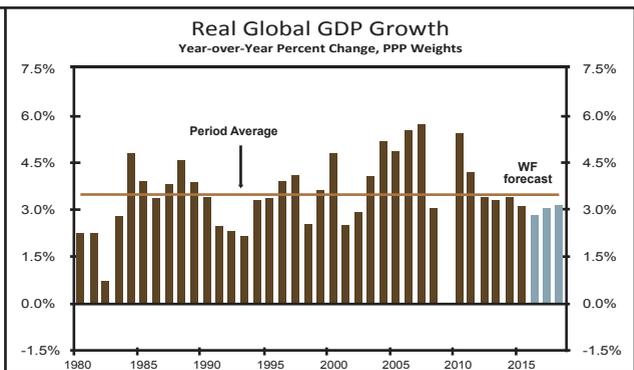
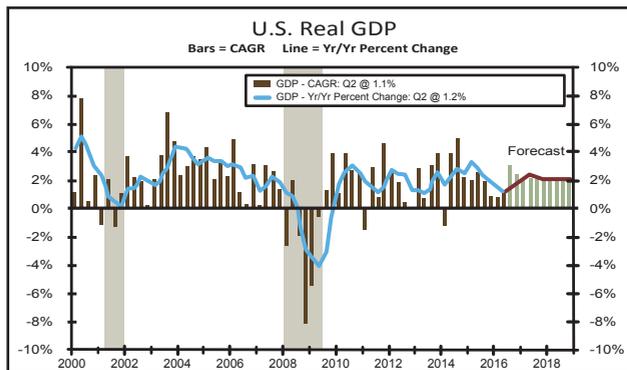
International Overview

Despite Challenges, Global Economy Marches On

Growth in many parts of the global economy is weaker than the long-term trend. Though Wells Fargo sees some room for improvement, Wells Fargo latest update to the global forecast reflects headline global GDP growth that is apt to remain a bit below average throughout Wells Fargo forecast period which now extends to 2018.

Considering all of the challenges the global economy has absorbed in 2016, it is remarkable that growth is positive at all. Since the start of this year, Saudi Arabia has broken off diplomatic ties with Iran, the World Health Organization announced the outbreak of the Zika virus, the United Kingdom voted to leave the European Union, and Civil War in Syria has led to a humanitarian crisis that has sent millions of refugees seeking safety. With all that, Wells Fargo still anticipates global GDP growth of 2.9 percent in 2016 which is actually a slight upgrade in the outlook relative to the 2.7 percent forecasted in August. The slight upgrade reflects less pessimism in Wells Fargo expectations for Brazil and Russia—two economies that remain in difficult economic shape, although the GDP numbers are now expected to be somewhat less dire. The forecast improves incrementally for 2017 with global growth rising to 3.0 percent. Rather than broad-based improvement, this slightly better number for 2017 reflects what growth might look like as negative drags mentioned above begin to fade.

Wells Fargo also nudged the growth estimate for the U.S. economy slightly higher for 2017, with headline growth now estimated to be 2.2 percent in the world's largest economy.



Source: U.S. Department of Commerce, International Monetary fund and Wells Fargo Securities

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The recognition was made at the '**SME Banking Award 2014**' ceremony jointly organized by Bangladesh Bank and the SME Foundation. With this achievement, MTB becomes the first-ever best SME bank of the year for its contribution to the development of small and medium enterprises (SMEs).



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